

**COMPANY REGISTRATION NO:  
537545**

**BLUESKY 33 LEASING COMPANY LIMITED**

**DIRECTORS' REPORT AND AUDITED FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**

**BLUESKY 33 LEASING COMPANY LIMITED**

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**BLUESKY 33 LEASING COMPANY LIMITED**

**DIRECTORS AND OTHER INFORMATION**

**DIRECTORS:**

Fergal Molony	(Irish)
Shane O'Connell	(Irish) (Resigned on 8 July 2025)
Francis Boyle	(Irish)
Xiaohui Hu	(Chinese) (Resigned on 26 August 2025)
Xuelin Yu	(Chinese) (Appointed on 2 April 2025)
Huang Mei	(Chinese) (Appointed on 26 August 2025)

**COMPANY SECRETARY:**

Apex IFS Limited  
2nd Floor, Block 5  
Irish Life Centre  
Lower Abbey Street  
Dublin D01 P767  
Ireland

**REGISTERED OFFICE:**

Block E  
Iveagh Court  
Harcourt Road  
Dublin D02 YT22  
Ireland

**BANKERS:**

Bank of Ireland  
2 Burlington Plaza  
Burlington Road  
Dublin D04 EC66  
Ireland

**INDEPENDENT AUDITOR:**

Grant Thornton  
Chartered Accountants & Statutory Audit Firm  
13-18, City Quay  
Dublin D02 ED70  
Ireland

**SOLICITORS**

A&L Goodbody  
3 Dublin Landings  
North Wall Quay  
Dublin D01 C4E0  
Ireland

**CORPORATE ADMINISTRATOR:**

Apex IFS Limited  
2nd Floor, Block 5  
Irish Life Centre  
Lower Abbey Street  
Dublin D01 P767  
Ireland

## **BLUESKY 33 LEASING COMPANY LIMITED**

### **DIRECTORS' REPORT**

The Directors present their annual report and audited financial statements of Bluesky 33 Leasing Company Limited (the "Company") for the year ended 31 December 2024.

### **PRINCIPAL ACTIVITIES, BUSINESS REVIEW AND FUTURE DEVELOPMENTS**

The Company was incorporated on 7 January 2014 and commenced trading on 13 August 2019. The Company is a wholly owned subsidiary of Minsheng Commercial Aviation (Ireland) Company Limited ("Parent Company"), which is in turn an indirect wholly owned subsidiary of Minsheng Financial Leasing Limited ("MSFL"). MSFL is majority owned and controlled by China Minsheng Banking Corporation ("CMBC").

The Company was incorporated in the Republic of Ireland as a special purpose company whose principal activity is the owning and leasing of aircraft. The Company purchased two (2) Airbus A330-300 aircraft with serial numbers MSN 1131 and MSN 1126 on the 13 August 2019 via a sale and leaseback transaction. The aircraft were leased to AAX Eleven Leasing Eleven Ltd ("AAX Eleven") a subsidiary of Air Asia X. However, AAX defaulted on a number of payments from February 2020 and subsequently entered into a formal restructuring agreement during the previous financial year. MSN 1126 resumed services in October 2022 after significant maintenance work and MSN 1131 returned to service in March 2023.

The financing of the Company is through intercompany loans from the Parent Company. The loans from the Parent Company are priced at an arm's length basis and the interest rates on the loans are reviewed on an annual basis.

The Directors expect the current level of activity to be maintained for the foreseeable future.

### **RESULTS AND DIVIDENDS FOR THE YEAR**

The Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 December 2024 and the Statement of Financial Position at that date are set out on pages 11 and 12.

The result for the financial year was a loss after tax of USD 9,594,440 (2023: loss after tax of USD 10,114,859).

The Directors do not recommend the payment of a dividend during the financial year (2023: USD Nil).

### **GOING CONCERN**

Based on all of the information available at present, the Directors believe that the Company has sufficient liquidity to meet its obligations as they fall due and that it continues to be appropriate to prepare the financial statements on a going concern basis of preparation. The Company will continue to receive support from the Parent Company and MSFL for any administrative expenses, intercompany loans and interest payable along with other liabilities. Management's intention is to look for more opportunities and not to terminate the Company.

In determining the going concern basis of preparation of the financial statements, the Directors have considered the cash position and available resources to the Company and related forecasts along with Parent Company support and MSFL, which show that based on current information that the Company would continue as a going concern for the foreseeable future. The Directors and management continue to monitor the impact of the conflict between Ukraine and Russia on the activities of the Company. However, as the Company has no direct operations in Russia or Ukraine, the Directors and management believe that there is no material impact at present. The Directors and management continue to keep the situation and the impact on the Company under review, with the support of the key service providers.

## **BLUESKY 33 LEASING COMPANY LIMITED**

### **DIRECTORS' REPORT - continued**

#### **STATEMENT ON RELEVANT AUDIT INFORMATION**

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- (i) so far as each director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- (ii) he or she has taken all the steps that he or she ought to have taken as a director to make himself or herself aware of any relevant audit information, and to establish that the company's auditors are aware of that information.

#### **POLITICAL DONATIONS**

No political donations were made by the Company during the financial year (2023: USD Nil).

#### **BOOKS OF ACCOUNT**

The Directors are responsible for ensuring that proper books and accounting records, as outlined in Section 281-285 of the Companies Act 2014, are kept by the Company. To achieve this, the Directors have appointed Apex IFS Limited ("Apex") to provide accounting services, who report to the board and ensure that the requirements of Section 281-285 of the Companies Act 2014, are complied with. The books of account of the Company are maintained at 2nd Floor, Block 5, Irish Life Centre, Lower Abbey Street, Dublin 1, Ireland.

#### **INDEPENDENT AUDITOR**

Grant Thornton, Chartered Accountants & Statutory Audit Firm, in accordance with Section 383 (2) of the Companies Act 2014, have indicated their willingness to continue in office as auditors of the Company.

#### **SUBSEQUENT EVENTS**

On 2 April 2025, Xuelin Yu was appointed as director. Also, on 8 July 2025 Shane O'Connell resigned as director of the Company, and on 26 August 2025 Xiaohui Hu resigned and Huang Mei was appointed director of the Company.

In January 2026, the Company, as borrower, entered in to a facility agreement between Minsheng Commercial Aviation (Ireland) Company Limited, Minsheng Financial Leasing Co., Ltd., and China Everbright Bank Co., Ltd., Hong Kong Branch (as lender) with the purpose of refinancing the acquisition of its current owned Aircraft on lease.

There were no other events after the reporting year end, which would require revision of the figures or disclosures in the financial statements.

#### **PRINCIPAL RISKS AND UNCERTAINTIES**

As a lessor, the Directors have identified the credit risk of the lessee as the primary risk facing the Company, as the Company bears the risk of non-performance under its lease by the airline operating the aircraft. The Company is also exposed to asset risk, market risk, interest rate risk and liquidity risk due to the structure of the Company.

##### **(i) Credit and concentration risk**

The Company is subject to the credit risk of its lessee as to collection of rental payments due under its operating leases. Credit risk is defined as expected loss in cash and earnings if the counterparty is unable to pay its obligations in due time.

The receipt of the operating lease amounts is highly dependent upon the financial strength of AAX Eleven. Default by this entity could have a material adverse effect on both the Company's cash flow earnings and ability to meet debt obligations.

The Directors mitigate this risk by collecting maintenance reserves and collecting security deposits in form of cash.

**DIRECTORS' REPORT - continued**

**PRINCIPAL RISKS AND UNCERTAINTIES - continued**

**(ii) Market risk**

The Company is highly dependent upon the continuing financial strength of the commercial airline industry. A significant deterioration in this sector could adversely affect the Company through a reduced demand for aircraft and/or reduced market rates, higher incidences of lessee default and aircraft on ground. The Company periodically performs reviews of its carrying value of aircraft and associated assets, receivables and the sufficiency of accruals and provisions, substantially all of which are susceptible to the above risks and uncertainties.

**(iii) Asset risk**

The Company bears the risk of re-leasing or selling the aircraft at the end of its lease term. If demand for aircraft decreases, market lease rates may fall and should this continue for an extended period, it could affect the market value of the aircraft and may result in an impairment charge. Management assessment of impairment was carried out through a review of both the value in use of the aircraft and the net realisable value of the aircraft. The aircraft showed no sign of impairment in either scenario.

At group level, there are experienced personnel who are employed to develop and advise on marketing strategies as well as identifying and negotiating with prospective lessees and third party purchasers for lease or sale of assets. The Company's strategy for managing residual value risk is to maximise return through sale.

**(iv) Interest rate risk**

Interest rate risk is the risk (variability in value) borne by an interest bearing asset or liability, such as a loan or a bond, due to variability of interest rates.

The Company has loan agreements with the Parent Company to support the aircraft procurement and operating costs. The interest rates applicable to the Parent Company loan are fixed for the current year as per rate review received at mid year. An overall review of interest rates is carried out at year end by management in order to ascertain whether the interest rate needs to change. This change is prospective and therefore, changes in interest rates at year end will be reflected in next year accounts.

**(v) Liquidity risk**

The Company has funded its operations with debt financing. The ability of the Company to continue to operate is dependent on its ability to meet its payment obligations, which are dependent among other things upon the factors outlined above. The Company continues to receive Parent Company support by way of cash resources up to the level it requires to implement its business and pay its liabilities as they fall due. The Company also has the support of MSFL.

**(vi) Performance Indicators**

The principle key performance indicators used by management to monitor performance are as follows:

- Operating profit indicators - The operating loss margin at 2024 was 15% of total revenue (2023: operating loss margin of 54%)
- Net asset indicators - The percentage cover of liabilities by assets is 63% for 2024 (2023: 70%).
- Various measures in relation to capital expenditure, including acquisitions and disposals - There was no updates for this during financial year (2023: Nil).

## BLUESKY 33 LEASING COMPANY LIMITED

### DIRECTORS' REPORT - continued

#### DIRECTORS' AND SECRETARY

The Directors and Secretary of the Company who held office during the financial year are as outlined below:

<b>Name</b>	<b>Appointed</b>	<b>Resigned</b>	<b>Office</b>
Fergal Molony	7-Jan-2014		Director
Shane O'Connell	26-Feb-2019	8-Jul-2025	Director
Francis Boyle	3-May-2023		Director
Xiaohui Hu	11-Oct-2022	26-Aug-2025	Director
Xuelin Yu	2-Apr-2025		Director
Huang Mei	26-Aug-2025		Director
Apex IFS Limited	7-Jan-2014		Secretary

On 2 April 2025, Xuelin Yu was appointed as director. Also, on 8 July 2025 Shane O'Connell resigned as director of the Company, and on 26 August 2025 Xiaohui Hu resigned and Huang Mei was appointed director of the Company.

The Directors continue in office in accordance with the Articles of Association of the Company.

#### DIRECTORS' COMPLIANCE STATEMENT

The Company does not meet the requirements to provide a Directors' Compliance Statement in line with Section 225 (2) of the Companies Act 2014, as they fall outside the prescribed thresholds.

#### AUDIT COMMITTEE

The Company does not meet the requirements to establish an audit committee in line with Section 167(1) of the Companies Act 2014, as they fall outside the prescribed thresholds.

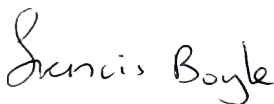
#### DIRECTORS', SECRETARY AND THEIR INTERESTS

In accordance with Section 329 of the Companies Act 2014, the Directors and Secretary who held office at 31 December 2024 had no interests in the share capital of the Company or any group company in the current or prior year. The names of the Directors and Company Secretary together with details of appointments and resignations during the reporting period are listed above.

On behalf of the Board:



**Fergal Molony**  
Director



**Francis Boyle**  
Director

**Date: 13 February 2026**

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

**DIRECTORS' RESPONSIBILITIES**

The Directors are responsible for preparing the Directors' Report and financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' ("FRS 101") and applicable law.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the Company and of its profit or loss for that year.

In preparing the financial statements of the Company, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards, identify those standards and note the effect and the reasons for any material departure from those standards; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for ensuring that the Company keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the Company, enable at any time the assets, liabilities, financial position and profit or loss of the Company to be determined with reasonable accuracy, enable them to ensure that the financial statements and Director's report comply with the Companies Act 2014 and enable the financial statements to be audited.

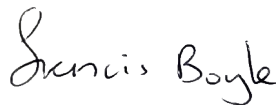
They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

The Directors are also responsible for preparing a Directors' Report that complies with the requirements of the Companies Act 2014.

On behalf of the Board:



**Fergal Molony**  
**Director**



**Francis Boyle**  
**Director**

**Date: 13 February 2026**

# Independent auditor's report to the members of Bluesky 33 Leasing Company Limited

## Opinion

We have audited the financial statements of Bluesky 33 Leasing Company Limited (the “company”), which comprise the profit or loss account, statement of financial position, and statement of changes in equity for the financial year ended 31 December 2024, and the related notes to the financial statements, including the summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is Irish law and accounting standards issued by the Financial Reporting Council including FRS 101 “Reduced Disclosure Framework”.

In our opinion, Bluesky 33 Leasing Company Limited's financial statements:

- give a true and fair view in accordance with Generally Accepted Accounting Practice in Ireland of the assets, liabilities, and financial position of the company as at 31 December 2024 and of financial performance for the financial year then ended,
- have been properly prepared in accordance with the relevant accounting framework, and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (‘ISAs (Ireland)’) and applicable law. Our responsibilities under those standards are further described in the ‘Auditor’s responsibilities for the audit of the financial statements’ section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, including the Ethical Standard for Auditors (Ireland) issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and the ethical pronouncements established by Chartered Accountants Ireland, applied as determined to be appropriate in the circumstances for the company. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors’ use of going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company’s ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

# Independent auditor's report to the members of Bluesky 33 Leasing Company Limited

## Other information

The directors are responsible for the other information. Other information comprises information included in the annual report, other than the financial statements and the auditor's report thereon, including the Directors' report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

## Opinion on the matters prescribed by the Companies Act 2014

We have obtained all the information and explanations which to the best of our knowledge and belief, we considered necessary for the purposes of our audit.

In our opinion:

- the accounting records of the company were sufficient to permit the financial statements to be readily and properly audited.

The statement of financial position and income statement are in agreement with the accounting records and returns.

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the Directors' report for the financial year is consistent with the financial statements.
- the Directors' report has been prepared in accordance with applicable legal requirements, excluding the requirements on sustainability reporting in Part 28.

Based on our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' report.

## Matters on which we are required to report by exception

The Companies Act 2014 requires us to report to you if, in our opinion, the requirements of sections 305 to 312 of the Act, which relate to the disclosure of directors' remuneration and transactions with directors have not been complied with by the company. We have nothing to report in this regard.

## Responsibilities of management and those charged with governance for the financial statements

As explained more fully in the Directors' responsibilities statement, management is responsible for the preparation of the financial statements in accordance with the applicable financial reporting framework that give a true and fair view, and for such internal control as they determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

# Independent auditor's report to the members of Bluesky 33 Leasing Company Limited

In preparing the financial statements, management is responsible for assessing the company'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 management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the company's financial reporting process and for the preparation of financial statements that give a true and fair view.

## **Auditor's responsibilities for the audit of the financial statements**

The objectives of an auditor are to obtain reasonable assurance about whether the 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. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) 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 financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Irish Auditing and Accounting Supervisory Authority's website at: [http://www.iaasa.ie/getmedia/b32389013-1cf6-458b-9b8f-a98202dc9c3a/Description\\_of\\_auditors\\_responsibilities\\_for\\_audit.pdf](http://www.iaasa.ie/getmedia/b32389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf). This description forms part of our auditor's report.

## **The purpose of our audit work and to whom we owe our responsibilities**

This report is made solely to the company's members, as a body, in accordance with section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Shahnawaz Mirza

For and on behalf of

## **Grant Thornton**

Chartered Accountants & Statutory Audit Firm

Dublin 2

13 February 2026

**BLUESKY 33 LEASING COMPANY LIMITED**

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
for the year ended 31 December 2024

	Note	2024 USD	2023 USD
<b>REVENUE</b>			
Operating lease revenue	3	5,915,329	4,481,482
Other income	4	-	25,975
		<b>5,915,329</b>	<b>4,507,457</b>
<b>EXPENSES</b>			
Administrative expenses	5	(136,046)	(249,053)
Depreciation	10	(6,696,044)	(6,696,044)
		<b>(6,832,090)</b>	<b>(6,945,097)</b>
<b>OPERATING LOSS</b>		<b>(916,761)</b>	<b>(2,437,640)</b>
Finance expense	7	(8,677,679)	(7,677,219)
<b>NET FINANCE COSTS</b>		<b>(8,677,679)</b>	<b>(7,677,219)</b>
<b>LOSS BEFORE INCOME TAX</b>		<b>(9,594,440)</b>	<b>(10,114,859)</b>
Tax charge for the year	9	-	-
<b>LOSS FOR THE FINANCIAL YEAR FROM CONTINUING OPERATIONS</b>		<b>(9,594,440)</b>	<b>(10,114,859)</b>
Other comprehensive income		-	-
<b>TOTAL COMPREHENSIVE LOSS FOR THE FINANCIAL YEAR</b>		<b>(9,594,440)</b>	<b>(10,114,859)</b>

All activities derive from continuing operations for the financial year are attributable to the owners of the Company.

All items dealt with in arriving at the loss for the financial year ended 31 December 2024 are related to continuing operations.

The accompanying notes on pages 14 to 29 form an integral part of these financial statements.


**BLUESKY 33 LEASING COMPANY LIMITED**

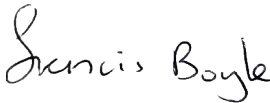
**STATEMENT OF FINANCIAL POSITION**  
as at 31 December 2024

<b>ASSETS</b>	<b>Note</b>	<b>2024</b> <b>USD</b>	<b>2023</b> <b>USD</b>
<b>NON-CURRENT ASSETS</b>			
Aircraft and related components	10	76,170,390	82,866,434
		<b>76,170,390</b>	<b>82,866,434</b>
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	11	928,379	997,755
Trade and other receivables	12	527,539	3,150,548
		<b>1,455,918</b>	<b>4,148,303</b>
<b>TOTAL ASSETS</b>		<b>77,626,308</b>	<b>87,014,737</b>
<b>EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS' DEFICIT</b>			
Share capital	13	100	100
Retained deficit	18	(46,017,444)	(36,423,004)
<b>TOTAL SHAREHOLDERS DEFICIT</b>		<b>(46,017,344)</b>	<b>(36,422,904)</b>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Maintenance provision	17	3,293,925	1,459,329
		<b>3,293,925</b>	<b>1,459,329</b>
<b>CURRENT LIABILITIES</b>			
Loans and borrowings	14	114,525,672	114,487,880
Interest payable	15	4,888,692	6,671,917
Trade and other payables	16	935,363	818,515
		<b>120,349,727</b>	<b>121,978,312</b>
<b>TOTAL LIABILITIES</b>		<b>123,643,652</b>	<b>123,437,641</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>77,626,308</b>	<b>87,014,737</b>

The accompanying notes on pages 14 to 29 form an integral part of these financial statements.

The financial statements were approved by the Board of Directors and signed on its behalf by:

  
\_\_\_\_\_  
**Fergal Molony**  
Director

  
\_\_\_\_\_  
**Francis Boyle**  
Director

**Date: 13 February 2026**

**BLUESKY 33 LEASING COMPANY LIMITED****STATEMENT OF CHANGES IN EQUITY  
as at 31 December 2024**

	<b>Share capital USD</b>	<b>Retained deficit USD</b>	<b>Total deficit USD</b>
Balance at 1 January 2024	100	(36,423,004)	(36,422,904)
Total Comprehensive Loss for the year Loss for the year	-	(9,594,440)	(9,594,440)
<b>Balance at 31 December 2024</b>	<b>100</b>	<b>(46,017,444)</b>	<b>(46,017,344)</b>

	<b>Share capital USD</b>	<b>Retained deficit USD</b>	<b>Total deficit USD</b>
Balance at 1 January 2023	100	(26,308,145)	(26,308,045)
Total Comprehensive Loss for the year Loss for the year	-	(10,114,859)	(10,114,859)
<b>Balance at 31 December 2023</b>	<b>100</b>	<b>(36,423,004)</b>	<b>(36,422,904)</b>

All equity is attributable to the holders of the ordinary shares of the Company.

The accompanying notes on pages 14 to 29 form an integral part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS**

**1 CORPORATE INFORMATION**

The Company is a single member private company limited by shares. The Company was incorporated on 7 January 2014 and commenced trading on 13 August 2019. The address of the Company's registered office is Block E, Iveagh Court, Harcourt Road, Dublin 2, Ireland.

The Company is a wholly owned subsidiary of the Minsheng Commercial Aviation (Ireland) Company Limited ("Parent Company"), which is in turn an indirect wholly owned subsidiary of Minsheng Financial Leasing Limited ("MSFL"). MSFL is majority owned and controlled by China Minsheng Banking Corp. Limited ("CMBC").

The Company was incorporated in the Republic of Ireland as a special purpose company whose principal activity of the Company is the owning and leasing of aircraft.

**2 ACCOUNTING POLICIES**

*BASIS OF PREPARATION*

The financial statements have been prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' ("FRS 101"). In preparing these financial statements, the Company applies the recognition measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRS") and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The financial statements have been prepared under the historical cost convention. The Company continues to adopt the going concern basis in preparing the financial statements. The Company continues to receive Parent Company support by way of cash resources up to level it requires to implement a business and pay its liabilities as they fall due.

The financial statements are presented in US Dollars ("USD"), which is the functional and presentation currency of the Company.

*GOING CONCERN*

Based on all of the information available at present, the Directors believe that the Company has sufficient liquidity to meet its obligations as they fall due and that it continues to be appropriate to prepare the financial statements on a going concern basis of preparation. The Company will continue to receive support from the Parent Company and MSFL for any administrative expenses, intercompany loans and interest payable along with other liabilities. Management's intention is to look for more opportunities and not to terminate the Company.

In determining the going concern basis of preparation of the financial statements, the Directors have considered the cash position and available resources to the Company and related forecasts along with Parent Company support and MSFL, which show that based on current information that the Company would continue as a going concern for the foreseeable future. The Directors and management continue to monitor the impact of the conflict between Ukraine and Russia on the activities of the Company. However, as the Company has no direct operations in Russia or Ukraine, the Directors and management believe that there is no material impact at present. The Directors and management continue to keep the situation and the impact on the Company under review, with the support of the key service providers.

**NOTES TO THE FINANCIAL STATEMENTS**

**2 ACCOUNTING POLICIES - continued**

*ESTIMATES AND JUDGEMENTS*

The preparation of the financial statements in conformity with FRS 101 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

*IFRS 9*

The Company applied IFRS 9 simplified approach to measuring expected credit losses ("ECL") for trade receivables which uses a lifetime expected loss allowance for all intercompany and trade receivables from rental of aircraft. The Company used security deposits from lessee and affiliate entities to offset the total arrears at reporting date. This balance was then used to assess expected credit loss provision. For trade receivables from aircraft on lease, no expected loss allowance was recognized for the year ended 31 December 2024 (2023: Nil). This amount represents the Company's expectation of credit losses on amounts receivable at the reporting date, net of subsequent cash recoveries and security deposits held by the Company.

*FOREIGN CURRENCY TRANSACTIONS*

Foreign currency transactions are translated to the Company's functional currency at the exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currency are translated at the exchange rates prevailing at the balance sheet date. Foreign currency differences on these are recognised in the Statement of Profit or Loss and Other Comprehensive Income.

*FINANCIAL REPORTING STANDARD 101 - REDUCED DISCLOSURE EXEMPTIONS*

The company has taken advantage of the following disclosure exemptions under FRS 101: and the exemptions that have been applied because equivalent disclosures are included in the consolidated financial statements of China Minsheng Banking Corporation Limited ("CMBC") and these financial statements may be obtained from, No. 2 Fuxingmennel Street, Xicheng District, Beijing, China.

- The requirements of IFRS 7 Financial Instruments
- The requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- The requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:- paragraph 73(e) of IAS 16 Property, Plant and Equipment
- The requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- The requirements of IAS 7 Statement of Cash Flows
- The requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- The requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosure
- The requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member

**NOTES TO THE FINANCIAL STATEMENTS**

**2 ACCOUNTING POLICIES - continued**

**ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS**

In the current year, the Company has applied a number of amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2024. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

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

**FINANCIAL INSTRUMENTS**

IFRS 9 sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items.

The Company has used methods in its classification and measurement of its financial assets relevant to IFRS 9. Under IFRS 9, on initial recognition, there are three classifications of financial assets; Amortised Cost, Fair Value through other comprehensive income (FVOCI) for a debt instrument or equity investment and Fair Value through profit and loss (FVTPL). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. The Company's relevant financial assets are classified at amortised cost with the expected credit losses.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL. If it is held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The impairment model applies to financial assets measured at amortised cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments. The financial assets at amortised cost consist of trade receivables and cash.

The Company has elected to measure loss allowances for trade receivables at an amount equal to Lifetime Expected Credit Loss ("ECL").

Under IFRS 9, each financial asset must now be assessed on an ongoing basis to ascertain whether there has been a change in the risk of default since origination. In order to do this, each financial asset must be assessed on a number of risk factors and categorised into 3 types or "Stages". These stages can be defined as follows:

Stage 1: No increase in risk of default since origination of financial asset and risk factor of a default applied to a 12 month Cash Flow

Stage 2: Identified increased risk of default since origination of financial asset and risk factor of a default applied to a lifetime Cash Flow

Stage 3: Identified Loss/Impairment and risk factor applied to that default over a Lifetime Cash Flow

NOTES TO THE FINANCIAL STATEMENTS

2 ACCOUNTING POLICIES - continued

*AIRCRAFT AND RELATED COMPONENTS*

Aircraft that management intends to hold and lease are stated at cost, less accumulated depreciation and impairment and are depreciated at rates calculated to write off the cost of the assets to their estimated residual value on a straight line basis, over their estimated useful economic lives. The residual value is based on 15% of the cost of the aircraft. The current estimate of useful economic life is 25 years from date of manufacture. Cost includes expenditure that is directly attributable to the acquisition of the asset, including any cost attributable to bringing the asset to a working condition for intended use. Borrowing costs related to the acquisition of qualifying assets are included as part of the cost of the asset. Depreciation is calculated on a straight line basis over the asset's useful life.

Depreciation is recognised in the Statement of Profit or Loss and Other Comprehensive Income over the remaining useful life from the date of manufacture or purchase to a residual value.

Aircraft type	Remaining useful life
Narrow body	25 years from date of manufacture

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets.

On acquisition, an element of the cost of aircraft is attributed to its service potential, reflecting the maintenance condition of the engines and airframe. This is depreciated on the basis set out above.

Residual values are taken at 15% of the purchase price with depreciation recognised to this value over a useful life of 25 years.

In accordance with IAS 36, "Impairment of Assets", the Company's aircraft and major modules that are to be held and used are reviewed for impairment whenever events or changes in circumstance indicate that the carrying value may not be recoverable. Management carry out an annual impairment review. An impairment review involves consideration as to whether the carrying value of an aircraft is not recoverable and in these circumstances a loss is recognised as a write down of the carrying value to the higher value of its value in use and net realisable value. Value in use is calculated as the present value of the future cash flows to be derived from the operation of the asset. Future cash flows are discounted using a pre-tax discount rate of 6% (2023: 6%) that reflects the time value of money and the risks specific to the asset.

If recoverable amounts are lower than carrying values, assets are reduced to their recoverable amounts with the resultant impairment charges being recorded in the Statement of Profit or Loss and Other Comprehensive Income. Where a prior impairment loss has decreased or reversed, the carrying amount of the asset is increased and the impairment loss reversed in the Statement of Profit or Loss and Other Comprehensive Income to the extent that the asset is not carried at a higher value than if no impairment loss had been recognised in prior years.

Recoverable amount is the higher of the net realisable value ("NRV") and value in use ("VIU"). NRV is the price that would be received to sell an asset in an orderly transaction between market participants less any directly attributable selling costs. VIU is the present value of future cash flows expected to be obtainable as a result of an asset's continued use, including those from contracted lease rentals, assumed future leases (not yet contracted) and estimated ultimate disposal proceeds.

**NOTES TO THE FINANCIAL STATEMENTS**

**2 ACCOUNTING POLICIES - continued**

*AIRCRAFT AND RELATED COMPONENTS - continued*

The review for recoverability has a level of subjectivity and requires the use of judgement in the assessment of estimated future cash flows associated with the use of an aircraft to its scheduled lease expiry. NRV is determined by using a professional current market valuation obtained from two independent appraisers. Value in use is determined as the total cash flow expected to be generated by an aircraft to the end of its useful economic life, discounted at a market rate. Expected future cash flows are based on all relevant information available, including the existing lease, contracted rates for the leased aircraft, residual values including assumptions on expected physical condition at the end of the lease, economic conditions, technology, airline demand for a particular aircraft type and industry trends. In determining the estimate of residual cash flows for the VIU calculation it is assumed the aircraft will be sold at lease expiry for their full life market value at that date. Full life market values at lease end are taken as the values according to a third party valuation report at lease expiry.

*FINANCIAL LIABILITIES*

Issued financial instruments or their components will be classified as liabilities where the substance of the contractual arrangement results in the Company having a present obligation to either deliver cash or another financial asset to the holder, to exchange financial instruments on terms that are potentially unfavorable or to satisfy the obligation otherwise than by the exchange of a fixed amount of cash or another financial asset for a fixed number of equity shares.

Financial liabilities will be initially recognised at fair value, being their issue proceeds (fair value of consideration received) net of transaction costs incurred. Financial liabilities are subsequently measured at amortised cost, with any difference between the proceeds net of transaction costs and the redemption value recognised in the Statement of Profit or Loss and Other Comprehensive Income using the effective interest method.

A financial liability is derecognised when its contractual obligations are discharged, cancelled or expired, or subject to a substantial modification of terms.

*CASH AND CASH EQUIVALENTS*

Cash and cash equivalents are held for the purpose of meeting short-term cash commitments rather than investing or other purposes. Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents.

*TRADE AND OTHER RECEIVABLES*

Trade and other receivables are recognised initially at fair value and are thereafter measured at amortised cost less any provision for impairment. Trade and other receivables are discounted when the time value of money is considered material. IFRS 9 establishes a simplified impairment approach for qualifying trade receivables and lease receivables and allows the entity to recognise a loss allowance based on lifetime expected credit losses at each reporting date. Lifetime expected credit losses are measured based on the historical loss experience of the Servicer for lessees of varying credit risk profiles. The expected credit losses of the Company when default by a lessee occurs is determined by analysing credit sales over a three year cycle and by comparing this against receivables outstanding at the reporting date. This is supplemented by using the credit rating of the lessee to determine a probability of default rate to test for impairment.

*TRADE AND OTHER PAYABLES*

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost.

**NOTES TO THE FINANCIAL STATEMENTS**

**2 ACCOUNTING POLICIES - continued**

*SHARE CAPITAL*

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

*ADMINISTRATIVE EXPENSES*

Administrative expenses are the expenses that an organisation incurs not directly tied to a specific function. The costs associated for this Company include audit, tax, accounting and other professional fees.

*LOANS AND BORROWINGS*

Interest bearing bank loans and overdrafts are initially recorded at fair value, net of attributable transaction costs. Subsequent to initial recognition, interest bearing borrowings are stated at amortised cost with any difference between cost and redemption value being capitalised to qualifying assets or recognised in the income statement over the period of the borrowings. The Company's loans are at a fixed rate with the Parent Company and reviewed annually. These loans are utilised directly in the principal activities of the Company.

*LEASE CLASSIFICATION*

The Company uses operating leases for its aircraft. An operating lease is a contract that allows the lessee the use of an asset but does not convey rights of ownership of the asset. The leased asset is reported on the Statement of Financial Position and the lease rentals as well as the depreciation related to the asset is reported in the Statement of Profit or Loss and Other Comprehensive Income.

*OTHER FINANCIAL INSTRUMENTS*

Other non-derivative financial instruments are measured at cost or amortised cost using the effective interest method, less any impairment losses.

*OPERATING LEASES*

The Company, as lessor, leases aircraft principally under operating leases and records rental income ratably over the life of the lease as it is earned. The Company accounts for lease rental income under lease agreements that include step rent clauses on a straight-line basis.

For past-due rentals on all leases, a bad debt provision may be established on the basis of management's assessment of collectability and to the extent such rentals exceed related security deposits held and any provision so established is recorded as an expense in the Statement of Profit or Loss and Other Comprehensive Income.

If the Company's lease contracts require payment in advance, rentals received, but unearned under these lease agreements, are recorded as operating lease income prepaid in liabilities on the Statement of Financial Position.

*FINANCE INCOME AND EXPENSES*

Finance income comprises interest income on funds invested. Interest income is recognised as it accrues in the Statement of Profit or Loss and Other Comprehensive Income using the effective interest method.

Finance expenses comprise interest expense on borrowings and impairment losses recognised on financial assets. All borrowing costs are recognised in the Statement of Profit or Loss and Other Comprehensive Income using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS

2 ACCOUNTING POLICIES - continued

*MAINTENANCE PROVISION*

In many aircraft operating lease contracts, the lessee is required to make partial payments for certain future anticipated maintenance expenses by paying regular maintenance deposits throughout the term of the lease. The payments are normally calculated on a flight hour, flight cycle, or calendar time basis based on the actual usage of the asset, and payable to the lessor at monthly intervals. Customarily, the lessee will cause the required maintenance to be completed and then claim reimbursement for the qualified portion of the work from the deposit account held by the lessor. The Company reimburses the lessee for all maintenance payments made by way of reducing the maintenance deposits amount for a qualifying event. Upon the end of the lease term all Maintenance Deposits retained by the Company are recognised as income in the Statement of Profit or Loss and Other Comprehensive Income to the extent they are not required to be reimbursed to the lessee. Maintenance costs incurred when an aircraft is off lease, at end of lease or in excess of maintenance deposits received are recognised as an expense in the period incurred. These maintenance deposits are split between current and non-current liabilities based on the timing of projected future expenditure.

At the beginning of each new lease subsequent to the first lease on a new aircraft, lessor contributions representing contractual obligations on the part of the Company to contribute to the lessee's cost of the next planned major maintenance event, expected to occur during the lease, are established. The Company regularly reviews the level of lessor contributions under current lease contracts and makes adjustments as necessary. Lessor contributions represent a lease incentive and are recorded as a charge against lease rental income over the life of the associated lease. When aircraft are sold the portion of the accrued liability not specifically assigned to the buyer is derecognised from the statement of financial position as part of the gain or loss on disposal of the aircraft. Lessor contributions in respect of end of lease adjustments are recognised when the Company believes it is probable that it will be required to reimburse amounts to the lessee and the amount can be reasonably estimated.

*INCOME TAX EXPENSE*

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in Statement of Profit or Loss and Other Comprehensive Income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

NOTES TO THE FINANCIAL STATEMENTS

2 ACCOUNTING POLICIES - continued

*DIVIDENDS*

Dividends are recognised in the financial statements when they have been appropriately approved or authorised by the shareholders.

3 OPERATING LEASE REVENUE	2024 USD	2023 USD
Operating lease revenue	5,915,329	4,481,482
	<b>5,915,329</b>	<b>4,481,482</b>

The Company had one customer in the year ended 31 December 2024, which accounted for 100% of revenue.

The distribution of lease rental income by geographical region is as follows:

	2024 USD	2024 %	2023 USD	2023 %
Asia	5,915,329	100%	4,481,482	100%
	<b>5,915,329</b>	<b>100%</b>	<b>4,481,482</b>	<b>100%</b>

At 31 December 2024 the Company had contracted to receive the following minimum cash lease rentals:

	2024 USD	2023 USD
Due within one year	6,084,000	4,799,600
Due within one year and two years	6,084,000	6,084,000
Due within two and three years	6,084,000	6,084,000
Due within three years and four years	6,084,000	6,084,000
Due within four years and five years	6,084,000	6,084,000
Due after five years	23,614,500	29,698,500
	<b>54,034,500</b>	<b>58,834,100</b>

The aircraft are leased to AAX Eleven, a subsidiary of Air Asia X. The lessee defaulted on a number of payments from February 2020 and subsequently entered into a formal restructuring agreement during the previous financial year. MSN 1126 resumed services in October 2022 after significant maintenance work and MSN 1131 returned to service in March 2023.

4 OTHER INCOME	2024 USD	2023 USD
Default interest due on rental income outstanding	-	25,975
	<b>-</b>	<b>25,975</b>

**NOTES TO THE FINANCIAL STATEMENTS**

<b>5 ADMINISTRATIVE EXPENSES</b>	<b>2024</b>	<b>2023</b>
	<b>USD</b>	<b>USD</b>
Management fees to Parent Company	20,427	20,720
Accounting and administration fees	12,149	12,222
Audit and tax advisory fees	6,094	5,151
Legal and professional fees	(2,068)	38,238
Bank charges	399	578
Insurance Fees	37,793	39,527
Service fees to Parent Company	112,096	112,089
Foreign currency exchange (gain)/loss	(50,844)	20,528
	<u><b>136,046</b></u>	<u><b>249,053</b></u>

**6 STAFF NUMBERS AND COSTS**

The Company had no employees during the year ended 31 December 2024 (2023: Nil).

Apex IFS Limited ("Apex") acts as Secretary and corporate administrator to the Company in accordance with the terms of the service agreements made with the Company.

<b>7 FINANCE EXPENSE</b>	<b>2024</b>	<b>2023</b>
	<b>USD</b>	<b>USD</b>
Interest expense on loan from the Parent Company	8,660,869	7,660,409
Amortisation of deferred operating expenses	16,810	16,810
	<u><b>8,677,679</b></u>	<u><b>7,677,219</b></u>

**8 STATUTORY INFORMATION**

The result before taxation is arrived at after charging:	<b>2024</b>	<b>2023</b>
	<b>USD</b>	<b>USD</b>
Directors' emoluments	<u>-</u>	<u>-</u>

Auditor's remuneration for work carried out for the Company in respect of the financial year is as follows:

Audit of individual Company accounts	<u>4,296</u>	<u>3,331</u>
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The Company has considered section 305A of the Companies Act 2014 which requires entities to make reasonable allocation of management fees paid to service providers who provide employees as directors to the Company. The Company has considered this requirement and has estimated a fee of USD 1,000 be applied to this Company (2023: USD 1,000).

NOTES TO THE FINANCIAL STATEMENTS

9 INCOME TAX EXPENSE

	2024	2023
a) Profit and loss	USD	USD
Corporation tax charge on ordinary activities	-	-
Deferred tax credit	-	-
<b>Total tax on loss on ordinary activities</b>	<b>-</b>	<b>-</b>

The reconciliation of tax on loss on ordinary activities at the standard rate of the Irish Corporation tax to the Company's actual tax charge is analysed as follows:

Loss on ordinary activities before tax	(9,594,440)	(10,114,859)
Tax on loss on ordinary activities at the standard rate of corporation tax 12.5%	(1,199,305)	(1,264,357)
<i>Tax effects:</i>		
Movement in unrecognised deferred tax asset	1,199,305	1,264,357
<b>Total tax credit</b>	<b>-</b>	<b>-</b>

b) Statement of Financial Position

Deferred tax assets and liabilities	Assets	Liabilities	Net
	2024	2024	2024
	USD	USD	USD
Property, plant and equipment	-	(4,952,119)	(4,952,119)
Trade Losses	4,952,119	-	4,952,119
<b>Tax assets/(liabilities)</b>	<b>4,952,119</b>	<b>(4,952,119)</b>	<b>-</b>

	Assets	Liabilities	Net
	2023	2023	2023
	USD	USD	USD
Property, plant and equipment	-	(3,202,976)	(3,202,976)
Trade Losses	3,202,976	-	3,202,976
<b>Tax assets/(liabilities)</b>	<b>3,202,976</b>	<b>(3,202,976)</b>	<b>-</b>

The Company had a deferred tax asset of USD 5,064,352 at 31 December 2024 which has not been recognised (2023: USD 5,222,715). The Company's deferred tax asset arises due to unrelieved trading losses forward. Although these unrelieved trading losses are available to offset any future taxable income of the Company, the Directors have decided not to recognise this asset at this point in time as, due to the nature of the business in which the Company operates, it is not possible to forecast profit or loss levels with sufficient accuracy to estimate the amount of any deferred tax asset that will be recoverable.

NOTES TO THE FINANCIAL STATEMENTS

10 AIRCRAFT AND RELATED COMPONENTS

At 31 December 2024	Aircraft USD	Lease Intangible USD	Aircraft and related components USD
<b>Cost</b>			
At beginning of financial year	98,940,000	12,942,625	111,882,625
<b>At 31 December</b>	<b>98,940,000</b>	<b>12,942,625</b>	<b>111,882,625</b>
<b>Depreciation</b>			
At beginning of financial year	(22,777,430)	(6,238,761)	(29,016,191)
Depreciation charge for the year	(5,256,330)	(1,439,714)	(6,696,044)
<b>At 31 December</b>	<b>(28,033,760)</b>	<b>(7,678,475)</b>	<b>(35,712,235)</b>
<b>Net book value</b>	<b>70,906,240</b>	<b>5,264,150</b>	<b>76,170,390</b>

At 31 December 2023	Aircraft USD	Lease Intangible USD	Aircraft and related components USD
<b>Cost</b>			
At beginning of financial year	98,940,000	12,942,625	111,882,625
<b>At 31 December</b>	<b>98,940,000</b>	<b>12,942,625</b>	<b>111,882,625</b>
<b>Depreciation</b>			
At beginning of financial year	(17,521,100)	(4,799,047)	(22,320,147)
Depreciation charge for the year	(5,256,330)	(1,439,714)	(6,696,044)
<b>At 31 December</b>	<b>(22,777,430)</b>	<b>(6,238,761)</b>	<b>(29,016,191)</b>
<b>Net Book Value</b>	<b>76,162,570</b>	<b>6,703,864</b>	<b>82,866,434</b>

The distribution of aircraft by geographical region of airline is as follows:

	2024 USD	2024 %	2023 USD	2023 %
Asia	76,170,390	100%	82,866,434	100%
	<b>76,170,390</b>	<b>100%</b>	<b>82,866,434</b>	<b>100%</b>

The aircraft is currently on lease with AAX Eleven.

The Directors are satisfied that the net book value of the aircraft is appropriate.

NOTES TO THE FINANCIAL STATEMENTS

10 AIRCRAFT AND RELATED COMPONENTS - CONTINUED

The Company undertakes a review to consider whether an impairment provision is required in the respect of the aircraft. The Company, in applying IAS 36, determined that the recoverable amount of the aircraft is higher than the carrying amount. The Company uses a third party valuation entity for assessing current market value of its aircraft. As a result, no impairment charge is considered necessary.

The aircraft is held for use on operating lease. As these aircraft were acquired as part of a sale and leaseback, according to IFRS 16 Leases, the aircraft need to be assessed for a lease premium. As the purchase values and contracted lease rentals are above market valuations provided by a third party, this resulted in a lease premium to the value of USD 12,942,625 being recognised on the aircraft which is amortised over the remaining lease term.

11 CASH AND CASH EQUIVALENTS

	<b>2024</b>	<b>2023</b>
	<b>USD</b>	<b>USD</b>
Unrestricted bank balances	928,379	997,755
	<u><b>928,379</b></u>	<u><b>997,755</b></u>

12 TRADE AND OTHER RECEIVABLES

	<b>2024</b>	<b>2023</b>
	<b>USD</b>	<b>USD</b>
Return to airworthiness (RTS) fee receivables	465,801	2,599,900
Lease income receivable	-	472,100
Deferred operating expenses	61,638	78,448
Share capital receivable	100	100
	<u><b>527,539</b></u>	<u><b>3,150,548</b></u>

Trade and other receivables represent lease income receivable, which is past due, plus deferred operating expenses which are neither past due nor impaired. The Return to Airworthiness (RTS) fee represents the amount the Company funded upfront to support maintenance and repair costs to return aircraft to its airworthy condition. These funds are being repaid by the lessee by monthly instalments as per agreed payment schedule that will mature in February 2025.

13 SHARE CAPITAL

	<b>2024</b>	<b>2023</b>
	<b>USD</b>	<b>USD</b>
<b>Authorised</b>		
100 Ordinary shares of 1 USD each	<u><b>100</b></u>	<u><b>100</b></u>
<b>Issued and called-up</b>		
100 Ordinary shares of 1 USD each	<u><b>100</b></u>	<u><b>100</b></u>
<b>Dividends</b>		

The holders of ordinary shares are entitled to receive dividends as declared from time to time. No dividends were paid during the financial year or proposed by the Directors at the Statement of Financial Position date (2023: Nil).

NOTES TO THE FINANCIAL STATEMENTS

14 LOANS AND BORROWINGS

	2024 USD	2023 USD
Loans and borrowings	<u>114,525,672</u>	<u>114,487,880</u>
<b>Current Liabilities</b>		
Group borrowings	<u>114,525,672</u>	<u>114,487,880</u>
	<u>114,525,672</u>	<u>114,487,880</u>

The aggregate principal repayment of loans for each of the following years subsequent to 31 December 2024 is as follows:

	Per Statement of Financial Position USD	Contractual cash flow including interest USD
Due within one year	114,525,672	119,414,364
Due between one and two years	-	-
Due between two and three years	-	-
Due between three and four years	-	-
Due between four and five years	-	-
Due after five years	-	-
	<u>114,525,672</u>	<u>119,414,364</u>

The aggregate principal repayment of loans for each of the following years subsequent to 31 December 2023 is as follows:

	Per Statement of Financial Position USD	Contractual cash flow including interest USD
Due within one year	114,487,880	121,159,797
Due between one and two years	-	-
Due between two and three years	-	-
Due between three and four years	-	-
Due between four and five years	-	-
Due after five years	-	-
	<u>114,487,880</u>	<u>121,159,797</u>

NOTES TO THE FINANCIAL STATEMENTS

14 LOANS AND BORROWINGS - continued

The loans at 31 December 2024 provided by the Parent Company amounted to USD 114,525,672 (2023: USD 114,487,880).

The interest rate on the loan to the Parent Company is fixed at 7.9% during the financial year 31 December 2024 (2023: 6.2% from 1 January and 7.8% from 1 July). The rates are reviewed on an annual basis. The Parent Company has provided a letter to confirm that they will not require repayment of the loan unless the Company has the capacity to

The loans provided by the Parent Company are unsecured and repayable on demand.

15 INTEREST PAYABLE	2024 USD	2023 USD
Interest payable on loan from the Parent Company	4,888,692	6,671,917
	<u>4,888,692</u>	<u>6,671,917</u>

16 TRADE AND OTHER PAYABLES	2024 USD	2023 USD
Lease rent received in advance	16,900	-
Intercompany payables to Parent Company	111,350	97,320
Service fees to Parent Company	678,694	607,268
Management fees to MSFL	122,027	104,687
Sundry payables	6,392	9,240
	<u>935,363</u>	<u>818,515</u>

Intercompany payables are unsecured, payable on demand and do not bear interest.

17 MAINTENANCE PROVISION	2023 USD	2022 USD
Balance at 1 January	1,459,329	389,529
Maintenance billings	2,101,811	1,644,035
Unreceived maintenance	(267,215)	(574,235)
<b>Total maintenance provision</b>	<u><b>3,293,925</b></u>	<u><b>1,459,329</b></u>
<b>Non-current liabilities</b>		
Total maintenance provision	<u><b>3,293,925</b></u>	<u><b>1,459,329</b></u>

NOTES TO THE FINANCIAL STATEMENTS

17 MAINTENANCE PROVISION - continued

Following the writeoff, the Company has issued maintenance reserve invoices of USD 3,561,140 (2023: USD 2,033,564) to the lessee during the year. The amount received to date is USD 3,293,925 (2023: USD 1,459,329).

Therefore, as per lease agreement the Company is not obligated to pay any maintenance provisions back to the lessee if they are not making payment. As a result maintenance receivable and maintenance provision has not been recognised in the financial statements for unreceived maintenance amounts.

18 RETAINED DEFICIT	2024 USD	2023 USD
Retained deficit at beginning of financial year	(36,423,004)	(26,308,145)
Loss for the financial year	<u>(9,594,440)</u>	<u>(10,114,859)</u>
<b>Retained deficit at the end of the financial year</b>	<b><u>(46,017,444)</u></b>	<b><u>(36,423,004)</u></b>

19 GROUP MEMBERSHIP

The Company is a wholly owned subsidiary of the Minsheng Commercial Aviation (Ireland) Company Limited (the "Parent Company"), which is in turn an indirect wholly owned subsidiary of Minsheng Financial Leasing Limited ("MSFL"). The financial statements of the Parent Company are available at Block E, Iveagh Court, Harcourt Road, Dublin 2, Ireland. MSFL is majority owned and controlled by China Minsheng Banking Corp. Limited ("CMBC"). CMBC whose registered office is at No. 2 Fuxingmennei Street, Xicheng District, Beijing, China presents consolidated financial statements which includes the Company's position. These consolidated accounts are publicly available for review at the registered office of CMBC.

20 RELATED PARTY TRANSACTIONS

The Company is availing of the exemption available under FRS 101 from disclosing transactions entered into between two or more members of a group, provided that any subsidiary party to the transaction is wholly owned by such a member. Details of the availability of the group consolidated financial statements are given in note 19 to these financial statements.

Francis Boyle and Fergal Molony, Directors of the Company, are also employees of Apex. Apex, the Company Secretary, provides administration services to the Company at arm's length commercial rates. During the year under review, Apex provided administration services to the Company totaling USD 12,149 (2023: USD 12,222). At 31 December 2024, the balance accrued to Apex was nil (2023: Nil).

The Company has considered section 305A of the Companies Act 2014 which requires entities to make reasonable allocation of management fees paid to service providers who provide employees as directors to the Company. The Company has considered this requirement and has estimated a fee of USD 1,000 be applied to this Company (2023: USD 1,000).

**NOTES TO THE FINANCIAL STATEMENTS**

**21 COMMITMENTS AND CONTINGENCIES**

At 31 December 2024 the Company had no commitments or contingencies (2023: None).

**22 SUBSEQUENT EVENTS**

On 2 April 2025, Xuelin Yu was appointed as director. Also, on 8 July 2025 Shane O'Connell resigned as director of the Company, and on 26 August 2025 Xiaohui Hu resigned and Huang Mei was appointed director of the Company.

In January 2026, the Company, as borrower, entered in to a facility agreement between Minsheng Commercial Aviation (Ireland) Company Limited, Minsheng Financial Leasing Co., Ltd., and China Everbright Bank Co., Ltd., Hong Kong Branch (as lender) with the purpose of refinancing the acquisition of its current owned Aircraft on lease.

There were no other events after the reporting year end, which would require revision of the figures or disclosures in the financial statements.

**23 APPROVAL OF FINANCIAL STATEMENTS**

The financial statements were approved and authorised by the Board of Directors on 13 February 2026.