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**国银金租**

CHINA DEVELOPMENT BANK LEASING

**國銀金融租賃股份有限公司\***

**CHINA DEVELOPMENT BANK FINANCIAL LEASING CO., LTD.\***

*(A joint stock limited company incorporated in the People's Republic of China)*

**(Stock Code: 1606)**

**ANNOUNCEMENT OF ANNUAL RESULTS FOR  
THE YEAR ENDED 31 DECEMBER 2024**

The Board of China Development Bank Financial Leasing Co., Ltd. hereby announces the audited consolidated results of the Company and its subsidiaries for the year ended 31 December 2024 together with the comparative figures in 2023, which should be read in conjunction with the following management discussion and analysis.

\* *China Development Bank Financial Leasing Co., Ltd. is (a) not an authorised institution within the meaning of the Banking Ordinance; (b) not authorised to carry on banking/deposit-taking business in Hong Kong; and (c) not subject to the supervision of the Hong Kong Monetary Authority*

## FINANCIAL HIGHLIGHTS

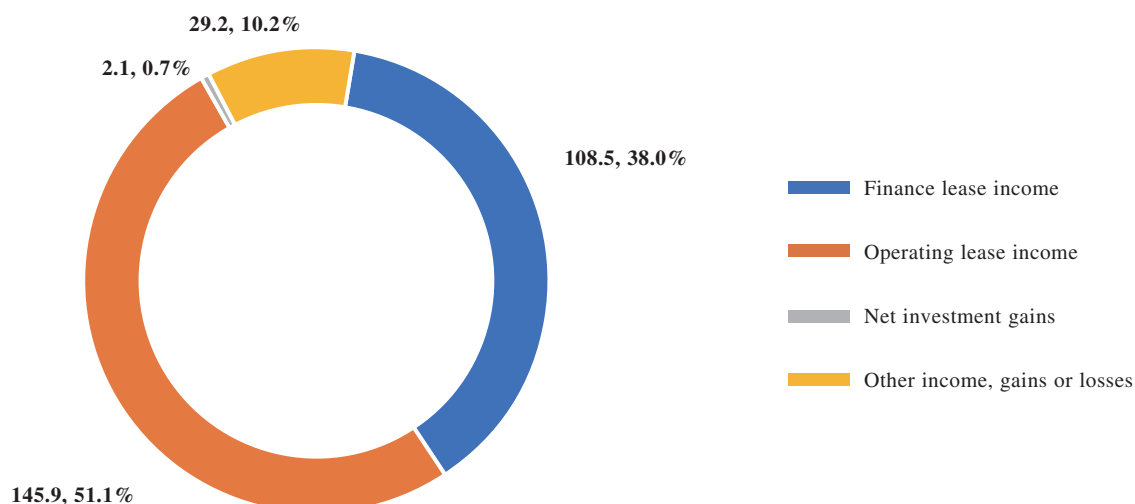
### 1. SUMMARY OF CONSOLIDATED STATEMENT OF PROFIT OR LOSS

(RMB in thousands)	For the year ended 31 December				
	2024	2023	2022	2021	2020
Finance lease income	10,846,075	10,644,247	10,288,623	9,813,486	9,199,844
Operating lease income	14,588,980	12,361,652	12,475,713	11,550,309	8,520,051
<b>Total revenue</b>	<b>25,435,055</b>	<b>23,005,899</b>	<b>22,764,336</b>	<b>21,363,795</b>	<b>17,719,895</b>
Net investment gains	205,030	155,509	32,489	87,279	41,189
Other income, gains or losses	2,923,022	3,493,943	2,256,632	1,864,732	1,567,632
<b>Total revenue and other income</b>	<b>28,563,107</b>	<b>26,655,351</b>	<b>25,053,457</b>	<b>23,315,806</b>	<b>19,328,716</b>
<b>Total expenses</b>	<b>(22,560,342)</b>	<b>(21,236,605)</b>	<b>(20,095,503)</b>	<b>(17,780,240)</b>	<b>(14,745,139)</b>
Of which: Depreciation and amortisation	(7,102,295)	(6,097,374)	(5,380,735)	(4,348,822)	(4,133,564)
Interest expenses	(12,978,413)	(10,362,441)	(8,206,689)	(8,087,780)	(6,980,798)
Impairment losses	141,527	(2,272,359)	(4,256,803)	(3,510,289)	(2,281,623)
<b>Profit before income tax</b>	<b>6,002,765</b>	<b>5,418,746</b>	<b>4,957,954</b>	<b>5,535,566</b>	<b>4,583,577</b>
<b>Profit for the year</b>	<b>4,502,988</b>	<b>4,150,149</b>	<b>3,351,073</b>	<b>3,922,212</b>	<b>3,268,321</b>
<b>Basic and diluted earnings per Share (RMB)</b>	<b>0.36</b>	<b>0.33</b>	<b>0.27</b>	<b>0.31</b>	<b>0.26</b>

In 2024, finance lease income accounted for 38.0% of the operating income of the Group, representing a year-on-year decrease of 1.9 percentage points; operating lease income accounted for 51.1%, representing a year-on-year increase of 4.7 percentage points; other income, gains or losses accounted for 10.2%, representing a year-on-year decrease of 2.9 percentage points; and net investment gains accounted for 0.7%, representing a year-on-year increase of 0.1 percentage point.

## Breakdown of Operating Income in 2024

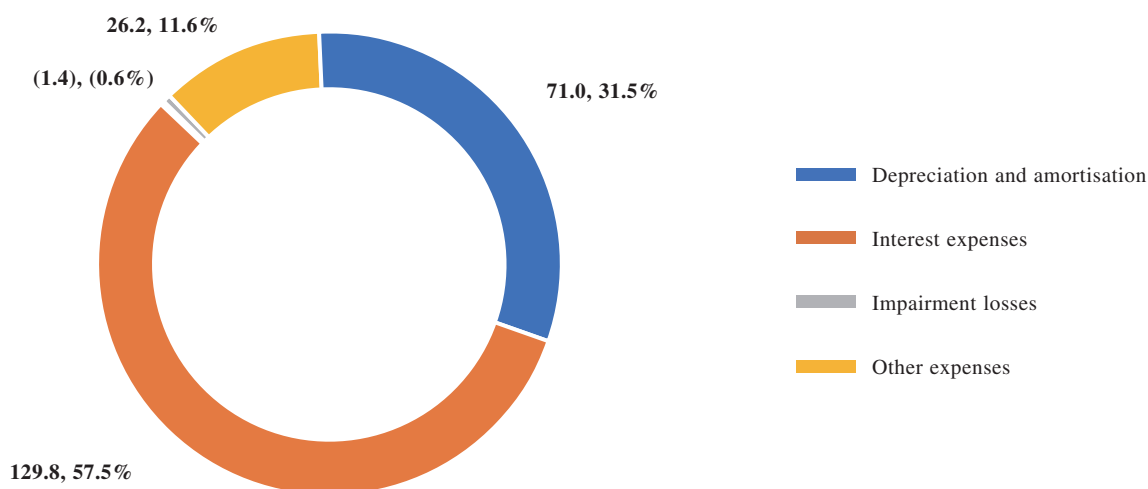
(Unit: RMB'00 million, Percentage)



In 2024, interest expenses accounted for 57.5% of the operating expenses of the Group, representing a year-on-year increase of 8.7 percentage points; depreciation and amortisation accounted for 31.5%, representing a year-on-year increase of 2.8 percentage points; impairment losses accounted for (0.6%), representing a year-on-year decrease of 11.3 percentage points; and other expenses accounted for 11.6%, representing a year-on-year decrease of 0.2 percentage point.

## Breakdown of Operating Expenses in 2024

(Unit: RMB'00 million, Percentage)



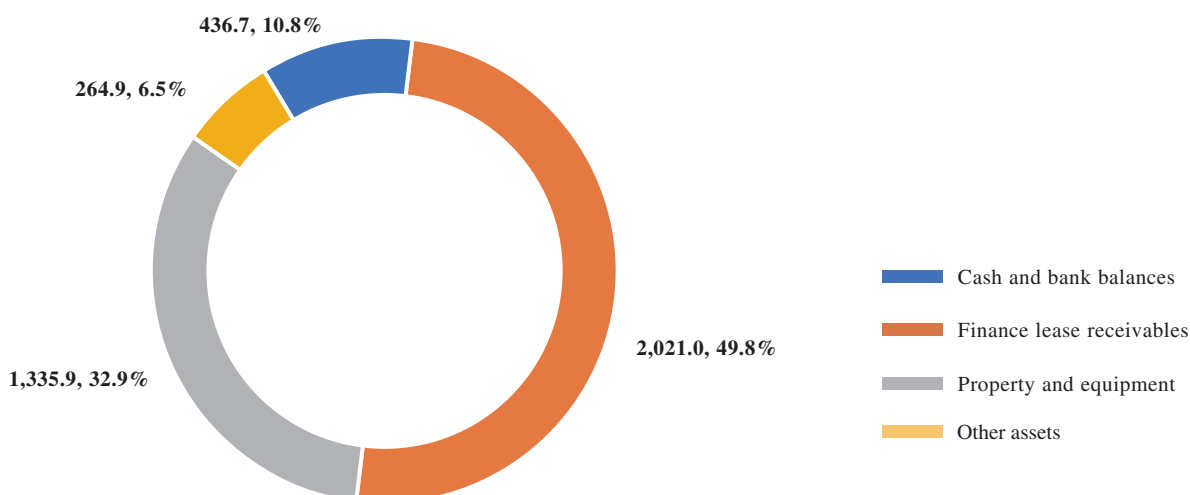
## 2. SUMMARY OF CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(RMB in thousands)	As at 31 December				
	2024	2023	2022	2021	2020
<b>Total assets</b>	<b><u>405,850,330</u></b>	<b><u>409,694,903</u></b>	<b><u>354,717,247</u></b>	<b><u>341,837,629</u></b>	<b><u>303,329,667</u></b>
Of which: Cash and bank balances	43,670,649	69,440,305	29,760,725	36,833,077	34,992,986
Accounts receivable	624,734	1,335,131	3,487,733	1,245,057	1,960,650
Finance lease receivables	202,099,637	195,101,137	193,494,283	190,871,553	166,040,552
Prepayments	13,535,354	12,708,141	11,551,036	11,958,595	15,829,764
Property and equipment	133,593,877	118,640,179	106,524,461	92,829,721	77,088,767
<b>Total liabilities</b>	<b><u>365,586,571</u></b>	<b><u>372,413,063</u></b>	<b><u>320,433,802</u></b>	<b><u>311,730,875</u></b>	<b><u>276,700,352</u></b>
Of which: Borrowings	309,814,063	295,875,445	246,882,657	236,087,673	210,382,017
Bonds payable	27,072,912	32,187,230	36,872,054	45,045,528	46,221,709
<b>Total equity</b>	<b><u>40,263,759</u></b>	<b><u>37,281,840</u></b>	<b><u>34,283,445</u></b>	<b><u>30,106,754</u></b>	<b><u>26,629,315</u></b>
<b>Net assets per share (RMB)</b>	<b><u>3.18</u></b>	<b><u>2.95</u></b>	<b><u>2.71</u></b>	<b><u>2.38</u></b>	<b><u>2.11</u></b>

As at 31 December 2024, cash and bank balances accounted for 10.8% of the total assets of the Group, representing a decrease of 6.2 percentage points as compared with that as at the end of 2023; finance lease receivables accounted for 49.8%, representing an increase of 2.2 percentage points as compared with that as at the end of 2023; property and equipment accounted for 32.9%, representing an increase of 3.9 percentage points as compared with that as at the end of 2023; and other assets accounted for 6.5%, representing an increase of 0.1 percentage point as compared with that as at the end of 2023.

### Breakdown of Net Book Value of the Total Assets in 2024

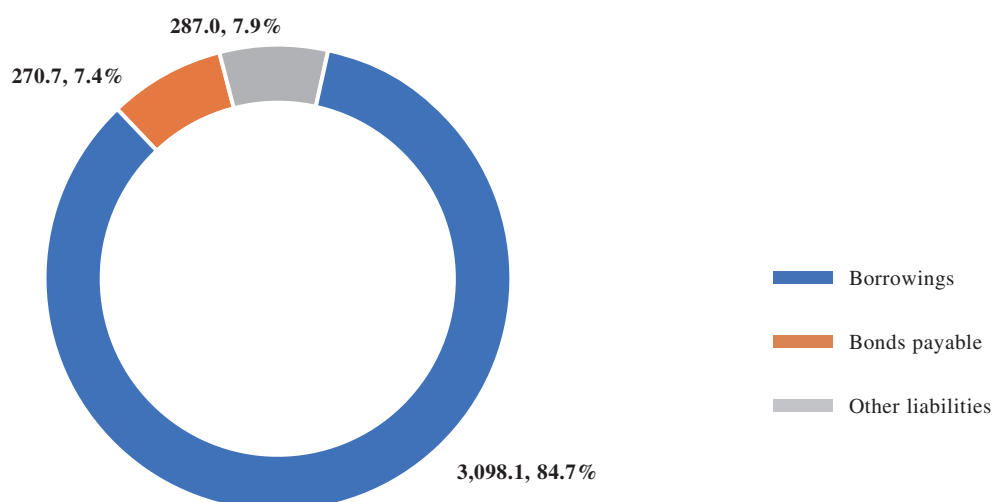
(Unit: RMB'00 million, Percentage)



As at 31 December 2024, borrowings accounted for 84.7% of the total liabilities of the Group, representing an increase of 5.3 percentage points as compared with that as at the end of 2023; bonds payable accounted for 7.4%, representing a decrease of 1.2 percentage points as compared with that as at the end of 2023; and other liabilities accounted for 7.9%, representing a decrease of 4.1 percentage points as compared with that as at the end of 2023.

### Breakdown of Net Book Value of the Total Liabilities in 2024

(Unit: RMB'00 million, Percentage)



### 3. SELECTED FINANCIAL RATIOS

	For the year ended 31 December/ As at 31 December				
	2024	2023	2022	2021	2020
Return on average total assets <sup>(1)</sup>	1.10%	1.09%	0.96%	1.22%	1.16%
Return on average equity <sup>(2)</sup>	11.61%	11.60%	10.41%	13.83%	12.50%
Cost-to-income ratio <sup>(3)</sup>	9.35%	9.55%	9.14%	7.89%	7.14%
Net profit margin before tax and impairment losses <sup>(4)</sup>	23.04%	33.43%	40.48%	42.34%	38.74%
Net profit margin <sup>(5)</sup>	17.70%	18.04%	14.72%	18.36%	18.44%
Non-performing asset ratio <sup>(6)</sup>	0.56%	0.60%	0.63%	0.67%	0.80%
Non-performing asset ratio of finance lease business <sup>(7)</sup>	0.80%	0.81%	0.73%	0.45%	0.54%
Financial leverage ratio <sup>(8)</sup>	8.25 times	7.89 times	7.75 times	8.47 times	8.36 times
<b>Credit ratings</b>					
Standard & Poor's	A	A	A	A	A
Moody's	A1	A1	A1	A1	A1
Fitch	A+	A+	A+	A+	A+

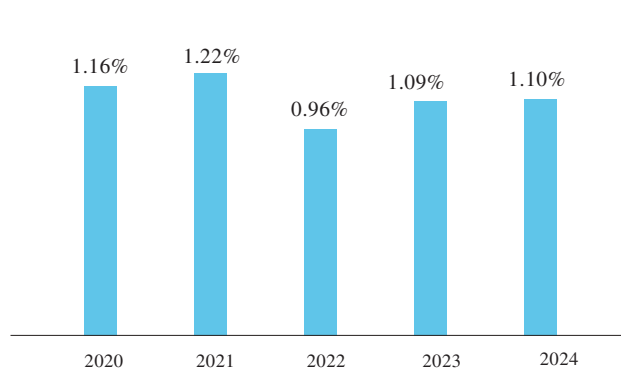
<sup>(1)</sup> Calculated by dividing net profit for the year by average balance of total assets at the beginning and the end of the Reporting Period.

<sup>(2)</sup> Calculated by dividing net profit for the year by weighted average balance of total Shareholders' equity during the year.

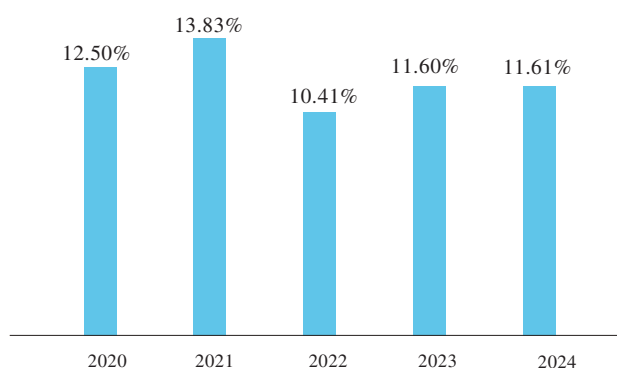
- (3) Calculated by dividing the sum of the depreciation and amortisation expenses of property and equipment held for administrative purposes, staff costs and other operating expenses by total revenue and other income.
- (4) Calculated by dividing profit before tax and impairment losses for the year by the total revenue for the year.
- (5) Calculated by dividing net profit for the year by the total revenue for the year.
- (6) Calculated based on the percentage of non-performing assets over total assets before allowance for impairment losses as at the dates indicated.
- (7) Calculated based on the percentage of non-performing finance lease related assets over finance lease related assets before allowance for impairment losses as at the dates indicated.
- (8) Calculated by dividing net debt by total equity. Net debt is defined as total debt less cash and cash equivalents. Total debt comprises borrowings, due to banks and other financial institutions, financial assets sold under repurchase agreements and bonds payable.

In 2024, the return on average total assets of the Group was 1.10%, representing an increase of 0.01 percentage point as compared with that of last year. The return on average equity of the Group was 11.61%, representing an increase of 0.01 percentage point as compared with that of last year, mainly due to an increase in net profit year-on-year.

#### Return on Average Total Assets



#### Return on Average Equity



The following table sets forth, as at the dates indicated, information relating to certain regulatory indicators, calculated in accordance with the requirements of the NFRA and applicable accounting standards.

		As at 31 December				
	Regulatory requirement	2024	2023	2022	2021	2020
<b>Capital adequacy indicators<sup>(1)</sup></b>						
Core tier-one capital adequacy ratio <sup>(2)</sup>	≥7.5%	<b>10.49%</b>	9.96%	9.86%	9.40%	9.82%
Tier-one capital adequacy ratio <sup>(3)</sup>	≥8.5%	<b>10.49%</b>	9.96%	9.86%	9.40%	9.82%
Capital adequacy ratio <sup>(4)</sup>	≥10.5%	<b>12.95%</b>	12.47%	12.46%	11.93%	12.60%
<b>Asset quality indicators</b>						
Ratio of allowance to non-performing finance lease related assets <sup>(5)</sup>	≥100%	<b>551.24%</b>	547.72%	573.07%	847.80%	625.95%

<sup>(1)</sup> Calculated based on the Administrative Measures for the Capital of Commercial Banks (《商業銀行資本管理辦法》) (National Financial Regulatory Administration Order No.4 of 2023) published by the NFRA on 26 October 2023, which became effective on 1 January 2024.

<sup>(2)</sup> Calculated by dividing core tier-one capital, net of core tier-one capital deductions, by risk-weighted assets.

<sup>(3)</sup> Calculated by dividing tier-one capital, net of tier-one capital deductions, by risk-weighted assets.

<sup>(4)</sup> Calculated by dividing total capital, net of capital deductions, by risk-weighted assets.

<sup>(5)</sup> Calculated by dividing allowance for impairment losses on finance lease related assets by non-performing finance lease related assets.

## MANAGEMENT DISCUSSION AND ANALYSIS

### 1. BUSINESS SITUATION AND COMPANY'S RESPONSE

#### *1.1 Business Environment*

##### *1.1.1 Macro-economy*

Internationally, in 2024, although problems such as intensified geopolitical tensions and deepening supply chain restructuring still exist, the global economy has not experienced a comprehensive regression under multiple rounds of shocks. Overall, the global economy has remained resilient and continues to recover modestly. According to the World Economic Outlook Report released by the International Monetary Fund (“IMF”), the global economy is expected to grow at 3.2% in 2024, below the average growth rate of 3.6% between 2000 and 2019. The regional divergence is still very significant. With risks and challenges remaining, economic momentum needs to be strengthened.

Domestically, in 2024, in the face of the complex and severe situation of intensified external pressure and increasing internal difficulties, China's economy was generally stable with steady progress, making new progress in high-quality development, and the main goals of economic and social development had been successfully accomplished. According to the statistics from the National Bureau of Statistics and the PBOC, in 2024, China's gross domestic product (“GDP”) was RMB134.9 trillion, representing a year-on-year increase of 5.0%. China's economic aggregate output has reached a new milestone, the growth rate ranked at the top among economies in the world. The stock of social financing scale was RMB408.3 trillion as at the end of 2024, representing a year-on-year increase of 8.0%, of which the balance of RMB loans issued to the real economy was RMB252.5 trillion, representing a year-on-year increase of 7.2%; the balance of RMB loans issued to the real economy accounted for 61.8% of the stock of social financing scale for the same period. Overall, in 2024, China's economy was generally stable with steady progress, making new progress in high-quality development and taking new and solid steps in Chinese path to modernisation.



### *1.1.2 Industry Environment*

In September 2024, the NFRA officially issued the Administrative Measures on Financial Leasing Companies, further regulating the financial leasing companies in aspects of their investor qualification, corporate governance, capital and risk management. All local financial regulatory bureaus continued to implement the regulatory guideline of “financing” to promote the sustainable and healthy development of the industry. Under the guideline of regulatory policies, financial leasing companies focus on the origin of leasing, further promoting business innovation and expansion on the basis of consolidating traditional businesses such as aircraft, ships and large equipment, and continuously enhancing their importance in the development of the real economy in combination with digital empowerment.

## ***1.2 Overview of the Company’s Responses and Business Results***

In 2024, with the goal of high-quality development, the Group focused on “five major areas”, developed new quality productive forces and served the real economy, and further promoted the three key tasks of “business transformation, risk prevention and control and capability building”, so as to achieve a good development trend of stable business, steady performance, controllable risks and continuous structural optimisation.

### ***Steady progress in operating results***

- Total assets reached RMB405.850 billion, representing a decrease of 0.9% as compared with that as at the end of last year, the Group reduced its financial leverage ratio, and further optimised its asset-liability structure;
- Operating income reached RMB28.563 billion, representing a year-on-year increase of 7.2%;
- Net profit reached RMB4.503 billion, representing a year-on-year increase of 8.5%;
- Average return on equity (ROE) and average return on total assets (ROA) were 11.61% and 1.10% respectively, reflecting a continuous improvement in profitability;
- Non-performing asset ratio was 0.56% as at the end of the year, which has been kept below 1% since its listing, showing that the asset quality has remained stable; and
- The ratio of allowance to non-performing finance lease related assets was 551.24%, and the risk compensation capability was strong.

## ***Steady Growth of Leasing Business***

The Group focused on business structure optimisation and stepped up restructuring and innovation to maintain steady and orderly growth of the leasing business, with RMB102.416 billion of new business investment for the year.

- **Aircraft leasing business:** The Group actively promoted the steady clearance of risk projects of the aircraft leasing segment, gradually phasing out of old aircraft and optimising the fleet structure. The Group accelerated the disposal or lease extension and remarketing of non-core aircraft and actively supported the construction of the Belt and Road. The Group entered into purchase order agreements mainstream narrow-body aircraft with aircraft manufacturers, Airbus and Boeing, laying the foundation for the sustainable future development of the aviation sector.
- **Regional development leasing business:** Focusing on key regions and major regional strategies as well as the connotation of high-quality development, the Group supported the development of key areas and weak links. As at the end of 2024, the Group had provided regional development leasing services in 26 provinces, autonomous regions and municipalities directly under the Central Government.
- **Ship leasing business:** Focusing on supporting the construction of a “powerful shipping country”, the Group has made new investment with annual amount reaching a record high for the same period in history. After strengthening research and judgment in the situation, the Group led a number of domestic leasing companies to carry out the finance leasing business of offshore energy production platforms, and actively explored the operating leasing business of offshore support vessels, so as to steadily promote the development of new business. The Group introduced for the first time the transaction mode by public listing on the exchange with specialisation, and successfully completed the sale of ships, continuously enhancing the operation and management level of ship assets in the entire life cycle.
- **Inclusive finance business:** The Group continuously improved and optimised its product systems, and enhanced the quality and efficiency of its inclusive finance services, with an investment of RMB22.8 billion for the year. The Group anchored the target markets and conducted research and layout in advance, vigorously promoting the model innovation for construction machinery product. For the passenger vehicles servicing business sector, the Group has been deeply exploring the needs of its strategic customer market, and actively expanding cooperation models, to constantly enrich its product types. For the passenger vehicles servicing consumer sector, the Group continuously promoted digital empowerment and comprehensively optimised the strategies for risk control.
- **Green energy and high-end equipment leasing:** The Group gave full play to the characteristic advantages of finance lease in integration of industry and finance to improve the effectiveness of green finance and technology finance. The Group coordinate the industrial layout of energy business, such as hydropower, wind and photovoltaic power, energy storage, and charging piles, to step up the development and implementation of energy business. The Group solidly enhanced the effectiveness of serving the new quality productive forces, and seized the opportunities of industrial transformation and upgrading to further increase its investment in high-end equipment fields such as integrated circuits, Internet Data Center (IDC) computing power and automobile manufacturing, so as to solidly serve the development of new-quality productivity.

## ***Enhancing Internal Management Continuously***

In 2024, with adhering to systematic thinking, the Group coordinated the close cooperation and synergy between the front, middle and back office, to promote the in-depth development of the business and operation management system in an all-round way, ensuring various management measures implement and take effect, and the overall operational efficiency and business quality of the Group was continuously enhanced.

- Capital management: The Group has solidly promoted the implementation of the New Capital Regulations, carrying out information disclosure and internal capital adequacy assessment in accordance with the requirements. On the basis of compliance, we continuously explored rooms for saving capital and optimised the long-term capital management mechanism, achieving a steady increase in the capital adequacy ratio.
- Asset and liability management (ALM): The Group continued to optimise its strategy and system of asset and liability, and strengthened the parallel between asset-liability linkage and overall operation scheduling. Adhering to a prudent liquidity management strategy, the Group has continuously optimised the liquidity management system, and conducted stress tests and emergency drills. The Group maintained reasonable liquidity, and the debt maturity structure has been further optimised. The Group actively optimised the financing structure, and successfully issued two tranches of financial bonds totaling RMB6 billion in 2024, with the issuance cost at a lower level among peers during the corresponding period.
- Risk management: The Group continued to strengthen risk prevention and control in key areas, dynamically adjust the mitigation plans for major and difficult risk projects, and strengthen its ability to analyse, research and judge the upstream and downstream of the aircraft and shipbuilding industries as well as respond to risks in overseas projects. The Group disposed of non-performing assets of RMB1.65 billion for the year, and the non-performing asset ratio as at 31 December 2024 was 0.56%, asset quality was continuously optimised.
- Compliance and internal control: The Group continuously deepened the “Management Improvement” work, promoting the continuous improvement of the internal control management system, optimising the business compliance process, improving the system and mechanism for protecting consumer rights and interests, and further consolidating the foundation of internal control and compliance management. The Group conducted in-depth research on new leasing business scenarios and models, continuously improving and refining post-rental management measures and standards to escort professional development.
- Digitisation and system construction: The Group achieved the launch for operation of the vehicle and equipment operation management platform, core leasing system phase 2, ship leasing system phase 2, asset and liability management system, the expected credit loss (the “ECL”) implementation management system, anti-money laundering system phase 2, completed the construction of its first independent AI application project, and started the construction of customer rating model and middle platform for big data risk control, laying a more solid foundation for the subsequent digital application.

## ***Enhancing Brand Value Continuously***

The Group insists on serving the real economy through leasing, practices the political and people-oriented nature of financial work, proactively serves the national strategic layout, and continuously enhances its service level and core competitiveness by focusing on the “five major areas” of finance. While achieving growth in performance, the Group has actively assumed its environmental, social and governance (“ESG”) responsibilities, and its social influence and brand values have continued to grow. In 2024, the Group was awarded the “Financial Leasing Company of the Year 2024” in “China Financial Value Ranking (CFV)” by CBN, the “2024 (7th) China Financial Leasing Soaring Award – Most Influential Financial Leasing Company” at the Global Leasing Industry Competitiveness Forum, “Best ESG Financial Service Providers” by Hong Kong International ESG Alliance, Xinhua Credit Pearl Cup “Outstanding Climate Investment and Financing Project Case” and other honors.

## **2. FINANCIAL REVIEW**

### ***2.1 Analysis of Consolidated Statement of Profit and Loss***

#### ***2.1.1 Overview of Consolidated Statement of Profit and Loss***

In 2024, the Group maintained a steady increase in results, with its total revenue and other income amounting to RMB28,563.1 million, representing an increase of RMB1,907.7 million, or 7.2% as compared with that of last year. Profit for the year amounted to RMB4,503.0 million, representing an increase of RMB352.9 million, or 8.5% as compared with that of last year, primarily due to the increase in the scale of the leased assets and the growth of income from leasing business, as well as the improvement in asset quality, increase in valuations of aircraft and ships and year-on-year decrease in impairment losses.

The following table sets forth the consolidated statement of profit and loss of the Group for the years indicated and the changes therein:

<i>(RMB in millions, except percentages)</i>	<b>For the year ended</b>		
	<b>31 December</b>		
	<b>2024</b>	2023	Change
<b>Revenue</b>			
Finance lease income	<b>10,846.1</b>	10,644.2	1.9%
Operating lease income	<b>14,589.0</b>	12,361.7	18.0%
<b>Total revenue</b>	<b>25,435.1</b>	23,005.9	10.6%
Net investment gains	<b>205.0</b>	155.5	31.8%
Other income, gains or losses	<b>2,923.0</b>	3,494.0	(16.3%)
<b>Total revenue and other income</b>	<b>28,563.1</b>	26,655.4	7.2%

<i>(RMB in millions, except percentages)</i>	<b>For the year ended 31 December</b>		<b>Change</b>
	<b>2024</b>	<b>2023</b>	
Depreciation and amortisation	<b>(7,102.3)</b>	(6,097.4)	16.5%
Staff costs	<b>(514.7)</b>	(502.4)	2.4%
Fee and commission expenses	<b>(55.1)</b>	(85.7)	(35.7%)
Interest expenses	<b>(12,978.4)</b>	(10,362.4)	25.2%
Other operating expenses	<b>(2,051.4)</b>	(1,916.3)	7.1%
Impairment losses	<b>141.5</b>	(2,272.4)	(106.2%)
<b>Total expenses</b>	<b><u>(22,560.4)</u></b>	<b><u>(21,236.6)</u></b>	<b><u>6.2%</u></b>
<b>Profit before income tax</b>	<b>6,002.7</b>	5,418.8	10.8%
Income tax expense	<b><u>(1,499.7)</u></b>	<u>(1,268.7)</u>	<u>18.2%</u>
<b>Profit for the year</b>	<b><u>4,503.0</u></b>	<b><u>4,150.1</u></b>	<b><u>8.5%</u></b>

### 2.1.2 Total Revenue

Revenue of the Group was primarily derived from finance lease income and operating lease income. In 2024, the total revenue of the Group amounted to RMB25,435.1 million, representing an increase of RMB2,429.2 million, or 10.6% as compared with that of last year, primarily due to an increase in operating lease income as compared to last year resulting from the growth in the scale of lease assets and the increase in the BDI.

#### 2.1.2.1 Finance Lease Income

The following table sets forth the finance lease income of the Group's five business segments for the years indicated:

<i>(RMB in millions, except percentages)</i>	<b>For the year ended 31 December</b>		<b>Change</b>
	<b>2024</b>	<b>2023</b>	
<b>Finance lease income</b>			
Aircraft leasing	<b>13.4</b>	5.9	127.1%
Regional development leasing	<b>4,323.9</b>	5,853.4	(26.1%)
Ship leasing	<b>1,365.2</b>	895.4	52.5%
Inclusive finance	<b>1,855.1</b>	1,773.1	4.6%
Green energy and high-end equipment leasing	<b>3,288.5</b>	2,116.4	55.4%
<b>Total</b>	<b><u>10,846.1</u></b>	<b><u>10,644.2</u></b>	<b><u>1.9%</u></b>

In 2024, finance lease income of the Group amounted to RMB10,846.1 million, accounting for 42.6% of the total revenue, representing an increase of RMB201.9 million, or 1.9% as compared with that of last year, primarily due to the year-on-year increase in the scale of finance lease assets.

With respect to aircraft leasing, in 2024, finance lease income from this segment of the Group amounted to RMB13.4 million, representing an increase of RMB7.5 million, or 127.1% as compared with that of last year, mainly due to the increase in the scale of finance lease assets of the aircraft leasing business as compared with that of last year.

With respect to regional development leasing, in 2024, finance lease income from this segment of the Group amounted to RMB4,323.9 million, representing a decrease of RMB1,529.5 million, or 26.1% as compared with that of last year. This was mainly due to the decrease in the scale of finance lease assets of the regional development leasing business as compared with that of last year.

With respect to ship leasing, in 2024, finance lease income from this segment of the Group amounted to RMB1,365.2 million, representing an increase of RMB469.8 million, or 52.5% as compared with that of last year, mainly due to the increase in the scale of ship finance lease assets as compared with that of last year, the increase in financing lease income resulted from the rise in USD interest rates, with the contract rates for certain ship financing lease businesses linked to Secured Overnight Financing Rate (SOFR).

With respect to inclusive finance, in 2024, finance lease income from this segment of the Group amounted to RMB1,855.1 million, representing an increase of RMB82.0 million, or 4.6% as compared with that of last year, primarily due to the increase in finance lease income as compared with that of last year as the Group continued to optimise the business structure of the inclusive finance segment.

With respect to green energy and high-end equipment leasing, in 2024, finance lease income from this segment of the Group amounted to RMB3,288.5 million, representing an increase of RMB1,172.1 million, or 55.4% as compared with that of last year, primarily due to the increase in the scale of finance lease assets, as a result of the Group's increased transformation and innovation and increased investment in new energy power plants and emerging high-end industries.



### 2.1.2.2 Operating Lease Income

The following table sets forth the operating lease income of the Group's five business segments for the years indicated:

<i>(RMB in millions, except percentages)</i>	<b>For the year ended</b>		
	<b>31 December</b>		
	<b>2024</b>	<b>2023</b>	<b>Change</b>
<b>Operating lease income</b>			
Aircraft leasing	<b>8,173.5</b>	8,201.0	(0.3%)
Regional development leasing	<b>115.1</b>	121.1	(5.0%)
Ship leasing	<b>5,294.6</b>	3,846.9	37.6%
Inclusive finance	<b>945.2</b>	142.6	562.8%
Green energy and high-end equipment leasing	<b>60.6</b>	50.1	21.0%
<b>Total</b>	<b><u>14,589.0</u></b>	<b><u>12,361.7</u></b>	<b><u>18.0%</u></b>

In 2024, operating lease income of the Group amounted to RMB14,589.0 million, accounting for 57.4% of the total revenue, representing an increase of RMB2,227.3 million, or 18.0% as compared with that of last year, primarily due to the increase in the scale of operating lease assets in 2024 as compared with that of last year and the increase in BDI.

With respect to aircraft leasing, in 2024, operating lease income from this segment of the Group amounted to RMB8,173.5 million, representing a decrease of RMB27.5 million, or 0.3% as compared with that of last year, primarily due to the increase in aircraft leasing income brought by the increase in the scale of aircraft operating lease assets, however, the decrease in the compensatory rentals received for the early termination of leases recognised in 2024 as compared with that of last year, partially offsetting the growth in revenue from the increase in the scale of assets.

With respect to regional development leasing, in 2024, operating lease income from this segment of the Group amounted to RMB115.1 million, representing a decrease of RMB6.0 million, or 5.0% as compared with that of last year, primarily due to the decrease in the rental level of operating lease assets of regional development leasing business in 2024 as compared with that of last year.

With respect to ship leasing, in 2024, operating lease income from this segment of the Group amounted to RMB5,294.6 million, representing an increase of RMB1,447.7 million, or 37.6% as compared with that of last year, primarily due to the fact that the majority of ship operating lease income from this segment was linked to the BDI, which increased compared to last year, as well as an increase in the scale of assets under ship operating leases in 2024.

With respect to inclusive finance, in 2024, operating lease income from this segment of the Group amounted to RMB945.2 million, representing an increase of RMB802.6 million, or 562.8% as compared with that of last year, primarily due to the increase in the scale of vehicle operating lease assets in 2024 as compared with that of last year.

With respect to green energy and high-end equipment leasing, in 2024, operating lease income from this segment of the Group amounted to RMB60.6 million, representing an increase of RMB10.5 million, or 21.0% as compared with that of last year, primarily due to the increase in the scale of the assets under operating leases for high-end equipment.

#### 2.1.2.3 Net Investment Gains

In 2024, net investment gains of the Group amounted to RMB205.0 million, representing an increase of RMB49.5 million, or 31.8% as compared with that of last year, primarily due to the increase in gain on disposal of treasury bonds in 2024.

#### 2.1.2.4 Other Income, Gains or Losses

In 2024, other income, gains or losses of the Group amounted to RMB2,923.0 million, representing a decrease of RMB571.0 million, or 16.3% as compared with that of last year, mainly due to the increase in foreign exchange losses as compared with that of last year despite interest income from deposits with financial institutions increased, and the fact that the Group received aircraft insurance compensation last year, which was not available in this year.

### 2.1.3 Cost and Expenses

In 2024, total cost and expenses of the Group amounted to RMB22,560.4 million, representing an increase of RMB1,323.8 million, or 6.2% as compared with that of last year, primarily due to the increases in interest expenses and depreciation and amortisation.

#### 2.1.3.1 Depreciation and Amortisation

In 2024, the depreciation and amortisation expenses of the Group amounted to RMB7,102.3 million, representing an increase of RMB1,004.9 million, or 16.5% as compared with that of last year, primarily due to the increase in depreciation expenses of operating lease assets as a result of the growth in the scale of operating lease assets.

#### 2.1.3.2 Staff Costs

In 2024, the Group's salaries, bonuses and allowances amounted to RMB392.2 million and the Group's other statutory and social security and training expenses amounted to RMB122.5 million. The staff costs increased by 2.4% as compared with that of last year, which was mainly due to the increase in the number of the Group's staff and adjustment of the staff structure in accordance with the market environmental changes and the demands of business development.



#### 2.1.3.3 Fee and Commission Expenses

In 2024, fee and commission expenses of the Group amounted to RMB55.1 million, representing a decrease of RMB30.6 million, or 35.7% as compared with that of last year, primarily due to the decrease in bank charges.

#### 2.1.3.4 Interest Expenses

In 2024, interest expenses of the Group amounted to RMB12,978.4 million, representing an increase of RMB2,616.0 million, or 25.2% as compared with that of last year, primarily due to the increase in average financing scale during the year as compared to last year, and the USD financing cost rate maintained at a high level, resulting in the corresponding increase in interest expenses.

#### 2.1.3.5 Other Operating Expenses

In 2024, other operating expenses of the Group amounted to RMB2,051.4 million, representing an increase of RMB135.1 million, or 7.1% as compared with that of last year, primarily due to the increase in relevant expenses related to vehicle project management.

#### 2.1.3.6 Net Impairment Losses

In 2024, net impairment losses of the Group amounted to RMB(141.5) million, representing a decrease of RMB2,413.9 million, or 106.2% as compared with that of last year, primarily due to the improvement in the risk situation of the lessees and the quality of the leased assets.

### *2.1.4 Profit before Income Tax*

In 2024, profit before income tax of the Group amounted to RMB6,002.7 million, representing an increase of RMB583.9 million, or 10.8% as compared with that of last year.

### *2.1.5 Income Tax Expense*

In 2024, income tax expense of the Group amounted to RMB1,499.7 million, representing an increase of RMB231.0 million, or 18.2% as compared with that of last year, primarily due to the increase in profit before income tax.

### *2.1.6 Profit for the Year*

In 2024, profit for the year of the Group amounted to RMB4,503.0 million, representing an increase of RMB352.9 million, or 8.5% as compared with that of last year.

## 2.2 Analysis on the Consolidated Statement of Financial Position

The following table sets forth the consolidated statement of financial position of the Group as at the dates indicated and the changes therein:

(RMB in millions, except percentages)	As at 31 December		Change
	2024	2023	
<b>Assets</b>			
Cash and bank balances	43,670.6	69,440.3	(37.1%)
Financial assets at fair value through profit or loss	213.9	156.5	36.7%
Derivative financial assets	437.9	675.9	(35.2%)
Financial assets at fair value through other comprehensive income	–	3,001.2	(100.0%)
Accounts receivable	624.7	1,335.1	(53.2%)
Finance lease receivables	202,099.6	195,101.1	3.6%
Assets held-for-sale	175.8	–	N/A
Prepayments	13,535.4	12,708.1	6.5%
Investment properties	1,058.4	1,089.5	(2.9%)
Property and equipment	133,593.9	118,640.2	12.6%
Right-of-use assets	143.2	174.3	(17.8%)
Deferred tax assets	2,327.4	2,131.7	9.2%
Other assets	7,969.5	5,241.0	52.1%
<b>Total assets</b>	<b>405,850.3</b>	<b>409,694.9</b>	<b>(0.9%)</b>
<b>Liabilities</b>			
Borrowings	309,814.1	295,875.4	4.7%
Due to banks and other financial institutions	5,185.4	12,509.0	(58.5%)
Financial assets sold under repurchase agreements	–	2,556.9	(100.0%)
Derivative financial liabilities	856.5	246.3	247.7%
Accrued staff costs	274.5	282.5	(2.8%)
Bonds payable	27,072.9	32,187.2	(15.9%)
Tax payable	466.9	446.6	4.5%
Lease liabilities	160.8	192.3	(16.4%)
Deferred tax liabilities	1,045.0	1,108.7	(5.7%)
Other liabilities	20,710.4	27,008.2	(23.3%)
<b>Total liabilities</b>	<b>365,586.5</b>	<b>372,413.1</b>	<b>(1.8%)</b>
<b>Total equity</b>	<b>40,263.8</b>	<b>37,281.8</b>	<b>8.0%</b>

### 2.2.1 Total Assets

The principal components of the Group's assets were cash and bank balances, finance lease receivables, prepayments and property and equipment. As at 31 December 2024, these assets accounted for 96.8% of the total assets. As at 31 December 2024, total assets of the Group amounted to RMB405,850.3 million, representing a decrease of RMB3,844.6 million, or 0.9% as compared with that as at the end of last year, primarily due to the fact that the Group reduced its financial leverage ratio, and further optimised its asset-liability structure.

#### 2.2.1.1 Cash and Bank Balances

As at 31 December 2024, cash and bank balances of the Group amounted to RMB43,670.6 million, representing a decrease of RMB25,769.7 million, or 37.1% as compared with that as at the end of last year, primarily due to the decrease in the working capital reserves as at the end of the year.

#### 2.2.1.2 Finance Lease Receivables

<i>(RMB in millions, except percentages)</i>	As at 31 December		Change
	2024	2023	
<b>Finance lease receivables – gross</b>	<b>255,467.0</b>	242,256.6	5.5%
Less: unearned finance income	<b>(44,089.5)</b>	(38,130.9)	15.6%
<b>Finance lease receivables – net</b>	<b>211,377.5</b>	204,125.7	3.6%
Less: allowance for impairment losses	<b>(9,277.9)</b>	(9,024.6)	2.8%
 <b>Finance lease receivables – net value</b>	 <b><u>202,099.6</u></b>	 <b><u>195,101.1</u></b>	 <b><u>3.6%</u></b>

As at 31 December 2024, finance lease receivables of the Group amounted to RMB202,099.6 million, representing an increase of RMB6,998.5 million, or 3.6% as compared with that as at the end of last year, primarily due to the continuous growth in the scale of the Group's finance lease business.

#### 2.2.1.3 Prepayments

As at 31 December 2024, the balance of the prepayments of the Group amounted to RMB13,535.4 million, representing an increase of RMB827.3 million, or 6.5% as compared with that as at the end of last year, primarily due to the new purchase orders of aircraft, which resulted in an increase in balance of prepayments.

#### 2.2.1.4 Property and Equipment

Property and equipment were composed of equipment held for operating lease businesses and property and equipment held for administrative purposes. As at 31 December 2024, equipment held for operating lease businesses of the Group amounted to RMB133,022.7 million, representing an increase of RMB14,978.5 million, or 12.7% as compared with that as at the end of last year, primarily due to the increase in the scale of aircraft, ships, vehicles and other assets for operating lease.

As at 31 December 2024, property and equipment held for administrative purposes of the Group amounted to RMB571.2 million, representing a decrease of RMB24.8 million, or 4.2% as compared with that as at the end of last year, primarily due to the transfer of some property and equipment held for administrative purposes to investment properties and the decrease in net value of property and equipment held for administrative purposes with provision for depreciation.

The following table sets forth the breakdown of the property and equipment of the Group as at the dates indicated:

<i>(RMB in millions, except percentages)</i>	<b>As at 31 December</b>		<b>Change</b>
	<b>2024</b>	<b>2023</b>	
<b>Property and equipment</b>			
Equipment held for operating lease businesses	<b>133,022.7</b>	118,044.2	12.7%
Property and equipment held for administrative purposes	<b>571.2</b>	596.0	(4.2%)
<b>Property and equipment – net value</b>	<b><u>133,593.9</u></b>	<b><u>118,640.2</u></b>	<b><u>12.6%</u></b>

#### 2.2.1.5 Other Assets

Other assets mainly included deductible value-added tax, prepaid expense, straightline amortised lease asset, interest receivable, maintenance right assets and other receivables, etc. As at 31 December 2024, other assets of the Group amounted to RMB7,969.5 million, representing an increase of RMB2,728.5 million, or 52.1% as compared with that as at the end of last year.

### 2.2.2 Leased Assets

The following table sets forth the breakdown of the Group's finance lease related assets as at the dates indicated:

<i>(RMB in millions, except percentages)</i>	<b>As at 31 December</b>		
	<b>2024</b>	<b>2023</b>	<b>Change</b>
<b>Finance lease related assets</b>			
Finance lease receivables	<b>202,099.6</b>	195,101.1	3.6%
Accounts receivable – advances for finance lease projects	<u>–</u>	<u>537.0</u>	<u>(100.0%)</u>
<b>Total</b>	<b><u>202,099.6</u></b>	<b><u>195,638.1</u></b>	<b><u>3.3%</u></b>

The following table sets forth the breakdown of the operating lease assets of the Group as at the dates indicated:

<i>(RMB in millions, except percentages)</i>	<b>As at 31 December</b>		
	<b>2024</b>	<b>2023</b>	<b>Change</b>
<b>Operating lease assets</b>			
Investment properties	<b>1,058.4</b>	1,089.5	(2.9%)
Property and equipment – equipment held for operating lease businesses	<u><b>133,022.7</b></u>	<u>118,044.2</u>	<u>12.7%</u>
<b>Total</b>	<b><u>134,081.1</u></b>	<b><u>119,133.7</u></b>	<b><u>12.5%</u></b>

Finance lease related assets and operating lease assets of the Group represented a year-on-year increase of 3.3% and a year-on-year increase of 12.5%, respectively. In 2024, the balance of leased assets of the Group maintained a steady growth trend on a year-on-year basis.

### 2.2.3 Total Liabilities

As at 31 December 2024, total liabilities of the Group amounted to RMB365,586.5 million, representing a decrease of RMB6,826.6 million, or 1.8% as compared with that as at the end of last year, primarily due to the optimisation of structure for assets and liabilities and reduction of financial leverage in accordance with the latest regulatory requirements, leading to a decrease in the scale of liabilities.

### 2.2.3.1 Borrowings

As at 31 December 2024, the balance of borrowings of the Group amounted to RMB309,814.1 million, representing an increase of RMB13,938.7 million, or 4.7% as compared with that as at the end of last year, primarily due to the increase in financing to support the development of business scale.

### 2.2.3.2 Bonds Payable

As at 31 December 2024, the balance of bonds payable of the Group amounted to RMB27,072.9 million, representing a decrease of RMB5,114.3 million, or 15.9% as compared with that as at the end of last year, primarily due to larger scale of bonds falling due than the scale of those newly issued in 2024, resulting in a year-on-year decrease in the year-end balance of bonds.

### 2.2.3.3 Other Liabilities

As at 31 December 2024, the balance of other liabilities of the Group amounted to RMB20,710.4 million, representing a decrease of RMB6,297.8 million, or 23.3% as compared with that as at the end of last year, primarily due to the decrease in the balance of accounts payable.

## 2.3 Analysis on the Statement of Cash Flows

The following table sets forth the Group's statement of cash flows for the years indicated and the changes therein:

<i>(RMB in millions, except percentages)</i>	<b>For the year ended 31 December</b>		
	<b>2024</b>	2023	Change
Net cash inflow from operating activities	<b>582.7</b>	66,826.4	(99.1%)
Net cash outflow from investing activities	<b>(32,528.7)</b>	(35,322.4)	(7.9%)
Net cash outflow from financing activities	<b>(7,162.2)</b>	(7,488.5)	(4.4%)
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b><u>(39,108.2)</u></b>	<b><u>24,015.5</u></b>	<b><u>(262.8%)</u></b>

In 2024, the net cash inflow from operating activities of the Group amounted to RMB582.7 million, representing a decrease of 99.1% as compared to that of last year, primarily due to an increase in cash outflow for repayment of operating borrowings as results of optimisation to the asset and liability structure and reduction in financial leverage. The net cash outflow generated from investing activities of the Group amounted to RMB32,528.7 million, representing a decrease of 7.9% as compared to that of last year, primarily due to an increase in cash received by the Group from disposal of treasury bonds. In addition, in 2024, the net cash outflows from financing activities of the Group amounted to RMB7,162.2 million, representing a decrease of 4.4% as compared to that of last year, primarily due to the increase in the amount received from the issuance of bonds by the Group.

### 3. BUSINESS OPERATION

The business segments of the Group consist of five leasing segments, namely aircraft leasing, regional development leasing, ship leasing, inclusive finance and green energy and high-end equipment leasing.

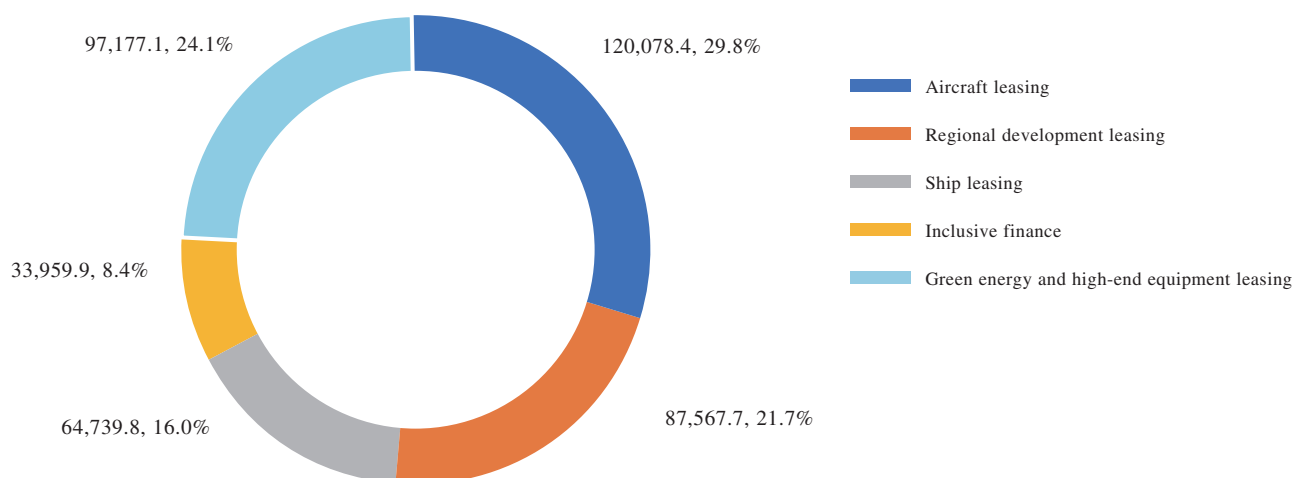
In 2024, the Group continued to optimise its business layout and promote business transformation and development in an orderly manner, and the foundation for sustainable development has been consolidated. In 2024, the total investment in leasing business of the Group amounted to RMB102,416.6 million, among which the investment in aircraft leasing, regional development leasing, ship leasing, inclusive finance and green energy and high-end equipment leasing were RMB12,460.1 million, RMB8,140.5 million, RMB11,853.5 million, RMB22,821.6 million and RMB47,140.9 million, respectively.

The following table sets forth the assets of each business segment of the Group as at the dates indicated:

<i>(RMB in millions, except percentages)</i>	As at 31 December			
	2024		2023	
Segment assets	Amount	Proportion	Amount	Proportion
Aircraft leasing	120,078.4	29.8%	108,978.6	26.7%
Regional development leasing	87,567.7	21.7%	130,008.2	32.0%
Ship leasing	64,739.8	16.0%	62,783.9	15.4%
Inclusive finance	33,959.9	8.4%	36,041.9	8.8%
Green energy and high-end equipment leasing	97,177.1	24.1%	69,750.6	17.1%
<b>Total</b>	<b>403,522.9</b>	<b>100.0%</b>	<b>407,563.2</b>	<b>100.0%</b>

#### Breakdown of Assets of Each Business Segment in 2024

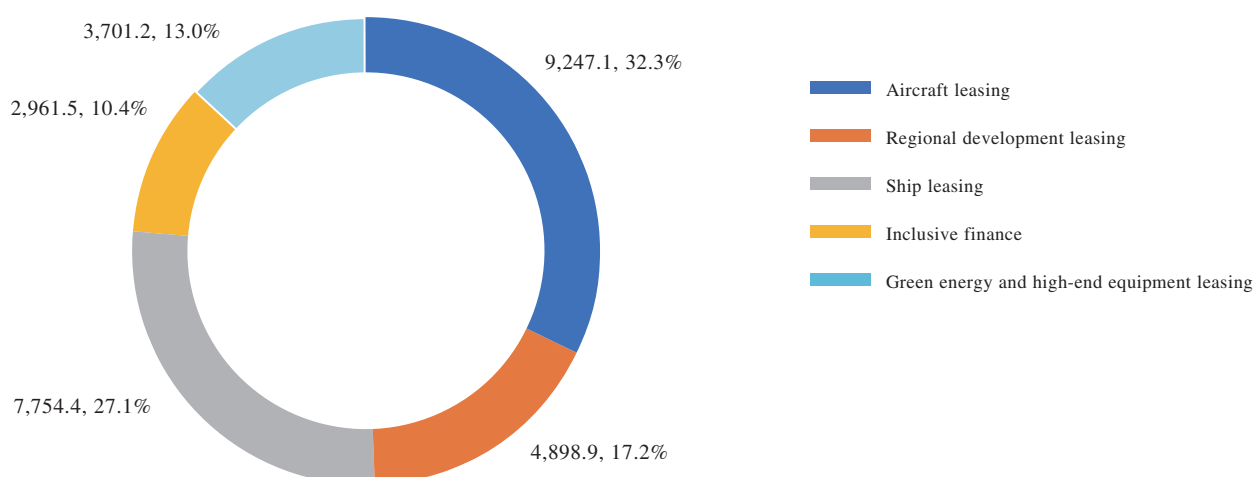
*(Unit: RMB in millions, Percentages)*



The following table sets forth the revenue and other income of each business segment for the years indicated:

<i>(RMB in millions, except percentages)</i>	For the year ended 31 December			
	2024		2023	
Segment revenue and other income	Amount	Proportion	Amount	Proportion
Aircraft leasing	9,247.1	32.3%	10,189.7	38.2%
Regional development leasing	4,898.9	17.2%	6,318.6	23.7%
Ship leasing	7,754.4	27.1%	5,858.2	22.0%
Inclusive finance	2,961.5	10.4%	2,006.3	7.5%
Green energy and high-end equipment leasing	3,701.2	13.0%	2,282.6	8.6%
<b>Total</b>	<b>28,563.1</b>	<b>100.0%</b>	<b>26,655.4</b>	<b>100.0%</b>

**Breakdown of Revenue and Other Income of Each Business Segment in 2024**  
*(Unit: RMB in millions, Percentages)*





The following table sets forth the profit before income tax of each business segment for the years indicated:

	<b>For the year ended 31 December</b>	
<i>(RMB in millions)</i>	<b>2024</b>	<b>2023</b>
<b>Segment profit before income tax</b>	<b>Amount</b>	<b>Amount</b>
Aircraft leasing	<b>235.4</b>	365.1
Regional development leasing	<b>1,806.8</b>	2,403.6
Ship leasing	<b>1,798.1</b>	1,114.0
Inclusive finance	<b>1,140.2</b>	1,400.0
Green energy and high-end equipment leasing	<b>1,022.2</b>	136.1
<b>Total</b>	<b><u>6,002.7</u></b>	<b><u>5,418.8</u></b>

The following table sets forth the profit margin before income tax of each business segment for the years indicated:

	<b>For the year ended 31 December</b>	
<b>Segment profit margin before income tax<sup>(1)</sup></b>	<b>2024</b>	<b>2023</b>
Aircraft leasing	<b>2.88 %</b>	4.45 %
Regional development leasing	<b>40.70 %</b>	40.23 %
Ship leasing	<b>27.00 %</b>	23.49 %
Inclusive finance	<b>40.72 %</b>	73.08 %
Green energy and high-end equipment leasing	<b>30.53 %</b>	6.28 %

<sup>(1)</sup> Segment profit margin before income tax is calculated by dividing the segment profit before income tax by the segment leasing revenue. The leasing revenue includes finance lease income and operating lease income.

The following table sets forth the return on assets before income tax of each business segment for the years indicated:

	<b>For the year ended 31 December</b>	
<b>Segment return on assets before income tax<sup>(1)</sup></b>	<b>2024</b>	<b>2023</b>
Aircraft leasing	<b>0.21 %</b>	0.36 %
Regional development leasing	<b>1.66 %</b>	1.84 %
Ship leasing	<b>2.82 %</b>	1.98 %
Inclusive finance	<b>3.26 %</b>	3.91 %
Green energy and high-end equipment leasing	<b>1.22 %</b>	0.24 %

<sup>(1)</sup> Segment return on assets before income tax is calculated by dividing the segment profit before income tax by the average balance of segment assets at the beginning and the end of the Reporting Period.

### **3.1 Aircraft Leasing**

The International Air Transport Association (“IATA”) reported record-breaking passenger demand in 2024, with full-year traffic, as measured by revenue passenger kilometers, increasing by 10.4% year-on-year and exceeding 2019 levels by 3.8%. IATA expects the growth of travel demand to continue in 2025, albeit at a more moderate pace of 8%. According to IATA’s latest forecast, global airlines will achieve a net profit of US\$36.6 billion (profit margin of 3.6%) in 2024, a slight increase as compared to US\$31.5 billion (profit margin of 3.3%) that IATA previously forecasted. Despite the ongoing economic and geopolitical challenges to the global airline industry’s performance, both Boeing and Airbus still forecast that traffic will grow annually by 4.7% and 3.6% respectively for the next twenty years. Within that timeframe, the global in-service-fleet will have reached 50,170 aircraft according to Boeing and 42,430 aircraft as projected by Airbus, underscoring the fact that the aviation industry demonstrates resilience after unprecedented disruption.

In 2025, with an international leasing business platform, professional team, good relationships with manufacturers and a global and well-diversified customer network, the Group will continue to seize opportunities as the industry progresses its growth to build a fleet comprising next-generation, mainstream narrow-body aircraft and increase the Group’s competitiveness in the industry.

During 2024, the highlights of the Group’s aircraft leasing segment are:

- Executed 36 transactions for 70 new and used aircraft, covering order placement, remarketing and extensions, sale and leaseback deals, aircraft acquisitions and sales;
- Signed financing transactions for a total of US\$5.8 billion; and
- Further diversified our global customer base with new customers, leasing business now covering a total of 85 lessees across 41 countries and regions.

As at 31 December 2024, total assets of the aircraft leasing segment of the Group amounted to RMB120,078.4 million, representing an increase of RMB11,099.8 million, or 10.2% as compared to that as at the end of last year, mainly due to an increase in leased assets. The total revenue and other income of the aircraft leasing segment amounted to RMB9,247.1 million, representing a decrease of RMB942.6 million, or 9.3% as compared with that of last year. The profit before income tax for this segment was RMB235.4 million, representing a decrease of RMB129.7 million, or 35.5% as compared with that of last year, mainly due to the rising interest expenses and no insurance settlement proceeds from those aircraft detained in Russia during the year.

In 2024, the net lease yield of the operating leased aircraft was 4.5%<sup>1</sup>, the lease yield of the finance leased aircraft was 2.6%<sup>2</sup>.

As at 31 December 2024, the Group had a total portfolio of 521 aircraft, consisting of 311 owned aircraft and 210 committed aircraft. Our global customer base covers 85 lessees in 41 countries and regions. As at 31 December 2024, 307 owned aircraft of the Group were held for operating lease and 4 owned aircraft of the Group were under finance lease. As at 31 December 2024, the weighted average age by aircraft value<sup>3</sup> of the Group's owned aircraft held for operating lease was 5.4 years, and the weighted average remaining lease term by aircraft value of the Group's owned aircraft held for operating lease was 7.3 years.

The Group's owned and in-service fleet mainly includes narrow-body aircraft types comprising the Airbus A320ceo and A320neo family and Boeing 737NG and 737MAX family, and wide-body types such as Airbus A330ceo, A330neo and A350, and Boeing 777-300ER and 787-9. As at 31 December 2024, the Group's aircraft fleet consists of 78% narrow-body aircraft, 18% wide-body aircraft and 4% freighters and regional aircraft by aircraft value. As at 31 December 2024, the total net book value of the Group's owned aircraft was US\$12,583.5 million.

The Group's orderbook is comprised solely of next-generation, liquid, narrow-body aircraft types. As at 31 December 2024, the Group has committed to purchasing 197 narrow-body aircraft under its direct OEM orders, including 85 aircraft from Boeing and 112 aircraft from Airbus. These aircraft are scheduled to be delivered between 2025 and 2032. The Group also has contractual commitments to acquire a further 8 aircraft under sale-lease-back transactions and 5 aircraft from portfolio acquisition. The aggregate future capital expenditure commitments were RMB83,198.1 million.

<sup>1</sup> The calculation is net lease income of aircraft operating lease business divided by average monthly balance of operating lease assets. Net lease income equals aircraft operating lease income plus maintenance income less interest expenses of the operating lease business.

<sup>2</sup> The calculation is lease income divided by average monthly balance of aircraft finance lease assets. As at 31 December 2024, only four finance leased aircraft remained, therefore the impact of finance lease on revenue is immaterial.

<sup>3</sup> For operating lease, aircraft value equals the sum of aircraft net book value and aircraft intangible assets value; for finance lease, aircraft value equals finance lease receivable.

The following table sets forth the composition of the Group's fleet and committed aircraft as at 31 December 2024:

<b>Aircraft Type</b>	<b>Owned aircraft</b>	<b>Committed aircraft</b>	<b>Total</b>
A320-200	40	–	40
A321-200	8	1	9
A330-200	5	–	5
A330-300	18	–	18
A330-900	6	–	6
A350-900	4	–	4
A320neo	78	24	102
A321neo	44	94	138
<b>Airbus Total</b>	<b>203</b>	<b>119</b>	<b>322</b>
737-800	47	2	49
777-300ER	1	–	1
737 Max 8	35	89	124
787-9	2	–	2
<b>Boeing Total</b>	<b>85</b>	<b>91</b>	<b>176</b>
E190-100LR	16	–	16
<b>Embraer Total</b>	<b>16</b>	<b>–</b>	<b>16</b>
<b>Freighters</b>	<b>7</b>	<b>–</b>	<b>7</b>
<b>Total</b>	<b>311</b>	<b>210</b>	<b>521</b>

One of the above seven freighters is under conversion and scheduled for delivery in 2025.

In addition to the above committed aircraft, the Group has 70 non-binding entitlements with The Commercial Aircraft Corporation of China, Ltd., consisting of 20 C909 aircraft and 50 C919 aircraft.

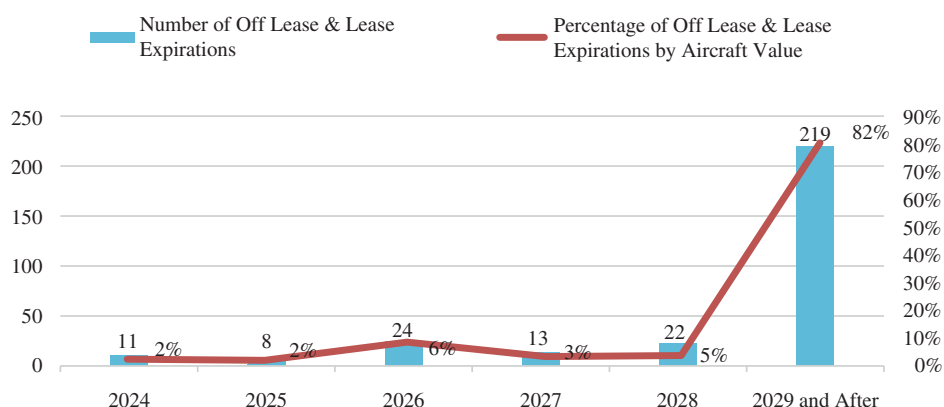
As at 31 December 2024, among 210 committed aircraft (including aircraft under direct OEM orders, sale-lease-back and portfolio acquisition), 30 were scheduled for delivery in 2025, 31 in 2026 and 149 from 2027 onwards.

As at 31 December 2024, among 197 aircraft committed to be purchased directly from OEMs, 37 were committed for lease, of which 19 were scheduled for delivery in 2025, 15 in 2026 and 3 in 2027.

As at 31 December 2024, the Group was committed to sale-lease-back transactions covering 8 aircraft and 5 aircraft via portfolio acquisition, of which 9 were scheduled for delivery in 2025 and 4 in 2026.

The following chart sets forth the breakdown of the number of aircraft and percentage of aircraft value balance as at 31 December 2024 of those off-lease aircraft and aircraft under operating lease with scheduled leases expiring in the future, excluding any aircraft for which the Group has a sale commitment, to be converted to finance lease, under teardown or freighter conversion, unable to remarket due to bankruptcy proceedings of relevant lessees and the Russian-Ukraine conflict. 4 out of 11 aircraft with lease expired in 2024 have entered into letters of intent for sale.

### Off Lease and Lease Expirations



During 2024, the Group sold 5 aircraft in total with a net book value on disposal of assets of US\$49.3 million and realised a gain on disposal of US\$10.3 million. The Group also acted as the remarketing agent for the client and completed a sale of another 8 aircraft.

The Group's owned aircraft under operating lease (excluding 4 aircraft detained in Russia) was 95.6% fleet utilisation due to the impact of aircraft in transition.

The following table sets forth a breakdown of the Group's revenue and assets of aircraft leasing by region of lessee for 2024:

<b>Region</b>	<b>Percentage of lease revenue in 2024</b>	<b>Percentage of aircraft value as at 31 December 2024</b>
The PRC	29.2%	24.0%
Asia Pacific (excluding the PRC)	20.5%	21.6%
Europe	19.5%	21.2%
Americas	24.0%	23.9%
Middle East	6.3%	6.2%
Africa	0.5%	0.7%
Off-lease/Under conversion	—	2.4%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

The following table sets forth a breakdown of the Group's owned aircraft by manufacturer as at 31 December 2024:

<b>Manufacturer</b>	<b>Percentage by aircraft value as at 31 December 2024</b>
Airbus	75.1%
Boeing	23.7%
Others	1.2%
<b>Total</b>	<b>100.0%</b>

### ***3.2 Regional Development Leasing***

China insisted on implementing its major regional strategies to build a modernised economic system around the goal of high-quality economic development and key regions have become important growth poles for China's economy. In 2024, the Group's regional development leasing segment achieved additional investment in businesses of RMB8,140.5 million.

The Group focused on key regions such as Beijing-Tianjin-Hebei Area, Yangtze River Delta, Guangdong-Hong Kong-Macao Greater Bay Area, Yangtze River Economic Belt and Yellow River Basin, and its major regional strategies, to strongly support the development of key areas and weak links. As at the end of 2024, the Group has provided regional development leasing services in 26 provinces, autonomous regions and municipalities directly under the Central Government. In the Group's regional development leasing segments, the balance of assets in the Beijing-Tianjin-Hebei Area amounted to RMB10,170.1 million; the balance of assets in the Yangtze River Economic Belt amounted to RMB40,301.8 million; and the balance of assets in the Guangdong-Hong Kong-Macao Greater Bay Area amounted to RMB4,876.6 million. The Group's balance of assets in the above three key regions accounted for approximately 63.2% of the assets of such segment.

As at 31 December 2024, the total assets of the Group's regional development leasing segment amounted to RMB87,567.7 million, representing a decrease of RMB42,440.5 million, or 32.6% as compared with that as at the end of last year. In 2024, revenue and other income of the segment amounted to RMB4,898.9 million, representing a decrease of RMB1,419.7 million, or 22.5% over that of last year. Profit before income tax for the segment amounted to RMB1,806.8 million, representing a decrease of RMB596.8 million, or 24.8% as compared with that of last year, mainly due to the continuous decline in the balance of leased assets in this segment and the synchronous decrease in revenue and profits resulted from the Group's continuous business transformation.

### **3.3 Ship Leasing**

The global shipping market performed overall well in 2024, with the annual seaborne trade volume increasing by 2.6%. The overall performance of the bulk carrier shipping market was stronger than last year, with an average annual BDI of 1,755, representing an increase of 27.0% from 1,378 in last year. In 2024, the freight rate level of bulk carriers fluctuated with the season as a whole. In the first quarter, it was affected by the stable shipment of mainstream iron ore and the tightening supply and demand of shipping capacity. In the third quarter, it was affected by the strong shipment of Vale of Brazil and the seasonality of grain shipments in North America. The freight rate in both quarters was relatively high. The product tanker transportation market maintained a record high for most of the year, still remaining higher than the level before Russia-Ukraine conflict at the end of 2024 although it fell the high level. The delivery of LNG ships under construction in 2024 hit a record high, coupled with the fact that the production process of liquefaction capacity did not meet expectations, resulting in an unbalanced supply and demand of LNG shipment. Therefore, the overall short-term charter rate was relatively low. The rental rate of container ships throughout the year rebounded significantly from last year, due to the continuous effect of Red Sea tensions on the container shipping market and the record-high seaborne trade volume. In 2024, the Group's ship leasing segment achieved new investment of RMB11,853.5 million.



The Group continuously and closely tracked the dynamic changes of the shipping market, comprehensively researched and judged the development trend of market segments, so as to adjust its business strategy and the pace of ship leasing business development in a timely manner. In 2024, the Group completed the delivery and charter services of 23 new-built vessels, and sold 6 vessels at proper time, optimising and updating the fleet structure. The fleet were operated safely and efficiently throughout the year, with the average utilisation rate of vessels on time charter reaching approximately 99.6%, which continued to maintain a first-class international standard.

As at 31 December 2024, the Group had a total of 253 ships in operation, representing an increase of 25 ships as compared with that as at the end of last year, among which there were 36 ships under finance lease and 217 ships under operating lease. In terms of ship type, there were 173 bulk carriers, 47 product tankers, 13 container ships, 18 LNG ships and 2 passenger cruise ships. In terms of vessel age, the average age of vessels in operation of the Group is 6.9 years, including bulk carriers with an average age of 6.4 years, container ships with an average age of 8.3 years, product tankers with an average age of 6.6 years, LNG ships with an average age of 10.3 years and passenger cruise ships with an average age of 15.5 years. The Group maintained a relatively new age structure, which gave its operating vessels a strong competitive advantage in terms of economy, safety and environmental protection. In addition, the Group has 8 vessels under construction, including 6 bulk carriers and 2 product tankers.

Asset structure of the Group's vessels in operation as at 31 December 2024 is as follows:

**Asset structure of the Group's vessels in operation  
as at 31 December 2024**

Type	Operating lease (ships)	Finance lease (ships)	Total (ships)	Note
Bulk carrier	163	10	173	Another 6 new ships were under construction
Product tanker	47	–	47	Another 2 new ships were under construction
Container ship	–	13	13	
LNG ship	6	12	18	
Passenger cruise ship	1	1	2	The program of passenger cruise ship under operating lease is a joint leasing program
<b>Total</b>	<b>217</b>	<b>36</b>	<b>253</b>	

As at 31 December 2024, the total assets of the ship leasing segment of the Group amounted to RMB64,739.8 million, representing an increase of RMB1,955.9 million, or 3.1% as compared with that as at the end of last year, mainly due to an increase in leased assets. In 2024, the revenue and other income of the ship leasing segment of the Group amounted to RMB7,754.4 million, representing an increase of RMB1,896.2 million, or 32.4% as compared with that of last year. The profit before income tax of this segment amounted to RMB1,798.1 million, representing an increase of RMB684.1 million, or 61.4% over that of last year, mainly due to the large proportion of bulk carriers in the Company's fleet and the fact that the majority of its operating lease income being linked to the BDI, benefited from the increase in the BDI in 2024 as compared with that of last year, coupled with the expansion of the ship leasing asset scale in 2024, which drove the increase in revenue and profit.



### **3.4 Inclusive Finance**

In 2024, the Group adhered to the fundamental purpose of financial services serving the real economy, continued to optimise the layout of assets for inclusive finance, prolonged to expand the development potential of the vehicle leasing business, and endeavored to enhance the coverage and quality and efficiency of the inclusive finance services with innovation and upgrading as the driving force. The Group fully grasped the important cycle of extra vehicles by our cooperative customers, promoted the investment in the vehicle operating leasing business, and strengthened the business development in the areas of mobility and city distribution logistics. With the stable development of its existing passenger vehicle leasing business serving consumer sector, the Group has realised the development and landing of three retail products, namely, “vehicle financing”, “travel financing” and “agricultural financing”, to promote the conversion of the investment structure to cover more business scenarios and retailing ecosystems, so as to enhance the influence of the Group’s products in the market. In 2024, the Group’s inclusive finance segment achieved additional investment of RMB22,821.6 million.

As at 31 December 2024, the total assets of the Group’s inclusive finance segment amounted to RMB33,959.9 million, representing a decrease of RMB2,082.0 million, or 5.8% from that as at the end of last year, mainly due to the business restructuring and decline in asset size of construction machinery. Revenue and other income from inclusive finance segment for the year amounted to RMB2,961.5 million, representing an increase of RMB955.2 million, or 47.6% from that of last year, mainly due to the increased investment in passenger vehicle operating leasing business and the optimisation of the segment’s income structure. The Group’s inclusive finance business achieved profit before income tax of RMB1,140.2 million, representing a decrease of RMB259.8 million, or 18.6% over that of last year, mainly due to the fierce competition in the industry and narrowing marginal profits, resulting in a lower credit impairment loss reversal this year compared to last year.

#### **3.4.1 Vehicle Leasing**

According to the statistics of China Association of Automobile Manufacturers, in 2024, the automobile production and sales in China completed cumulatively 31.282 million and 31.436 million units, representing an increase of 3.7% and 4.5% on a year-on-year basis respectively, which recorded a new high again and continued to maintain at the level of more than 30 million units. In particular, the production and sales volume of passenger vehicles continues to grow, playing a positive role in stabilising the basic consumption of automobiles; the commercial vehicle market has shown weak performance, with production and sales volume not reaching 4 million units as expected; new energy vehicles continued to grow rapidly, with annual production and sales volume exceeding 10 million units for the first time, accounting for over 40% of sales volume, ushering in a new stage of high-quality development.

In 2024, the Group has been exploring the needs of strategic customer markets, actively expanding cooperation models, and flexibly developing diversified products, so as to further increase investment in operating leasing business in the field of vehicle travel and logistics. The Group has guided enterprises to participate in the whole chain of low-carbon and environmental protection by providing financial support for the two new energy tracks of city distribution logistics and power battery leasing, thereby enhancing the level of green and low-carbon development of inclusive finance. In the field of vehicle retailing, based on the financial needs of passenger vehicle market and the end customers, the Group took effort to promote the upgrading and expansion of financial products and services by focusing on diversified customer bases and various scenarios. The Group has successively completed the innovation and implementation of “vehicle financing” and “travel financing” products, and has made every effort to build a passenger vehicle retail business ecology and achieve diversified product offering. Meanwhile, the Group actively promoted the continuous optimisation and iteration of big data intelligent risk control models, making the business risk identification more accurate and risk control more robust. In 2024, the new investment of the Group’s vehicle leasing business amounted to approximately RMB18,097 million with more than 129,000 new vehicles, directly or indirectly benefiting more than 100,000 end customers.

As at 31 December 2024, the Group’s assets related to vehicle leasing business amounted to RMB23,773.7 million, representing an increase of RMB3,833.8 million, or 19.2% from the end of last year and accounting for 70.0% of the assets of the inclusive finance segment.

#### *3.4.2 Construction and Agricultural Machinery Leasing*

In 2024, the national policy continued to make efforts to promote the upgrading and technological advancement of the construction machinery industry. The total output value of China’s construction machinery reached RMB1.6 trillion, representing a year-on-year increase of 8.6%, the demand for such products rebounded significantly. According to the data issued by the China Construction Machinery Industry Association, as the “barometer” of the construction machinery industry, the sales volume of excavators stopped falling and rebounded in 2024, ending the downward trend for three consecutive years, and releasing positive signals. China’s construction machinery performed well in high-end, green and intelligent aspects, becoming the core driving force for the industry’s stable development.

The Group continued to consolidate the strategic cooperative relationship with the leading enterprises in the industry, and jointly strengthened the risk control. In 2024, the Group’s construction machinery leasing business had new investment of RMB4,479 million with 15,000 sets of new equipment, directly or indirectly benefiting over 150 end customers.

The Group responded to the call of country to launch the “agricultural financing” leasing products for key agricultural areas, providing financial support for the purchase of agricultural machinery and equipment for the majority of farmers, further expanding the depth and breadth of financial services, and supporting the national rural revitalisation and development strategy. The Group made an additional investment of RMB246 million for “agricultural financing” products with more than 1,400 sets of agricultural machinery and equipment in 2024, providing financial leasing services for more than 1,300 farmers to purchase agricultural machinery and equipment.

As at 31 December 2024, the Group’s assets related to construction and agricultural machinery leasing business amounted to RMB10,186.2 million, representing a decrease of RMB5,915.8 million, or 36.7% from the end of last year and accounting for 30.0% of the assets of the inclusive finance segment.

The following table sets forth the net book value and proportion of assets in relation to the leasing business of each sub-segment in the inclusive finance segment of the Group as at the dates indicated:

<i>(RMB in millions)</i>	<b>As at 31 December 2024</b>		<b>As at 31 December 2023</b>	
	<b>Amount</b>	<b>Percentage</b>	<b>Amount</b>	<b>Percentage</b>
Vehicle leasing	<b>23,773.7</b>	<b>70.0%</b>	19,939.9	55.3%
Construction and agricultural machinery leasing	<b>10,186.2</b>	<b>30.0%</b>	16,102.0	44.7%
<b>Total</b>	<b>33,959.9</b>	<b>100.0%</b>	<b>36,041.9</b>	<b>100.0%</b>

### ***3.5 Green Energy and High-end Equipment Leasing***

According to the data published by the National Energy Administration, as at the end of 2024, the cumulative installed capacity of power generation in China was approximately 3.35 billion kW, representing a year-on-year increase of 14.6%. In particular, the installed capacity of solar power generation was approximately 890 million kW, representing a year-on-year increase of 45.2%; the installed capacity of wind power was approximately 520 million kW, representing a year-on-year increase of 18.0%. While the installed capacity continued to expand, China’s new energy has maintained a good trend of high proportion consumption. According to the data published by the Ministry of Industry and Information Technology, in 2024, the added value of the equipment manufacturing industry above the designated size in China increased by 7.7% year-on-year, contributing 46.2% to the added value of all industries above the designated size. The added value of high-tech manufacturing industry above the designated size increased by 8.9% year-on-year, and its proportion in all industries above the designated size increased by 0.6 percentage point, as compared with that in 2023. Investment in the manufacturing industry maintained a relatively rapid growth, and positive factors for sustained improvement continued to accumulate.

The Group actively enhanced the effectiveness of its services for green finance and technology finance, and increased its business investment in clean energy and advanced manufacturing. In 2024, the Group made an additional investment of RMB47,140.9 million in the green energy and high-end equipment leasing segment.

In 2024, the Group continued to cultivate the green energy field, built strong cooperative relationships around key energy customers, and at the same time developed the market at multiple levels and in an all-round way. Its business covered wind power, photovoltaic, hydropower, energy storage and other fields, and has successfully implemented household photovoltaic operating leasing projects. The Group realised an additional investment of more than RMB24 billion in the green energy business throughout the year. By the end of 2024, the Group's total installed capacity of new energy power stations amounted to 10.9 GW, including 4.8 GW of wind power, 6.0 GW of photovoltaic and 0.1 GW of solar thermal power. Focusing on science and innovation enterprises and high-end manufacturing industries, the Group continued to enhance its support for new quality productive forces, and increased its business investment in high-end equipment fields such as computing power, power batteries and integrated circuits in an orderly manner, realising an investment of more than RMB22 billion in high-end equipment leasing business throughout the year.

As at 31 December 2024, the total assets of the green energy and high-end equipment leasing segment amounted to RMB97,177.1 million, representing an increase of RMB27,426.5 million, or 39.3%, as compared to that as at the end of last year. In 2024, revenue and other income of the segment amounted to RMB3,701.2 million, representing an increase of RMB1,418.6 million, or 62.1% as compared to that of last year. In 2024, profit before income tax for the segment amounted to RMB1,022.3 million, representing an increase of RMB886.3 million, or 651.7% as compared with that of last year, which was mainly because the Group has stepped up transformation and innovation and the scale of leased assets for new energy power plants and emerging industries has expanded, coupled with a lower provision on credit impairment loss in 2024 as compared to that of the prior year, which drove a significant increase in segment profit.

The following table sets out the net book value and proportion of the assets in relation to the leasing business of each sub-segment in the green energy and high-end equipment leasing segment of the Group as at the dates indicated:

<i>(RMB in millions)</i>	As at 31 December 2024		As at 31 December 2023	
	Amount	Percentage	Amount	Percentage
Green energy leasing	57,665.2	59.3%	43,172.0	61.9%
High-end equipment leasing	39,511.9	40.7%	26,578.6	38.1%
<b>Total</b>	<b>97,177.1</b>	<b>100.0%</b>	<b>69,750.6</b>	<b>100.0%</b>

## 4. FINANCING

Benefiting from high credit ratings (“A1” by Moody’s, “A” by Standard & Poor’s, and “A+” by Fitch), the Group continuously strengthened its funding capability to diversify its financing channels. The Group continued to deepen its cooperation with domestic and overseas banks and other financial institutions to ensure sufficient funds available for business development. As at 31 December 2024, the Group had business relationships with 160 banks and was granted credit facilities amounting to a total of approximately RMB790 billion, including unused credit facilities of approximately RMB472.72 billion. In 2024, amidst the complex and changeable macroeconomic and financial environment both domestically and internationally, the Group closely monitored market changes, adjusted the financing strategy in time, continued to expand financing channels, optimised the debt duration structure and enhanced the stability of debts.

In terms of RMB financing, the Group continued to explore financing channels, proactively optimised the maturity structure, and enhanced the stability and safety of its liabilities. In terms of USD financing, the Federal Reserve initiated a series of interest rate reductions starting in September 2024. The Group closely followed macroeconomic changes, flexibly adjusted its financing strategies, and continued to innovate its business model to effectively control its financing costs. As for interest rate structure, the Group continued to maintain its original strategy for the risk management on interest rate and actively managed the matching of assets and liabilities in terms of interest rate structure. As for the structure of exchange rates, the Group continued to maintain its original strategy for the risk management on exchange rates and maintained a basic match between the currencies of assets and liabilities, which greatly reduced the impact of market exchange rate fluctuations on the Company.

In 2024, the financing sources of the Group mainly included bank borrowings and issuance of bonds. As at 31 December 2024, the Group’s balances of bank borrowings and bonds payable were RMB309,814.1 million and RMB27,072.9 million, respectively.

## 5. RISK MANAGEMENT

The Group is exposed to various risks in its ordinary course of business, including credit risk, market risk, liquidity risk, operational risk, information technology (“IT”) risk, reputational risk and country risk, etc. The Group aims to build an independent, comprehensive and professional risk management system that aligns with both the requirements of group-wide risk control and consolidated management, while adapting to business development and risk management needs. To achieve this, we have established and continuously improved a comprehensive risk management framework covering “all employees, entire processes, all business operations, all institutions and all products”. By promoting a risk culture characterised by “prudent, cautious, compliant and professional” principles, we have cultivated risk management philosophies, value principles and professional ethics that are fully compatible with the Company’s business development.



The Group adopts the hierarchical management based on the “three layers of defence”: Business lines, as the first layer of defence of comprehensive risks prevention, assume direct responsibilities of risk management. Risk management lines, as the second layer of defence of comprehensive risks prevention, assume responsibilities of formulating policies and process, daily monitoring and management of the risks. The Internal Audit Department, as the third layer of defence of comprehensive risks prevention, assumes responsibilities of auditing the performance of business lines and risk management lines. Each department of the above three layers of defence should undertake their own responsibilities, strengthen communication and information transmission, enhance coordination and collaboration and improve risk management and control.

In 2024, the Group adopted a “moderate” strategy in relation to risk appetite. With regard to the selection of industries, the Group preferred industries and fields with mature business models, generating economies of scale and equipped with excellent asset quality. In terms of customer selection, the Group preferred large enterprises, leading enterprises in the industry, or listed companies with high quality. In terms of leased assets operation, the Group conducted scientific classification, value analysis and professional management and accelerate the transfer of leased assets by combining operation strategies, market environment and the features of leased assets.

In 2024, the Group continued to optimise its comprehensive risk management system, proactively adapted to changes in internal and external situations, and promoted the formation and implementation of a comprehensive risk management optimisation plan in order to strengthen the foundation for high-quality development. Based on the trend of business transformation and internal management requirements, the Group formulated its annual risk appetite and management strategy, promoted the interconnection with strategic planning and business development, strengthened the transmission, implementation and feedback of the risk appetite. The Group improved the risk indicators, limits and early warning management system, strengthened the monitoring capacity building, and enhanced the foresight, domain-wide and proactive nature of risk prevention and control. We organised risk identification and assessment work, promoted the construction of an evaluation indicator system for risk compliance management, and fully measured and evaluated the overall risk situation of the Group. The Group continued to improve the mechanism of regular stress tests and incorporate country risk into the system, so as to further enhance the scientificity and effectiveness of the stress tests. We steadily promoted the implementation of the New Capital Regulations, with clear criteria for categorising risk exposures and fine-tuning capital management to ensure an integrated balance between capital, efficiency and risk. We optimised the ECL model, promoted the launch of the ECL system, and realised impairment measurement and early warning monitoring, so as to further enhance our digital risk control capability.

## **5.1 Credit Risk**

Credit risk refers to the risk of loss suffered by the Group due to the failure of fulfilment of contractual obligations by counterparties when due. Credit risk is currently the major risk faced by the Group. In 2024, the Group maintained a “moderate” risk appetite for credit risk.

In 2024, the Group strictly adhered to the risk bottom line, strengthened risk analysis and control, coordinated the resolution of key non-performing and risky items, conducted specialised risk checks on the existing businesses, and enhanced the foresight, timeliness and predictability of credit risk control.

The following table sets forth the Group's maximum credit risk exposure before collateral held and other credit enhancement as at the dates indicated:

<i>(RMB in millions)</i>	<b>As at 31 December</b>	
	<b>2024</b>	<b>2023</b>
<b>Financial assets</b>		
Cash and bank balances	<b>43,670.6</b>	69,440.3
Financial assets at fair value through profit or loss	<b>110.4</b>	49.2
Derivative financial assets	<b>437.9</b>	675.9
Accounts receivable	<b>624.7</b>	1,335.1
Finance lease receivables	<b>202,099.6</b>	195,101.1
Financial assets at fair value through other comprehensive income	<b>–</b>	3,001.2
Other financial assets	<b>2,311.8</b>	1,253.0
<b>Total</b>	<b>249,255.0</b>	270,855.8

#### *5.1.1 Asset Quality*

The Group evaluates asset quality and adjusts asset categories quarterly based on the asset risk degree, and adopts measures to mitigate risks for the projects with overdue rent and material risks in a timely manner. The Group conducted asset classification in accordance with the issued the Measures for the Risk Classification of Financial Assets of Commercial Banks by the NFRA. In addition, the Group formulated the financial assets impairment policies in accordance with the statutory requirements relating to the asset quality classification of the banking industry in China, international accounting standards and the accompanying guidance.

The following table sets forth the distribution of the Group's total assets by the five-category asset quality classification as at the dates indicated:

<i>(RMB in millions, except percentages)</i>		As at 31 December 2024	2023
<b>Five-category</b>			
Normal		244,677.6	266,013.0
Special mention		11,954.8	12,233.9
Substandard		268.3	723.2
Doubtful		1,046.9	164.8
Loss		1,038.8	1,676.4
Uncategorised <sup>(1)</sup>		163,033.6	146,167.9
<b>Total assets before allowance for impairment losses</b>		<b>422,020.0</b>	<b>426,979.2</b>
Non-performing assets <sup>(2)</sup>		2,354.0	2,564.4
Non-performing asset ratio <sup>(3)</sup>		0.56%	0.60%

<sup>(1)</sup> From 1 July 2023, the Group has only classified the risk of relevant assets exposed to credit risk on and off-balance sheet in accordance with the relevant provisions of the Measures for the Risk Classification of Financial Assets of Commercial Banks, including but not limited to finance lease receivables, bonds and other investments, interbank assets and accounts receivable (including operating lease receivables, advances for finance lease projects and other accounts receivable); and no such classification is required for financial assets in the trading books and related assets derived from derivatives transactions, or for non-financial assets (e.g., property and equipment and investment properties).

<sup>(2)</sup> Non-performing assets are defined as the last three categories of assets recognised under the five-category asset quality classification standards, including the assets under “substandard”, “doubtful” and “loss”.

<sup>(3)</sup> Non-performing asset ratio is the percentage of non-performing assets over total assets before allowance for impairment losses as at the dates indicated.



The following table sets forth the distribution of the Group's finance lease related assets portfolio by the five-category asset quality classification standards as at the dates indicated:

<i>(RMB in millions, except percentages)</i>	<b>As at 31 December</b>	
	<b>2024</b>	<b>2023</b>
<b>Five-category</b>		
Normal	<b>198,027.3</b>	191,074.2
Special mention	<b>11,667.0</b>	11,948.4
Substandard	<b>215.4</b>	441.0
Doubtful	<b>916.2</b>	—
Loss	<b>551.6</b>	1,208.4
<b>Finance lease related assets before allowance for impairment losses</b>	<b><u>211,377.5</u></b>	<b><u>204,672.0</u></b>
Non-performing finance lease related assets <sup>(1)</sup>	<b>1,683.2</b>	1,649.4
Non-performing asset ratio of finance lease business <sup>(2)</sup>	<b><u>0.80%</u></b>	<b><u>0.81%</u></b>

<sup>(1)</sup> Non-performing finance lease related assets are defined as the last three categories of finance lease related assets recognised under the five-category asset quality classification standards, including the assets under “substandard”, “doubtful” and “loss”.

<sup>(2)</sup> Non-performing asset ratio of finance lease business is the percentage of non-performing finance lease related assets over finance lease related assets before allowance for impairment losses as at the dates indicated.

As at 31 December 2024, the non-performing assets of the Group amounted to RMB2,354.0 million, representing a decrease of RMB210.4 million compared with that as at the end of last year, while the non-performing asset ratio was 0.56%, representing a decrease of 0.04 percentage point compared with that as at the end of last year. As at 31 December 2024, the non-performing finance lease related assets amounted to RMB1,683.2 million, representing an increase of RMB33.8 million compared with that as at the end of last year, while the non-performing asset ratio of finance lease business was 0.80%, representing a decrease of 0.01 percentage point compared with that as at the end of last year. In the context of increasing pressure for risk prevention and control, the Group continued to improve and optimise asset quality and took measures to mitigate risk at various stages of business in order to enhance credit risk management.

The following table sets forth the distribution of the Group's finance lease related assets portfolio by business segments and the five-category asset quality classification standards as at 31 December 2024:

<i>(RMB in millions, except percentages)</i>	Aircraft leasing	Regional development leasing	Ship leasing	Inclusive finance	Green energy and high-end equipment leasing	Total
<b>Five-category</b>						
Normal	635.3	73,410.4	18,311.9	20,507.5	85,162.2	198,027.3
Special mention	-	6,795.4	-	3,730.7	1,140.9	11,667.0
Substandard	-	-	-	-	215.4	215.4
Doubtful	-	916.2	-	-	-	916.2
Loss	-	479.0	-	5.1	67.5	551.6
<b>Finance lease related assets before allowance for impairment losses</b>	<b>635.3</b>	<b>81,601.0</b>	<b>18,311.9</b>	<b>24,243.3</b>	<b>86,586.0</b>	<b>211,377.5</b>
<b>Non-performing finance lease related assets</b>	<b>-</b>	<b>1,395.2</b>	<b>-</b>	<b>5.1</b>	<b>282.9</b>	<b>1,683.2</b>
<b>Non-performing asset ratio of finance lease business</b>	<b>-</b>	<b>1.71%</b>	<b>-</b>	<b>0.02%</b>	<b>0.33%</b>	<b>0.80%</b>

As at 31 December 2024, the assets of the Group's assets of finance lease projects from the existing aircraft leasing segment were of good quality; the amount of non-performing assets and the ratio of non-performing assets of the green energy and high-end equipment leasing segment increased compared with those of the end of last year; the amount of non-performing assets and the ratio of non-performing assets of the ship leasing segment and the inclusive finance segment decreased compared with those of the end of last year; the non-performing assets of the regional development leasing segment decreased compared with those of the end of last year, and its ratio of non-performing assets increased compared with those of the end of last year. The Group has maintained a relatively good level of risk management ability and risk mitigation ability.

On the basis of the ECL model, the Group divided the credit level changes of finance lease related assets into the following three stages:

- Stage 1: Subsequent to initial recognition, the finance lease receivables without significant increase in credit risk were classified in this stage. For such finance lease receivables, the ECL in the next 12 months will be recognised;
- Stage 2: Subsequent to initial recognition, the finance lease receivables with significant increase in credit risk but without objective evidence of impairment were classified in this stage. For such finance lease receivables, the ECL will be measured over the whole period;
- Stage 3: The finance lease receivables with objective evidence of impairment were classified in this stage. For such finance lease receivables, the ECL will be measured over the whole period.

With the ECL model and the above division of credit levels, the Group's net finance lease related assets and its balance of allowance for impairment losses as at 31 December 2024 are set forth below:

<i>(RMB in millions)</i>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
Net finance lease related assets	178,745.7	28,644.2	3,987.6	211,377.5
Allowance for impairment losses of finance lease related assets	2,762.0	4,595.3	1,920.6	9,277.9

With the ECL model and the above division of credit levels, the Group's net finance lease related assets and its balance of allowance for impairment losses as at 31 December 2023 are set forth below:

<i>(RMB in millions)</i>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
Net finance lease related assets	167,935.1	35,087.5	1,649.4	204,672.0
Allowance for impairment losses of finance lease related assets	2,350.7	5,280.5	1,402.7	9,033.9

The following table sets forth the classification of overdue finance lease receivables of the Group as at the dates indicated:

<i>(RMB in millions)</i>	<b>As at 31 December</b>	
	<b>2024</b>	<b>2023</b>
Neither overdue nor impaired	<b>209,693.1</b>	202,759.8
Overdue but not impaired	—	—
Impaired	<b>1,684.4</b>	1,365.9
	<b>211,377.5</b>	204,125.7
Less: allowance for impairment losses	<b>(9,277.9)</b>	(9,024.6)
<b>Total</b>	<b>202,099.6</b>	195,101.1

### *5.1.2 Concentration of Credit Risks*

The Group proactively implemented the requirements of the regulatory authorities and timely monitored the financing concentration of a single client through project inspection, and at the same time, the Group has established a client's ledger to carry out quarterly monitoring over the financing concentration of clients of the Group in order to prevent credit concentration risk. As at 31 December 2024, the balance of finance lease businesses for the largest single client of the Group accounted for 11.02% of the net capital while the balance of finance lease businesses for the largest single group client accounted for 18.15% of the net capital.

The following table sets forth the degree of concentration of single client and single group client of the Group as at the dates indicated:

<b>Concentration indicator</b>	<b>As at 31 December</b>	
	<b>2024</b>	<b>2023</b>
Degree of concentration of single client financing <sup>(1)</sup>	<b>11.02%</b>	11.85%
Degree of concentration of single group client financing <sup>(2)</sup>	<b>18.15%</b>	12.23%

<sup>(1)</sup> Calculated by dividing the balance of all finance lease business of a single lessee of the Group by the net capital of the Group.

<sup>(2)</sup> Calculated by dividing the balance of all finance lease business of a single group of the Group by the net capital of the Group.

As at 31 December 2024, calculated in terms of finance lease related assets before allowance for impairment losses, the total balance from the top ten single clients amounted to RMB27,581.4 million, accounting for 13.05% of finance lease related assets.

The following table sets forth the finance lease related assets before allowance for impairment losses from the top ten clients of the Group as at 31 December 2024:

<i>(RMB in millions, except percentages)</i>	<b>Business segment</b>	<b>Balance</b>	<b>Percentage of finance lease related assets before allowance for impairment losses</b>
Client A	Ship leasing	5,234.1	2.48%
Client B	Green energy and high-end equipment leasing	4,091.8	1.94%
Client C	Regional development leasing	3,408.1	1.61%
Client D	Green energy and high-end equipment leasing	2,776.1	1.31%
Client E	Green energy and high-end equipment leasing	2,725.1	1.29%
Client F	Green energy and high-end equipment leasing	2,037.4	0.96%
Client G	Regional development leasing	1,930.9	0.91%
Client H	Regional development leasing	1,927.1	0.91%
Client I	Regional development leasing	1,725.5	0.82%
Client J	Regional development leasing	1,725.3	0.82%
<b>Total</b>		<b>27,581.4</b>	<b>13.05%</b>

If lessees are overly concentrated in a single industry or region, or have similarities in economic features, the credit risks of the lessor would be relatively higher. As the industrial distribution of finance lease receivables of the Group is rather diversified, there is no significant risk on industrial concentration.

The following table sets forth the industrial distribution of net amount of finance lease receivables of the Group as at the dates indicated:

<i>(RMB in millions, except percentages)</i>	As at 31 December			
	2024		2023	
	Amount	Percentage	Amount	Percentage
Aircraft leasing	635.3	0.3%	444.4	0.2%
Regional development leasing	81,601.0	38.6%	106,970.9	52.4%
Ship leasing	18,311.9	8.7%	13,663.9	6.7%
Inclusive finance	24,243.3	11.5%	26,901.9	13.2%
Green energy and high-end equipment leasing	86,586.0	40.9%	56,144.6	27.5%
<b>Total</b>	<b>211,377.5</b>	<b>100.0%</b>	<b>204,125.7</b>	<b>100.0%</b>

## 5.2 Market Risk

Market risk represents the risk of loss to the Group as a result of unfavorable changes in market prices. The main types of market risk to which the Group is exposed include interest rate risk and exchange rate risk. In 2024, the Group maintained a “moderate” risk appetite for market risk.

### 5.2.1 Interest Rate Risk

Interest rate risk refers to the risk of losses in the Group’s overall income and economic value resulting from adverse movements in interest rates, maturity structure and other factors. The Group is exposed to interest rate risk mainly from the repricing risk of assets and liabilities.

The Group maintains a moderate interest rate risk management strategy, closely tracks market changes and continuously improves its market risk management analysis structure and management approach. The Group measures the impact of changes in interest rate on the Group’s operations mainly through tools such as exposure analysis and sensitivity analysis, and controls interest rate risk through active management of asset and liability repricing periods and hedging of derivative financial products.

The majority of rental income from RMB-denominated leasing business of the Group floats with the Loan Prime Rate published by the PBOC, while liabilities mainly bear a fixed interest rate. For this particular situation, the Group proactively matches the duration of RMB-denominated assets with that of RMB-denominated liabilities to reduce interest rate risk.

The Group mainly receives fixed rental income under operating leases in foreign currencies while the bank borrowings mainly bear floating rate interests. The Group reduced its liability exposure of floating interest rate denominated in US dollar mainly through issuance of fixed-rate bonds, switched the borrowings with floating rate into fixed rate through interest rate swap contracts and hedged the cash flow volatility risk due to fluctuation of the liability interest rate by using hedging strategies, so as to effectively match the future fixed rental income and stabilise the interest rate margins while mitigating the impact of fluctuation in interest rates of US dollars on the operating results of the Group.

### *5.2.2 Foreign Exchange Risk*

Foreign exchange risk refers to the risk of losses in the Group's overall income and economic value resulting from an adverse movement in foreign exchange rates. The foreign exchange risk of the Group is mainly the US dollar exposures arising from foreign currencies-denominated profits realised by subsidiaries.

The strategy for foreign exchange risk management of the Group is to proactively match the currencies of assets and liabilities in daily operations, to identify and measure the impact of exchange rate changes on operations through foreign currency exposure analysis, exchange rate sensitivity analysis and other instruments, and to hedge foreign exchange risk from exposure which affects profit or loss through financial derivatives.

Most of the aircraft and ships under the operating lease and finance lease business of the Group are purchased and denominated in US dollars and the corresponding operating lease assets and finance lease receivables are denominated in US dollars, the major funding sources of which are onshore and offshore US dollar-denominated bank borrowings and US dollar-denominated bonds. Apart from aircraft leasing and ship leasing businesses, other leasing businesses of the Group are substantially denominated in Renminbi. Hence, there is no significant foreign exchange risk exposure.

As at the end of 2024, the Group has no foreign exchange risk exposure in US dollar against Renminbi that could significantly affect future profit or loss. The Group effectively managed the foreign exchange risk through exposure monitoring and analysing, spot exchange settlement, purchase and financial derivative hedging and other means, and controlled the impact of exchange rate fluctuations on the Group's profits within a certain range.

## **5.3 Liquidity Risk**

Liquidity risk refers to the risk that the Group is unable to obtain funds at a reasonable cost to repay the liabilities or seize other investment opportunities. The target of the Group's liquidity risk management is to maintain moderate liquidity reserves and sufficient funding resources to adequately meet the repayment needs of matured liabilities and the funding needs of business development, and to achieve a higher interest rate margins level and control the liquidity management costs on conditions that liquidity risks have been well managed. In 2024, the Group maintained a "moderate" risk appetite for liquidity risk.

The Group managed liquidity risk and struck a balance between interest rate spread and liquidity risk through the following measures: on the premise of meeting the regulatory liquidity indicator requirements, the Group actively managed asset-liability term portfolio and controlled cash flow mismatch gap to reduce structural liquidity risk. The Group established a diversified source of funds through the reserves of sufficient credit, continued to enhance the level of money market transactions, and enhanced the Group's financing and day-to-day liquidity management capabilities to obtain sufficient funds to meet debt repayment and business development needs. The Group used highly liquid assets including bank deposits as its main liquidity reserves, and held a certain proportion of interest rate bonds and certificates of deposit to ensure that liquidity reserves can fully mitigate liquidity risks.

As at 31 December 2024, the Group had an interbank borrowing and lending limit of RMB12,642.0 million. In addition, the Group strived to improve its trading capacity in the money market, especially improvement in the online financing capacity, and accumulated interbank borrowing (including bond collateral repo) amounted to RMB71,539.5 million in 2024. According to the market liquidity situation, the Group arranged financing plans in a reasonable and orderly manner, further optimised the liquidity management mechanism, and gradually optimised the liquidity reserve system to achieve sound liquidity situation and further enhance the liquidity risk management capability.

## **5.4 Other Risks**

### **5.4.1 Operational Risk**

Operational risk refers to the risk of losses resulting from imperfect or problematic internal process, personnel and system or external events. In 2024, the Group maintained a “prudent” risk appetite for operational risk.

In 2024, the Group attached great importance to operational risk management and continued to exert the effectiveness of institutional regulations. First, the Group continuously improved the construction of its operational risk management system. The Group continually improved its internal control management system, established a system pre-audit mechanism, and through the detailed implementation of prior reporting, formulation of hierarchical positioning, system specifications, review process confirmation, system authorisation setting and any other aspects. Second, the Group optimised operational risk management methods and tools. The Group carried out operational risk identification and assessment at regular intervals, improved the key indicator system of operational risk, continuously collected operational risk events to implement a reporting mechanism, and conducted quarterly monitoring of operational risk key indicators to reveal the Group's operational risk in a timely manner. Third, the Group created an operational risk loss database. To implement the requirements of the New Capital Regulations, the Group further clarified the definition of total loss, dates of loss events and the classification of losses, etc., sorted out historical loss data, and figured out historical loss amounts and the distribution of loss events to identify and collect such historical loss data, and to incorporate the loss data into the calculation of operational risk capital requirements. Fourth, operational risk was reduced through digital empowerment. The Group continued to accelerate the construction of its information system and improve the underlying data warehouse,



and upgraded and reconstructed functional modules of the existing system based on the core leasing business system that had been launched in last period. The Group optimised its business approval process, and comprehensively increased its system support for business, thereby minimising operational risks to a large extent through technological means.

In December 2024, the Company received the Decision on Administrative Penalties of Shenzhen Regulatory Bureau of the National Financial Regulatory Administration (《國家金融監督管理總局深圳監管局行政處罰決定書》) (Shen Jin Fa Jue Zi [2024] No.112 and 113), and the Company had issued a voluntary announcement in relation to such matter. For details, please refer to the announcement of the Company published on its official website on 16 December 2024. The aforesaid matters had no material impact on the Company's operation and financial position. With regard to the penalty decisions of the regulatory authority, the Company implemented the rectification measures in strict accordance with the regulatory requirements, conducted in-depth analysis of the issues and their causes, and continued to improve the level of lawful and compliant operation through learning by analogy and inspection for defects. The Group's operational risk loss rate in 2024 was 0.002%.

#### *5.4.2 Information Technology Risks*

Information technology risks refer to the risks of operation, law and reputation arising from natural and human factors, technical loopholes and management flaws in the working of information technology. The Group's IT risks mainly arise from information system development and construction, IT operations, information security management, IT outsourcing, etc. In 2024, the Group maintained a "moderate" risk appetite for IT risks.

In 2024, the Group further improved its information technology risk management. First, we continued to optimise the information technology governance, continuously improved the information technology management system, completed the Group's "System Chronicle" and "14th Five-Year" information technology (IT) planning revision, improved the Project Management Office (PMO) operating mechanism, and improved the quality and efficiency of project management. Second, we promoted the launch of key systems, helped the successful launch of the vehicle and equipment operation management platform, phase II of ship leasing business management system, phase II of core leasing system, and the professional and refined management of service leasing business. Third, we enhanced the existing system operation and maintenance, established a special work team for application operation and maintenance, promoted the system from construction to operation, and continued to protect important nodes. Fourth, we explored and deepened data development and management, initially realised the online management of vehicles, small and medium-sized hydropower stations and other rental properties, ensured the operation of the regulatory reporting system, expanded external data access, optimised the data warehouse model, and improved the operation capacity of the data platform. Fifth, we consolidated the foundation of basic operation and maintenance support and information security, promoted the construction of technical tools, enhanced the ability of mobile application security control, improved the level of basic operation and maintenance and information security guarantee to ensure the safe operation of business activities. In 2024, the Group had no significant IT risk events.

### *5.4.3 Reputational Risk*

Reputational risk refers to the risk of negative evaluation of the Company by stakeholders, the public and the media as a result of the actions of the organisation, the behaviour of its employees or external events, which may damage the Group's brand value, adversely affect the normal operation of the Group, or even affect market stability and social stability. Reputational risk is an important component of corporate governance and comprehensive risk management system. In 2024, the Group maintained a "prudent" risk appetite for reputation risk.

In 2024, the Group continued to strengthen reputational risk management, closely monitored, proactively analysed and provided positive guidance, and actively carried out reputational risk prevention and control and brand image building. First, in accordance with relevant regulatory and reputational risk management requirements of the Group, we normalised the construction of reputation risk prevention and control capabilities, strengthened reputational risk self-examinations, troubleshooting and reputational risk hazard assessments were carried out. Second, the Group conducted around-the-clock public opinion monitoring of major media through professional institutions, dynamically adjusted the scope of public opinion monitoring as needed, strengthened early warning, prevented in advance, and corrected errors in a timely manner. Third, the Group carried out special public opinion response arrangements for important time points and important matters, conducted special monitoring on sensitive public opinions that the Group was concerned about, formulated response plans in advance, and strengthened emergency drills. Fourth, faced with the market coverages that may affect the normal operation of the Company, the Group responded to market concerns in time and prevented false reports and negative public opinions by reinforcing the communication with the Hong Kong Stock Exchange, trading halt and publishing inside information and resumption of trading announcement and temporary announcements. Fifth, the Group intensified its efforts to protect consumer rights and interests, increased its promotional efforts in consumer rights protection, set up a WeChat public account for passenger vehicle business serving consumer sector, closely followed and timely resolved user demands related to passenger vehicles business serving consumer sector, and reduced the risk of consumer complaints and public opinions. Sixth, the Group continuously promoted the construction of its market brand image, strengthened communication with domestic and foreign mainstream media, actively updated operating conditions to the market, demonstrating that the Group focused on its main responsibilities and main businesses, taking beneficial measures such as providing financial assistance to enterprises, conducting green leasing, implementing ESG practices, and data governance, to establish a good brand image of providing high-quality financial leasing services for economic and social development. In 2024, the Group had no significant reputational risk events.

#### 5.4.4 Country Risk

Country risk refers to the risk that the lessees or debtors in a country or region are unable or refuse to pay their debts to the Group, or the Group suffers business losses in the country and region, or the Group is subject to other losses, due to political and social changes and events in the country or region. In 2024, the Group maintained a “moderate” risk appetite for country risk.

In 2024, the Group continued to strengthen country risk management. First, we improved the country risk management framework, and according to the latest requirements of the regulatory authorities, revised the Country Risk Management Measures and the Implementation Rules of Country Risk Management of the Group. Second, we regularly monitored and analysed country risk, covering country risk exposure, risk assessment and rating, use of risk limit, etc., fully considered the impact of country risk on asset quality, prudently predicted asset losses that may be caused by country risk, and regularly made provision for country risk. Third, we carried out country risk stress tests, and based on the Group’s exposure to country risks, formulated and completed the Group’s specific stress tests on country risk, and optimised the emergency management plan for country risks. Fourth, we strengthened the pertinence of country risk management, and regularly carried out the impact analysis on country risk for specific countries. In 2024, the Group had no significant country risk events.

## 6. CAPITAL MANAGEMENT

The Group’s major objectives of capital management activities are to maintain a reasonable level of capital adequacy ratio to meet the requirements of capital regulations and policies, maintaining a strong capital base to support its business development, and safeguarding the ability of sustainable operation to continuously provide returns for Shareholders. In accordance with relevant regulatory requirements promulgated by the NFRA, capital adequacy ratio, gearing ratio and the utilisation of regulatory capital are closely monitored by the management of the Group.

In 2024, in accordance with the relevant requirements of the Administrative Measures for the Capital of Commercial Banks, the Group continued to consolidate the foundation of capital management and improve the quality and efficiency of capital management. First, we issued capital measurement statements and conducted regulatory capital information disclosure as required. Second, we further improved the capital management mechanism by systematically implementing the internal assessment procedures of capital adequacy ratio that comply with the core requirements of regulatory and are tailored to the Company’s characteristics, and continued to improve capital management level. Third, we deepened the philosophy of forward-looking and fine management philosophy, strengthened capital planning and capital rolling monitoring, carried out overall management of capital replenishment and utilisation to improve the capital utilisation efficiency and capital return. Fourth, we strengthened the internal and external capital replenishment capabilities and built a long-term mechanism for capital replenishment. The Group has formed a solid foundation for internal capital replenishment by maintaining steady profit growth and effective management of non-performing assets and provisions, to continuously enhance its capital strength. In 2024, all capital indicators of the Group were in line with regulatory requirements, with the capital adequacy ratio maintained at a sound and reasonable level, and various management measures were further implemented.

As at 31 December 2024, the Group's core tier-one capital adequacy ratio, tier-one capital adequacy ratio and capital adequacy ratio were 10.49%, 10.49% and 12.95%, respectively.

The following table sets forth the net capital and capital adequacy ratio of the Group as at the dates indicated:

(RMB in millions, except percentages)	Regulatory requirement	As at 31 December	
		2024	2023
Net capital:			
Net core tier-one capital		40,328.8	36,843.1
Net tier-one capital		40,328.8	36,843.1
Net capital		49,804.5	46,115.5
Capital adequacy ratio:			
Core tier-one capital adequacy ratio	≥7.5%	10.49%	9.96%
Tier-one capital adequacy ratio	≥8.5%	10.49%	9.96%
Capital adequacy ratio	≥10.5%	12.95%	12.47%

## 7. CAPITAL EXPENDITURES

The capital expenditures of the Group principally comprise capital expenditures for the purchase of ship and aircraft leasing assets, and property and equipment, etc. In 2024, the capital expenditures of the Group amounted to RMB21,817.2 million, which were mainly used for the purchase of ships and aircraft. The Group financed the capital expenditures through cash from operating activities, bank borrowings and global offering of bonds.

The following table sets forth the capital expenditures of the Group for the years indicated:

<i>(RMB in millions)</i>	For the year ended 31 December	
	2024	2023
Capital Expenditures	<b>21,817.2</b>	19,138.4

## 8. PLEDGE OF ASSETS

As at 31 December 2024, equipment held for operating lease businesses (net), finance lease receivables (net) and deposits amounting to RMB40,160.3 million, RMB4,052.4 million and RMB32,987.6 million respectively, were pledged to banks for bank borrowings and long-term payable. The total collateral assets as aforesaid accounted for 16.6% of total assets.

## 9. HUMAN RESOURCES

The Group has always been committed to providing a wide range of development opportunities for employees and creating “a platform for entrepreneurship and a stage for self-realisation”. The Group adheres to a people-oriented approach, firmly establishing the principle that talent is the foremost resource. We adhere to the market orientation, and establishing a perfect and efficient organisational structure and effective incentive and restraint mechanism. Adhering to the principles of compliance-first, integrity and innovation, we explore modern, scientific and professional paths for human resources management in state-owned financial enterprises, and promote the further implementation of the Group’s human resource management reform measures.

As at 31 December 2024, there was a total of 604 full-time employees (including senior management) providing related services to the Group, of which 341 were male and 263 were female, with a gender ratio of 56.5% and 43.5% respectively. The Group has a team of high-quality talents, with approximately 93% of the employees holding bachelor’s degrees or above.

The Group has implemented the concepts of prudent operation and sustainable development, established a scientific and rational remuneration payment system. The remuneration of staff is composed of fixed salary and variable salary, and the fixed salary and variable salary are set in a certain proportion. The fixed salary level depends on the value of the position and the employee’s ability to perform his or her duties, and the variable salary is determined according to the staff’s strategic execution, performance, appraisal level and integrity assessment for the year, and is fully linked to the risk cost control, compliance management capabilities. The Group has no non-cash remuneration. The Group has established a comprehensive welfare and security system, with statutory benefits being implemented strictly in line with national regulations and standards, and the benefits include supplemental medical insurance, enterprise annuity, paid leave, health check-ups and other benefits.

The Group has established a deferred payment and recovery mechanism for performance-based remuneration to ensure that the payment of remuneration is in line with the risk control requirements. During the Reporting Period, the Group has, in accordance with the relevant measures, deducted, stopped or recovered the corresponding performance-based remuneration from employees who have been subject to disciplinary sanctions or other actions due to non-compliance with regulations and disciplinary actions or extraordinary exposure to risks and losses in their duties.

The Group’s remuneration systems were formulated and implemented through internal decision-making processes, and the Group implemented its remuneration management in accordance with the systems in 2024, and reported to the Board of Directors in an annual basis on remuneration management (including the implementation of the total salaries). There were no exceptions beyond the Group’s original remuneration plan.



The Group has formulated its employee training program year by year, covering corporate governance, business development, risk control, internal control and compliance, integrity building, etc., with the aim of continuously improving the professional competence and comprehensive quality of employees. In 2024, the Group conscientiously learned and implemented the spirit of the Central Financial Work Conference, the spirit of the 20th National Congress of the Communist Party of China, and organised six seminars, three expert counselings, three centralised training sessions and 16 special thematic seminars in a well-coordinated way. The Group organised senior and middle-level cadres of the Company to participate in the 2024 Shenzhen Financial Talent Cultivation Program with an aim to enhancing strategic perspectives of middle and senior management. The Group constantly enhanced the professionalism building of its team consisting of cadres, supported and advanced the capacity enhancement objectives and learning and practice paths actually proposed by units of front, middle and back offices combined with their respective business segments, and organised 156 training sessions in 2024, of which 63 were training sessions involving professionalism enhancement. Focusing on the training of young staff, the Group organised young staff who joined the Group in the past two years to participate in the action learning of the competency model for young staff, the training of basic professional knowledge for young staff, and the basic training of financial analysis for appraisal of credit and loan staff, etc., and completed the learning and assessment of basic economic knowledge and basic financial and accounting knowledge, so as to keep enhancing the knowledge of finance and economics of young staff.

## **10. INDUSTRIAL REGULATIONS**

In order to thoroughly implement the spirit of the Central Financial Work Conference, further strengthen the supervision of the financial leasing companies, prevent financial risks, optimise financial services, and promote the high-quality development of real economy, in September 2024, the NFRA revised and issued the Administrative Measures on Financial Leasing Companies, to further regulate finance lease business activities from the aspects of optimising and adjusting the scope of lease assets, strengthening the supervision of the suitability of lease assets and strengthening the management of the value evaluation of lease assets. The issuance of the measures not only reflects the continuous strengthening of supervision by the NFRA and the implementation of the political and people's work requirements of financial work; at the same time, it is also intended to guide financial leasing companies to adhere to the functional positioning of integrating finance and assets, provide professional financial services, support large-scale equipment renewal, help improve the resilience of industrial and supply chains, and serve the high-quality development of the real economy. In general, the measures have laid the institutional and normative foundation for the supervision of the financial leasing industry, which is of great significance and far-reaching impact on the sustainable and healthy development of the financial leasing industry.

At the same time, in 2024, the financial regulatory authorities, combined with the actual situation of the financial leasing industry, issued a series of regulatory policies in corporate governance, equity management, related party transaction management and the implementation of new regulations, further supplemented and improved the relevant contents, and strengthened the connection with the current regulatory regulations.

During the Reporting Period, the Group adhered to the implementation of regulatory policies, actively implemented regulatory requirements, improved corporate governance, accelerated transformation and development, strictly adhered to the bottom line of compliance, paid attention to risk management and control, and helped enhance the quality and efficiency of serving the real economy.

The following table sets forth the main regulatory indicators of the Group under the supervision of the NFRA as at the date indicated:

	Regulatory requirement	As at 31 December 2024
Capital adequacy ratio	Not less than 10.5%	<b>12.95%</b>
Tier-one capital adequacy ratio	Not less than 8.5%	<b>10.49%</b>
Core tier-one capital adequacy ratio	Not less than 7.5%	<b>10.49%</b>
Degree of concentration of single client financing	Not more than 30%	<b>11.02%</b>
Degree of concentration of single group client financing	Not more than 50%	<b>18.15%</b>
Ratio of a single related client <sup>(1)</sup>	Not more than 30%	<b>0.19%</b>
Ratio of all related parties <sup>(2)</sup>	Not more than 50%	<b>0.2%</b>
Ratio of a single related Shareholder <sup>(3)</sup>	Not more than 100%	<b>1.15%</b>
Ratio of interbank lending <sup>(4)</sup>	Not more than 100%	<b>10.41%</b>
Ratio of allowance to non-performing finance lease related assets	Not less than 100%	<b>551.24%</b>
Ratio of fixed-income investments <sup>(5)</sup>	Not more than 20%	<b>0%</b>
Gearing ratio <sup>(6)</sup>	Not less than 6%	<b>9.87%</b>
Provision ratio to finance lease related assets <sup>(7)</sup>	Not less than 2.5%	<b>4.39%</b>
Liquidity ratio <sup>(8)</sup>	Not less than 25%	<b>92.21%</b>
Liquidity coverage ratio <sup>(9)</sup>	Not less than 100%	<b>261.7%</b>

<sup>(1)</sup> Calculated by dividing the balance of all finance lease transactions of the Group to a single related party by the net capital of the Group.

<sup>(2)</sup> Calculated by dividing the balance of all finance lease transactions of the Group to all related parties by the net capital of the Group.

<sup>(3)</sup> Calculated by dividing the balance of financing of the Group to a single Shareholder and all its related parties by the amount of contribution made by the Shareholder to the Group.

<sup>(4)</sup> Calculated by dividing the balance of interbank funds from borrowing by the net capital of the Group.

<sup>(5)</sup> Calculated by dividing the balance of fixed-income investments made by the Group by the net capital of the Group.

<sup>(6)</sup> Calculated by dividing the Group's net tier-1 capital by the Group's adjusted on and off-balance sheet asset balances.

<sup>(7)</sup> Calculated by dividing allowance for impairment losses on finance lease related assets by finance lease related assets before allowance for impairment losses.

<sup>(8)</sup> Calculated as the balance of the Group's liquid assets divided by the balance of its liabilities.

<sup>(9)</sup> Calculated as the Group's high quality liquid assets divided by the total net liquidity outflows over 30 days.

## 11. PROSPECTS

Looking forward to 2025, the world will continue to face ongoing uncertainties, affected by which, the global economic growth will remain stable but become more moderate in 2025, and the pace of economic recovery may slow down. According to the World Economic Outlook Report released by the IMF, the global economic growth rate is expected to reach 3.3% in 2025, lower than the historical average of 3.7% from 2000 to 2019, and the growth trends of various parties are expected to continue to diverge, and the divergence may further expand. Meanwhile, policy changes may reignite inflationary pressures in some countries, and the risks posed by rising uncertainty remain prominent.

Domestically, although the adverse impact of changes in the external environment may deepen, China's economy has a stable foundation, many advantages, strong resilience and great potential, long-term positive supporting conditions and basic trends have not changed, the general trend of high-quality economic development has not changed, the favorable conditions outweigh the unfavorable factors, the "time" and "trend" of development are still dominant. In 2025, as the last year of China's "14th Five-Year Plan", major strategic tasks and major projects will be fully implemented and effective, and will form stronger vitality to promote economic development. The expected target for GDP growth by 2025 is about 5%.

From the perspective of industry development prospects, under the continuous guidance of regulatory policies, leading financial leasing companies are continuously promoting the return to their leasing roots, strengthening its main responsibilities and main business of leasing, building a business model based on cash flow and market-oriented industrial development logic through a combination of industry and finance, and actively integrating with industrial groups, financial technology companies and other ecosystems to achieve more effective business development, risk management and asset circulation.

In 2025, the Group will continue to uphold the working principle of "seeking progress while maintaining stability", actively integrate into the national development agenda, thoroughly optimise our product portfolio, persist in advancing transformation and innovation, prevent and defuse risks in key areas, steadily enhance brand value, strive to fully accomplish our annual operational and developmental objectives, expand new frontiers for high-quality development, and contribute greater value to our shareholders and society.



## **OTHER INFORMATION**

### **Corporate Governance Practice**

The Company is committed to maintaining high standards of corporate governance in order to safeguard the interests of Shareholders and enhance corporate value and accountability. The Company has adopted the Corporate Governance Code as its own code of corporate governance.

During the Reporting Period, the Company has continuously complied with all the applicable code provisions of the Corporate Governance Code and adopted most of the recommended best practices set out therein.

The Company will continue to review and monitor its corporate governance practices to ensure compliance with the Corporate Governance Code.

### **Model Code for Securities Transactions by Directors, Supervisors and its Relevant Employees**

The Group has formulated the Code of Dealing in Securities of the Company by Directors, Supervisors and Senior Management Members (《董事、監事和高級管理人員買賣本公司證券守則》) as the code of conduct of the securities transactions carried out by the Directors, Supervisors, senior management and its relevant employees (as defined in the Hong Kong Listing Rules), the terms of which are not less favourable than those of the relevant laws, regulations and the Articles of Association. After being specifically inquired of, all Directors and Supervisors confirmed that they have been complying with the standard requirements set out in the Model Code during the Reporting Period.

### **Final Dividend**

The Board recommended to distribute a final dividend of RMB0.8905 per 10 Shares (inclusive of tax) for the year ended 31 December 2024. The net profit of the Group for the year ended 31 December 2024 amounted to approximately RMB4,503.0 million, and the total amount of profit distribution amounted to approximately RMB1,125.8 million (inclusive of tax), which accounted for 25% of the net profit of the Group for the year 2024. In principle, payments will be made to holders of Domestic Shares in Renminbi and to holders of H Shares in Hong Kong dollars. The exchange rate of HK\$ will be the average closing price of HK\$ against RMB announced by the PBOC for the five working days prior to the date of profit distribution declaration. Such final dividend is subject to the approval of the Shareholders at the annual general meeting for the year 2024, and is expected to be paid to the Shareholders within three months from the date of the annual general meeting. Notice of the annual general meeting will announce the date of the Company's annual general meeting and the related closure of register of members as well as the payment date for the final dividend and the closure of register of members.

The Group has prudently adjusted the dividend distribution ratio (i.e. adjusted from 30% to 25% of net profit) for 2024 after taking into account the capital replenishment needs and the latest regulatory requirements, with a view to further enhancing the supportive role of profit retention for the Group's capital replenishment, which will help to strengthen the Group's capital base, enhance its risk-resistant capability and achieve the Shareholders' long-term values.

### **Subsequent event**

Save as disclosed herein, from 1 January 2025 and up to the date of this announcement, the Group had no any significant subsequent events.

## **Purchase, Sale or Redemption of Listed Securities**

During the Reporting Period, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any listed securities (including any sale of treasury Shares, if any) of the Company. As at 31 December 2024, the Company did not hold any treasury Shares.

## **Review of Annual Results**

The consolidated financial statements of the Group for the year ended 31 December 2024 were audited by BDO Limited. The audit committee of the Board has also reviewed the audited annual results of the Group for the year ended 31 December 2024. The figures in respect of the Group's results for the year ended 31 December 2024 as set out in this annual results announcement have been agreed by the auditor of the Company, BDO Limited, to be consistent with the amounts set out in the Group's audited consolidated financial statements for the year ended 31 December 2024.

## **Arrangement for Electronic Dissemination of Corporate Communications**

The Company has adopted an arrangement for the electronic dissemination of corporate communications. Please note that all corporate communications (including annual reports) in English and Chinese are only available on the website of the Company ([www.cdb-leasing.com](http://www.cdb-leasing.com)) and HKEXnews website of the Hong Kong Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)), with no printed versions provided. Shareholders should proactively check the Company's website and the Hong Kong Stock Exchange's website to stay informed about the release of corporate communications. To ensure timely receipt of Actionable Corporate Communications (as defined in the Hong Kong Listing Rules), the Company recommends Shareholders to provide their email addresses to the Company. The method for providing email addresses is detailed in the shareholder notification letter and reply slip published on the Company's website. If Shareholders wish to receive the printed version of corporate communications, please complete and return the reply slip in accordance with the instructions contained in the shareholder notification letter and reply slip.

## **Publication of Annual Report**

The annual report of the Company for the year ended 31 December 2024 will be published on the website of the Company ([www.cdb-leasing.com](http://www.cdb-leasing.com)) and HKEXnews website of the Hong Kong Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) in due course.

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2024

(Amounts in thousands of RMB, unless otherwise stated)

		Year ended 31 December	
	Notes	2024	2023
<b>Revenue</b>			
Finance lease income	3	10,846,075	10,644,247
Operating lease income	3	14,588,980	12,361,652
<b>Total revenue</b>		<b>25,435,055</b>	<b>23,005,899</b>
Net investment gains		205,030	155,509
Other income, gains or losses	4	2,923,022	3,493,943
<b>Total revenue and other income</b>		<b>28,563,107</b>	<b>26,655,351</b>
Depreciation and amortisation		(7,102,295)	(6,097,374)
Staff costs		(514,692)	(502,419)
Fee and commission expenses		(55,073)	(85,725)
Interest expenses	5	(12,978,413)	(10,362,441)
Other operating expenses		(2,051,396)	(1,916,287)
Net impairment reversal/(losses) under expected credit loss model		355,337	(773,305)
Net impairment losses on other assets		(213,810)	(1,499,054)
<b>Total expenses</b>		<b>(22,560,342)</b>	<b>(21,236,605)</b>
<b>Profit before tax</b>		<b>6,002,765</b>	<b>5,418,746</b>
Income tax expense	6	(1,499,777)	(1,268,597)
<b>Profit for the year attributable to owners of the Company</b>		<b>4,502,988</b>	<b>4,150,149</b>
<b>Earnings per share attributable to owners of the Company</b> (expressed in RMB Yuan per share)			
– Basic	7	0.36	0.33
– Diluted	7	0.36	0.33

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2024

(Amounts in thousands of RMB, unless otherwise stated)

	Year ended 31 December	
Notes	2024	2023
<b>Profit for the year</b>	<b>4,502,988</b>	4,150,149
<b>Other comprehensive losses</b>		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
(Losses)/gains on financial assets at fair value through other comprehensive income, net of tax	(854)	16,364
Losses on cash flow hedges, net of tax	(518,131)	(323,719)
Currency translation differences	<u>242,938</u>	<u>160,923</u>
<b>Total other comprehensive losses for the year, net of tax</b>	<u>(276,047)</u>	<u>(146,432)</u>
<b>Total comprehensive income for the year attributable to owners of the Company</b>	<u><b>4,226,941</b></u>	<u><b>4,003,717</b></u>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION***As at 31 December 2024**(Amounts in thousands of RMB, unless otherwise stated)*

		<b>As at 31 December</b>	
	<i>Notes</i>	<b>2024</b>	<b>2023</b>
<b>Assets</b>			
Cash and bank balances	8	<b>43,670,649</b>	69,440,305
Financial assets at fair value through profit or loss (FVTPL)		<b>213,910</b>	156,472
Derivative financial assets		<b>437,938</b>	675,904
Financial assets at fair value through other comprehensive income (FVTOCI)	9	–	3,001,187
Accounts receivable	10	<b>624,734</b>	1,335,131
Finance lease receivables	11	<b>202,099,637</b>	195,101,137
Assets held-for-sale		<b>175,805</b>	–
Prepayments		<b>13,535,354</b>	12,708,141
Investment properties		<b>1,058,369</b>	1,089,534
Property and equipment	12	<b>133,593,877</b>	118,640,179
Right-of-use assets		<b>143,192</b>	174,329
Deferred tax assets		<b>2,327,409</b>	2,131,711
Other assets		<b>7,969,456</b>	5,240,873
<b>Total assets</b>		<b><u>405,850,330</u></b>	<b><u>409,694,903</u></b>
<b>Liabilities</b>			
Borrowings	13	<b>309,814,063</b>	295,875,445
Due to banks and other financial institutions		<b>5,185,420</b>	12,509,021
Financial assets sold under repurchase agreements		–	2,556,855
Derivative financial liabilities		<b>856,453</b>	246,329
Accrued staff costs		<b>274,566</b>	282,495
Bonds payable	14	<b>27,072,912</b>	32,187,230
Tax payable		<b>466,952</b>	446,635
Lease liabilities		<b>160,754</b>	192,262
Deferred tax liabilities		<b>1,044,984</b>	1,108,668
Other liabilities		<b>20,710,467</b>	27,008,123
<b>Total liabilities</b>		<b><u>365,586,571</u></b>	<b><u>372,413,063</u></b>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)***As at 31 December 2024**(Amounts in thousands of RMB, unless otherwise stated)*

	<i>Notes</i>	<b>As at 31 December</b>	
		<b>2024</b>	<b>2023</b>
<b>Equity</b>			
Share capital		<b>12,642,380</b>	12,642,380
Capital reserve		<b>2,418,689</b>	2,418,689
Hedging and fair value reserve		<b>(129,748)</b>	389,237
Translation reserve		<b>910,830</b>	667,892
General reserve		<b>8,175,006</b>	7,869,271
Retained earnings		<b>16,246,602</b>	13,294,371
<b>Total equity</b>		<b>40,263,759</b>	37,281,840
<b>Total liabilities and equity</b>		<b>405,850,330</b>	409,694,903

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2024

(Amounts in thousands of RMB, unless otherwise stated)

		Attributable to the equity holders of the Company						
	Notes	Share capital	Capital reserve	Hedging and fair value reserve	Translation reserve	General reserve	Retained earnings	Total equity
As at 1 January 2024		12,642,380	2,418,689	389,237	667,892	7,869,271	13,294,371	37,281,840
Profit for the year		-	-	-	-	-	4,502,988	4,502,988
Other comprehensive losses for the year		-	-	(518,985)	242,938	-	-	(276,047)
Total comprehensive income for the year		-	-	(518,985)	242,938	-	4,502,988	4,226,941
Dividends	15	-	-	-	-	-	(1,245,022)	(1,245,022)
Appropriation to general reserve		-	-	-	-	305,735	(305,735)	-
As at 31 December 2024		12,642,380	2,418,689	(129,748)	910,830	8,175,006	16,246,602	40,263,759
As at 1 January 2023		12,642,380	2,418,689	696,592	506,969	6,792,264	11,226,551	34,283,445
Profit for the year		-	-	-	-	-	4,150,149	4,150,149
Other comprehensive losses for the year		-	-	(307,355)	160,923	-	-	(146,432)
Total comprehensive income for the year		-	-	(307,355)	160,923	-	4,150,149	4,003,717
Dividends	15	-	-	-	-	-	(1,005,322)	(1,005,322)
Appropriation to general reserve		-	-	-	-	1,077,007	(1,077,007)	-
As at 31 December 2023		12,642,380	2,418,689	389,237	667,892	7,869,271	13,294,371	37,281,840

**CONSOLIDATED STATEMENT OF CASH FLOWS***For the year ended 31 December 2024**(Amounts in thousands of RMB, unless otherwise stated)*

		<b>Year ended 31 December</b>	
	<i>Notes</i>	<b>2024</b>	<b>2023</b>
<b>OPERATING ACTIVITIES</b>			
Profit before tax		<b>6,002,765</b>	5,418,746
Adjustments for:			
Bonds payable interest expenses	5	<b>946,719</b>	1,149,255
Lease liabilities interest expenses		<b>7,906</b>	7,797
Depreciation and amortisation		<b>7,102,295</b>	6,097,374
Net impairment (reversal)/losses on financial assets		<b>(355,337)</b>	773,305
Net impairment losses on other assets		<b>213,810</b>	1,499,054
Amortisation income of lease discount liabilities		<b>(39,177)</b>	(37,558)
Gains on disposal of equipment held for operating lease businesses	4	<b>(353,534)</b>	(281,656)
Gains on disposal of finance lease receivables		<b>(25)</b>	(2,789)
Realised gains from derivatives		<b>(23,780)</b>	(77,103)
Realised gains from FVTOCI		<b>(164,209)</b>	(34,697)
Realised gains from FVTPL		<b>(17,661)</b>	(4,246)
Unrealised fair value changes in derivatives		<b>10,143</b>	(46,198)
Unrealised fair value changes in FVTPL		<b>(9,498)</b>	9,524
Foreign exchange losses from derivatives		<b>1,374,066</b>	380,614
Operating cash flows before movements in working capital		<b>14,694,483</b>	14,851,422
Decrease in mandatory reserve deposits with central bank		<b>23,166</b>	22,497
Decrease in accounts receivable		<b>950,709</b>	1,972,854
(Increase)/decrease in finance lease receivables		<b>(13,634,410)</b>	3,032,271
Increase in other assets		<b>(3,968,110)</b>	(800,839)
Increase in borrowings		<b>12,839,298</b>	47,302,596
(Decrease)/increase in due to banks and other financial institutions		<b>(7,338,399)</b>	1,242,571
(Decrease)/increase in financial assets sold under repurchase agreements		<b>(2,575,934)</b>	2,101,979
(Decrease)/increase in accrued staff costs		<b>(7,929)</b>	18,695
Increase/(decrease) in other liabilities		<b>1,231,060</b>	(643,624)
Cash flows from operating activities		<b>2,213,934</b>	69,100,422
Income taxes paid		<b>(1,631,251)</b>	(2,274,035)
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>		<b>582,683</b>	66,826,387



**CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)***For the year ended 31 December 2024**(Amounts in thousands of RMB, unless otherwise stated)*

	<i>Notes</i>	<b>Year ended 31 December 2024</b>	<b>2023</b>
<b>INVESTING ACTIVITIES</b>			
Placement of pledged and restricted bank deposits and fixed deposits		(15,351,412)	(20,296,375)
Withdrawal of pledged and restricted bank deposits and fixed deposits		2,160,556	4,733,528
Purchase of FVTOCI		(6,009,933)	(5,013,068)
Proceeds from disposal/maturity of FVTPL		78,038	21,139
Net cash outflow from derivatives		(929,110)	(135,592)
Proceeds from disposal/maturity of FVTOCI and others		9,208,732	3,501,655
Proceeds from disposal of property and equipment		1,437,104	2,023,909
Purchase of property and equipment		(23,122,677)	(20,157,577)
<b>NET CASH FLOWS USED IN INVESTING ACTIVITIES</b>		<u>(32,528,702)</u>	<u>(35,322,381)</u>
<b>FINANCING ACTIVITIES</b>			
Proceeds from issue of bonds		7,529,520	4,138,750
Repayments of bonds		(12,362,297)	(9,477,741)
Bond issuance cost		(2,095)	(8,916)
Bond interest paid		(977,915)	(1,160,862)
Dividends paid		(1,307,661)	(942,054)
Decrease in lease liabilities		(41,801)	(37,671)
<b>NET CASH FLOWS USED IN FINANCING ACTIVITIES</b>		<u>(7,162,249)</u>	<u>(7,488,494)</u>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>			
		(39,108,268)	24,015,512
Effects of foreign exchange changes		156,477	180,482
Cash and cash equivalents at beginning of the year		48,856,794	24,660,800
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<i>16</i>	<u><u>9,905,003</u></u>	<u><u>48,856,794</u></u>
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES INCLUDE:</b>			
Interest received		13,043,735	11,506,620
Interest paid, exclusive bonds payable interest expenses		(11,921,620)	(9,101,384)
Net interest received		<u><u>1,122,115</u></u>	<u><u>2,405,236</u></u>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

*(Amounts in thousands of RMB, unless otherwise stated)*

### 1 GENERAL INFORMATION AND PRINCIPAL ACTIVITIES

China Development Bank Financial Leasing Co., Ltd. (the “**Company**”) was established as Shenzhen Leasing Co., Ltd. (深圳租賃有限公司) on 25 December 1984, with the approval of the former Shenzhen Special Economic Zone Branch of People’s Bank of China (“**PBOC**”), and subsequently renamed as Shenzhen Finance Leasing Co., Ltd. (深圳金融租賃有限公司) after reorganisation in December 1999. In 2008, China Development Bank Co., Ltd. (“**China Development Bank**”) became the controlling shareholder of the Company, and the Company’s total paid-in capital was increased to RMB8,000,000,000 and subsequently, the Company changed its name to CDB Leasing Co., Ltd. (國銀金融租賃有限公司). On 8 September 2015, pursuant to the resolution of shareholders’ meeting, the Company’s total paid-in capital was increased to RMB9,500,000,000. Pursuant to the approval of former China Banking and Insurance Regulatory Commission (the “**CBIRC**”), which was renamed as the National Financial Regulatory Administration (the “**NFRA**”) in 2023, the Company became a joint stock company by issuing a total of 9,500,000,000 shares to the existing shareholders at par value of RMB1 each, representing 100% of share capital of the Company on 28 September 2015 (the “**Financial Restructuring**”). On the same day, the Company also changed its name to China Development Bank Financial Leasing Co., Ltd. (國銀金融租賃股份有限公司). The registered address of the Company’s office is CDB Financial Centre, No. 2003 Fuzhong Third Road, Futian District, Shenzhen, Guangdong Province, the People’s Republic of China (“**PRC**”).

On 11 July 2016, the Company issued 3,100,000,000 new ordinary shares at the issue price of HK\$2 each by way of initial public offering. The gross proceeds amounted to HK\$6.2 billion. On the same day, the Company’s shares were listed on The Stock Exchange of Hong Kong Limited (the “**Listing**”). On 29 July 2016, the Company announced that the over-allotment option was partially exercised in respect of an aggregate of 42,380,000 new ordinary shares with an additional gross proceeds of HK\$84.76 million.

On 27 December 2019, the Company repurchased and then cancelled 687,024,000 H share at the price of US\$0.2863 per share from Three Gorges Capital Holdings (HK) Co., Ltd (三峽資本控股(香港)有限公司). Meanwhile, the Company issued 687,024,000 non-tradable domestic stocks to China Three Gorges Corporation Co., Ltd. (中國長江三峽集團有限公司) at the same price as the repurchased price. These changes have no effect on the total share capital of the Company.

The Company’s parent is China Development Bank, incorporated in the People’s Republic of China (PRC). Its ultimate controlling party is the Ministry of Finance (“**MOF**”) and Central Huijin Investment Ltd. (“**Huijin**”). The MOF is one of the ministries under the State Council, primarily responsible for state fiscal revenue and expenditures, and taxation policies. Huijin was established to hold certain equity investments as authorised by the State Council and does not engage in other commercial activities. Huijin exercises legal rights and obligations on behalf of the PRC government.

The Company and its subsidiaries (the “**Group**”) are principally engaged in aircraft leasing, ship leasing, regional development leasing, inclusive finance leasing, green energy and high-end equipment leasing, transfers of finance lease assets and lease-related financial business.

## 2 MATERIAL ACCOUNTING POLICIES

### 2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS Accounting Standards) as issued by the International Accounting Standard Board (IASB), and the disclosure requirements of the Hong Kong Companies Ordinance.

Financial assets and financial liabilities at fair value through profit or loss (including derivative financial instruments) and financial assets at fair value through other comprehensive income are measured at their fair values in the consolidated financial statements. Assets that meet the criteria to be classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Other accounting items are measured at their historical costs. The preparation of financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

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 thousands, except when otherwise indicated.

### 2.2 New and amended standards and interpretations

#### ***2.2.1 New and amended standards and interpretations have been adopted***

The Group has adopted the following revised IFRS Accounting Standards for the first time for the current year's financial statements.

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

The application of the new and amendments to IFRS Accounting Standards in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

### 2.2.2 Standards, amendments and interpretations that are not yet effective

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

Amendments to IFRS 10 and IAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture<sup>1</sup></i>
Amendments to IAS 21	<i>Lack of Exchangeability<sup>2</sup></i>
Amendments to IFRS 9 and IFRS 7	<i>Amendments to the Classification and Measurement of Financial Instruments<sup>3</sup></i>
IFRS 18	<i>Presentation and Disclosure in Financial Statements<sup>4</sup></i>

<sup>1</sup> Effective for annual periods beginning on or after a date to be determined.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2025.

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2026.

<sup>4</sup> Effective for annual periods beginning on or after 1 January 2027.

Except for the amendments to IFRSs mentioned below, the directors of the Company anticipate that the application of all other amendments to IFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

IFRS 18 Presentation and Disclosures in Financial Statements:

IFRS 18 replaces IAS 1, carrying forward many of the requirements in IAS 1 unchanged and complementing them with new requirements. In addition, some IAS 1 paragraphs have been moved to IAS 8 and IFRS 7. Furthermore, the IASB has made minor amendments to IAS 7 and IAS 33 Earnings per Share. 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 (MPMs) in the notes to the financial statements; and
- improve aggregation and disaggregation.

An entity is required to apply IFRS 18 for annual reporting periods beginning on or after 1 January 2027, with earlier application permitted. The amendments to IAS 7 and IAS 33, as well as the revised IAS 8 and IFRS 7, become effective when an entity applies IFRS 18. IFRS 18 requires retrospective application with specific transition provisions.

The directors of the company anticipate that the application of these amendments may have an impact on the group's consolidated financial statements in future periods.

## 3 TOTAL REVENUE

	Year ended 31 December	
	2024	2023
Finance lease income	10,846,075	10,644,247
Operating lease income	14,588,980	12,361,652
	<u>25,435,055</u>	<u>23,005,899</u>

#### 4 OTHER INCOME, GAINS OR LOSSES

	Year ended 31 December	
	2024	2023
Interest income from deposits with financial institutions	2,890,877	958,000
Gains on disposal of assets held for operating lease businesses, net	353,534	281,656
Government grants and incentives	170,118	102,163
Management and commission fee income	549,419	677,344
Foreign exchange losses, net	(1,471,273)	(358,305)
Compensation	219,084	1,710,901
Others	211,263	122,184
	<u>2,923,022</u>	<u>3,493,943</u>

#### 5 INTEREST EXPENSES

	Year ended 31 December	
	2024	2023
Borrowings	12,197,349	9,069,337
Bonds payable	946,719	1,149,255
Due to banks and other financial institutions	148,495	323,912
Financial assets sold under repurchase agreements	35,460	47,921
Others	223,621	264,688
Less: Interest capitalised on qualifying assets	(573,231)	(492,672)
	<u>12,978,413</u>	<u>10,362,441</u>

#### 6 INCOME TAX EXPENSE

	Year ended 31 December	
	2024	2023
Current income tax		
– PRC enterprise income tax	1,606,741	1,954,036
– Income tax in other countries	8,619	6,994
Deferred income tax	(104,309)	(690,462)
Over provision in prior year	(11,274)	(1,971)
	<u>1,499,777</u>	<u>1,268,597</u>

The applicable enterprise income tax rate is 25% (2023: 25%) for the Company and its subsidiaries established in mainland China, except for certain subsidiaries which are subject to the preferential tax treatments, 16.5% (2023: 16.5%) for subsidiaries in Hong Kong, and 12.5% (2023: 12.5%) for subsidiaries in Ireland. Tax arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

## 7 EARNINGS PER SHARE

The calculation of basic earnings per share is as follows:

	Year ended 31 December	
	2024	2023
Earnings:		
Profit attributable to owners of the Company ( <i>RMB'000</i> )	4,502,988	4,150,149
Number of shares:		
Weighted average number of shares in issue ( <i>'000</i> )	<u>12,642,380</u>	<u>12,642,380</u>
Basic earnings per share ( <i>RMB Yuan</i> )	<u><b>0.36</b></u>	<u>0.33</u>

Basic earnings per share amounts are calculated by dividing the profit attributable to owners of the Company by the weighted average numbers of ordinary shares in issue during the years ended 31 December 2024 and 2023, respectively.

Diluted earnings per share amounts are the same as basic earnings per share amounts due to the absence of dilutive potential ordinary share in the years of 2024 and 2023, respectively.

## 8 CASH AND BANK BALANCES

	31 December 2024	31 December 2023
Pledged and restricted bank deposits <sup>(1)</sup>	32,987,581	16,036,606
Mandatory reserve deposits with central bank <sup>(2)</sup>	320,383	343,549
Surplus reserve deposits with central bank <sup>(3)</sup>	234,884	199,401
Cash and bank balances	10,170,119	52,917,513
Less: Allowance for impairment loss	<u>(42,318)</u>	<u>(56,764)</u>
	<u><b>43,670,649</b></u>	<u>69,440,305</u>

- <sup>(1)</sup> The bank deposits amounting to approximately RMB32,987,577 thousand were pledged as collateral for the Group's bank borrowings as at 31 December 2024 (31 December 2023: RMB15,990,342 thousand) (Note 13).

The bank deposits amounting to approximately RMB4 thousand (31 December 2023: RMB46,264 thousand) were restricted for use, among which RMB nil was in relation to the notes payable as at 31 December 2024 (31 December 2023: RMB45,900 thousand), and RMB4 thousand was in relation to others as at 31 December 2024 (31 December 2023: RMB364 thousand).

- <sup>(2)</sup> The Group places mandatory reserve deposits in the PBOC, which include RMB reserve deposits and foreign currency reserve deposits. These mandatory reserve deposits are not available for the Group's daily operations.

- <sup>(3)</sup> Surplus reserve deposits primarily represent deposits maintained with the PBOC in addition to the mandatory reserve deposits.

## 9 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	31 December 2024	31 December 2023
Measured at fair value:		
Debt instrument	–	3,001,187
Certificates of deposit	–	–
	<u>–</u>	<u>3,001,187</u>

## 10 ACCOUNTS RECEIVABLE

	31 December 2024	31 December 2023
Operating lease receivables <sup>(1)</sup>	1,249,695	1,670,365
Advances for finance lease projects <sup>(2)</sup>	–	546,331
Other accounts receivable	<u>88,510</u>	<u>92,001</u>
	<u>1,338,205</u>	<u>2,308,697</u>
Less: Allowance for impairment losses		
– Allowance for operating lease receivables	(710,574)	(961,223)
– Allowance for advances for finance lease projects	–	(9,329)
– Allowance for other accounts receivable	<u>(2,897)</u>	<u>(3,014)</u>
	<u>(713,471)</u>	<u>(973,566)</u>
	<u>624,734</u>	<u>1,335,131</u>

<sup>(1)</sup> Overdue analysis of the operating lease receivables as at the end of the reporting period, based on the receivables due date and net of loss allowance, is as follows:

	31 December 2024	31 December 2023
Not overdue	526,703	552,059
Overdue within 1 month	1,645	51,656
Overdue 1 to 2 months	10,702	3
Overdue over 3 months	<u>71</u>	<u>105,424</u>
	<u>539,121</u>	<u>709,142</u>



- (2) The advances for finance lease projects arise from situations where the Group has already made payments to lessees but the leased assets are under construction and the Group does not obtain the ownership of such leased assets. Relevant contracts will take effect once the construction of such leased assets is completed and the terms of corresponding lease contract commences upon signing off between the lessees and the Group. The advances for finance lease projects will then be transferred to finance lease receivables. Thus, ageing analysis of such advances was considered not meaningful.

The advances for finance lease projects with a carrying amount of Nil was pledged as collateral for the Group's bank borrowings as at 31 December 2024 (31 December 2023: RMB537,002 thousand) (Note 13).

Movements of accounts receivable between stages for the years of 2024 and 2023 are as follows:

	Stage 1	Stage 2	Stage 3	Simplified approach	Total
Gross amount					
Amount as at 1 January 2024	638,332	–	–	1,670,365	2,308,697
Net decrease	(552,063)	–	–	(435,075)	(987,138)
Written-off	–	–	–	(43,916)	(43,916)
Effect of foreign currency exchange differences	2,241	–	–	58,321	60,562
Amount as at 31 December 2024	<u>88,510</u>	<u>–</u>	<u>–</u>	<u>1,249,695</u>	<u>1,338,205</u>
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
Gross amount					
Amount as at 1 January 2023	2,557,215	–	–	1,719,859	4,277,074
Net decrease	(1,934,659)	–	–	(77,478)	(2,012,137)
Written-off	–	–	–	(21)	(21)
Effect of foreign currency exchange differences	15,776	–	–	28,005	43,781
Amount as at 31 December 2023	<u>638,332</u>	<u>–</u>	<u>–</u>	<u>1,670,365</u>	<u>2,308,697</u>

Movements of allowance for impairment losses during the years of 2024 and 2023 are as follows:

	Stage 1	Stage 2	Stage 3	Simplified approach	Total
Allowance for impairment losses					
Amount as at 1 January 2024	12,343	–	–	961,223	973,566
Recovered for the year	(9,484)	–	–	(218,237)	(227,721)
Written-off	–	–	–	(43,916)	(43,916)
Effect of foreign currency exchange differences	38	–	–	11,504	11,542
Amount as at 31 December 2024	<u>2,897</u>	<u>–</u>	<u>–</u>	<u>710,574</u>	<u>713,471</u>

	Stage 1	Stage 2	Stage 3	Simplified approach	Total
Allowance for impairment losses					
Amount as at 1 January 2023	32,839	–	–	756,502	789,341
(Recovered)/charged for the year	(20,692)	–	–	191,086	170,394
Written-off	–	–	–	(21)	(21)
Effect of foreign currency exchange differences	196	–	–	13,656	13,852
Amount as at 31 December 2023	<u>12,343</u>	<u>–</u>	<u>–</u>	<u>961,223</u>	<u>973,566</u>

## 11 FINANCE LEASE RECEIVABLES

	31 December 2024	31 December 2023
Finance lease receivables		
Not later than one year	56,842,453	59,083,131
Later than one year and not later than two years	47,211,571	47,425,290
Later than two year and not later than three years	36,960,477	37,179,613
Later than three year and not later than four years	26,187,881	26,694,788
Later than four year and not later than five years	20,787,232	17,384,409
Later than five years	67,477,343	54,489,407
Gross amount of finance lease receivables	255,466,957	242,256,638
Less: Unearned finance income	(44,089,411)	(38,130,967)
Present value of minimum finance lease receivables	211,377,546	204,125,671
Less: Allowance for impairment losses	(9,277,909)	(9,024,534)
Carrying amount of finance lease receivables	202,099,637	195,101,137
Present value of minimum finance lease receivables		
Not later than one year	46,782,738	49,432,679
Later than one year and not later than two years	39,441,915	39,980,314
Later than two year and not later than three years	31,179,157	31,856,046
Later than three year and not later than four years	21,866,717	22,861,764
Later than four year and not later than five years	17,471,503	14,587,801
Later than five years	54,635,516	45,407,067
	211,377,546	204,125,671

The Group entered into finance lease arrangements for certain of its aircraft, ships, equipment for infrastructure, transport and construction vehicle. The term range of finance leases is from 1 to 25 years.

The finance lease receivables with a carrying amount of approximately RMB4,052,390 thousand were pledged as collateral for the Group's bank borrowings as at 31 December 2024 (31 December 2023: RMB1,429,463 thousand) (Note 13).

The Group entered into finance lease receivables factoring arrangements and continued to recognise these transferred finance lease receivables in their full carrying amount, which was approximately RMB3,953,646 thousand as at 31 December 2024 (31 December 2023: RMB7,417,365 thousand).

The finance lease receivables were mainly with floating interest rates base on the benchmark interest rate of Loan Prime Rate (“LPR”), LIBOR (Ceased prior to 30 June 2023) or SOFR. The interest rates of finance lease receivables were adjusted periodically with reference to the benchmark interest rates.

Movements between stages for the years of 2024 and 2023 within finance lease receivables are as follows:

	Stage 1	Stage 2	Stage 3	Total
Present value of minimum finance lease receivables				
Amount as at 1 January 2024	167,388,757	35,087,543	1,649,371	204,125,671
Movement within stages:				
Move to stage 1	1,437,886	(1,437,886)	–	–
Move to stage 2	(5,534,445)	5,534,445	–	–
Move to stage 3	(1,031,222)	(1,116,940)	2,148,162	–
Net assets originated/(repayment)	16,266,677	(9,457,331)	217,808	7,027,154
Written-off	–	–	(28,214)	(28,214)
Recovery of written-off finance lease receivables	–	–	414	414
Effect of foreign currency exchange differences	218,028	34,408	85	252,521
Amount as at 31 December 2024	<u>178,745,681</u>	<u>28,644,239</u>	<u>3,987,626</u>	<u>211,377,546</u>
	Stage 1	Stage 2	Stage 3	Total
Present value of minimum finance lease receivables				
Amount as at 1 January 2023	173,644,606	26,893,268	1,495,012	202,032,886
Movement within stages:				
Move to stage 1	4,096,940	(4,096,940)	–	–
Move to stage 2	(28,033,300)	28,698,722	(665,422)	–
Move to stage 3	–	(1,010,719)	1,010,719	–
Net assets originated/(repayment)	17,518,240	(15,440,642)	(93,683)	1,983,915
Written-off	–	–	(98,131)	(98,131)
Recovery of written-off finance lease receivables	–	–	597	597
Effect of foreign currency exchange differences	162,271	43,854	279	206,404
Amount as at 31 December 2023	<u>167,388,757</u>	<u>35,087,543</u>	<u>1,649,371</u>	<u>204,125,671</u>

Movements of allowance for impairment losses on finance lease receivables during the years of 2024 and 2023 are as follows:

	Stage 1	Stage 2	Stage 3	Total
Allowance for impairment losses				
Amount as at 1 January 2024	2,341,362	5,280,490	1,402,682	9,024,534
Movement within stages:				
Move to stage 1	135,903	(135,903)	–	–
Move to stage 2	(58,470)	58,470	–	–
Move to stage 3	(15,351)	(249,102)	264,453	–
Charged/(recovered) for the year	355,852	(364,911)	281,153	272,094
Written-off	–	–	(28,214)	(28,214)
Recovery of written-off finance lease receivables	–	–	414	414
Effect of foreign currency exchange differences	2,756	6,240	85	9,081
Amount as at 31 December 2024	<u>2,762,052</u>	<u>4,595,284</u>	<u>1,920,573</u>	<u>9,277,909</u>
	Stage 1	Stage 2	Stage 3	Total
Allowance for impairment losses				
Amount as at 1 January 2023	3,627,708	3,429,895	1,481,000	8,538,603
Movement within stages:				
Move to stage 1	642,406	(642,406)	–	–
Move to stage 2	(994,401)	1,316,051	(321,650)	–
Move to stage 3	–	(454,840)	454,840	–
(Recovered)/Charged for the year	(943,574)	1,626,238	(114,247)	568,417
Written-off	–	–	(98,131)	(98,131)
Recovery of written-off finance lease receivables	–	–	597	597
Effect of foreign currency exchange differences	9,223	5,552	273	15,048
Amount as at 31 December 2023	<u>2,341,362</u>	<u>5,280,490</u>	<u>1,402,682</u>	<u>9,024,534</u>

## 12 PROPERTY AND EQUIPMENT

	31 December 2024	31 December 2023
Equipment held for operating lease businesses	133,022,685	118,044,191
Property and equipment held for administrative purposes	<u>571,192</u>	<u>595,988</u>
	<u>133,593,877</u>	<u>118,640,179</u>

## Equipment held for operating lease businesses

	Aircraft	Ships	Special equipment	Total
<b>Cost</b>				
As at 1 January 2024	111,604,294	39,795,171	1,748,735	153,148,200
Additions	10,981,288	6,178,695	4,633,472	21,793,455
Transfer to assets held-for-sale	(170,342)	(182,535)	–	(352,877)
Disposals/written-off	(3,020,069)	(798,228)	(48,225)	(3,866,522)
Foreign currency translation	1,749,513	640,824	–	2,390,337
As at 31 December 2024	121,144,684	45,633,927	6,333,982	173,112,593
<b>Accumulated depreciation</b>				
As at 1 January 2024	(23,743,554)	(5,078,886)	(104,063)	(28,926,503)
Charged for the year	(4,163,417)	(2,001,938)	(761,685)	(6,927,040)
Transfer to assets held-for-sale	11,338	50,579	–	61,917
Disposals/written-off	1,457,936	137,930	9,295	1,605,161
Foreign currency translation	(383,378)	(94,218)	–	(477,596)
As at 31 December 2024	(26,821,075)	(6,986,533)	(856,453)	(34,664,061)
<b>Accumulated impairment</b>				
As at 1 January 2024	(5,333,877)	(843,629)	–	(6,177,506)
Charged for the year	(143,891)	(4,168)	(18,179)	(166,238)
Transfer to assets held-for-sale	115,155	–	–	115,155
Disposals/written-off	885,742	–	–	885,742
Foreign currency translation	(70,365)	(12,635)	–	(83,000)
As at 31 December 2024	(4,547,236)	(860,432)	(18,179)	(5,425,847)
<b>Net carrying amount</b>				
As at 1 January 2024	82,526,863	33,872,656	1,644,672	118,044,191
As at 31 December 2024	89,776,373	37,786,962	5,459,350	133,022,685

	Aircraft	Ships	Special equipment	Total
<b>Cost</b>				
As at 1 January 2023	101,421,149	34,765,299	65,133	136,251,581
Additions	11,910,240	5,516,574	1,683,764	19,110,578
Transfer from finance lease receivables	387,945	–	–	387,945
Disposals/written-off	(3,829,244)	(1,085,359)	(162)	(4,914,765)
Foreign currency translation	<u>1,714,204</u>	<u>598,657</u>	<u>–</u>	<u>2,312,861</u>
As at 31 December 2023	<u>111,604,294</u>	<u>39,795,171</u>	<u>1,748,735</u>	<u>153,148,200</u>
<b>Accumulated depreciation</b>				
As at 1 January 2023	(20,496,108)	(3,506,877)	(1,035)	(24,004,020)
Charged for the year	(3,905,884)	(1,887,857)	(103,034)	(5,896,775)
Transferred from assets held-for-sale	(21,684)	–	–	(21,684)
Disposals/written-off	1,033,273	384,036	6	1,417,315
Foreign currency translation	<u>(353,151)</u>	<u>(68,188)</u>	<u>–</u>	<u>(421,339)</u>
As at 31 December 2023	<u>(23,743,554)</u>	<u>(5,078,886)</u>	<u>(104,063)</u>	<u>(28,926,503)</u>
<b>Accumulated impairment</b>				
As at 1 January 2023	(5,873,447)	(575,065)	–	(6,448,512)
Charged for the year	(1,062,082)	(359,954)	–	(1,422,036)
Disposals/written-off	1,660,639	102,369	–	1,763,008
Foreign currency translation	<u>(58,987)</u>	<u>(10,979)</u>	<u>–</u>	<u>(69,966)</u>
As at 31 December 2023	<u>(5,333,877)</u>	<u>(843,629)</u>	<u>–</u>	<u>(6,177,506)</u>
<b>Net carrying amount</b>				
As at 1 January 2023	<u>75,051,594</u>	<u>30,683,357</u>	<u>64,098</u>	<u>105,799,049</u>
As at 31 December 2023	<u>82,526,863</u>	<u>33,872,656</u>	<u>1,644,672</u>	<u>118,044,191</u>

As at 31 December 2024, the equipment held for operating lease businesses of the Group with net book values of approximately RMB39,172,287 thousand (31 December 2023: RMB43,088,677 thousand) and RMB988,030 thousand (31 December 2023: RMB1,041,301 thousand) were pledged as collateral for the Group's bank borrowings (Note 13) and long-term payables, respectively.

## Property and equipment held for administrative purposes

	Buildings	Computers and electronic equipment	Motor vehicles	Office equipment	Leasehold improvements	Total
<b>Cost</b>						
As at 1 January 2024	605,113	64,841	5,472	81,984	63,080	820,490
Transferred from investment properties	11,804	–	–	–	–	11,804
Additions	–	21,220	–	1,415	1,139	23,774
Transfer to investment properties	(24,390)	–	–	–	–	(24,390)
Disposals	–	(1,120)	–	–	–	(1,120)
Foreign currency translation	–	195	–	126	834	1,155
	<u>592,527</u>	<u>85,136</u>	<u>5,472</u>	<u>83,525</u>	<u>65,053</u>	<u>831,713</u>
<b>Accumulated depreciation</b>						
As at 1 January 2024	(95,413)	(47,233)	(5,013)	(52,396)	(24,447)	(224,502)
Transferred from investment properties	(1,952)	–	–	–	–	(1,952)
Charged for the year	(13,718)	(11,032)	(185)	(8,094)	(3,506)	(36,535)
Transfer to investment properties	3,136	–	–	–	–	3,136
Disposals/written-off	–	–	–	–	–	–
Foreign currency translation	–	(264)	–	(99)	(305)	(668)
	<u>(107,947)</u>	<u>(58,529)</u>	<u>(5,198)</u>	<u>(60,589)</u>	<u>(28,258)</u>	<u>(260,521)</u>
<b>Net carrying amount</b>						
As at 1 January 2024	<u>509,700</u>	<u>17,608</u>	<u>459</u>	<u>29,588</u>	<u>38,633</u>	<u>595,988</u>
As at 31 December 2024	<u>484,580</u>	<u>26,607</u>	<u>274</u>	<u>22,936</u>	<u>36,795</u>	<u>571,192</u>



	Buildings	Computers and electronic equipment	Motor vehicles	Office equipment	Leasehold improvements	Total
<b>Cost</b>						
As at 1 January 2023	715,599	61,816	5,472	61,783	61,522	906,192
Additions	–	7,046	–	20,072	659	27,777
Transfer to investment properties	(107,690)	–	–	–	–	(107,690)
Other decrease	(2,796)	(4,272)	–	–	–	(7,068)
Foreign currency translation	–	251	–	129	899	1,279
As at 31 December 2023	<u>605,113</u>	<u>64,841</u>	<u>5,472</u>	<u>81,984</u>	<u>63,080</u>	<u>820,490</u>
<b>Accumulated depreciation</b>						
As at 1 January 2023	(99,667)	(36,197)	(4,466)	(19,399)	(21,051)	(180,780)
Charged for the year	(14,738)	(10,853)	(547)	(32,889)	(3,118)	(62,145)
Transfer to investment properties	18,992	–	–	–	–	18,992
Foreign currency translation	–	(183)	–	(108)	(278)	(569)
As at 31 December 2023	<u>(95,413)</u>	<u>(47,233)</u>	<u>(5,013)</u>	<u>(52,396)</u>	<u>(24,447)</u>	<u>(224,502)</u>
<b>Net carrying amount</b>						
As at 1 January 2023	<u>615,932</u>	<u>25,619</u>	<u>1,006</u>	<u>42,384</u>	<u>40,471</u>	<u>725,412</u>
As at 31 December 2023	<u>509,700</u>	<u>17,608</u>	<u>459</u>	<u>29,588</u>	<u>38,633</u>	<u>595,988</u>

As at 31 December 2024, the carrying value of property and equipment of the Group for which registration was not completed amounted to approximately RMB6,361 thousand (31 December 2023: RMB6,093 thousand). However, this registration process does not affect the rights of the Group to these assets.

For the year ended 31 December 2024, in accordance with IAS 36 Impairment of Assets, aircraft, ships and vehicles were tested for indicators of impairment. To aid in this assessment, the Group sought valuations from independent appraisal firms. These appraisers make assumptions and estimates with respect to the future valuations of aircraft, ships and vehicles. For the purpose of recognition and measurement of an impairment loss, if it is determined that a test for impairment is required, each aircraft, or ship or vehicle is tested individually by comparing its carrying amount to the higher of its value in use and fair value less costs to sell.

Value in use is determined as the total discounted cash flows expected to be generated by an aircraft or vehicle in the future. The estimated cash flows are discounted to their present value by using a pre-tax discount rate that reflects current market assumptions of the time value of money and the risks specific to the asset in question. For the calculation of value in use, the weighted average discount rates (“WACC”) for 31 December 2024 were 5.96% for aircraft and 2.83% for vehicles (2023: 6.80% for aircraft and 3.51% for vehicles). Fair value less costs to sell is determined by the Group based on the most relevant of observable market information from independent appraisal firms. In cases where the carrying value of the aircraft or vehicles exceeds the higher of value in use and fair value less costs to sell, an impairment charge is recognised.

As a result of the review, an impairment charge of RMB144 million (2023: RMB1,062 million) was recognised for 2 aircraft (2023: 31 aircraft). An impairment charge of RMB4 million (2023: RMB360 million) was recognised for 1 ship (2023: 26 ships). An impairment charge of RMB18 million (2023: Nil) was recognised for 5,314 vehicles (2023: Nil).

As at 31 December 2024, there are 4 aircraft remained detained in Russia after the termination of lease with Russian Airlines following the imposition of sanctions by the European Union. As a result of their loss, the Group has filed claims under its relevant insurances held and is pursuing those claims for the agreed values of the aircraft as defined in the relevant policies.

The directors of the Company are satisfied that the net book value of property and equipment is not further impaired below the balance recorded at 31 December 2024.

As at 31 December 2024, there would be no change in the impairment of aircraft and vehicles assuming a 50 Basis Point (“BP”) increase or 50BP decrease in WACC.

As at 31 December 2024, there was no change in the impairment of aircraft and vehicles assuming a 5% increase in current market value (31 December 2023: RMB164 million and RMB90 million) for aircraft and vehicles, respectively. If the current market value decreases by 5%, the impairment will increase RMB54 million and RMB0 million (31 December 2023: RMB195 million and RMB121 million) for aircrafts and vehicles, respectively.

### 13 BORROWINGS

	31 December 2024	31 December 2023
Secured bank borrowings <sup>(1)</sup>	62,150,411	47,762,763
Factoring financing <sup>(2)</sup>	3,879,942	7,873,794
Unsecured bank borrowings	243,783,710	240,238,888
	<b>309,814,063</b>	<b>295,875,445</b>
	31 December 2024	31 December 2023
Carrying amount repayable:		
Within one year	215,508,720	208,819,656
More than one year, but not exceeding two years	52,381,483	37,688,308
More than two years, but not exceeding five years	32,438,861	35,158,150
More than five years	9,484,999	14,209,331
	<b>309,814,063</b>	<b>295,875,445</b>

<sup>(1)</sup> Secured bank borrowings

Secured bank borrowings were pledged by equipment held for operating lease businesses, finance lease receivables, accounts receivable and bank deposits with carrying amounts as follows:

	31 December 2024	31 December 2023
Equipment held for operating lease businesses	39,172,287	43,088,677
Finance lease receivables	4,052,390	1,429,463
Accounts receivable	—	537,002
Bank deposits	32,987,577	15,990,342
	<b>76,212,254</b>	<b>61,045,484</b>

- (2) The Group entered into finance lease receivables factoring arrangements and has recognised the cash received for the transfer as factoring financing. The balance of secured bank borrowings through factoring financing was approximately RMB3,879,942 thousand as at 31 December 2024 (31 December 2023: RMB7,873,794 thousand).

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

	<b>31 December 2024</b>	31 December 2023
Fixed-rate borrowings:		
Within one year	<b>205,073,151</b>	194,666,391
More than one year, but not exceeding five years	<b>50,867,406</b>	30,585,547
More than five years	<u>—</u>	<u>485,334</u>
	<b><u>255,940,557</u></b>	<b><u>225,737,272</u></b>

In addition, the Group has floating-rate borrowings which carry interest based on LPR, SOFR or Term SOFR.

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

	<b>31 December 2024</b>	31 December 2023
Effective interest rates:		
Fixed-rate borrowings (RMB)	<b>1.90%-3.20%</b>	2.40%-3.20%
Fixed-rate borrowings (USD)	<b>2.05%-5.90%</b>	2.05%-6.37%
Floating-rate borrowings (RMB)	<b>1Y LPR/5Y LPR - 1.30%~-0.65%</b>	1Y LPR/5Y LPR - 1.30%~-0.28%
Floating-rate borrowings (USD)	<b>SOFR/1M TSOFR/ 3M TSOFR +0.05%-1.45%</b>	SOFR/1M TSOFR/ 3M TSOFR +0.20%-1.45%

## 14 BONDS PAYABLE

	31 December 2024	31 December 2023
Guaranteed unsecured bonds <sup>(1)</sup>	16,094,151	27,271,681
Unguaranteed unsecured bonds	10,978,761	4,915,549
	<u>27,072,912</u>	<u>32,187,230</u>

The following table summarised the basic information of the Group's bonds:

				As at 31 December 2024		
				Face value	Guaranteed unsecured bonds <sup>(1)</sup>	Unguaranteed unsecured bonds
Issuer	Currency	Fixed coupon rate	Maturity (Year)			
China Development Bank Financial Leasing Co., Ltd.	USD	2.875%	2030	5,031,880	–	5,031,880
	RMB	2.05% to 2.20%	2027	6,000,000	–	6,000,000
CDBL Funding 2 <sup>(2)</sup>	RMB	3.50%	2026	700,000	700,000	–
	USD	2.00% to 3.125%	2025 to 2027	10,423,180	10,423,180	–
CDBL Funding 1 <sup>(2)</sup>	USD	3.50%	2027	2,875,360	2,875,360	–
Issuer	Currency	Floating rate				
CDBL Funding 2 <sup>(2)</sup>		SOFR + Margin				
	USD	ranging from 0.90% to 1.00%	2025 to 2027	2,120,578	2,120,578	–
				<u>27,150,998</u>	<u>16,119,118</u>	<u>11,031,880</u>

			As at 31 December 2023			
			Maturity (Year)	Face value	Guaranteed unsecured bonds <sup>(1)</sup>	Unguaranteed unsecured bonds
Issuer	Currency	Fixed coupon rate				
China Development Bank Financial Leasing Co., Ltd.	USD	2.875%	2030	4,957,890	–	4,957,890
CDBL Funding 2 <sup>(2)</sup>	RMB	3.35% to 3.50%	2024 to 2026	1,600,000	1,600,000	–
	HKD	1.40% to 4.85%	2024	2,809,282	2,809,282	–
	USD	1.375% to 5.77%	2024 to 2027	14,696,603	14,696,603	–
CDBL Funding 1 <sup>(2)</sup>	USD	2.87% to 4.25%	2024 to 2027	<u>6,586,911</u>	<u>6,586,911</u>	<u>–</u>
Issuer	Currency	Floating Rate				
		SOFR + Margin ranging from				
CDBL Funding 2 <sup>(2)</sup>	USD	0.85% to 1.00%	2024 to 2025	<u>1,629,021</u>	<u>1,629,021</u>	<u>–</u>
				<u>32,279,707</u>	<u>27,321,817</u>	<u>4,957,890</u>

<sup>(1)</sup> As at 31 December 2024 and 2023, the bonds were unconditionally and irrevocably guaranteed by CDB Leasing (International) Company Limited or CDB Aviation Lease Finance Designated Activity Company, with the benefit of a Keepwell and Asset Purchase Deed provided by the Company. CDB Leasing (International) Company Limited and CDB Aviation Lease Finance Designated Activity Company are subsidiaries of the Group.

<sup>(2)</sup> CDBL Funding 1 and CDBL Funding 2 are subsidiaries of the Group.

## 15 DIVIDENDS

The dividends declared in 2024 are approximately RMB1,245,022 thousand, RMB0.9848 per 10 ordinary shares (2023: RMB1,005,322 thousand, RMB0.7952 per 10 ordinary shares). A dividend in respect of the year ended 31 December 2024 of RMB0.8905 per 10 ordinary shares, amounting to a total dividend of approximately RMB1,125,804 thousand, is to be proposed at the annual general meeting. These financial statements do not reflect this dividend payable.

## 16 CASH AND CASH EQUIVALENTS

For the purpose of the consolidated statement of cash flows, cash and cash equivalents represent the following:

	31 December 2024	31 December 2023
Cash and bank balances before impairment loss	<b>43,712,967</b>	69,497,069
Less:		
– Pledged and restricted bank deposits	<b>32,987,581</b>	16,036,606
– Mandatory reserve deposits with central bank	<b>320,383</b>	343,549
– Other <sup>(1)</sup>	<b>500,000</b>	4,260,120
	<b><u>9,905,003</u></b>	<u>48,856,794</u>

<sup>(1)</sup> Other is mainly unpledged and unrestricted fixed deposits.

## 17 SEGMENT REPORTING

Information reported to the chief operating decision maker (hereinafter refer to as the “CODM”), being the board of directors of the Company, for the purposes of resource allocation and assessment of segment performance focuses on the nature of services provided by the Group, which is also consistent with the Group’s basis of organisation, whereby the businesses are organised and managed separately as individual strategic business unit that serves different markets. Segment information is measured in accordance with the accounting policies and measurement criteria adopted by each segment when reporting to the board of directors of the Company, which are consistent with the accounting and measurement criteria in the preparation of the consolidated financial statements.

Specifically, the Group’s operating segments are as follows:

- Aircraft leasing: mainly engaged in the acquisition, leasing, management and disposal of commercial aircraft;
- Regional development leasing: mainly engaged in the leasing of urban and transportation facilities and key industrial equipment developed in service region supported by national policies;
- Ship leasing: mainly engaged in the leasing of ships;
- Inclusive finance: mainly engaged in the leasing of vehicles other than aircraft and ships, and construction machinery; and
- Green energy and high-end equipment leasing: mainly engaged in the leasing of energy infrastructure and high-end equipment.

Segment assets and liabilities are allocated to each segment, excluding deferred tax assets and liabilities, and the segment result excludes income tax expense. Segment revenue, results, assets and liabilities mainly include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Expenses of the headquarters are allocated according to the proportion of each segment’s net revenue (segment’s revenue deducting depreciation expenses of equipment held for operating lease businesses). Assets and liabilities of the headquarters are allocated according to the proportion of each segment’s assets related to leasing business.

Inter-segment transactions, if any, are conducted with reference to the prices charged to third parties and there was no change in the basis during the years ended 31 December 2024 and 2023.

The operating and reportable segment information provided to the CODM during the years ended 31 December 2024 and 2023 is as follows:

	Aircraft leasing	Regional development leasing	Ship leasing	Inclusive finance	Green energy and high-end equipment leasing	Total
For the year ended 31 December 2024						
<b>Segment revenue and results</b>						
Finance lease income	13,427	4,323,796	1,365,236	1,855,094	3,288,522	10,846,075
Operating lease income	<u>8,173,534</u>	<u>115,100</u>	<u>5,294,575</u>	<u>945,165</u>	<u>60,606</u>	<u>14,588,980</u>
Segment revenue	8,186,961	4,438,896	6,659,811	2,800,259	3,349,128	25,435,055
Segment other income, gains and losses	<u>1,060,124</u>	<u>460,009</u>	<u>1,094,608</u>	<u>161,207</u>	<u>352,104</u>	<u>3,128,052</u>
Segment revenue and other income	9,247,085	4,898,905	7,754,419	2,961,466	3,701,232	28,563,107
Interest expense	(4,408,197)	(2,707,506)	(3,271,305)	(705,908)	(1,885,497)	(12,978,413)
Other expense	<u>(4,603,527)</u>	<u>(384,580)</u>	<u>(2,685,022)</u>	<u>(1,115,397)</u>	<u>(793,403)</u>	<u>(9,581,929)</u>
Segment expenses	<u>(9,011,724)</u>	<u>(3,092,086)</u>	<u>(5,956,327)</u>	<u>(1,821,305)</u>	<u>(2,678,900)</u>	<u>(22,560,342)</u>
(Loss)/profit before impairment losses and income tax	<u>(196,219)</u>	<u>1,896,149</u>	<u>1,655,779</u>	<u>929,632</u>	<u>1,575,897</u>	<u>5,861,238</u>
Profit before income tax	<u>235,361</u>	<u>1,806,819</u>	<u>1,798,092</u>	<u>1,140,161</u>	<u>1,022,332</u>	<u>6,002,765</u>
As at 31 December 2024						
<b>Segment assets and liabilities</b>						
Segment assets	120,078,363	87,567,711	64,739,803	33,959,947	97,177,097	403,522,921
Deferred tax assets						<u>2,327,409</u>
Group's total assets						<u>405,850,330</u>
Segment liabilities	114,718,908	77,007,885	57,567,457	29,831,050	85,416,287	364,541,587
Deferred tax liabilities						<u>1,044,984</u>
Group's total liabilities						<u>365,586,571</u>
<b>Other segment information</b>						
Depreciation of investment properties	–	(42,567)	–	–	–	(42,567)
Depreciation of property and equipment	(4,167,081)	(12,384)	(2,013,332)	(711,546)	(59,232)	(6,963,575)
Depreciation of right-of-use assets	(18,589)	(5,941)	(6,627)	(2,096)	(4,455)	(37,708)
Amortisation	(26,939)	(12,614)	(9,500)	(3,005)	(6,387)	(58,445)
Capital expenditure	10,981,288	23,774	6,178,695	4,244,163	389,309	21,817,229
Impairment reversal/(losses)	<u>431,580</u>	<u>(89,330)</u>	<u>142,313</u>	<u>210,529</u>	<u>(553,565)</u>	<u>141,527</u>



	Aircraft leasing	Regional development leasing	Ship leasing	Inclusive finance	Green energy and high-end equipment leasing	Total
For the year ended 31 December 2023						
<b>Segment revenue and results</b>						
Finance lease income	5,894	5,853,472	895,362	1,773,116	2,116,403	10,644,247
Operating lease income	8,200,990	121,148	3,846,868	142,571	50,075	12,361,652
Segment revenue	8,206,884	5,974,620	4,742,230	1,915,687	2,166,478	23,005,899
Segment other income, gains and losses	1,982,831	343,816	1,115,976	90,662	116,167	3,649,452
Segment revenue and other income	10,189,715	6,318,436	5,858,206	2,006,349	2,282,645	26,655,351
Interest expense	(3,633,735)	(3,064,565)	(1,902,082)	(678,061)	(1,083,998)	(10,362,441)
Other expense	(6,190,889)	(850,225)	(2,842,145)	71,721	(1,062,626)	(10,874,164)
Segment expenses	(9,824,624)	(3,914,790)	(4,744,227)	(606,340)	(2,146,624)	(21,236,605)
Profit before impairment losses and income tax	1,698,428	2,835,134	1,236,966	861,698	1,058,879	7,691,105
Profit before income tax	365,091	2,403,646	1,113,979	1,400,009	136,021	5,418,746
As at 31 December 2023						
<b>Segment assets and liabilities</b>						
Segment assets	108,978,585	130,008,248	62,783,875	36,041,877	69,750,607	407,563,192
Deferred tax assets						2,131,711
Group's total assets						409,694,903
Segment liabilities	103,629,005	118,936,991	55,452,496	31,756,943	61,528,960	371,304,395
Deferred tax liabilities						1,108,668
Group's total liabilities						372,413,063
For the year ended 31 December 2023						
<b>Other segment information</b>						
Depreciation of investment properties	–	(41,109)	–	–	–	(41,109)
Depreciation of property and equipment	(3,910,172)	(26,772)	(1,902,281)	(93,449)	(26,246)	(5,958,920)
Depreciation of right-of-use assets	(17,740)	(9,421)	(5,075)	(2,452)	(3,411)	(38,099)
Amortisation	(48,430)	(9,853)	(447)	(216)	(300)	(59,246)
Capital expenditure	11,911,055	1,050,358	5,523,295	273,385	380,262	19,138,355
Impairment (losses)/reversal	(1,333,337)	(431,489)	(122,987)	538,311	(922,857)	(2,272,359)

The largest customer of the Group contributed 2.82% of the Group's revenue for the years ended 31 December 2024 (2023: 2.23%).

The Group's non-current assets are mainly located in the PRC (country of domicile). The Group's revenue is substantially derived from its operation in the PRC for the years ended 31 December 2024 and 2023.

## 18 EVENTS AFTER THE REPORTING PERIOD

There are no events after the reporting period that require disclosure in these financial statements.

### DEFINITIONS

“Administrative Measures for the Capital of Commercial Banks” or “New Capital Regulations”	the Administrative Measures for the Capital of Commercial Banks (《商業銀行資本管理辦法》) (National Financial Regulatory Administration Order No.4 of 2023), which was published by the NFRA on 26 October 2023 and came into effect on 1 January 2024
“Administrative Measures on Financial Leasing Companies”	the amended Administrative Measures on Financial Leasing Companies (《金融租賃公司管理辦法》) (NFRA Order No. 6 of 2024) issued by the NFRA on 14 September 2024, which came into effect on 1 November 2024, in order to regulate the operating behavior of financial leasing companies, prevent financial risks, and promote the stable operation and high-quality development of financial leasing companies
“Airbus”	Airbus S.A.S. (Airbus), a “Société par Actions Simplifiée (SAS) (which means “simplified joint-stock company”)” incorporated under French law
“Articles of Association”	the articles of association of China Development Bank Financial Leasing Co., Ltd.
“Board” or “Board of Directors”	the board of directors of the Company
“Boeing”	The Boeing Company, a company incorporated in Delaware, the United States
“CBIRC”	China Banking and Insurance Regulatory Commission (中國銀行保險監督管理委員會) and its predecessor, China Banking Regulatory Commission (中國銀行業監督管理委員會), which is renamed as The National Financial Regulatory Administration (國家金融監督管理總局)
“China” or the “PRC”	the People’s Republic of China
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time

“Company”	China Development Bank Financial Leasing Co., Ltd. (國銀金融租賃股份有限公司), a company established in the PRC in 1984 and converted into a joint stock limited company on 28 September 2015, the H Shares of which are listed on the Hong Kong Stock Exchange with stock code of 1606
“Corporate Governance Code”	the Corporate Governance Code as set out in Appendix C1 to the Hong Kong Listing Rules
“Director(s)”	director(s) of the Company
“Domestic Share(s)”	ordinary share(s) in the Company’s share capital, with a nominal value of RMB1.00 each, which are subscribed for and paid up in Renminbi
“Group”, “we”, “our” or “us”	the Company and its subsidiaries or SPVs, or the Company and any one or more of its subsidiaries or SPVs, as the context may require
“HK\$” or “Hong Kong dollars”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time)
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited
“H Share(s)”	overseas listed foreign share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, which are listed on the Main Board of the Hong Kong Stock Exchange and traded in Hong Kong dollars
“Measures for the Risk Classification of Financial Assets of Commercial Banks”	the Measures for the Risk Classification of Financial Assets of Commercial Banks (《商業銀行金融資產風險分類辦法》) (China Banking and Insurance Regulatory Commission PBOC Order [2023] No.1), in order to facilitate commercial banks to accurately assess credit risk and truly reflect the quality of financial assets, the CBIRC and the PBOC jointly formulated the measures. The measures were issued on 10 February 2023 and came into effect on 1 July 2023

“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Hong Kong Listing Rules
“NFRA”	The National Financial Regulatory Administration (國家金融監督管理總局) and its local offices, including its predecessor, CBIRC. The NFRA is an organisation directly under the State Council established on the basis of CBIRC. In March 2023, the Central Committee of the Communist Party of China and the State Council issued the Party and State Organisational Reform Plan, deciding to establish the NFRA on the basis of the CBIRC and no longer retain the CBIRC. On 18 May 2023, the NFRA was inaugurated
“OEM(s)”	collectively or individually, Boeing, Airbus and other airline manufacturers
“PBOC”	The People’s Bank of China, the Central Bank of the People’s Republic of China
“Reporting Period”	from 1 January 2024 to 31 December 2024
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) with a nominal value of RMB1.00 each in the share capital of the Company, including H Share(s) and Domestic Share(s)
“Shareholder(s)”	holder(s) of the Share(s)
“State Council”	State Council of the People’s Republic of China
“subsidiary(ies)”	has the meaning ascribed to it under section 15 of the Companies Ordinance
“Supervisor(s)”	supervisor(s) of the Company
“US\$”, “USD” or “US dollar(s)”	United States dollar(s), the lawful currency of the United States

## GLOSSARY OF TECHNICAL TERMS

“BDI”	Baltic Dry Index, an important indicator of freight rates in the international dry bulk market, reflecting the demand for commodity transportation and the level of prosperity in the shipping market
“finance lease”	a lease arrangement classified under the International Financial Reporting Standards, pursuant to which substantially all of the risks and returns of ownership of the leased assets are transferred from the lessors to the lessees
“finance lease related assets”	leased assets under finance leases, consisting of finance lease receivable and accounts receivable (prepayments for finance lease projects)
“Fitch”	Fitch Ratings Ltd.
“GW”	the unit of power, i.e., one billion watts, or 1,000 megawatts. “GW” is the abbreviation of gigawatt
“kW”	the unit of power, i.e., one thousand watts. “kW” is the abbreviation of kilowatt
“Moody’s”	Moody’s Investors Service, Inc.
“narrow-body aircraft”	single-aisle aircraft, such as Airbus A320 family and Boeing 737 family
“operating lease”	a lease arrangement classified under the International Financial Reporting Standards, pursuant to which substantially all of the risks and returns of the leased assets remain with the lessors
“SPV(s)”	special purpose vehicle(s)
“Standard & Poor’s”	S&P Global Ratings
“wide-body aircraft”	twin-aisle aircraft, such as Airbus A330 family and Boeing 777 family

By order of the Board  
**CHINA DEVELOPMENT BANK FINANCIAL LEASING CO., LTD.**  
**LIU Yi**  
*Joint Company Secretary*

Shenzhen, the PRC  
28 March 2025

*As at the date of this announcement, the executive directors of the Company are Ms. MA Hong and Mr. JIN Tao; the non-executive directors are Mr. ZHANG Kesheng and Mr. ZHANG Chuanhong; and the independent non-executive directors are Mr. LI Haijian, Mr. LIU Ming and Mr. WANG Guiguo.*