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CHINA AIRCRAFT LEASING GROUP HOLDINGS LIMITED

中國飛機租賃集團控股有限公司

(Incorporated under the laws of the Cayman Islands with limited liability)

(Stock code: 1848)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2025

The Board of Directors (the “**Board**”) of China Aircraft Leasing Group Holdings Limited (the “**Company**”) announces the audited consolidated results of the Company and its subsidiaries (the “**Group**”) for the year ended 31 December 2025 as follows:

FINANCIAL HIGHLIGHTS

	Year ended 31 December		Change
	2025	2024	
	<i>HK\$'Million</i>	<i>HK\$'Million</i>	
Total revenue	5,015.1	5,204.1	-3.6%
Profit attributable to shareholders of the Company	338.5	257.5	+31.5%
Profit for the year	375.3	325.6	+15.3%
Earnings per share (Basic) (<i>HK\$</i>)	0.454	0.346	+31.2%
Final dividend per share (<i>HK\$</i>)	0.18	0.18	–
Full year dividend per share (<i>HK\$</i>)	0.30	0.30	–

CHAIRMAN’S STATEMENT

On behalf of China Aircraft Leasing Group Holdings Limited (“**CALC**” or the “**Company**”, together with its subsidiaries, the “**Group**”), I am pleased to present the consolidated results of the Group for the year ended 31 December 2025 (the “**Review Year**”).

RESULTS AND DIVIDEND

In 2025, global passenger demand remained strong and continued to grow steadily despite capacity constraints, with passenger load factors reaching a record high. During the year, China’s civil aviation market maintained solid growth, with passenger traffic hitting a new high and industry operating performance further improving. Amid these industry opportunities, the Group maintained a disciplined balance between of prudent operations and forward-looking planning during the Review Year, taking proactive initiatives to advance various business segments collaboratively, further enhancing its core competitiveness and profitability.

During the Review Year, the Group’s total revenue amounted to HK\$5,015.1 million, remaining broadly stable (2024: HK\$5,204.1 million). Profit attributable to shareholders of the Company was HK\$338.5 million, representing a year-on-year growth of 31.5% (2024: HK\$257.5 million). Earnings per share were HK\$0.454 (2024: HK\$0.346), representing an increase by 31.2% year-on-year.

The Board has recommended payment of a final dividend of HK\$0.18 per ordinary share. Together with the 2025 interim dividend of HK\$0.12 per share already paid, total dividend payout for the year 2025 amounted to HK\$0.30 (2024: HK\$0.30) per share. The Group has continued to propose scrip dividend scheme in respect of the final dividend of 2025.

DEVELOPMENT HIGHLIGHTS AND STRATEGIC GOAL

1) Strengthening Premium Orderbook Assets to Solidify Long-Term Development Foundation

The Group remains committed to investing in a next-generation fleet. Underpinned by a robust orderbook, the Group maintains a quality fleet portfolio, providing a solid foundation for its long-term sustainable development.

As the first Chinese lessor to have bulk orders directly with Airbus, and to further consolidate its orderbook advantage, the Group placed an additional order for 30 Airbus A320neo series aircraft in December 2025 with conversion rights to other variants, thereby securing favorable aircraft delivery slots and enhancing flexibility in asset allocation. As at 31 December 2025, CALC's cumulative Airbus orders reached 282 aircraft, with 105 Airbus aircraft on backlog, remaining as one of Airbus's largest lessor clients globally. As a key step in the Group's medium- to-long-term development plan, this order reinforces CALC's position as a leading global aircraft lessor, deepens its long-term strategic partnership with Airbus, and provides momentum for the Group's future growth.

2) Optimizing Global Partner Network and Enhancing Asset Management Capabilities

During the Review Year, the Group advanced high-quality development with a global vision, actively expanded its partner networks worldwide, enhanced asset management and full life-cycle service capabilities, and further entrenched its leadership across the global aviation value chain.

In terms of leasing operations, during the Review Year, the Group continued to focus on global top-tier airline customers and achieved its first-time cooperation with flag carriers or leading airlines in various regions worldwide, including United Airlines, Icelandair, Thai Airways International, and Korean Air, through new aircraft leasing and re-marketing upon first lease expiry, further enhancing the quality of its customer base and diversifying its geographic presence.

In terms of trading business, the Group actively seized the favorable market window brought by the US dollar interest rate cut cycle and ongoing constraints in the aviation supply chain, achieving another record-high transaction volumes in aircraft and engine trading. During the Review Year, through a diversified asset portfolio, flexible deal structures as well as value-added services, the Group addressed the differentiated needs of domestic and international investors in asset allocation and management services, successfully adding seven new trading partners, optimizing its fleet portfolio while further enhancing its trading and asset management capabilities.

3) **Advancing China-made Aircraft Strategy alongside Expansion of Overseas Operations**

During the Review Year, the Group's associated company, PT TransNusa Aviation Mandiri (“**TransNusa**”) in Indonesia, the first overseas operator of the Chinese manufactured C909 aircraft, introduced two additional C909 aircraft, bringing its C909 fleet to five aircraft, further strengthening operational capacity.

During the Review Year, TransNusa's C909 fleet further added scheduled routes to tier-one Chinese city as well as China's major integrated gateway hubs, launching international passenger routes from Manado, Indonesia to Shanghai Pudong and Shenzhen, China in May and October 2025 respectively, marking the expanding presence of the China-made aircraft in international markets, while further validating its commercialization and internationalization in regional transportation networks. As at 31 December 2025, TransNusa's C909 fleet has flown to 4 countries and 12 regions, transporting over 490,000 passengers in total.

The Group expects to continue supporting TransNusa in the operation of the C909 fleet in the future, expanding and operating a wider network of domestic and international routes, while continuously flying the C909 aircraft as part of its ongoing efforts to showcase the achievements of China's indigenous innovation in civil aviation.

Awards

During the Review Year, the Group won the Best Innovative Financing Deal from the China Leasing Industry Capital Market Innovative Financing Award – the “Jinquan Awards” for the country's first cross-border RMB lease settlement project for a China-made aircraft and, by completing the cross-border leasing of a China-made aircraft settled in offshore Chinese Yuan through the delivery of the fourth C909 aircraft to TransNusa, the Group was also honored with the Industry Advancement Award from the China Air Finance “WanHoo” Awards at the 12th China Air Finance Development (DFTP) Summit.

4) Optimizing Asset-Liability Structure and Driving in International Credit Ratings Upgrade

Upgrading its international credit rating has become one of the Group's key development targets at this stage. During the Review Year, the Group continued to optimize its capital structure and accelerate deleveraging through operational planning as well as proactive financial management. The debt-to-equity ratio declined for two consecutive years, with the asset-liability structure further improved. Against this backdrop, CALC was once again affirmed with an Ag-international investment-grade rating with a stable outlook from an authoritative overseas Chinese rating agency, laying a solid foundation for further international credit rating enhancement. Meanwhile, its wholly-owned domestic subsidiary, China Asset Leasing Company Limited (“**CALC (Tianjin)**”), also received the highest AAA ratings from two major PRC rating agencies, where its operational strength and credit profile have been widely recognized.

Looking ahead, the Group will continue to actively expand and flexibly use diversified onshore and offshore financing channels, focusing on capital structure optimization and strengthening capital base, to improve its credit profile and further enhance the Company's overall market competitiveness and profitability in the long run.

PROSPECTS

In 2025, China's civil aviation industry has come to a successful conclusion of the 14th Five-Year Plan. The year 2026 marks the beginning of the national 15th Five-Year Plan and also coincides with the Group's 20th anniversary. Standing at a new starting point, the Group will uphold its founding vision of “facilitating the development of China's civil aviation through ‘integrating the aviation industry with financing’”, seize opportunities brought by the promotion of the China-made aircraft and the transformation of the aviation supply chain, leverage professional strengths, and continue to provide “China Solutions” to global aviation industry partners, with the aim of transitioning the Group from “scale-driven operations” to “quality-driven growth”, embarking on a new phase of high-level development.

ACKNOWLEDGEMENTS

I would like to express my sincere gratitude to all members of the Board and the management team and extend my highest respect to all employees of the Group for their dedication and contributions over the past year. On behalf of the Board, I would also like to thank our partners and shareholders for their continued support and trust.

An Xuesong

Chairman of the Board of Directors

Hong Kong, 24 March 2026

CEO'S STATEMENT

Industry Overview

In 2025, the global air transport industry sustained a sound growth momentum, with market demand remaining strong. According to the data from the International Air Transport Association (“IATA”), total global air traffic (measured in revenue passenger kilometers or RPKs), increased by 5.3% year-on-year, and the annual load factor reached 83.6%, representing a record high. China’s civil aviation passenger market also reached a new peak, with annual passenger traffic of 770 million, representing a year-on-year increase of 5.5%; among which international passenger traffic grew significantly by 21.6% year-on-year, serving as the primary driver of growth.

The booming of the industry also comes with structural opportunities and challenges. Bottlenecks in the global aviation supply chain have yet to be resolved, and volatility in the delivery schedules of new aircraft and engines, coupled with constrained maintenance capacity, has continued to limit aircraft supply, thereby providing strong support for aircraft asset values and the aircraft leasing market. At the same time, a new round of U.S. dollar interest rate cuts has improved the aviation financing environment, further boosting the global aircraft trading market. Against this backdrop, the Group has timely consolidated its orderbook and, leveraging its high-quality fleet, global partnership network as well as full-value-chain operating advantages, has driven steady development across all business segments, further enhancing operating quality and financial performance.

BUSINESS REVIEW FOR 2025

1. Synergistic Growth across Core Businesses with Strengthened Asset Advantages

During the Review Year, the Group seized industry opportunities and achieved progress in aircraft procurement, delivery, and trading activities in parallel.

1) *Expanding orderbook*

The Group is among the few lessors capable of placing direct aircraft orders from aircraft original equipment manufacturers (“OEMs”) such as Airbus, Boeing and COMAC. During the Review Year, the Group placed additional orders for 30 Airbus A320neo series aircraft, increasing its order backlog of next-generation fuel-efficient narrow-body models, which are scheduled to be delivered through 2033. As at 31 December 2025, the Group had a total of 130 aircraft on backlog, including 105 Airbus A320neo series and 25 COMAC C909 aircraft, and this strong and quality order book can effectively support the Group’s future development.

2) *Steady deliveries*

During the Review Year, the Group completed the delivery of 26 aircraft, including 24 brand new aircraft from its order book and 2 used aircraft, the vast majority of which were new generation fuel-efficient models, supporting airline customers in fleet modernisation and capacity expansion.

3) *Efficient trading*

During the Review Year, the Group entered into sale and purchase agreements or letters of intent for 27 aircraft and 5 engines, and completed the sale of 36 aircraft and 5 engines to third parties, with annual transaction volume hitting a record high. Through aircraft trading, the Group not only generated proceeds from sales, but also continuously optimized its fleet portfolio and further enhanced its fleet customer mix.

4) *Quality fleet assets*

With a prudent fleet strategy, the Group continued to maintain a highly liquid modern fleet portfolio dominated by the fuel-efficient narrow-body aircraft models. As at 31 December 2025, the Group's fleet comprised 176 aircraft in total, including 149 owned aircraft and 27 managed aircraft. By number of aircraft, around 90% of the owned fleet were narrow-body models, a highly liquid asset class that was popular in the market. With its quality fleet assets, excluding two naked aircraft that have been mandated for sale, the utilization rate for the Group's owned fleet maintained 100%. As at 31 December 2025, the average age of the Group's owned fleet was 8.7 years and the average remaining lease term was 7.3 years.

2. Accelerating Global Expansion with Enhanced Customer Portfolio

During the Review Year, the Group adhered to the strategy of “Deepening Local Presence, Expanding Global Reach” (「本土深耕，全球拓展」). While continuously consolidating its leading position in the PRC market, the Group focused on expanding its leading airline customer base in the major regions worldwide, thereby further enhancing and diversifying the geographical mix of its customer base.

In the Group's home market, as at 31 December 2025, by number of aircraft, 67.1% of the Group's owned fleet was leased to Chinese airlines (including Hong Kong, Macau and Taiwan), most of which were state-owned airlines represented by the "Top Three" airlines (「三大航」) and their subsidiaries. Meanwhile, the Group accelerated its overseas expansion, focusing on flag carriers and leading airlines across different regions, increasing asset placements and deepening partnerships. During the Review Year, among the 24 new aircraft delivered by the Group, 15 were leased to overseas airlines, including the first batch of new aircraft delivered to United Airlines. At the same time, the Group signed its first new aircraft lease agreements with Thai Airways International, Thailand's flag carrier, as well as Icelandair, the Icelandic flag carrier, and achieved its first cooperation with Korean Air, the Korean flag carrier, through re-marketing upon first lease expiry. Benefiting from the overall improvement in client profiles, the Group's overall rental collection rate exceeded 100% for the fourth consecutive year during the Review Year.

As at 31 December 2025, the Group's entire customer base (including both owned and managed aircraft) comprised 40 airlines across 20 countries and regions. In terms of order book placement, all aircraft scheduled for delivery before June 2027 have been mandated for lease, 80% of which will be leased to flag carriers or tier one airlines across various regions worldwide and around 70% will be leased to overseas airlines. It is expected that the proportion of overseas customers will continue to increase in the future, with overall clientele profile expected to further improve.

3. Effective Financial Management with Improved Credit Profile

During the Review Year, the Group fully leveraged its onshore and offshore dual-market platforms financing capabilities while continuously expanding and optimizing funding sources, and, maintaining sufficient liquidity, it continued to optimize its asset-liability structure through proactive financial management.

During the Review Year, total new and renewed facilities obtained by the Group exceeded HK\$19.5 billion, including aircraft loans, Pre-Delivery Payments (PDP) financing, working capital loans and RMB bonds, etc. Among these, the proportion of unsecured credit facilities increased to around 70%, reflecting financial institutions' strong confidence of the Group's credit profile and liquidity management capabilities, and providing solid support for the Group's sound operations. As at 31 December 2025, the Group had cash and bank balances amounting to HK\$3,518.0 million (31 December 2024: HK\$3,778.3 million), with undrawn borrowing facilities totaling HK\$13,954.5 million (31 December 2024: HK\$9,624.6 million).

In terms of RMB financing, given the stable interest rate environment and the abundant supply of liquidity in the PRC market, the Group continued to reduce its overall funding costs through RMB financing. During the Review Year, the Group successfully issued a RMB1.5 billion 5-year corporate bond in the PRC market, which was oversubscribed, reflecting the full recognition of the Group's operational strength and development prospects by the PRC bond investors. As at 31 December 2025, RMB debts accounted for approximately 33% of the Group's interest-bearing debts. (2024: 28%).

In terms of US dollar financing, during the Review Year, the Group successfully upsized its first warehouse facility for aircraft financing issued in 2024, to US\$700 million, and received over-subscriptions from a total of 20 top global financial institutions. Meanwhile, in August 2025, the Group successfully issued unsecured bonds of US\$160 million, marking its first return to the US dollar public bond market since 2021. This issuance further enhanced the flexibility of the Group's capital deployment and also demonstrated the capital market's recognition of the Group's solid operational and financial fundamentals, as well as its positive outlook.

During the Review Year, the Group once again received its investment-grade international rating of Ag- with a stable outlook from China Chengxin (Asia Pacific) Credit Ratings Company Limited. The Group's wholly owned subsidiary CALC (Tianjin), which mainly operates in China market, maintained the highest ratings of AAA granted by China Chengxin International Credit Rating Co., Ltd and Dagong Global Credit Rating Co., Ltd., both with a stable outlook.

Looking forward, the Group will closely monitor macroeconomic conditions onshore and offshore, and flexibly select the optimal markets and financing channels, in line with business development needs. Through operational planning and disciplined financial management, the Group will steadily advance towards achieving an international investment-grade credit rating.

PROSPECTS

In 2026, despite continued uncertainties in the external environment, the global aviation industry is expected to sustain positive growth momentum with normalized expansion. According to IATA, passenger traffic in 2026 is expected to reach 5.2 billion, representing an increase of 4.4% over 2025; with load factors hitting record highs, projected at 83.8%. Industry revenue is expected to exceed US\$1 trillion, reaching to US\$1.054 trillion, representing a year-on-year increase of 4.5%.

It is foreseeable that supply chain bottlenecks will continue to pose challenges to airlines' capacity deployment. Even if aircraft deliveries continue to grow in 2026, the pace of new orders may still outstrip production capacity, driving the backlog to reach a new record high. At the same time, constraints such as insufficient maintenance capacity in the aviation industry are unlikely to be resolved in the short term. The market generally expects that the supply of narrow body aircraft will remain tight, thereby further supporting aircraft asset values and lease rates. Aircraft leasing is expected to continue serving as a key solution for airlines to optimize their fleet structure and maintain operational efficiency.

In addition, there remains room for U.S. interest rate to decline. Further rate cuts will further improve the financing environment and enhance market liquidity, creating favorable conditions for aircraft lessors. The Group will seek to capture quality transaction opportunities during periods of favorable market conditions and continue to optimize its fleet portfolio. At the same time, the Group will closely monitor interest rate and foreign exchange trends, flexibly utilize diversified financing instruments and optimize its funding currency mix, further strengthening its operating resilience and credit profile, and creating long-term value for all stakeholders, including shareholders and bond investors.

POON Ho Man

Chief Executive Officer

Hong Kong, 24 March 2026

CONSOLIDATED STATEMENT OF INCOME

	Year ended 31 December	
	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
Total revenue		
Lease income	3,787,264	4,349,689
Aircraft and components trading income	227,180	1,900
Net income from aircraft transactions	374,762	211,125
Other income	625,915	641,360
	<u>5,015,121</u>	<u>5,204,074</u>
Expenses		
Costs of aircraft and components trading	(122,162)	(311)
Interest expenses and payments to trust plans	(2,167,904)	(2,710,584)
Depreciation and impairment (Expected credit losses)/ reversal of expected credit losses	(1,457,463)	(1,686,569)
Other operating expenses	(5,470)	71,211
	<u>(567,498)</u>	<u>(550,044)</u>
	<u>(4,320,497)</u>	<u>(4,876,297)</u>
Insurance compensation received from an aircraft	179,377	–
Share of results from associates and joint ventures	(430)	160
Other (losses)/gains, net	<u>(352,185)</u>	<u>313,325</u>
Profit before income tax	521,386	641,262
Income tax expenses	<u>(146,042)</u>	<u>(315,653)</u>
Profit for the year	<u>375,344</u>	<u>325,609</u>
Profit attributable to		
Shareholders of the Company	338,533	257,545
Holder of perpetual capital securities and other non-controlling interests	<u>36,811</u>	<u>68,064</u>
	<u>375,344</u>	<u>325,609</u>
Earnings per share for profit attributable to shareholders of the Company (expressed in HK\$ per share)		
– Basic earnings per share	<u>0.454</u>	<u>0.346</u>
– Diluted earnings per share	<u>0.454</u>	<u>0.346</u>

CONSOLIDATED BALANCE SHEET

	As at 31 December	
	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
ASSETS		
Property, plant and equipment and right-of-use assets	31,694,025	28,860,008
Pre-Delivery Payments (“PDP”) and other prepayments and receivables relating to aircraft acquisition	8,206,488	7,855,333
Investments in and loans to associates and joint ventures	597,444	491,697
Finance lease receivables – net	7,964,898	9,185,457
Deferred income tax assets	87,736	36,058
Financial assets at fair value through profit or loss	1,479,158	1,476,076
Prepayments and other assets	1,098,373	683,835
Assets classified as held for sale	2,526,133	5,555,238
Aircraft and components trading assets	827,375	3,177
Derivative financial assets	–	13,381
Restricted cash	52,342	301,110
Cash and cash equivalents	3,518,008	3,778,318
Total assets	58,051,980	58,239,688
EQUITY		
Share capital	74,797	74,465
Reserves	1,930,382	1,986,750
Retained earnings	2,288,015	2,168,242
Equity attributable to shareholders of the Company	4,293,194	4,229,457
Perpetual capital securities and other non-controlling interests	2,734,993	1,098,740
Total equity	7,028,187	5,328,197
LIABILITIES		
Deferred income tax liabilities	1,211,476	1,303,752
Borrowings	39,764,962	43,046,205
Medium-term notes	1,672,057	1,599,726
Bonds and debentures	5,410,425	3,930,722
Derivative financial liabilities	4,698	233,712
Income tax payables	227,274	133,162
Interest payables	355,191	292,538
Other liabilities and accruals	2,130,504	2,371,674
Liabilities directly associated with disposal group classified as held for sale	247,206	–
Total liabilities	51,023,793	52,911,491
Total equity and liabilities	58,051,980	58,239,688

MANAGEMENT DISCUSSION AND ANALYSIS

1. RESULTS

Total revenue of the Group was HK\$5,015.1 million in 2025, a decrease of HK\$189.0 million or 3.6% from HK\$5,204.1 million in 2024. Profit for the year in 2025 amounted to HK\$375.3 million, an increase of HK\$49.7 million or 15.3% compared with HK\$325.6 million in 2024. Profit attributable to shareholders of the Company in 2025 amounted to HK\$338.5 million, an increase of HK\$81.0 million or 31.5% compared with HK\$257.5 million in 2024. EBITDA in 2025 amounted to HK\$4,146.8 million, a decrease of HK\$891.6 million or 17.7% from HK\$5,038.4 million in 2024.

Total assets amounted to HK\$58,052.0 million as at 31 December 2025, compared with HK\$58,239.7 million as at 31 December 2024, a decrease of HK\$187.7 million or 0.3%. The asset amount remains stable.

Total liabilities amounted to HK\$51,023.8 million as at 31 December 2025, a decrement of HK\$1,887.7 million or 3.6% compared with HK\$52,911.5 million as at 31 December 2024. The decrease in liabilities was mainly due to the decrease in total interest-bearing debts by HK\$1,522.5 million, as a result of decrease in total fleet size of the Group. As at 31 December 2025, the total interest-bearing debts of the Group amounted to HK\$47,054.1 million (2024: HK\$48,576.6 million).

1.1 Total Revenue

For the year ended 31 December 2025, the total revenue amounted to HK\$5,015.1 million, compared with HK\$5,204.1 million in 2024, a decrease of HK\$189.0 million or 3.6%.

1.1.1 Lease Income

Total lease income from finance leases and operating leases for the year ended 31 December 2025 amounted to HK\$3,787.3 million, compared with HK\$4,349.7 million in 2024, a decrease of HK\$562.4 million or 12.9%.

For the year ended 31 December 2025, the Group's average lease rental yield of the finance leases and operating leases was 6.5% (2024: 7.5%) and 9.4% (2024: 11.2%), respectively. Average lease rental yield for finance leases and operating leases is calculated by expected annualised gross lease receipt divided by net book value of aircraft. Weighted average lease rental yield of the Group was 9.3% (2024: 11.1%).

1.1.2 Net Income from Aircraft Transactions

During the year ended 31 December 2025, the Group recognised net gain from disposal of 33 aircraft and 4 engines amounted to HK\$374.8 million (2024: net gain from disposal of 25 aircraft amounted to HK\$211.1 million). The aggregated net book value of the aircraft disposed amounted to HK\$11,312.2 million (2024: HK\$6,327.4 million).

1.1.3 Other Income

During the year ended 31 December 2025, the Group had the following other income:

	Year ended 31 December		Change
	2025	2024	
	HK\$'Million	HK\$'Million	
Government grants	273.7	316.2	-13.4%
Interest income from loans to associates and joint ventures	100.6	114.2	-11.9%
Bank interest income	102.4	128.7	-20.4%
Asset management service fees income from CAG Bermuda 1 Limited ("CAG") and its subsidiaries (together, "CAG Group")	14.2	16.7	-15.0%
Others	135.0	65.6	+105.8%
Total other income	625.9	641.4	-2.4%

Government grants for the year ended 31 December 2025 amounted to HK\$273.7 million, compared with HK\$316.2 million in 2024, a decrease of HK\$42.5 million or 13.4%.

1.2 Expenses

1.2.1 Interest Expenses and Payments to Trust Plans

For the year ended 31 December 2025, interest expenses and payments to trust plans incurred by the Group amounted to HK\$2,167.9 million, compared with HK\$2,710.6 million in 2024, a decrease of HK\$542.7 million or 20.0%. The decrease in interest expenses and payments to trust plans was mainly due to (i) the decrease in bank and other borrowings as a result of fleet size decrement during the year, (ii) the decrease in average US\$ SOFR from 4.94% in 2024 to 4.18% in 2025 and (iii) the decrease in interest margin. The average effective interest rate of bank and other borrowings during the year was 5.14% (2024: 5.74%).

Certain interest expenses from the floating interest rate borrowings had either been hedged or capitalised. The following table summarises the sensitivity test on change in US\$ interest rate for the unhedged exposure as at 31 December 2025:

US\$ interest rate	Impact on	
	Cash outflow	Profit
	HK\$'Million	attributable to shareholders of the Company HK\$'Million
Increased by 100 basis points	197	(130)
Decreased by 100 basis points	(197)	130

1.2.2 Depreciation and Impairment

The amount represented depreciation and impairment on aircraft under operating leases, leasehold improvements, office equipment, office building, right-of-use assets and other assets. Depreciation and impairment for the year ended 31 December 2025 was HK\$1,457.5 million compared with HK\$1,686.6 million in 2024, a decrease of HK\$229.1 million or 13.6%. This was mainly attributable to the decrease in the number of aircraft under operating leases from 110 aircraft as at 31 December 2024 to 106 aircraft as at 31 December 2025. The Group will closely monitor the aircraft book value and reassess the carrying amounts of the aircraft whenever there are events or changes in circumstances that would indicate that the carrying amounts of aircraft would be adversely affected and would make appropriate provision when necessary.

1.2.3 Other Operating Expenses

Other operating expenses mainly represented salaries and commission, professional fees related to the aircraft leasing business, engine rental expenses, value-added tax surcharge and other taxes, rentals and office administration expenses.

1.3 Insurance Compensation Received from an Aircraft

During the year ended 31 December 2025, the Group received HK\$179.4 million (2024: nil) insurance claim compensation for an aircraft.

1.4 Other (Losses)/Gains, Net

	Year ended 31 December		Change
	2025	2024	
	<i>HK\$'Million</i>	<i>HK\$'Million</i>	
Currency exchange (losses)/gains	(363.5)	449.5	N/A
Fair value gains/(losses) on currency forward contracts	17.7	(127.9)	N/A
Fair value (losses)/gains on financial assets at fair value through profit or loss	(7.7)	8.3	N/A
Change in fair value of interest rate swaps	(7.0)	8.8	N/A
Hedge ineffectiveness	0.3	0.3	-
Realised losses on a currency swap	-	(13.9)	N/A
Loss on disposal of a subsidiary	(5.3)	-	N/A
Reversal of reduction/(reduction) in the estimated unguaranteed residual value of finance lease receivables	13.3	(11.8)	N/A
Total	<u>(352.2)</u>	<u>313.3</u>	<u>N/A</u>

The net exchange losses arising from net financial liabilities denominated in RMB was mainly due to the depreciation of US\$ exchange rate against RMB from approximately 7.3 as at 31 December 2024 to approximately 7.0 as at 31 December 2025.

Sensitivity test

As at 31 December 2025, the net RMB financial liabilities of the Group exposed to currency exchange risk with profit or loss impact amounted to RMB5.0 billion. A 1% appreciation/depreciation of RMB against US\$ would result in a decrease/increase in profit before tax for the year ended 31 December 2025 by HK\$56.0 million.

1.5 Income Tax Expenses

Income tax for the year ended 31 December 2025 was HK\$146.0 million compared to HK\$315.7 million in 2024. The decrease is mainly due to the reversal of deferred tax liabilities provided in prior years and recognition of deferred tax assets on prior year tax losses due to the foreseeable future profits and utilisation of such profits.

2. CONSOLIDATED BALANCE SHEET

2.1 Assets

As at 31 December 2025, the Group's total assets amounted to HK\$58,052.0 million compared with HK\$58,239.7 million as at 31 December 2024, a decrease of HK\$187.7 million or 0.3%.

	As at 31 December		Change
	2025 <i>HK\$'Million</i>	2024 <i>HK\$'Million</i>	
Property, plant and equipment and right-of-use assets (mainly "Aircraft under operating leases")	31,694.0	28,860.0	+9.8%
Finance lease receivables – net ("Aircraft under finance leases")	7,964.9	9,185.5	-13.3%
Assets classified as held for sale ("Aircraft under operating leases for trading")	2,526.1	5,555.2	-54.5%
Aircraft and components trading assets	827.4	3.2	+25,756.3%
Pre-Delivery Payments ("PDP") and other prepayments and receivables relating to aircraft acquisition	8,206.5	7,855.3	+4.5%
Deferred income tax assets	87.7	36.1	+142.9%
Prepayments and other assets	1,098.4	683.8	+60.6%
Investments in and loans to associates and joint ventures	597.5	491.7	+21.5%
Financial assets at fair value through profit or loss	1,479.2	1,476.1	+0.2%
Derivative financial assets	–	13.4	-100.0%
Restricted cash	52.3	301.1	-82.6%
Cash and cash equivalents	3,518.0	3,778.3	-6.9%
Total assets	<u>58,052.0</u>	<u>58,239.7</u>	<u>-0.3%</u>

2.1.1 Property, Plant and Equipment and Right-of-use Assets, Finance Lease Receivables – Net, Assets Classified as Held for Sale and Aircraft and Components Trading Assets

Property, plant and equipment and right-of-use assets mainly included the cost of aircraft classified as operating leases, net of their accumulated depreciation and impairment. The increase in property, plant and equipment and right-of-use assets was mainly due to increase in the fleet size of the Group under operating lease from 91 aircraft as at 31 December 2024 to 96 aircraft as at 31 December 2025, netted-off by the depreciation and impairment provided during the year.

Net finance lease receivables represented the present value of minimum lease payments receivable from aircraft classified as finance leases and their residual values. There were net reclassification of six aircraft under finance lease to operating lease during the year. The fleet size of the Group under finance lease decreased from 49 aircraft as at 31 December 2024 to 43 aircraft as at 31 December 2025.

Assets classified as held for sale represented the cost of assets expected to be disposed in the next twelve months. The number of aircraft classified as held for sale decreased from 19 aircraft as at 31 December 2024 to 8 aircraft as at 31 December 2025.

Aircraft and components trading assets mainly represented the cost of assets held for trading. The number of aircraft classified as aircraft and components trading assets as at 31 December 2025 was two.

The total fleet size of the Group under property, plant and equipment and right-of-use assets, finance lease receivables – net, assets classified as held for sale and aircraft and components trading assets is summarised as follows:

	As at 31 December	
	2025	2024
	Owned Aircraft	Owned Aircraft
Property, plant and equipment and right-of-use assets (Operating leases)	96	91
Finance lease receivables – net (Finance leases)	43	49
Assets classified as held for sale (Operating leases)	8	19
Aircraft and components trading assets	<u>2</u>	<u>–</u>
Total	<u><u>149</u></u>	<u><u>159</u></u> <i>(note)</i>

Note: Including one aircraft remained in Russia as at 31 December 2024.

The total fleet size of the Group under property, plant and equipment and right-of-use assets, finance lease receivables – net, assets classified as held for sale and aircraft and components trading assets decreased from 159 aircraft as at 31 December 2024 to 149 aircraft as at 31 December 2025.

As at 31 December 2025, the aggregate net book value of the aircraft was HK\$42,293.0 million (2024: HK\$42,812.4 million).

2.1.2 Aircraft Portfolio

Aircraft portfolio by number of aircraft is as follows:

	As at 31 December	
	2025	2024
	Owned Aircraft	Owned Aircraft
Aircraft Type		
Airbus A320 CEO family	64	71
Airbus A320 NEO family	51	51
Airbus A330 CEO family	11	12
Boeing B737 NG family	15	19
Boeing B737 MAX family	2	2
Boeing B787	1	1
COMAC C909	5	3
	<hr/>	<hr/>
Total	149	159 <i>(note)</i>
	<hr/> <hr/>	<hr/> <hr/>

Note: Including one aircraft remained in Russia as at 31 December 2024.

2.1.3 PDP and other Prepayments and Receivables Relating to Aircraft Acquisition

PDP and other prepayments and receivables relating to aircraft acquisition mainly represented PDP made to aircraft manufacturers for aircraft acquisition from order book. The balance remains stable.

2.2 Liabilities

As at 31 December 2025, the Group's total liabilities amounted to HK\$51,023.8 million, compared with HK\$52,911.5 million as at 31 December 2024, a decrease of HK\$1,887.7 million or 3.6%.

An analysis is given as follows:

	As at 31 December		Change
	2025	2024	
	<i>HK\$'Million</i>	<i>HK\$'Million</i>	
Borrowings	39,765.0	43,046.2	-7.6%
Bonds and debentures	5,410.4	3,930.7	+37.6%
Medium-term notes	1,672.1	1,599.7	+4.5%
Borrowings included in liabilities directly associated with disposal group classified as held for sale	206.6	–	N/A
Total interest-bearing debts	47,054.1	48,576.6	-3.1%
Deferred income tax liabilities	1,211.5	1,303.8	-7.1%
Interest payables	355.2	292.5	+21.4%
Income tax payables	227.2	133.2	+70.6%
Derivative financial liabilities	4.7	233.7	-98.0%
Other liabilities and accruals	2,171.1	2,371.7	-8.5%
Total liabilities	51,023.8	52,911.5	-3.6%

2.2.1 Borrowings

The analysis of borrowings is as follows:

	As at 31 December		Change
	2025	2024	
	<i>HK\$'Million</i>	<i>HK\$'Million</i>	
Bank and other borrowings			
Bank and other borrowings for aircraft acquisition financing	18,977.2	21,537.1	-11.9%
PDP financing	4,796.7	6,294.1	-23.8%
Other bank borrowings	12,884.2	11,021.8	+16.9%
	36,658.1	38,853.0	-5.6%
Other borrowings			
Borrowings from trust plans	3,106.9	3,989.9	-22.1%
Other borrowings	–	203.3	-100.0%
	3,106.9	4,193.2	-25.9%
Total borrowings	39,765.0	43,046.2	-7.6%

The decrease in total borrowings from HK\$43,046.2 million as at 31 December 2024 to HK\$39,765.0 million as at 31 December 2025, representing a decrease of HK\$3,281.2 million or 7.6%, was mainly due to the net impact of (i) the decrease in bank and other borrowings for aircraft acquisition financing by HK\$2,559.9 million as the fleet size decreased from 159 aircraft as at 31 December 2024 to 149 aircraft as at 31 December 2025, (ii) the decrease in PDP financing by HK\$1,497.4 million and (iii) the increase in other bank borrowings by HK\$1,862.4 million.

2.2.2 Bonds and Debentures

The following table summarises the senior unsecured US\$ bonds and RMB bonds and debentures issued by the Group:

Issue date	Terms	Maturity date	Coupon interest per annum	Outstanding principal amount (Million)	Carrying amount (HK\$ Million)	Note
January 2021	Five years	January 2026	5.90%	US\$35.0	272.4	(a)
August 2025	Three years	August 2028	6.00%	US\$160.0	1,236.8	(b)
				<u>US\$195.0</u>	<u>1,509.2</u>	
June 2023	Three years	June 2026	3.85%	RMB1,500.0	1,672.2	(c)
November 2023	Three years	November 2026	3.58%	RMB 500.0	557.0	(c)
February 2025	Five years	February 2030	2.38%	RMB1,500.0	1,672.0	(c)
				<u>RMB3,500.0</u>	<u>3,901.2</u>	
Total bonds and debentures as at 31 December 2025					<u>5,410.4</u>	
Total bonds and debentures as at 31 December 2024					<u>3,930.7</u>	

The increase in bonds and debentures from HK\$3,930.7 million as at 31 December 2024 to HK\$5,410.4 million as at 31 December 2025 was mainly due to the net impact of the issue of US\$160.0 million and RMB1,500.0 million bonds and the repayment of US\$35.0 million and RMB1,200.0 million bonds upon maturity.

Notes:

- (a) The bonds and debentures are unlisted and subscribed by an independent third party.
- (b) The bonds are listed on The Stock Exchange of Hong Kong Limited.
- (c) The bonds are listed on the Shanghai Stock Exchange.

2.2.3 Medium-term Notes

The following table summarises the senior unsecured medium-term notes issued by the Group:

Issue date	Terms	Maturity date	Coupon interest per annum	Outstanding principal amount <i>(RMB Million)</i>	Carrying amount <i>(HK\$ Million)</i>
April 2024	Three years	April 2027	2.75%	300.0	334.4
April 2024	Five years	April 2029	3.30%	<u>1,200.0</u>	<u>1,337.7</u>
Total medium-term notes as at 31 December 2025				<u>1,500.0</u>	<u>1,672.1</u>
Total medium-term notes as at 31 December 2024					<u>1,599.7</u>

The balance of the medium-term notes remains stable.

3. CAPITAL MANAGEMENT

The primary objective of the Group's capital management policy is to ensure that it maintains a strong credit standing, as well as healthy capital ratios in order to support its business and maximise shareholder value.

Operations and capital expenditure requirements are funded by a combination of cash generated from operating activities, bank and other borrowings, other borrowings, issue of bonds, debentures and medium-term notes, and the asset-light strategy including disposal of aircraft. In order to meet the current rapid expansion, the Group will also consider both equity and debt financing opportunities, and establishing of various aircraft investment platform and other joint ventures.

For the year ended 31 December 2025, the objectives, policies and processes for managing capital remained largely unchanged. The Group made full use of capital leverage to keep pace with aircraft delivery.

The Group monitors capital through gearing ratio and debt to equity ratio:

	As at 31 December		Change
	2025	2024	
	<i>HK\$'Million</i>	<i>HK\$'Million</i>	
Interest-bearing debts included in			
total liabilities	47,054.1	48,576.6	-3.1%
Total liabilities	51,023.8	52,911.5	-3.6%
Total assets	58,052.0	58,239.7	-0.3%
Total equity	7,028.2	5,328.2	+31.9%
Gearing ratio	81.1%	83.4%	-2.3p.p.
Asset-liability ratio	87.9%	90.9%	-3.0p.p.
Interest-bearing debts to equity ratio	<u>6.7:1</u>	<u>9.1:1</u>	<u>-26.4%</u>

4. HUMAN RESOURCES

As at 31 December 2025, the Group had 173 staff (2024: 184). Total remuneration of employees for 2025 amounted to HK\$209.2 million (2024: HK\$227.5 million).

The Group has established effective employee incentive schemes to link the remuneration of its employees with their overall performance and contributions, and has established a merit-based remuneration awards system. It has also adopted share option schemes for the purpose of recognising the contribution of eligible employees to the growth of the Group.

5. CONTRACTUAL OBLIGATIONS, CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

5.1 Contingent Liabilities

As at 31 December 2025, the Group was a guarantor of certain bank borrowings of associates and joint ventures amounting to HK\$300.0 million.

As at 31 December 2024, the Group was a guarantor of certain bank borrowings of associates and joint ventures amounting to HK\$515.6 million, of which HK\$196.0 million was counter-guaranteed by an investor of the joint ventures. After excluding the portion of counter-guarantee as mentioned above, the Group guaranteed HK\$319.6 million of these bank borrowings.

5.2 Capital Commitments and Qualified Aircraft Leasing Activity

The Board confirms that the Company is a listed company actively engaged in aircraft leasing with aircraft operators as a principal business in its ordinary and usual course of business and the Company is therefore a Qualified Aircraft Lessor (as defined in the Rules Governing the Listing of Securities on Stock Exchange (the “**Listing Rules**”). Acquisition or disposal of aircraft is a Qualified Aircraft Leasing Activity pursuant to the Listing Rules.

The Group’s capital commitments are aircraft purchase commitment, amounted to HK\$51.0 billion as at 31 December 2025 (2024: HK\$45.1 billion), representing estimated total purchase costs of the aircraft contracted to be purchased and delivered, net of PDP paid.

As at 31 December 2025, the Group had 130 aircraft in its order book, comprising 105 Airbus A320 aircraft family, and 25 COMAC C909 aircraft.

During the year ended 31 December 2025, the Group completed the delivery of 26 aircraft.

During the year ended 31 December 2025, the Group completed the disposal of 35 aircraft.

CONSOLIDATED BALANCE SHEET

	<i>Note</i>	As at 31 December	
		2025	2024
		HK\$'000	HK\$'000
ASSETS			
Property, plant and equipment and right-of-use assets		31,694,025	28,860,008
Pre-Delivery Payments (“PDP”) and other prepayments and receivables relating to aircraft acquisition	6(a)	8,206,488	7,855,333
Investments in and loans to associates and joint ventures		597,444	491,697
Finance lease receivables – net	4	7,964,898	9,185,457
Deferred income tax assets		87,736	36,058
Financial assets at fair value through profit or loss	5	1,479,158	1,476,076
Prepayments and other assets	6(b)	1,098,373	683,835
Assets classified as held for sale		2,526,133	5,555,238
Aircraft and components trading assets		827,375	3,177
Derivative financial assets		–	13,381
Restricted cash		52,342	301,110
Cash and cash equivalents		3,518,008	3,778,318
Total assets		<u>58,051,980</u>	<u>58,239,688</u>
EQUITY			
Share capital		74,797	74,465
Reserves		1,930,382	1,986,750
Retained earnings		2,288,015	2,168,242
Equity attributable to shareholders of the Company		4,293,194	4,229,457
Perpetual capital securities and other non-controlling interests		2,734,993	1,098,740
Total equity		<u>7,028,187</u>	<u>5,328,197</u>
LIABILITIES			
Deferred income tax liabilities		1,211,476	1,303,752
Borrowings	7	39,764,962	43,046,205
Medium-term notes	8	1,672,057	1,599,726
Bonds and debentures	9	5,410,425	3,930,722
Derivative financial liabilities		4,698	233,712
Income tax payables		227,274	133,162
Interest payables		355,191	292,538
Other liabilities and accruals		2,130,504	2,371,674
Liabilities directly associated with disposal group classified as held for sale		247,206	–
Total liabilities		<u>51,023,793</u>	<u>52,911,491</u>
Total equity and liabilities		<u>58,051,980</u>	<u>58,239,688</u>

CONSOLIDATED STATEMENT OF INCOME

		Year ended 31 December	
	Note	2025	2024
		HK\$'000	HK\$'000
Total revenue			
Lease income	10	<u>3,787,264</u>	<u>4,349,689</u>
Aircraft and components trading income	10	<u>227,180</u>	<u>1,900</u>
Other operating income			
Net income from aircraft transactions	11	<u>374,762</u>	<u>211,125</u>
Other income	12	<u>625,915</u>	<u>641,360</u>
		<u>1,000,677</u>	<u>852,485</u>
		<u>5,015,121</u>	<u>5,204,074</u>
Expenses			
Costs of aircraft and components trading		(122,162)	(311)
Interest expenses		(2,167,904)	(2,710,584)
Depreciation and impairment (Expected credit losses)/ reversal of expected credit losses		(5,470)	71,211
Other operating expenses		<u>(567,498)</u>	<u>(550,044)</u>
		<u>(4,320,497)</u>	<u>(4,876,297)</u>
Insurance compensation received from an aircraft		179,377	–
Share of results from associates and joint ventures		(430)	160
Other (losses)/gains, net	13	<u>(352,185)</u>	<u>313,325</u>
Profit before income tax		521,386	641,262
Income tax expenses	14	<u>(146,042)</u>	<u>(315,653)</u>
Profit for the year		<u><u>375,344</u></u>	<u><u>325,609</u></u>

	Year ended 31 December	
<i>Note</i>	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
Profit attributable to		
Shareholders of the Company	338,533	257,545
Holders of perpetual capital securities and other non-controlling interests	<u>36,811</u>	<u>68,064</u>
	<u>375,344</u>	<u>325,609</u>
 Earnings per share for profit attributable to shareholders of the Company (expressed in HK\$ per share)		
– Basic earnings per share	<i>15(a)</i> <u>0.454</u>	<u>0.346</u>
– Diluted earnings per share	<i>15(b)</i> <u>0.454</u>	<u>0.346</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Year ended 31 December	
	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
Profit for the year	<u>375,344</u>	<u>325,609</u>
Other comprehensive (loss)/income for the year:		
<i>Items that may be reclassified subsequently to profit or loss</i>		
Cash flow hedges	(3,723)	(44,493)
Currency translation differences	<u>(59,815)</u>	<u>(139,456)</u>
	(63,538)	(183,949)
<i>Item that will not be reclassified subsequently to profit or loss</i>		
Currency translation differences attributed to non-controlling interests	<u>(891)</u>	<u>576</u>
Total other comprehensive loss for the year, net of tax	<u>(64,429)</u>	<u>(183,373)</u>
Total comprehensive income for the year	<u><u>310,915</u></u>	<u><u>142,236</u></u>
Total comprehensive income for the year attributable to		
Shareholders of the Company	274,995	73,596
Holder of perpetual capital securities and other non-controlling interests	<u>35,920</u>	<u>68,640</u>
	<u><u>310,915</u></u>	<u><u>142,236</u></u>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to shareholders of the Company				Attributable to holders of perpetual capital securities and other non-controlling interests			Total equity HK\$'000
	Share capital HK\$'000	Reserves HK\$'000	Retained earnings HK\$'000	Total HK\$'000	Holders of	Other	Total HK\$'000	
					perpetual capital securities HK\$'000	non- controlling interests HK\$'000		
Balance as at 1 January 2025	<u>74,465</u>	<u>1,986,750</u>	<u>2,168,242</u>	<u>4,229,457</u>	<u>1,111,899</u>	<u>(13,159)</u>	<u>1,098,740</u>	<u>5,328,197</u>
Comprehensive income								
Profit/(loss) for the year	-	-	338,533	338,533	40,246	(3,435)	36,811	375,344
Other comprehensive loss								
Cash flow hedges	-	(3,723)	-	(3,723)	-	-	-	(3,723)
Currency translation differences	-	(59,815)	-	(59,815)	-	(891)	(891)	(60,706)
Total comprehensive (loss)/income	<u>-</u>	<u>(63,538)</u>	<u>338,533</u>	<u>274,995</u>	<u>40,246</u>	<u>(4,326)</u>	<u>35,920</u>	<u>310,915</u>
Transactions with shareholders and non-controlling interests								
Issue of shares upon scrip dividend scheme	332	12,204	-	12,536	-	-	-	12,536
Dividends	-	-	(223,794)	(223,794)	-	-	-	(223,794)
Dividends distributed to perpetual capital securities	-	-	-	-	(29,502)	-	(29,502)	(29,502)
Issue of perpetual capital securities	-	-	-	-	1,634,013	-	1,634,013	1,634,013
Share option scheme:								
– Share options lapsed	-	(5,034)	5,034	-	-	-	-	-
Disposal of a subsidiary	-	-	-	-	-	(4,178)	(4,178)	(4,178)
Total transactions with shareholders and non-controlling interests	<u>332</u>	<u>7,170</u>	<u>(218,760)</u>	<u>(211,258)</u>	<u>1,604,511</u>	<u>(4,178)</u>	<u>1,600,333</u>	<u>1,389,075</u>
Balance as at 31 December 2025	<u><u>74,797</u></u>	<u><u>1,930,382</u></u>	<u><u>2,288,015</u></u>	<u><u>4,293,194</u></u>	<u><u>2,756,656</u></u>	<u><u>(21,663)</u></u>	<u><u>2,734,993</u></u>	<u><u>7,028,187</u></u>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to shareholders of the Company				Attributable to holders of perpetual capital securities and other non-controlling interests			Total equity HK\$'000
	Share capital HK\$'000	Reserves HK\$'000	Retained earnings HK\$'000	Total HK\$'000	Holders of perpetual capital securities HK\$'000	Other non- controlling interests HK\$'000	Total HK\$'000	
	Balance as at 1 January 2024	74,436	2,173,544	2,081,560	4,329,540	837,013	(26,591)	
Comprehensive income								
Profit for the year	-	-	257,545	257,545	59,386	8,678	68,064	325,609
Other comprehensive (loss)/income								
Cash flow hedges	-	(44,493)	-	(44,493)	-	-	-	(44,493)
Currency translation differences	-	(139,456)	-	(139,456)	-	576	576	(138,880)
Total comprehensive (loss)/income	-	(183,949)	257,545	73,596	59,386	9,254	68,640	142,236
Transactions with shareholders and non-controlling interests								
Redemption of perpetual capital securities	-	-	-	-	(808,157)	-	(808,157)	(808,157)
Other	-	-	29,998	29,998	(29,998)	-	(29,998)	-
Issue of shares upon scrip dividend scheme	29	857	-	886	-	-	-	886
Dividends	-	-	(201,011)	(201,011)	-	-	-	(201,011)
Dividends distributed to perpetual capital securities	-	-	-	-	(50,413)	-	(50,413)	(50,413)
Issue of perpetual capital securities	-	-	-	-	1,104,068	-	1,104,068	1,104,068
Share option scheme:								
– Value of services	-	336	-	336	-	-	-	336
– Share options lapsed	-	(150)	150	-	-	-	-	-
Partial disposal of a subsidiary	-	(3,888)	-	(3,888)	-	4,178	4,178	290
Total transactions with shareholders and non-controlling interests	29	(2,845)	(170,863)	(173,679)	215,500	4,178	219,678	45,999
Balance as at 31 December 2024	74,465	1,986,750	2,168,242	4,229,457	1,111,899	(13,159)	1,098,740	5,328,197

CONSOLIDATED STATEMENT OF CASH FLOWS

	Year ended 31 December	
	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
Cash flows from operating activities		
Profit before income tax	521,386	641,262
Adjustments for:		
– Depreciation and impairment	1,457,463	1,686,569
– Net income from aircraft transactions	(374,762)	(211,125)
– Expected credit losses/(reversal of expected credit losses)	5,470	(71,211)
– Interest expenses	2,167,904	2,710,584
– Share-based payments	–	336
– Unrealised currency exchange losses/(gains)	356,424	(452,243)
– Hedge ineffectiveness and fair value changes on currency swap, interest rate swaps and currency forward contracts	(10,946)	132,646
– Share of results from associates and joint ventures	430	(160)
– Interest income	(203,013)	(242,915)
– Fair value losses/(gains) on financial assets at fair value through profit or loss	7,696	(8,279)
– (Reversal of reduction)/reduction in the estimated unguaranteed residual value of finance lease receivables	(13,276)	11,779
– Loss on disposal of a subsidiary	5,250	–
	3,920,026	4,197,243
Changes in working capital:		
– Finance lease receivables – net	(567,180)	(868,760)
– Prepayments and other assets	(722,851)	(188,042)
– Aircraft and components trading assets	(32,444)	(1,243)
– Other liabilities and accruals	(165,618)	50,890
	2,431,933	3,190,088
Cash generated from operations	2,431,933	3,190,088
Income taxes paid	(199,660)	(160,209)
	2,232,273	3,029,879
Net cash flows generated from operating activities	2,232,273	3,029,879
Cash flows from investing activities		
Purchase of property, plant and equipment	(10,598,148)	(6,763,777)
Proceeds from disposal of aircraft	11,686,951	6,383,838
PDP and prepayments paid for acquisition of aircraft	(3,824,995)	(2,525,439)
PDP refunded	3,675,543	2,049,016
Interest received	187,669	226,691
Investment in a joint venture	(3,897)	–
Payments relating to financial assets at fair value through profit or loss	(9,537)	–
Proceeds from disposal of financial assets at fair value through profit or loss	1,102	–
Payments relating to loans to associates and joint ventures	(514,176)	(430,740)
Repayments of loans to associates and joint ventures	312,213	665,834
Net payment relating to disposal of a subsidiary	(932)	–
	911,793	(394,577)
Net cash flows generated from/(used in) investing activities	911,793	(394,577)

	Year ended 31 December	
	2025	2024
	HK\$'000	HK\$'000
Cash flows from financing activities		
Proceeds from borrowings	20,211,129	26,378,680
Issue of bonds and debentures, net of transaction costs	2,860,644	–
Issue of medium-term notes, net of transaction costs	–	1,626,377
Repayment of amount due to non-controlling interest of a subsidiary	(7,682)	–
Repayments of borrowings	(23,932,000)	(25,715,657)
Repayments of bonds and debentures, including transaction costs	(1,573,879)	(1,874,809)
Repurchase and repayment of medium-term notes	(10,842)	(1,615,241)
Repayment of lease liabilities	(11,390)	(16,116)
Interest received in respect of derivative financial instruments	8,608	53,021
Interest paid in respect of borrowings, notes, bonds and debentures	(2,414,693)	(3,188,428)
Net payments for settlement and disposal of derivative financial instruments	(213,609)	(40,704)
Restricted cash placed in respect of borrowings	(43,113)	(20,001)
Restricted cash released in respect of borrowings	88,736	334,675
Restricted cash placed in respect of derivative financial instruments	(23,588)	(159,605)
Restricted cash released in respect of derivative financial instruments	227,887	85,412
Redemption of perpetual capital securities	–	(808,157)
Issue of perpetual capital securities	1,634,013	1,104,068
Dividends paid to holders of perpetual capital securities	(29,502)	(50,413)
Dividends paid to shareholders	(211,258)	(200,125)
Net cash flows used in financing activities	<u>(3,440,539)</u>	<u>(4,107,023)</u>
Net decrease in cash and cash equivalents	(296,473)	(1,471,721)
Cash and cash equivalents at beginning of the year	3,778,318	5,295,875
Currency exchange difference on cash and cash equivalents	36,163	(45,836)
Cash and cash equivalents at end of the year	<u><u>3,518,008</u></u>	<u><u>3,778,318</u></u>

NOTES

1 GENERAL INFORMATION ON THE GROUP

The Company was incorporated in the Cayman Islands on 21 December 2012 as an exempted company with limited liability under the Companies Law (2012 Revision) of the Cayman Islands. The address of the Company's registered office is Maples Corporate Services Limited, P.O. Box 309, Uglan House, Grand Cayman KY1-1104, Cayman Islands. The Company's shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") since 11 July 2014.

The Company is an investment holding company and its subsidiaries are principally engaged in the aircraft leasing business. The Company and its subsidiaries (together, the "Group") have operations mainly in the Mainland China and other countries or regions globally. The Group is a leading full-value-chain aircraft solutions provider. Its scope of business includes regular operations such as aircraft leasing, purchase and leaseback, portfolio trading and asset management, as well as value-added services such as fleet planning, fleet upgrade, aircraft maintenance, repair and overhaul, aircraft disassembling and recycling, and aircraft component trading.

The consolidated financial statements are presented in Hong Kong dollar ("HK\$"), unless otherwise stated.

2 APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRS") ACCOUNTING STANDARDS

Amendments to an HKFRS Accounting Standard that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to an HKFRS Accounting Standard as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2025 for the preparation of the consolidated financial statements:

Amendments to HKAS 21

Lack of Exchangeability

The application of the amendments to an HKFRS Accounting Standard 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.

New and amendments to HKFRS Accounting Standards in issue but not yet effective

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

Amendments to HKAS 21	Translation to a Hyperinflationary Presentation Currency ³
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments ²
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity ²
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to HKFRS Accounting Standards HKFRS 18	Annual Improvements to HKFRS Accounting Standards – Volume 11 ² Presentation and Disclosure in Financial Statements ³

¹ Effective for annual periods beginning on or after a date to be determined

² Effective for annual periods beginning on or after 1 January 2026

³ Effective for annual periods beginning on or after 1 January 2027

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

HKFRS 18 Presentation and Disclosure in Financial Statements

HKFRS 18 “Presentation and Disclosure in Financial Statements”, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 “Presentation of Financial Statements”. This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of income; provide disclosures on management-defined performance measures (“MPMs”) in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors” (the title of which will be changed to “Basis of Preparation of Financial Statements” upon effective of HKFRS 18) and HKFRS 7 “Financial Instruments: Disclosures”. Minor amendments to HKAS 7 “Statement of Cash Flows” and HKAS 33 “Earnings per Share” are also made.

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. HKFRS 18 requires retrospective application with specific transition provisions. The application of the new standard is not expected to have significant impact on the financial performance and positions of the Group in terms of recognition and measurement. However, it is expected to affect the structure and presentation of the consolidated statement of income. Additional disclosures required for the Group’s MPMs may be disclosed in a separate note to the consolidated financial statements.

3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards as issued by the HKICPA. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Listing Rules**”) and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on a historical cost basis, except for the following:

- derivative financial instruments and financial assets at fair value through profit or loss – measured at fair value; and
- assets classified as held for sale – measured at the lower of carrying amount and fair value less costs to sell.

The preparation of consolidated financial statements in conformity with HKFRS 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.

Going concern

As at 31 December 2025, the Group’s current liabilities exceeded its current assets by HK\$9,698.4 million. The Group had total capital commitments of HK\$50,988.0 million as at 31 December 2025, which related to acquisition of aircraft that will be delivered in stages in the coming years until the end of 2033. Out of the total capital commitments, HK\$15,413.5 million is forecasted to be incurred and payable within one year based on the current delivery schedules and forecasted delivery schedules with the Original Equipment Manufacturers (“**OEMs**”). The Group will satisfy these capital commitments through the Group’s internal resources, available and additional banking facilities and aircraft project loans which usually can only be confirmed by the relevant banks shortly before the delivery of the aircraft. As at 31 December 2025, the Group had cash and cash equivalents of HK\$3,518.0 million.

The Group will need to secure a substantial amount of funds in the foreseeable future to finance the financial obligations and capital expenditures under contractual and other arrangements. The directors have given due and careful consideration to the liquidity of the Group and its available sources of financing in assessing whether the Group has sufficient working capital for its present requirements, covering a period of not less than twelve months from 31 December 2025. The directors have taken into account the following plans and measures for the purposes of their assessment:

- New aircraft project loans are primarily used for the payment of the balances of the aircraft acquisition costs and the repayments of the PDP financing due upon delivery of aircraft. Such aircraft project loans will usually be confirmed by the banks before the delivery of the relevant aircraft. The Group sometimes finances the new aircraft with internal resources or short-term bridging financing depending on the financial situation and the progress of bank approvals. Subsequently, the Group may seek refinancing for these aircraft through new aircraft project loans. During the year ended 31 December 2025, the Group has drawn down 20 aircraft project loan facilities of HK\$5,337.4 million from certain onshore and offshore banks and financial institutions. The Group will continue to arrange aircraft project loan facilities from time to time. Based on the previous experience and practices in the industry, the directors are of the view that the Group will be able to obtain the necessary aircraft project loans as and when required in the next twelve months from 31 December 2025.
- According to the relevant aircraft purchase agreements, the scheduled payment of PDP for the next twelve months from 31 December 2025 amounts to HK\$3,793.8 million.

For the scheduled payment of PDP and repayment of utilised facility drawdowns under the facilities expiring in the next twelve months from 31 December 2025, certain portion will be repaid by the PDP facilities to be released when aircraft is delivered and related PDP financing is repaid. As at 31 December 2025, the Group had already obtained PDP financing facilities from banks to provide financing up to HK\$7,099.4 million to satisfy the forecasted committed PDP payments in the next twelve months from 31 December 2025. With such facilities, internal resources and/or facilities obtained from other financing channels of the Group, the Group will be able to satisfy payments of the committed PDP and repayment of PDP facilities at maturity in the next twelve months from 31 December 2025.

- As at 31 December 2025, the Group had working capital loan and revolving loan facilities of HK\$22,160.0 million out of which HK\$14,031.6 million has been utilised. The directors are confident that the Group can draw down the remaining unutilised loan facilities of HK\$8,128.4 million as and when required and will be able to renew substantially all the existing revolving facilities and further secure new working capital loan facilities. The Group has also initiated the process to obtain new working capital loan and renew working capital loan facilities with certain banks.

- The Group is also pursuing other sources of financing, including issue of bonds and medium-term notes as well as other debt and capital financing. In February 2025, the Group issued five-year corporate bonds of Renminbi (“**RMB**”) 1.5 billion. In August 2025, the Group issued three-year corporate bonds of US dollar (“**US\$**”) 160.0 million offshore. The Group will continue to review the market conditions and may issue additional RMB medium-term notes, RMB bonds and US\$ bonds when needed. Based on the credit profile of the Group, the successful history of issue of similar debt instruments, the directors are confident that the Group will be able to issue the relevant debt instruments and obtain the required financing as and when required.
- The Group has been preserving the multi-faceted development of its asset-light business model through establishment and management of aviation-related funds and joint venture companies, while at the same time, building up network buyers that will acquire aircraft from its aircraft portfolio. The Group continues to expand its portfolio trading business. As at 31 December 2025, the Group has signed letters of intent or sale and purchase agreements for the disposals of 11 aircraft, scheduled to be disposed in the next twelve months from 31 December 2025. Based on the Group’s experience in aircraft portfolio trading in previous years, the directors are confident that the scheduled disposals of aircraft will be completed, and the proceeds will be collected according to the expected schedule in the next twelve months from 31 December 2025.

The directors are of the opinion that, in the absence of unforeseeable circumstances and after taking into account the Group’s internal resources, the cash flows generated from its business operations, continued availability of existing and new banking facilities, the successful execution of its plans in obtaining the aircraft project loans from the banks and financial institutions, the successful issue of debt instruments, the successful disposals of aircraft as planned, the Group has sufficient working capital for its present requirements in the next twelve months from 31 December 2025. Accordingly, the directors consider that the Group will be in a position to continue as a going concern and hence prepared the consolidated financial statements on a going concern basis.

4 FINANCE LEASE RECEIVABLES – NET

	As at 31 December	
	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
Lease payments receivables		
– Not later than one year	1,843,688	1,050,241
– Later than one year but not later than two years	1,545,641	1,817,925
– Later than two years but not later than three years	297,391	1,520,548
– Later than three years but not later than four years	453,726	275,103
– Later than four years but not later than five years	84,033	431,086
– Later than five years	<u>449,823</u>	<u>437,173</u>
 Total	 4,674,302	 5,532,076
 Less: Unearned finance lease income relating to lease payment receivables	 <u>(568,090)</u>	 <u>(809,565)</u>
 Present value of lease payment receivables	 4,106,212	 4,722,511
Add: Present value of unguaranteed residual value	<u>3,880,511</u>	<u>4,481,454</u>
 Net investment in leases	 7,986,723	 9,203,965
Less: Accumulated expected credit losses allowance	<u>(21,825)</u>	<u>(18,508)</u>
 Finance lease receivables – net	 <u><u>7,964,898</u></u>	 <u><u>9,185,457</u></u>

The accumulated expected credit losses allowance on financial lease receivables amounted to HK\$21,825,000 (2024: HK\$18,508,000). A net expected credit losses of HK\$3,281,000 (2024: HK\$11,681,000) was recognised for the year ended 31 December 2025.

The following table sets forth the finance lease receivables attributable to airline companies:

	As at 31 December			
	2025		2024	
	<i>HK\$'000</i>	%	<i>HK\$'000</i>	%
Categorised by customer in terms of lease receivables:				
Five largest airline companies	6,115,234	77%	6,197,396	67%
Others	<u>1,849,664</u>	<u>23%</u>	<u>2,988,061</u>	<u>33%</u>
 Finance lease receivables – net	 <u><u>7,964,898</u></u>	 <u><u>100%</u></u>	 <u><u>9,185,457</u></u>	 <u><u>100%</u></u>

5 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at 31 December	
	2025	2024
	HK\$'000	HK\$'000
Shareholder's loan to CAG Group (a)	577,434	576,136
Shareholder's loan to Feitian No.2 Leasing (Tianjin) Company Limited ("Feitian No.2 (Tianjin)") (b)	47,999	45,945
Exchangeable bonds (c)	850,000	850,000
Others	3,725	3,995
	<u>1,479,158</u>	<u>1,476,076</u>

- (a) CAG uses the fund injected through a performance-linked shareholder's loan from the Group and the mezzanine financing from other investors at a ratio of 20% to 80%, together with a shareholding between the Group and other investors at the same ratio. Pursuant to shareholders' agreement and shareholders' loan agreement, all investors of CAG committed to invest in CAG through shareholders' loan according to the mezzanine financing proportion.
- (b) The Group entered into a shareholder's loan agreement and a subordinated fee agreement with Feitian No.2 (Tianjin).
- (c) The Group entered into an exchangeable bond subscription agreement with Aircraft Recycling International Limited ("ARI") in respect of the subscription of HK\$850.0 million exchangeable bonds issued by ARI.

6 PREPAYMENTS AND OTHER ASSETS

- (a) **PDP and other prepayments and receivables relating to aircraft acquisition**

	As at 31 December	
	2025	2024
	HK\$'000	HK\$'000
PDP and other prepayments and receivables relating to aircraft acquisition	<u>8,206,488</u>	<u>7,855,333</u>

(b) **Prepayments and other assets**

	As at 31 December	
	2025	2024
	HK\$'000	HK\$'000
Operating lease receivables <i>(Note)</i>	295,839	376,860
Deposits paid	38,739	27,858
Prepayments and amounts due from related parties	555,244	190,741
Deductible input taxes	53,386	57,753
Government grants receivables	117,162	21,724
Others	189,084	161,850
	<u>1,249,454</u>	<u>836,786</u>
Less: Accumulated expected credit losses allowance <i>(Note)</i>	<u>(151,081)</u>	<u>(152,951)</u>
	<u><u>1,098,373</u></u>	<u><u>683,835</u></u>

Note:

The Group recognised an allowance for impairment losses by providing for expected credit losses when the lessee is expected as not being able to pay the amounts due under its lease agreements.

The aging of the gross operating lease receivables based on due date was as follows:

	As at 31 December			
	2025		2024	
	HK\$'000	%	HK\$'000	%
Current/deferral	29,987	10%	70,762	19%
Less than 30 days past due	1,552	1%	980	1%
30 to 90 days past due	18	1%	2,894	1%
More than 90 days past due	<u>264,282</u>	<u>88%</u>	<u>302,224</u>	<u>79%</u>
Total	<u><u>295,839</u></u>	<u><u>100%</u></u>	<u><u>376,860</u></u>	<u><u>100%</u></u>

As at 31 December 2025, the accumulated expected credit losses allowance against operating lease receivables amounted to HK\$151,081,000 (2024: HK\$152,951,000) and the net carrying amount of operating lease receivables was HK\$144,758,000 (2024: HK\$223,909,000). A net expected credit losses of HK\$9,052,000 (2024: net reversal of expected credit losses of HK\$49,731,000) was recognised during the year ended 31 December 2025. A write-off of operating lease receivables with a gross carrying amount of HK\$11,270,000 (2024: nil) resulted in a decrease in expected credit losses allowance of HK\$11,270,000 (2024: nil).

7 BORROWINGS

	As at 31 December	
	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
Bank and other borrowings		
Bank and other borrowings for aircraft acquisition financing (a)	18,977,205	21,537,088
PDP financing (b)	4,796,669	6,294,118
Other bank borrowings (c)	<u>12,884,218</u>	<u>11,021,832</u>
	<u>36,658,092</u>	<u>38,853,038</u>
Other borrowings		
Borrowings from trust plans (d)	3,106,870	3,989,918
Other borrowings (e)	<u>–</u>	<u>203,249</u>
	<u>3,106,870</u>	<u>4,193,167</u>
	<u><u>39,764,962</u></u>	<u><u>43,046,205</u></u>

Bank and other borrowings

- (a) Bank and other borrowings for aircraft acquisition financing are principally based on fixed or floating rates (including US\$ SOFR and RMB LPR). As at 31 December 2025, certain bank borrowings were secured by, in addition to other legal charges, the related aircraft leased to airline companies under either finance leases or operating leases, pledge of the shares in the subsidiaries owning the related aircraft, guarantees from certain companies of the Group, and restricted cash pledged amounting to HK\$8,269,000 (2024: HK\$53,640,000). As at 31 December 2025, bank and other borrowings for aircraft acquisition financing of HK\$2,242,990,000 (2024: HK\$1,598,033,000) were unsecured.
- (b) As at 31 December 2025, PDP financings of HK\$4,796,669,000 (2024: HK\$6,294,118,000) were unsecured and guaranteed by the Company or certain companies of the Group.
- (c) As at 31 December 2025, unsecured other bank borrowings amounted to HK\$12,884,218,000 (2024: HK\$11,021,832,000), of which HK\$4,044,940,000 (2024: HK\$5,690,561,000) were guaranteed by the Company or certain companies of the Group.

Other borrowings

- (d) As at 31 December 2025, 35 borrowings (2024: 43 borrowings) were provided to the Group by investors under trust plans or an asset-backed securities programme. The effective interest rates of the borrowings range from 6.0% to 7.3% (2024: 5.8% to 7.8%) per annum for remaining terms of one to four years (2024: one to five years). These borrowings were secured by the shares of, and the aircraft held by the relevant subsidiaries, guaranteed by certain companies of the Group, and restricted cash pledged amounting to HK\$44,073,000 (2024: HK\$43,954,000).
- (e) As at 31 December 2024, two borrowings were obtained through a structured financing arrangement for two aircraft delivered to airlines. These borrowings bore an effective interest rate ranging from 3.9% to 4.3% per annum for their remaining terms of one year and were guaranteed by the Company.

8 MEDIUM-TERM NOTES

In April 2022, the Group issued three-year medium-term notes, with coupon rate adjustment option for the Group and sell-back option for investors exercisable at the end of the second year, in a principal amount of RMB1.5 billion due in 2025, bearing coupon interest at 4.5% per annum. In April 2024, the Group repurchased a principal amount of RMB1.49 billion (equivalent to approximately HK\$1,615,241,000) from the investors. The remaining principal amount had been fully repaid on maturity.

In April 2024, the Group issued three-year RMB0.3 billion medium-term notes due in 2027, bearing coupon rate of 2.75% per annum and five-year RMB1.2 billion medium-term notes due in 2029, bearing coupon rate of 3.3% per annum (issued equivalent to approximately HK\$1,626,377,000 in total in 2024, net of transaction costs).

As at 31 December 2025, after deducting the issuing cost, the total carrying amount of these notes was HK\$1,672,057,000 (2024: HK\$1,599,726,000).

9 BONDS AND DEBENTURES

In November 2020, the Group entered into a subscription agreement with an independent third party in relation to the issue of five-year US\$70.0 million senior unsecured bonds, of which US\$35.0 million were issued in November 2020 and due in 2025 and US\$35.0 million were issued in January 2021 and due in 2026. The bonds bear coupon interest at 5.9% per annum, payable semi-annually. US\$35.0 million of the bonds had been fully repaid on maturity.

In February 2022, the Group issued three-year RMB1.2 billion private bonds due in 2025, bearing coupon rate of 4.4% per annum. These bonds had been fully repaid on maturity.

In June 2023, the Group issued three-year RMB1.5 billion corporate bonds due in 2026, bearing coupon rate of 3.85% per annum. These bonds were listed on the Shanghai Stock Exchange.

In November 2023, the Group issued three-year RMB0.5 billion corporate bonds due in 2026, bearing a coupon rate of 3.58% per annum. These bonds were listed on the Shanghai Stock Exchange.

In February 2025, the Group issued five-year RMB1.5 billion corporate bonds due in 2030, bearing coupon rate of 2.38% per annum. These bonds were listed on the Shanghai Stock Exchange.

In August 2025, the Group issued three-year US\$160.0 million unsecured bonds due in 2028, bearing coupon interest at 6.0% per annum. These bonds were guaranteed by the Company and were listed on the Stock Exchange.

As at 31 December 2025, after deducting the issuing cost, the total carrying amount of bonds and debentures was HK\$5,410,425,000 (2024: HK\$3,930,722,000).

10 LEASE INCOME, AIRCRAFT AND COMPONENTS TRADING INCOME AND SEGMENT INFORMATION

During the year ended 31 December 2025, the Group was engaged in the provision of aircraft and engines leasing services to global airline companies and trading of aircraft and components. The Group only has a single reportable segment from both business and geographic perspectives and therefore only provides relevant information relating to revenue from customers.

Lease income

The Group leases its aircraft and engines to airline companies under finance leases or operating leases under which it receives rentals.

	Year ended 31 December	
	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
Finance lease income from aircraft	635,766	608,828
Operating lease income from aircraft	3,055,162	3,672,219
Operating lease income from engines	<u>96,336</u>	<u>68,642</u>
	<u>3,787,264</u>	<u>4,349,689</u>

The following table sets forth the amounts of total finance and operating lease income attributable to individual airline companies:

	Year ended 31 December			
	2025		2024	
	<i>HK\$'000</i>	<i>%</i>	<i>HK\$'000</i>	<i>%</i>
Categorised by customer in terms of lease income:				
Airline Company – A	939,467	25%	1,120,050	26%
Airline Company – B	359,293	9%	562,729	13%
Airline Company – C	233,277	6%	297,472	7%
Airline Company – D	178,342	5%	181,069	4%
Airline Company – E	151,771	4%	60,978	1%
Others	1,925,114	51%	2,127,391	49%
Total finance and operating lease income	<u>3,787,264</u>	<u>100%</u>	<u>4,349,689</u>	<u>100%</u>

Aircraft and components trading income

Aircraft and components trading income is recognised at a point in time upon delivery when the control of the aircraft and components is transferred to the customers, and payment is due upon delivery.

All aircraft and components trading is completed for a period of less than a year. As permitted under HKFRS 15 “Revenue from Contracts with Customers”, the transaction price allocated to unsatisfied contracts is not disclosed.

The following table sets forth the amounts of aircraft and components trading income attributable to individual customers:

	Year ended 31 December			
	2025		2024	
	<i>HK\$'000</i>	<i>%</i>	<i>HK\$'000</i>	<i>%</i>
Categorised by customer in terms of aircraft and components trading income:				
Customer – 1	136,420	60%	–	–
Customer – 2	67,040	29%	–	–
Customer – 3	23,386	10%	–	–
Others	334	1%	1,900	100%
Total aircraft and components trading income	<u>227,180</u>	<u>100%</u>	<u>1,900</u>	<u>100%</u>

11 NET INCOME FROM AIRCRAFT TRANSACTIONS

The net gain from aircraft transactions for the year ended 31 December 2025 included the net gain from disposal of 33 aircraft and 4 engines (2024: 25 aircraft) to third parties.

12 OTHER INCOME

	Year ended 31 December	
	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
Government grants (a)	273,686	316,207
Interest income from loans to associates and joint ventures	100,652	114,257
Bank interest income	102,361	128,658
Asset management service fees income from CAG Group	14,254	16,659
Others	134,962	65,579
	<u>625,915</u>	<u>641,360</u>

- (a) Government grants represent the grants and subsidies from the Mainland China government to support the development of aircraft leasing industry.

13 OTHER (LOSSES)/GAINS, NET

	Year ended 31 December	
	2025	2024
	HK\$'000	HK\$'000
Realised losses on a currency swap	–	(13,903)
Currency exchange (losses)/gains	(363,461)	449,471
Fair value gains/(losses) on currency forward contracts	17,707	(127,902)
Change in fair value of interest rate swaps	(6,978)	8,822
Hedge ineffectiveness	217	337
Fair value (losses)/gains on financial assets at fair value through profit or loss	(7,696)	8,279
Loss on disposal of a subsidiary	(5,250)	–
Reversal of reduction/(reduction) in the estimated unguaranteed residual value of finance lease receivables	13,276	(11,779)
	<u>13,276</u>	<u>(11,779)</u>
	<u>(352,185)</u>	<u>313,325</u>

14 INCOME TAX EXPENSES

	Year ended 31 December	
	2025	2024
	HK\$'000	HK\$'000
Current income tax:		
Mainland China, Hong Kong and others	294,523	227,315
Deferred income tax	(148,481)	88,338
	<u>146,042</u>	<u>315,653</u>

15 EARNINGS PER SHARE**(a) Basic**

Basic earnings per share is calculated by dividing the profit attributable to shareholders of the Company by the weighted average number of ordinary shares in issue during the years ended 31 December 2025 and 2024.

	Year ended 31 December	
	2025	2024
Profit attributable to shareholders of the Company (<i>HK\$'000</i>)	338,533	257,545
Weighted average number of ordinary shares in issue (<i>number of shares in thousands</i>)	<u>745,915</u>	<u>744,468</u>
Basic earnings per share (<i>HK\$ per share</i>)	<u>0.454</u>	<u>0.346</u>

(b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has one category of dilutive potential ordinary shares: share options. Share options are dilutive where they would result in the issue of ordinary shares for less than the average market price of ordinary shares during the financial period. For share options outstanding as at 31 December 2024 and lapsed during the year ended 31 December 2025, as the exercise price per share is higher than average market price of ordinary shares, it is not assumed that the outstanding share options have been exercised in the calculation of the diluted earnings per share for the years ended 31 December 2025 and 2024.

16 DIVIDENDS

A final dividend of HK\$0.18 per ordinary share totalling HK\$134.0 million (including cash dividend and scrip dividend) for the year ended 31 December 2024 was paid by cash of HK\$121.5 million and by share issue of HK\$12.5 million in August 2025.

An interim dividend of HK\$0.12 per ordinary share totalling HK\$89.8 million was paid by cash in October 2025.

On 24 March 2026, the Board recommended a final dividend of HK\$0.18 per ordinary share totalling HK\$134.6 million and proposed a scrip dividend option to be offered, which is calculated based on 747,974,981 issued shares as at 24 March 2026. The proposed dividend is not reflected as a dividend payable in the consolidated financial statements as at 31 December 2025, and will be reflected as an appropriation of retained earnings for the year ending 31 December 2026.

	Year ended 31 December	
	2025	2024
	HK\$'000	HK\$'000
Interim dividend paid of HK\$0.12 (2024: HK\$0.12) per ordinary share	<u>89,757</u>	<u>89,358</u>
Proposed final dividend of HK\$0.18 (2024: HK\$0.18) per ordinary share	<u>134,635</u>	<u>134,037</u>
	<u>224,392</u>	<u>223,395</u>

RECONCILIATIONS OF NON-GAAP MEASURES

The Group considers that the payments to trust plans are not included as interest expenses when evaluating its operating results and for financial and operational decision-making purposes. The table below sets forth a reconciliation of adjusted interest expenses, which was calculated by excluding payments related to trust plans or asset-backed securities programme. These adjustments were made to assist investors on their understanding of the changes and trends related to the Group's operations, for the periods indicated:

	Year ended 31 December	
	2025	2024
	<i>HK\$'Million</i>	<i>HK\$'Million</i>
Interest expenses	2,167.9	2,710.6
<i>Less: Payments to trust plans</i>	<u>(223.5)</u>	<u>(263.3)</u>
Adjusted interest expenses	<u>1,944.4</u>	<u>2,447.3</u>

The Group uses non-GAAP presentations in the consolidated statement of income as presented on page 52 in evaluating its operating results and for financial and operational decision-making purposes. The non-GAAP presentations do not have a standardised meaning and therefore may not be comparable to similar measures presented by other companies. The Group believes that the non-GAAP presentations provide more accurate presentations of its operating performance in its business by classifying certain other gains and other losses as other operating (losses)/gains and excluding the payments related to trust plans or asset-backed securities programme from interest expenses. The Group believes that the non-GAAP presentations would provide more accurate presentation of the Group's performance from the perspective of the management of the Group.

CONSOLIDATED STATEMENT OF INCOME

	Year ended 31 December	
	2025 HK\$'000	2024 HK\$'000
Total revenue		
Lease income	3,787,264	4,349,689
Aircraft and components trading income	227,180	1,900
Net income from aircraft transactions	374,762	211,125
Other income	625,915	641,360
	<u>5,015,121</u>	<u>5,204,074</u>
Insurance compensation received from an aircraft	<u>179,377</u>	<u>–</u>
	<u>5,194,498</u>	<u>5,204,074</u>
Expenses		
Costs of aircraft and components trading	(122,162)	(311)
Interest expenses	(1,944,420)	(2,447,280)
Depreciation and impairment	(1,457,463)	(1,686,569)
(Expected credit losses)/ reversal of expected credit losses	(5,470)	71,211
Other operating expenses	(567,498)	(550,044)
	<u>(4,097,013)</u>	<u>(4,612,993)</u>
Other operating (losses)/gains, net	<u>(345,754)</u>	<u>307,666</u>
Operating profit	751,731	898,747
Share of results from associates and joint ventures	(430)	160
Other losses, net	<u>(229,915)</u>	<u>(257,645)</u>
Profit before income tax	<u>521,386</u>	<u>641,262</u>

FINAL DIVIDEND

The Board has recommended the payment of a final dividend of HK\$0.18 per share in respect of the year ended 31 December 2025 (2024: HK\$0.18 per share) to shareholders of the Company (the “**Shareholders**”) whose names appear on the register of members of the Company (the “**Register of Members**”) on 26 June 2026. The proposed 2025 final dividends will be payable in cash, with an option given to the Shareholders to receive the proposed 2025 final dividend in new shares in lieu of cash in whole or in part under the scrip dividend scheme (the “**Scrip Dividend Scheme**”) where a 4 per cent discount on the subscription price will be offered to Shareholders who elect to subscribe for shares. The Scrip Dividend Scheme is subject to: (1) approval of the proposed 2025 final dividend at the annual general meeting of the Company to be held on 29 May 2026 (the “**2026 AGM**”); and (2) the Stock Exchange granting the listing of and permission to deal in the new shares to be issued pursuant thereto.

A circular containing details of the Scrip Dividend Scheme will be despatched to the Shareholders together with the form of election for scrip dividend in July 2026. Cheques for cash dividend and/or definitive certificates for the scrip shares in respect of the proposed 2025 final dividend are expected to be despatched to the Shareholders on or about 21 August 2026.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the Shareholders’ eligibility to attend and vote at the 2026 AGM and entitlement to the 2025 final dividend, the Register of Members will be closed in accordance with the following timetable:

- (i) For determining Shareholders’ eligibility to attend and vote at the 2026 AGM:
 - a) Latest time to lodge transfer documents for registration 4:30 pm on 22 May 2026
 - b) Closure of Register of Members 26 May 2026 to 29 May 2026
(both dates inclusive)
 - c) Record date 29 May 2026

(ii) For determining entitlement to the 2025 final dividend:

- | | | |
|----|--|---|
| a) | Latest time to lodge transfer documents for registration | 4:30 pm on 22 June 2026 |
| b) | Closure of Register of Members | 23 June 2026 to 26 June 2026
<i>(both dates inclusive)</i> |
| c) | Record date | 26 June 2026 |

During the above closure periods, no transfer of shares will be registered. In order to be eligible to attend and vote at the 2026 AGM, and to qualify for the proposed 2025 final dividend, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited, at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than the respective time set out above.

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

In February 2022, the Group issued RMB1.2 billion non-public bonds with a term of 3 years at the coupon rate of 4.4%. The Group has repaid the RMB1.2 billion non-public bonds due in February 2025. Please refer to the section headed "Management Discussion and Analysis – 2. Consolidated Balance Sheet – 2.2.2 Bonds and Debentures" in this announcement for details.

In August 2025, CALC Bonds Limited, a wholly-owned subsidiary of the Company, as the issuer (the "**Issuer**"), successfully issued U.S.\$160,000,000, 6.0 PER CENT. guaranteed bonds due 2028 (Stock Code: 5865) (the "**Bonds**"). The Bonds are unconditionally and irrevocably guaranteed by the Company. For details, please refer to the announcements of the Company dated 14 August 2025 and 15 August 2025, and the offering circular of the Issuer dated 11 August 2025.

Save as disclosed above, during the year ended 31 December 2025, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

EVENTS AFTER THE REVIEW YEAR

There were no material events subsequent to 31 December 2025 which would materially affect the Group's operating and financial performance as of the date of this announcement.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Board is committed to attaining and maintaining high standards of corporate governance and applies corporate governance practices appropriate to the conduct and growth of business of the Group that emphasise a quality board, accountability to all stakeholders, open communication and fair disclosure. It is the firm belief of the Company that a good and solid corporate governance framework is essential to the successful growth of the Company and the enhancement of shareholder value.

The Board believes that good corporate governance standards are essential in providing a framework for the Company to formulate its business strategies and policies, and to enhance its transparency, accountability and shareholder value. The Company has adopted the principles as set out in the Corporate Governance Code contained in Appendix C1 to the Listing Rules as applicable for the Review Year (the “**CG Code**”) as its corporate governance practices. The Company has complied with all code provisions as set out in Part 2 of the CG Code during the year ended 31 December 2025.

In respect of environmental, social and governance (“**ESG**”) aspect, the Company's first ESG report for the year of 2014 was published in 2015. The 2025 ESG report is the 12th report the Company will produce focusing on its ESG efforts.

The 2025 ESG report, setting out the Group's ESG performance, will be available at the Company's website (www.calc.aero) and the website of the Stock Exchange (www.hkexnews.hk). The Group has applied the principles and complied with all applicable requirements and provisions of the Environmental, Social and Governance Reporting Guide set out in Appendix C2 of the Listing Rules in preparation of its 2025 ESG report.

The Company will continue to enhance its corporate governance practices as appropriate to the conduct and growth of its business and to review and evaluate such practices from time to time to ensure that it complies with the CG Code and aligns with the latest developments.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules as the code of conduct regarding securities transactions by its Directors. Following specific enquiry by the Company, all Directors have confirmed that they have complied with the required standard as set out in the Model Code throughout the year.

AUDIT COMMITTEE REVIEW

As at the date of this announcement, the Company’s Audit Committee consisted of Mr. FAN Chun Wah, Andrew (chairman of the Audit Committee), Mr. CHEOK Albert Saychuan, Dr. HONG Wen and Mr. CHAN Ching Summit (appointed on 24 March 2026), all of them are Independent Non-executive Directors. During the year, the Audit Committee has reviewed with the management team and Deloitte Touche Tohmatsu (“**Deloitte**”), the external auditor of the Company, the accounting principles and practices adopted by the Group and discussed matters regarding auditing, internal control, risk management and financial reporting, including the review of the audited consolidated financial statements of the Group for the year ended 31 December 2025.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group’s consolidated balance sheet, consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows, and the related notes thereto for the year ended 31 December 2025 as set out in the annual result announcement have been agreed by the Group’s auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the audited consolidated financial statements of the Group for the year as approved by the Board of Directors on 24 March 2026. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Messrs. Deloitte Touche Tohmatsu on the annual result announcement.

2026 AGM AND PUBLICATION OF 2025 RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This results announcement is published on the websites of the Company (www.calc.aero) and the Stock Exchange (www.hkexnews.hk). The 2026 AGM is scheduled to be held on 29 May 2026. The notice of the 2026 AGM and the 2025 annual report will be dispatched to the Shareholders and available on the same websites in due course.

By order of the Board
China Aircraft Leasing Group Holdings Limited
POON HO MAN
Executive Director and Chief Executive Officer

Hong Kong, 24 March 2026

As at the date of this announcement, (i) the Non-executive Directors are Mr. AN Xuesong (Chairman) and Mr. PAN Jianyun; (ii) the Executive Directors are Mr. POON Ho Man (Chief Executive Officer) and Mr. LI Guohui (Chief Financial Officer and Chief Strategy Officer); and (iii) the Independent Non-executive Directors are Mr. CHEOK Albert Saychuan, Mr. FAN Chun Wah, Andrew, J.P., Dr. HONG Wen and Mr. CHAN Ching Summit.