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**中關村科技租賃股份有限公司**  
**ZHONGGUANCUN SCIENCE-TECH LEASING CO., LTD.**

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

**(Stock Code: 1601)**

**ANNOUNCEMENT OF ANNUAL RESULTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2025**

**FINANCIAL HIGHLIGHTS**

- For the year ended December 31, 2025, the revenue amounted to approximately RMB852.7 million, representing a decrease of approximately 2.8% as compared with that of approximately RMB877.6 million for the year ended December 31, 2024.
- For the year ended December 31, 2025, the profit before taxation amounted to approximately RMB362.6 million, representing an increase of approximately 0.3% as compared with that of approximately RMB361.5 million for the year ended December 31, 2024.
- For the year ended December 31, 2025, the profit amounted to approximately RMB272.0 million, representing an increase of approximately 0.4% as compared with that of approximately RMB271.0 million for the year ended December 31, 2024.
- As of December 31, 2025, the total assets amounted to approximately RMB13,112.0 million, representing an increase of approximately 0.4% as compared with that of approximately RMB13,055.8 million as of December 31, 2024.
- As of December 31, 2025, the total shareholders' equity amounted to approximately RMB3,265.4 million, representing an increase of approximately 26.5% as compared with that of approximately RMB2,581.4 million as of December 31, 2024.
- For the year ended December 31, 2025, the return on average equity was 9.3%.
- For the year ended December 31, 2025, the return on average assets was 2.1%.
- The Board recommends the payment of a final dividend of RMB0.059 per share (tax inclusive) for the year ended December 31, 2025.

## MANAGEMENT DISCUSSION AND ANALYSIS

The board (the “**Board**”) of directors (the “**Directors**”) of Zhongguancun Science-Tech Leasing Co., Ltd. (中關村科技租賃股份有限公司) (the “**Company**”) is pleased to announce that the audited consolidated annual results of the Company and its subsidiary company and consolidated structured entities of the Company (together, the “**Group**” or “**We**”) for the year ended December 31, 2025 (the “**Reporting Period**”) with the comparative figures for the year ended December 31, 2024 are set out after the Management Discussion and Analysis section.

	<b>For the year ended December 31,</b>				
	<b>2025</b>	2024	2023	2022	2021
	<b>RMB'000</b>	RMB'000	RMB'000	RMB'000	RMB'000
<b>Operating Performance</b>					
Revenue	<b>852,708</b>	877,588	833,627	743,146	656,943
Interest income	<b>666,759</b>	729,856	691,933	613,397	541,367
Advisory fee income	<b>128,663</b>	139,371	141,662	129,749	115,576
Operating lease income	<b>57,286</b>	8,361	32	–	–
Other net income	<b>6,592</b>	5,676	32,825	15,342	14,423
Interest expense	<b>(239,535)</b>	(286,057)	(292,824)	(272,493)	(246,545)
Operating expense	<b>(198,647)</b>	(166,381)	(170,887)	(150,560)	(129,407)
Impairment losses charged	<b>(70,139)</b>	(79,020)	(78,254)	(49,580)	(53,004)
Share of losses/(gains) of associates	<b>11,723</b>	10,394	21,910	15,136	19,391
Net foreign exchange gains/(losses)	<b>(57)</b>	(680)	(192)	109	(175)
<b>Profit before taxation</b>	<b>362,645</b>	361,520	346,205	301,100	261,626
<b>Net profit</b>	<b>271,991</b>	271,038	259,875	226,104	195,917
<b>Basic and diluted earnings per Share (in RMB)</b>					
	<b>0.18</b>	0.20	0.19	0.17	0.15
<b>Profitability</b>					
Return on average equity <sup>(1)</sup>	<b>9.3%</b>	10.9%	11.2%	10.6%	9.9%
Return on average assets <sup>(2)</sup>	<b>2.1%</b>	2.1%	2.2%	2.2%	2.2%
Net interest margin <sup>(3)</sup>	<b>3.8%</b>	4.1%	3.9%	3.7%	3.8%
Net interest spread <sup>(4)</sup>	<b>3.0%</b>	3.2%	2.9%	2.6%	2.6%
Net profit margin <sup>(5)</sup>	<b>31.9%</b>	30.9%	31.2%	30.4%	29.8%

### Notes:

- (1) Calculated by dividing profit for the year by the average balance of total equity at the beginning and the end of the year. The 2025 fiscal year figure decreased compared with the previous year, mainly due to the increase in share capital resulting from the issuance of domestic shares. Excluding the impact of the capital increase, the return on average equity was 10.2%.
- (2) Calculated by dividing net profit for the year by the average balance of total assets at the beginning and the end of the year.
- (3) Calculated by dividing net interest income for the year by the monthly average balance of interest-earning assets.
- (4) Calculated as the difference between interest income yield and interest expense cost.
- (5) Calculated by dividing net profit for the year by the total revenue for the year.

	<b>As of December 31,</b>				
	<b>2025</b>	2024	2023	2022	2021
	<b>RMB'000</b>	RMB'000	RMB'000	RMB'000	RMB'000
<b>Assets and liabilities</b>					
<b>Total assets</b>	<b>13,112,038</b>	13,055,814	12,414,873	10,914,895	9,428,623
Loans and receivables	<b>11,261,829</b>	11,505,094	11,207,248	9,819,652	8,472,832
Operating leased assets	<b>379,508</b>	68,940	13,274	–	–
<b>Total liabilities</b>	<b>9,846,682</b>	10,474,439	10,014,635	8,694,475	7,374,542
Borrowings	<b>7,228,329</b>	8,008,224	7,412,648	6,395,235	5,371,076
<b>Total equity</b>	<b>3,265,356</b>	2,581,375	2,400,238	2,220,420	2,054,081
Net assets per share ( <i>in RMB</i> )	<b>2.02</b>	1.94	1.80	1.67	1.54
<b>Financial assets and liabilities<sup>(1)</sup></b>					
Financial assets	<b>13,396,380</b>	13,957,024	13,162,689	11,614,974	10,076,299
Financial liabilities	<b>9,802,640</b>	10,454,383	9,779,341	8,593,416	7,285,454
<b>Financial Indicators</b>					
Liability to asset ratio <sup>(2)</sup>	<b>75.1%</b>	80.2%	80.7%	79.7%	78.2%
Risk asset to equity ratio <sup>(3)</sup>	<b>376.9%</b>	469.9%	488.8%	460.6%	426.4%
Liquidity ratio <sup>(4)</sup>	<b>124.4%</b>	124.5%	90.9%	122.4%	137.1%
Gearing ratio <sup>(5)</sup>	<b>221.4%</b>	310.2%	308.8%	288.0%	261.5%
<b>Interest-earning asset quality</b>					
NPA ratio <sup>(6)</sup>	<b>1.2%</b>	1.8%	1.7%	1.6%	1.5%
Allowance coverage ratio for NPA <sup>(7)</sup>	<b>230.5%</b>	207.5%	184.6%	173.7%	175.9%

*Notes:*

- (1) Calculated based on contractual undiscounted cash flows.
- (2) Calculated by dividing total liabilities by total assets as of the end of the year.
- (3) Calculated by dividing risk assets by total equity. Risk assets are the total assets net of cash and cash equivalents and pledged and restricted deposits.
- (4) Calculated by dividing current assets by current liabilities as of the end of the year.
- (5) Calculated by dividing total debt by total equity. The total debt consists of borrowings.
- (6) Represent the percentage of non-performing assets (“NPA”) in the total interest-earning assets before deducting allowances for impairment losses.
- (7) Calculated by dividing allowances for impairment losses of interest-earning assets by the balance of non-performing interest-earning assets.

## 1. BUSINESS REVIEW

### 1.1 Economic Situation

**Macroeconomic Conditions:** In 2025, the global economic recovery lacked momentum, with industrial and supply chains accelerating their restructuring. Meanwhile, potential risks in key domestic areas were relatively prominent, exerting pressures on economic development. Facing the complex domestic and international development environment, China's economy forged ahead against headwinds, demonstrating strong resilience and vitality. On the one hand, it focused on expanding domestic demand, boosting effective investment through targeted policies to promote sound economic development; on the other hand, it accelerated industrial upgrading, driving robust growth in high-tech industries and green industries. Overall, the economy maintained a stable upward trend, with the annual gross domestic product (GDP) reaching RMB140 trillion, a year-on-year increase of 5%, exceeding the expected target and laying a solid foundation for the launch of the 15th Five-Year Plan.

**Financial Environment:** In 2025, the global financial environment was generally accommodative with intensified fragmentation, and inflation declined but remained sticky. Domestically, a more proactive fiscal policy and a moderately accommodative monetary policy were implemented, with the deficit ratio raised to 4%. The central bank adhered to a supportive monetary policy stance to maintain ample liquidity, cutting the deposit reserve ratio by 0.5 percentage points in May to release approximately RMB1 trillion in long-term liquidity. As of the end of 2025, the outstanding stock of total social financing stood at RMB442.12 trillion, a year-on-year increase of 8.3%. The credit structure continued to optimize, with resources concentrating in high-quality development areas. The growth rates of technology loans and medium-to-long-term manufacturing loans remained consistently higher than that of total loans, and the proportion of loans supporting the "five major tasks" in finance increased. Among them, technology loans, green loans, and digital economy industry loans grew by 11.5%, 20.2%, and 14.1% year-on-year respectively, matching the demand for cultivating new quality productive forces.

**Industrial Environment:** In 2025, China's industrial environment was characterized by innovation-driven new quality productive forces, policy focus on emerging and future industries, and accelerated transformation of traditional industries. The "AI+" initiative empowered multiple sectors such as manufacturing and finance, profoundly influencing industrial patterns and economic forms. The embodied intelligence industry entered a phase of rapid development, with a market size of RMB915 billion in 2025 and an expected breakthrough of RMB1 trillion in 2026. The added value of high-tech manufacturing and equipment manufacturing increased by 9.2% and 9.3% year-on-year respectively, with demand driven by both "domestic upgrading and overseas expansion". The "new three pillars" (new energy vehicles, photovoltaic products, and lithium batteries) maintained their scale advantages, and the strategy of exporting green production capacity was creating new opportunities for domestic development. Driven by the resonance of policy guidance, technological breakthroughs, and market demand, the technology industry track thrived.

Financial Leasing Industry Environment: In 2025, the financial leasing industry entered a critical period of “quality improvement and transformation”, shifting from scale expansion to in-depth value creation. Integration-oriented development became the mainstream trend in the leasing industry, with industry and finance moving from business isolation to resource integration. Meanwhile, the leasing sector upgraded its strategic positioning, shifting from short-term financing support to value chain integration and long-term capital operations. Furthermore, business model innovation accelerated, with scenario-based finance, product upgrading, and profit model transformation jointly driving the iteration of industry-finance integration models. Enterprises across the industry achieved breakthroughs in innovative models: cross-border leasing service providers expanded overseas, and the scope of leased assets extended to integrated hardware-software equipment to meet the needs of industrial upgrading.

## 1.2 Company Response

In the face of an external environment marked by eased credit access, lower financing thresholds, shrinking demand and intensified industry competition, as well as the growing service-oriented transformation demand of technology enterprises, in 2025, the Group adhered to the overall principle of pursuing progress while maintaining stability, focused on the three strategic pillars of functional restructuring, model upgrading and sector-focused development, and targeted its efforts on “deepening the transformation of industry-finance integration, upgrading risk prevention and control, and improving capacity building”. On the basis of the successful completion of capital increase and share expansion, the Group achieved a sound development pattern featuring steady progress in business scale, steady growth in operating performance and generally controllable risk conditions.

**With in-depth empowerment through industry-finance integration, synergistic effects have been achieved in functional restructuring and model upgrading.** The Group targeted the core needs of high-growth technology enterprises in such key links as technology industrialization, market development and capital operation, and deepened its industry-finance integrated service model. During the Reporting Period, the Group completed investment decisions on 15 industry-finance integration projects and successfully supported 5 enterprises in listing on domestic and overseas capital markets. The project repurchase rate exceeded 50%, driving leasing investment to RMB854 million, representing a year-on-year increase of 45.24% and accounting for more than 10% of total annual disbursement, of which operating leasing investment amounted to RMB408 million, up 6 times year on year. It drove revenue of RMB115 million, up 123.88% year on year, accounting for 13.51% of total revenue, with continuous optimization of the revenue structure. Meanwhile, the Group completed the state-owned acquisition of Beijing Zhongnuo Tongchuang Investment Fund Management Co., Ltd. (“**Beijing Zhongnuo**”) and successfully introduced strategic investors to establish a Phase III fund, injecting new impetus into the continuous upgrading of its industry-finance business.

**With a three-dimensional integrated risk control system, the foundation of asset quality has been continuously consolidated.** Adhering to the risk management philosophy of prudence, proactivity, full cycle and whole process, the Group has continuously iterated and upgraded its digital risk control system by leveraging fintech. During the Reporting Period, the Group completed the iteration of its issuer credit rating model 7.0, developed special rating models for intelligent manufacturing and operating customers, and established a three-dimensional integrated debt rating system of “issuer credit + leased asset credit + commercial credit”. Closed-loop management of leased assets was implemented, and the standardization of leased asset review and refinement of post-leasing management were continuously improved. The Group successfully launched the first non-performing asset trust beneficiary right transfer, achieving a new breakthrough in non-performing asset disposal channels. The non-performing asset ratio dropped from 1.8% at the beginning of the year to 1.2%, and the provision coverage ratio rose to 230.5%, maintaining stable asset quality and continuously enhancing risk resistance. Meanwhile, the internal control and compliance management system was comprehensively upgraded to build a tight line of defense supported by coordinated compliance and risk control.

**With diversified financing to expand channels, both capital strength and capital efficiency have been elevated.** Focusing on improving capital efficiency, the Group actively expanded diversified financing channels and optimized its liability structure. Annual financing reached RMB7.9 billion, and the borrowing interest expense rate dropped to 2.7%. Total credit lines amounted to RMB24 billion with sufficient capital reserves. The Group innovatively launched its first insurance-funded asset-backed securities and first asset-backed commercial paper (ABCP), achieving diversified breakthroughs in financing channels. The domestic share private placement was successfully completed, raising approximately RMB510 million, pushing net assets to exceed RMB3 billion and reducing the asset-liability ratio from 80.2% to 75.1%, significantly enhancing capital strength and risk resilience.

**With organizational reform to strengthen support, the foundation for strategic transformation has become increasingly solid.** Led by strategic transformation, the Group systematically promoted the optimization of operational modules and the construction of a talent ecosystem. It completed the formulation of the 15th Five-Year Strategic Plan, carried out strategic co-creation and defined its long-term development path. The proportion of talents with interdisciplinary backgrounds in science, engineering and medicine in the talent pool rose to 25%. The “Qixiang Program” training system was upgraded, practical training on value-based marketing was conducted, and the “Xinglian Program” expert pool was established to bring together senior industry talents and internal core strengths, providing intellectual support for strategic planning, product innovation, precision marketing and risk prevention and control. The synergy mechanism of various operational sectors became more efficient, and digital transformation was advanced in depth, providing solid organizational support for strategic transformation.

## 2. ANALYSIS OF PROFIT OR LOSS

### 2.1 Overview

In 2025, the Group adhered to its customer-centric business model and continued to focus on serving Chinese technology enterprises with strong growth potential; for the year 2025, the Group achieved total revenue of RMB852.7 million, representing a decrease of 2.8% as compared with the previous year, and profit for the year amounted to RMB272.0 million, representing an increase of 0.4% as compared with the previous year.

### 2.2 Revenue

In 2025, the total revenue of the Group amounted to RMB852.7 million, representing a decrease of 2.8% from RMB877.6 million in 2024. The slight decline in revenue was mainly attributable to phased factors during the strategic transformation period. To further the industry-finance integration strategy and nurture high-growth customers, the Group adopted a differentiated pricing strategy for key industry-finance projects on an appropriate basis, whereby preferential lease interest rates were offered in exchange for long-term cooperation stickiness and full-cycle value sharing. As the industry-finance integration business enters the stage of large-scale replication, its commercial value will be gradually unlocked, and the profitability of the Group is expected to achieve a systematic improvement.

In terms of business structure, the initial effects of strategic transformation have become evident. In 2025, the Group's industry-finance integration projects generated revenue of RMB115.2 million, representing a year-on-year increase of 123.9%, with a significantly improved proportion compared with the previous year. Among them, operating leasing revenue amounted to RMB57.3 million, surging by 585.2% year-on-year and becoming a new engine for revenue growth. The above data validate the Group's strategic logic of "trading short-term revenue adjustments for long-term value space" and have laid a solid foundation for the sustained enhancement of profitability in the future.

The following table sets forth the revenue segmented by service and the changes for the years indicated:

	For the year ended December 31,				Changes
	2025		2024		
	<i>RMB'000</i>	<i>% of total</i>	<i>RMB'000</i>	<i>% of total</i>	
Interest income	<b>666,759</b>	<b>78.2%</b>	729,856	83.1%	(8.6%)
Advisory fee income	<b>128,663</b>	<b>15.1%</b>	139,371	15.9%	(7.7%)
Operating lease income	<b>57,286</b>	<b>6.7%</b>	8,361	1.0%	585.2%
<b>Total revenue</b>	<b><u>852,708</u></b>	<b><u>100.0%</u></b>	<b><u>877,588</u></b>	<b><u>100.0%</u></b>	(2.8%)

The Group's customers are mainly concentrated in the intelligent manufacturing (including AI+robotics and AI+high-end sophisticated equipment), dual-carbon (including AI+new energy), and healthcare sectors. In 2025, the Group's revenue structure across all sectors showed significant optimization, fully reflecting the effectiveness of strategic focus:

The proportion of interest and consulting fee income from intelligent manufacturing increased by 4.3 percentage points compared with the previous year, mainly due to the accelerated expansion of the Group’s industry-finance integration business in the drone and robotics service fields. The proportion of interest and consulting fee income from the dual-carbon sector rose by 4.9 percentage points year-on-year, reflecting the continuous release of results from the Group’s deep development in sectors such as energy storage and energy-saving services. The proportion of other types of income decreased compared with the previous year, as the Group proactively contracted non-core businesses and concentrated resources on high-growth sectors in line with its strategic objectives, which is consistent with the strategic orientation of “sector focus”.

In terms of sector distribution of industry-finance integration projects, all such projects of the Group are focused on the three strategic sectors, of which AI+high-end sophisticated equipment accounts for 52.3%, AI+new energy 26.1%, and AI+robotics 21.4%, verifying the Group’s professionalism in “driving asset allocation with industrial insights”. The Group will continue to focus on high-growth strategic sectors, continuously optimize the asset deployment structure and improve the efficiency of resource allocation.

The following table sets out the composition and changes by industry of the aggregated interest income and advisory fee income for the years indicated:

	For the year ended December 31,				Changes
	2025		2024		
	<i>RMB'000</i>	<i>% of total</i>	<i>RMB'000</i>	<i>% of total</i>	
Intelligent manufacturing	<b>306,331</b>	<b>38.5%</b>	297,372	34.2%	3.0%
Double carbon	<b>206,626</b>	<b>26.0%</b>	183,115	21.1%	12.8%
Medicine and health	<b>118,489</b>	<b>14.9%</b>	133,258	15.3%	(11.1%)
Others	<b>163,976</b>	<b>20.6%</b>	255,482	29.4%	(35.8%)
<b>Total interest income and advisory fee income</b>	<b><u>795,422</u></b>	<b><u>100.0%</u></b>	<b><u>869,227</u></b>	<b><u>100.0%</u></b>	<b>(8.5%)</b>

In 2025, the majority of the Group’s revenue was derived from the East China region, while its business operations in other regions also achieved steady expansion. Building on the consolidation of its customer base in the Beijing-Tianjin-Hebei integrated region, the Group has gradually penetrated other regions with medium-to-high growth in the sci-tech innovation economy, such as the Yangtze River Delta, the Greater Bay Area and the Middle Reaches of the Yangtze River.

The following table sets forth the breakdown of the aggregated interest income and advisory fee income by major geographical areas for the years indicated:

	<b>For the year ended December 31,</b>			
	<b>2025</b>		<b>2024</b>	
	<i><b>RMB'000</b></i>	<i><b>% of total</b></i>	<i><b>RMB'000</b></i>	<i><b>% of total</b></i>
Eastern	<b>303,305</b>	<b>38.2%</b>	300,620	34.6%
Northern	<b>236,230</b>	<b>29.7%</b>	311,740	35.8%
Southern	<b>81,059</b>	<b>10.2%</b>	98,124	11.3%
Northwestern	<b>68,628</b>	<b>8.6%</b>	47,434	5.5%
Central	<b>48,525</b>	<b>6.1%</b>	61,726	7.1%
Southwestern	<b>43,342</b>	<b>5.4%</b>	31,536	3.6%
Northeastern	<b>14,333</b>	<b>1.8%</b>	18,047	2.1%
<b>Total interest income and advisory fee income</b>	<b><u>795,422</u></b>	<b><u>100.0%</u></b>	<b><u>869,227</u></b>	<b><u>100.0%</u></b>

### **2.2.1 Interest Income**

The Group's interest income decreased by 8.6% from RMB729.9 million in 2024 to RMB666.8 million in 2025, accounting for 78.2% of the Group's total revenue. The year-on-year decline in interest income was mainly affected by the superposition of three factors: first, to deepen the industry-finance integration strategy, the Group adopted a differentiated pricing strategy for key customers, adjusting short-term income in exchange for long-term cooperation value; second, the intensification of competition in the financial leasing industry led to a downward shift in the market pricing center; third, the downward macro interest rate environment drove a phased decline in the average yield of interest-earning assets. These factors collectively led to a year-on-year decrease in the average yield of interest-earning assets, which in turn affected the scale of interest income. As the industry-finance integration business enters the stage of large-scale replication, customer stickiness and full-cycle value will be gradually released, and the profit foundation of interest income will become more stable.

The following table sets forth the amount of average balance of interest-earning assets, interest income and the average yield by industry for the years indicated:

	For the year ended December 31,					
	2025			2024		
	Average balance of interest- earning assets <sup>(1)</sup>	Interest income	Average yield of interest- earning assets <sup>(2)</sup>	Average balance of interest- earning assets	Interest income	Average yield of interest- earning assets
	<i>RMB'000</i>	<i>RMB'000</i>	%	<i>RMB'000</i>	<i>RMB'000</i>	%
Intelligent manufacturing	4,162,910	241,392	5.8%	3,975,592	256,196	6.4%
Double carbon	2,969,995	176,897	6.0%	2,683,345	149,540	5.6%
Medicine and health	1,765,541	100,428	5.7%	1,797,588	105,978	5.9%
Others	2,863,555	148,042	5.2%	3,302,003	218,142	6.6%
<b>Total</b>	<b>11,762,001</b>	<b>666,759</b>	<b>5.7%</b>	<b>11,758,528</b>	<b>729,856</b>	<b>6.2%</b>

Notes:

- (1) The average balance of interest-earning assets is calculated by dividing the sum of loans and receivables before allowances for impairment losses at the beginning of the period and at the end of the period by two.
- (2) Calculated by dividing interest income by average balance of interest-earning assets.

#### *Analysis by average balance of interest-earning assets*

The average balance of the Group's interest-earning assets increased from RMB11,758.5 million in 2024 to RMB11,762.0 million in 2025, remaining stable.

#### *Analysis by average yield of interest-earning assets*

In 2025, the average yield on the Group's interest-earning assets was 5.7%, representing a decrease of 0.5 percentage point from 6.2% in the previous year, mainly affected by intensified industry competition and a decline in the average market interest rate. The Group's cost ratio of borrowing interest expenses decreased from 3.4% to 2.7%, mainly due to the Group's continuous optimization of its financing structure, proactive exploration of new financing channels, continuous improvement of financing capacity and capital management efficiency, and effective reduction of funding costs through various measures. While the average yield on interest-earning assets trended downward, the Group reduced its cost ratio of borrowing interest expenses, maintained a stable level of profitability and passed benefits to the real economy, demonstrating the Group's mission and responsibility as a financial partner for technology enterprises.

### 2.2.2 Advisory Fee Income

In 2025, the Group's advisory fee income decreased by 7.7% from RMB139.4 million in 2024 to RMB128.7 million in 2025, accounting for 15.1% of the Group's total revenue.

The Group delivered a variety of advisory services to its customers, including management and business advisory and policy advisory.

The following table sets forth the contribution by service category to advisory fee income for the years indicated:

	For the year ended December 31,				Changes
	2025		2024		
	<i>RMB'000</i>	<i>% of total</i>	<i>RMB'000</i>	<i>% of total</i>	
Management and business advisory fee income	38,177	29.7%	41,614	29.9%	(8.3%)
Policy advisory fee income	90,486	70.3%	97,757	70.1%	(7.4%)
<b>Total advisory fee income</b>	<b>128,663</b>	<b>100.0%</b>	<b>139,371</b>	<b>100.0%</b>	<b>(7.7%)</b>

The following table sets forth the contribution by industry to advisory fee income for the years indicated:

	For the year ended December 31,				Changes
	2025		2024		
	<i>RMB'000</i>	<i>% of total</i>	<i>RMB'000</i>	<i>% of total</i>	
Intelligent manufacturing	64,939	50.5%	41,176	29.5%	57.7%
Double carbon	29,729	23.1%	33,574	24.1%	(11.5%)
Medicine and health	18,061	14.0%	27,280	19.6%	(33.8%)
Others	15,934	12.4%	37,341	26.8%	(57.3%)
<b>Total advisory fee income</b>	<b>128,663</b>	<b>100.0%</b>	<b>139,371</b>	<b>100.0%</b>	<b>(7.7%)</b>

### 2.2.3 Operating Lease Income

In 2025, driven by the expansion of the Group's operating lease business, operating lease income increased by 585.2% from RMB8.4 million in 2024 to RMB57.3 million in 2025, accounting for 6.7% of the Group's total revenue.

## 2.3 Interest Expense

In 2025, the Group's interest expenses amounted to RMB239.5 million, representing a decrease of 16.3% from RMB286.1 million in the previous year, mainly due to the Group's proactive management of funding positions and financing costs, improvement in capital utilization efficiency, optimization of liability structure, and reasonable and effective reduction of financing costs.

In response to the constantly changing economic and capital market environment, the Group continually tracked market trends and adhered to its flexible and diverse funding strategy. Furthermore, the Group made significant efforts in strengthening its collaborative relationship with various financial institutions in the market to optimize the funding structure, actively explore new financing channels, and reasonably and effectively control financing costs.

The following table sets forth the breakdown of our interest expense by funding sources for the years indicated:

	For the year ended December 31,				Changes
	2025		2024		
	RMB'000	% of total	RMB'000	% of total	
Commercial banks	70,047	29.2%	130,799	45.7%	(46.4%)
Issue bonds	123,436	51.6%	102,467	35.8%	20.5%
Imputed on interest-free guaranteed deposits	45,808	19.1%	52,062	18.2%	(12.0%)
Lease liabilities	244	0.1%	729	0.3%	(66.5%)
<b>Total interest expense</b>	<b>239,535</b>	<b>100.0%</b>	<b>286,057</b>	<b>100.0%</b>	<b>(16.3%)</b>

In 2025, the interest expense rate of the Group was 2.7%, representing a decrease of 0.7 percentage point from the previous year, mainly due to the Group's active management of capital position and financing cost, which improved capital utilization efficiency, optimized liability structure, and reasonably and effectively reduced financing cost.

The following table sets forth the average balance, interest expense and interest expense yield of borrowings for the years indicated:

	For the year ended December 31,					
	2025			2024		
	Average balance <sup>(2)</sup> <i>RMB'000</i>	Interest expense <i>RMB'000</i>	Interest expense yield <sup>(3)</sup>	Average balance <i>RMB'000</i>	Interest expense <i>RMB'000</i>	Interest expense yield
<b>Borrowings<sup>(1)</sup></b>						
Commercial banks	2,281,657	70,047	3.1%	3,527,514	130,799	3.7%
Issue bonds	<u>4,885,808</u>	<u>123,436</u>	2.5%	<u>3,394,887</u>	<u>102,467</u>	3.0%
<b>Total borrowings</b>	<u><u>7,167,465</u></u>	<u><u>193,483</u></u>	2.7%	<u><u>6,922,401</u></u>	<u><u>233,266</u></u>	3.4%

Notes:

- (1) Not including imputed interest expense on interest-free guaranteed deposits from lessees and interest expense on lease liabilities.
- (2) Calculated based on the monthly balance of borrowings.
- (3) Calculated by dividing interest expenses by the monthly average balance of borrowings.

## 2.4 Net Interest Spread and Net Interest Margin

In 2025, the Group's financial leasing net interest spread was 3.0%, representing a decrease of 0.2 percentage point from 3.2% in the previous year. The Group's net interest margin was 3.8% in 2025, representing a decrease of 0.3 percentage point from 4.1% in the previous year, mainly due to intensified industry competition and a decline in the average market interest rate, which led to a decrease in the average yield on interest-earning assets as compared with the same period last year, resulting in a decline in the Group's net interest spread and net interest margin. For details of changes in the average yield on interest-earning assets, please refer to the discussion and analysis under "2.2.1 Interest Income" in this section.

The following table sets forth the net interest margin and relevant figures for the years indicated:

	For the year ended December 31,		Changes
	2025 RMB'000	2024 RMB'000	
Interest income	666,759	729,856	(8.6%)
Interest expenses	(239,535)	(286,057)	(16.3%)
Net interest income	427,224	443,799	(3.7%)
Interest income yield <sup>(1)</sup>	5.9%	6.7%	(11.9%)
Interest expense yield <sup>(2)</sup>	2.9%	3.5%	(17.1%)
Net interest spread <sup>(3)</sup>	3.0%	3.2%	(6.3%)
Net interest margin <sup>(4)</sup>	3.8%	4.1%	(7.3%)

Notes:

- (1) Calculated by dividing interest income by the monthly average balance of interest-earning assets.
- (2) Calculated by dividing interest expenses by the monthly average balance of interest-bearing liabilities.
- (3) Calculated as the difference between interest income yield and interest expense yield.
- (4) Calculated by dividing net interest income by the average balance of interest-earning assets.

## 2.5 Other Net Income

In 2025, other net income obtained by the Group was RMB6.6 million.

The following table sets forth the breakdown of other net income of the Group for the years indicated:

	For the year ended December 31,		Changes
	2025 RMB'000	2024 RMB'000	
Interests from deposits	3,343	3,727	(10.3%)
Government grants	1,842	1,677	9.8%
Management Fee	751	–	100.0%
Investment income	196	177	10.7%
Others	460	95	384.2%
<b>Total other net income</b>	<b>6,592</b>	<b>5,676</b>	<b>16.1%</b>

## 2.6 Operating Expense

In 2025, the Group's operating expenses amounted to RMB198.6 million, representing an increase of RMB32.3 million or 19.4% from the previous year. Such change was mainly attributable to the effective implementation of the industry-finance integration strategy and the continuous expansion of the operating lease business. In 2025, depreciation expenses on operating lease assets increased by RMB41.2 million from the previous year, becoming the core driver of the growth in operating expenses. Such expenditure represents a strategic investment by the Group in deepening the functional restructuring of "leasing as a service" and expanding the layout of operating leasing, laying a solid foundation for the subsequent optimization of revenue structure and enhancement of profitability resilience.

The following table sets forth the breakdown of the Group's operating expenses:

	For the year ended December 31,				Changes
	2025		2024		
	RMB'000	% of total	RMB'000	% of total	
Staff cost	89,399	45.0%	99,421	59.7%	(10.1%)
Depreciation and amortization	57,033	28.6%	20,575	12.4%	177.2%
Service expense	28,348	14.3%	26,665	16.0%	6.3%
Office and travel expenses	8,069	4.1%	7,607	4.6%	6.1%
Public maintenance fee	7,847	4.0%	2,621	1.6%	199.4%
Others	7,951	4.0%	9,492	5.7%	(16.2%)
<b>Total operating expense</b>	<b>198,647</b>	<b>100.0%</b>	<b>166,381</b>	<b>100.0%</b>	19.4%

## 2.7 Impairment Losses Charged

Impairment losses charged mainly reflect the fluctuations in credit risk faced by the Group. In 2025, the Group's expected credit impairment losses amounted to RMB70.1 million, representing a decrease of 11.2% compared with the previous year. The Group has actively conducted the recovery and disposal of non-performing assets and achieved remarkable results.

The following table sets forth a breakdown of the Group’s impairment losses charged for the years indicated:

	<b>For the year ended December 31,</b>		<b>Changes</b>
	<b>2025</b>	2024	
	<b><i>RMB’000</i></b>	<i>RMB’000</i>	
Loans and receivables	<u>70,139</u>	<u>79,020</u>	(11.2%)
Total impairment losses	<u><u>70,139</u></u>	<u><u>79,020</u></u>	(11.2%)

## **2.8 Income Tax Expense**

In 2025, the Group’s income tax expense amounted to RMB90.7 million, representing an increase of RMB0.2 million or 0.2% from the previous year, mainly due to the increase in profit before tax. The Group’s effective tax rate for 2025 was 25.0%.

## **2.9 Profit for the Year**

In 2025, the Group’s profit amounted to RMB272.0 million, representing an increase of RMB1.0 million or 0.4% compared with 2024. The growth in profit for the year was mainly due to a 16.3% year-on-year decrease in the Group’s interest expenses, while total revenue decreased by 2.8% and operating expenses increased by 19.4% over the same period. For details of changes in revenue, interest expenses and operating expenses, please refer to the discussion and analysis under “2.2 Revenue”, “2.3 Interest Expenses” and “2.6 Operating Expenses” in this section.

In summary, in the face of the complicated international and domestic political and economic environment, the Group has adopted active measures to broaden business channels and optimize profit structure, realizing the steady growth of operating revenue income and the steady improvement of asset quality. It is expected that with the enhancement of the Group’s net capital and the further expansion of the finance leasing business together with the improvement of digital capabilities, the Group’s customer scale and the operation efficiency will be improving constantly, and the profitability will be enhanced considerably.

## **2.10 Basic Earnings per Share**

Basic earnings per share for 2025 amounted to RMB0.18, representing a decrease of RMB0.02 from 2024, mainly due to the increase in share capital resulting from the issuance of domestic shares.

### 3. ANALYSIS OF FINANCIAL POSITION

#### 3.1 Assets (Overview)

As of December 31, 2025, the total assets of the Group amounted to RMB13,112.0 million, representing an increase of RMB56.2 million or 0.4% from the end of the previous year. Loans and receivables amounted to RMB11,261.8 million, representing a decrease of RMB243.3 million or 2.1% from the end of the previous year. Property and equipment amounted to RMB385.6 million, representing an increase of RMB304.7 million or 376.4% from the end of the previous year. In terms of the composition of assets, loans and receivables accounted for 85.9% of the total assets of the Group, and cash and cash equivalents accounted for 5.3% of the total assets of the Group.

The following table sets forth the Group's breakdown of total assets:

	As of December 31, 2025		As of December 31, 2024		Changes
	RMB'000	% of total	RMB'000	% of total	
Loans and receivables	<b>11,261,829</b>	<b>85.9%</b>	11,505,094	88.2%	(2.1%)
Pledged and restricted deposits	<b>106,446</b>	<b>0.8%</b>	85,785	0.7%	24.1%
Cash and cash equivalents	<b>699,667</b>	<b>5.3%</b>	840,966	6.4%	(16.8%)
Accounts receivable	<b>9,175</b>	<b>0.1%</b>	1,973	0.0%	365.0%
Other assets	<b>166,625</b>	<b>1.3%</b>	90,081	0.7%	85.0%
Deferred tax assets	<b>106,579</b>	<b>0.8%</b>	110,814	0.8%	(3.8%)
Property and equipment	<b>385,606</b>	<b>2.9%</b>	80,945	0.6%	376.4%
Interest in associates	<b>336,950</b>	<b>2.6%</b>	302,790	2.3%	11.3%
Financial assets at fair value through other comprehensive income	<b>13,397</b>	<b>0.1%</b>	13,245	0.1%	1.1%
Financial assets at fair value through profit or loss	<b>1,694</b>	<b>0.0%</b>	1,249	0.0%	35.6%
Intangible assets	<b>24,070</b>	<b>0.2%</b>	22,872	0.2%	5.2%
<b>Total assets</b>	<b><u>13,112,038</u></b>	<b><u>100.0%</u></b>	<b><u>13,055,814</u></b>	<b><u>100.0%</u></b>	0.4%

## 3.2 Loans and Receivables

In 2025, the Group signed 540 finance leasing contracts with 420 lessees. As of December 31, 2024, the number of lessees of the Group under active leasing was 1,194 and the number of finance leasing contracts was 1,644; as of December 31, 2025, the number of lessees of the Group under active leasing was 1,075 and the number of finance leasing contracts was 1,533. As of December 31, 2025, the net amount of loans and receivables of the Group was RMB11,577.0 million, representing a decrease of 3.1% from the end of the previous year, mainly because the Group took the initiative to focus on targeted industries and controlled business deployment in certain sectors to further enhance the professional capabilities, industrial concentration and level of risk prevention and control, which led to a decrease in the net amount of loans and receivables of the Group as compared with the end of the previous year.

The following table sets forth the breakdown of loans and receivables of the Group as of the dates indicated:

	<b>As of December 31, 2025 RMB'000</b>	<b>As of December 31, 2024 RMB'000</b>	<b>Changes</b>
<b>Gross amount of loans and receivables</b>	<b>12,385,899</b>	12,833,116	(3.5%)
Less: Unearned finance income	<b>(808,858)</b>	(886,156)	(8.7%)
<b>Net amount of loans and receivables</b>	<b>11,577,041</b>	11,946,960	(3.1%)
Less: Allowances for impairment losses	<b>(315,212)</b>	(441,866)	(28.7%)
<b>Carrying amount of loans and receivables</b>	<b>11,261,829</b>	11,505,094	(2.1%)

### 3.2.1 Industry Profile of Loans and Receivables

In 2025, amid the complex and volatile macroeconomic conditions and the tightening credit environment, the Group adhered to a prudent operating strategy, proactively optimized the structure of asset allocation and appropriately scaled back business deployment in non-focused industries. The net amount of loans and receivables of the Group decreased by 3.1% from the end of the previous year.

In terms of changes in the business structure, the effect of strategic focus began to show: the net amount of loans and receivables of the Group in intelligent manufacturing increased by 30.2% from the end of the previous year, mainly benefiting from the accelerated layout of the Group in the strategic sectors of AI+robotics and AI+high-end sophisticated equipment; the net amount of other loans and receivables of the Group decreased by 34.1% from the end of the previous year, as the Group proactively scaled down non-core businesses in line with the strategic objectives.

The following table sets forth a breakdown of the Group's net amount of loans and receivables by industries as of the dates indicated:

	As of December 31, 2025		As of December 31, 2024		Changes
	<i>RMB'000</i>	<i>% of total</i>	<i>RMB'000</i>	<i>% of total</i>	
Intelligent manufacturing	4,708,772	40.6%	3,617,048	30.3%	30.2%
Double carbon	2,873,945	24.8%	3,066,044	25.7%	(6.3%)
Medicine and health	1,719,403	14.9%	1,811,679	15.2%	(5.1%)
Others	2,274,921	19.7%	3,452,189	28.9%	(34.1%)
<b>Net amount of loans and receivables</b>	<b>11,577,041</b>	<b>100.0%</b>	<b>11,946,960</b>	<b>100.0%</b>	<b>(3.1%)</b>

### 3.2.2 Geographical Region Profile of Loans and Receivables

The following table sets forth a breakdown of the Group's net amount of loans and receivables by customers' geographical region as of the dates indicated:

	As of December 31, 2025		As of December 31, 2024		Changes
	<i>RMB'000</i>	<i>% of total</i>	<i>RMB'000</i>	<i>% of total</i>	
Eastern	4,643,944	40.2%	4,654,958	39.0%	(0.2%)
Northern	3,149,055	27.2%	3,539,504	29.5%	(11.0%)
Central	1,045,310	9.0%	903,285	7.6%	15.7%
Southern	1,031,723	8.9%	1,397,646	11.7%	(26.2%)
Northwestern	942,205	8.1%	716,371	6.0%	31.5%
Southwestern	511,953	4.4%	512,361	4.3%	(0.1%)
Northeastern	252,851	2.2%	222,835	1.9%	13.5%
<b>Net amount of loans and receivables</b>	<b>11,577,041</b>	<b>100.0%</b>	<b>11,946,960</b>	<b>100.0%</b>	<b>(3.1%)</b>

### 3.2.3 Maturity Profile of Loans and Receivables

As of December 31, 2025, 61.3% of the net amount of loans and receivables of the Group as set out in the table above was due not later than one year. As the Group promoted balanced business development, it is expected that the cash inflow from operation will remain stable in the future.

The following table sets forth the maturity analysis of the net amount of loans and receivables as of the dates indicated:

	As of December 31, 2025		As of December 31, 2024		Changes
	RMB'000	% of total	RMB'000	% of total	
<b>Maturity</b>					
Not later than 1 year	7,095,445	61.3%	7,286,730	61.0%	(2.6%)
1 to 2 years	3,022,142	26.1%	3,273,312	27.4%	(7.7%)
2 to 3 years	1,158,853	10.0%	1,018,393	8.5%	13.8%
Over 3 years	<u>300,601</u>	<u>2.6%</u>	<u>368,525</u>	<u>3.1%</u>	(18.4%)
<b>Net amount of loans and receivables</b>	<u>11,577,041</u>	<u>100.0%</u>	<u>11,946,960</u>	<u>100.0%</u>	(3.1%)

### 3.2.4 Asset Quality of Loans and Receivables

The Group has been closely monitoring the quality of lease assets and implemented five-level standard since 2013, which classifies loans and receivables into five categories, namely (1) normal; (2) special mention; (3) sub-standard; (4) doubtful; and (5) loss. The latter three with credit impairment are classified as non-performing assets.

#### *Loans and Receivables Five-level Classification*

1. Normal. The lessee is able to perform and has been performing its obligations under the finance lease agreement, and we have no reason to doubt our ability to recover the full amount of the lease receivable
2. Special mention. Although the lessee's debt paying ability has declined, the likelihood of the asset balance not being recoverable is low.

3. Sub-standard. The lessee is unable to fully repay the lease payment, and the quality of the assets has deteriorated. Even if the guarantee is executed or the debt paying assets (including but not limited to the leased assets) are realized, it may still cause certain losses.
4. Doubtful. The lessee is unable to repay the lease payment, and the quality of the assets deteriorated. Even if the guarantee is executed or the debt paying assets (including but not limited to the leased assets) are realized, it is likely to cause significant losses.
5. Loss. After taking all possible measures and all necessary legal procedures, the lease payment cannot be recovered, or only a very small portion can be recovered.

#### *Leased Asset Management Measures*

In 2025, affected by various factors including the slowdown of global economic growth, mounting downward pressure on the economy and the deepening reform of the financial sector, the overall scale of the financial leasing industry declined and competition in the industry intensified. In response to changes in the macroeconomic and industrial environment, the Group focused on industrial upgrading, promoted the transformation of the business model and continuously enhanced the core competitiveness; gave full play to the advantages of the core competence of the Group in credit discovery, vigorously promoted the implementation of industrial integration business and consolidated the differentiated competitive advantages. In 2025, the asset quality of the Group remained sound, the provision coverage ratio increased steadily and the overall asset quality was stable.

#### *Continuously upholding exploration and innovation, expanding channels for high-quality asset imports*

During the Reporting Period, the Group's business focus strategy began to show initial results. Through carrying out a number of precise marketing activities, high-quality customers in the target tracks were introduced in batches, further consolidating the barriers in the advantageous tracks and maintaining the high-quality development of the business. The Group actively implemented the business model of "leasing + investment + service", and the competitive advantages of differentiated services gradually emerged, with the business model of integrating industry and finance gradually being improved. The business of science and technology small and micro enterprises accelerated and increased efficiency, further enhancing the ability to reach customers and the project conversion efficiency. Based on the characteristics of technology enterprises, the Group optimized leasing products and continuously enhanced its value discovery capability.

*Systematically promoting standardization and digitization, enhancing asset management efficiency*

During the Reporting Period, the Group continued to improve the risk control strategy system and optimized the organizational approach and processes for asset management. It actively promoted the construction of a systematic framework, improved the full life cycle management of leased assets, and enhanced the capability of asset control. The Group continuously optimized the post-lease monitoring measures and adopted differentiated post-lease management methods to enhance the capabilities of post-lease early warning and disposal. It carried out customer classification, deeply explored customer value, and improved the level of refined customer management. The Group optimized the asset classification standards to enhance the refined management of asset quality classification. It continued to optimize data sources, strengthened data analysis and application, accurately tracked the asset status, and ensured the safety and effectiveness of assets.

*Enhancing overdue decision-making and collection mechanisms, achieving significant progress in collection and disposal*

During the Reporting Period, the Group strengthened the review and summarization of overdue projects, enhancing the risk judgment ability and prevention awareness of all employees. It continuously optimized the collection methods for overdue projects, carried out classified management of overdue non-performing projects, and formulated personalized collection plans on a one-enterprise-one-strategy basis. The Group actively promoted diversified resolution methods, explored new mechanisms for the collection of overdue projects, and adopted multiple measures simultaneously to improve the ability to resolve overdue situations. The Group conducted the first disposal of non-performing assets, and the capability for the resolution of non-performing assets improved steadily.

The following table sets forth a breakdown of our net amount of loans and receivables by five-level classifications as of the dates indicated:

	As of December 31, 2025		As of December 31, 2024		Changes
	<i>RMB'000</i>	<i>% of total</i>	<i>RMB'000</i>	<i>% of total</i>	
Normal	10,506,007	90.8%	10,854,839	90.8%	(3.2%)
Special mention	934,297	8.1%	879,156	7.4%	6.3%
Sub-standard	39,686	0.3%	39,898	0.3%	(0.5%)
Doubtful	94,683	0.8%	56,084	0.5%	68.8%
Loss	2,368	0.0%	116,983	1.0%	(98.0%)
<b>Net amount of loans and receivables</b>	<b>11,577,041</b>	<b>100.0%</b>	<b>11,946,960</b>	<b>100.0%</b>	<b>(3.1%)</b>
<b>NPAs</b>	<b>136,737</b>		<b>212,965</b>		<b>(35.8%)</b>
<b>NPAs ratio</b>	<b>1.2%</b>		<b>1.8%</b>		<b>(33.7%)</b>

In 2025, the Group continued to adhere to a prudent risk management philosophy, implemented strict risk monitoring and management across the entire chain, and enhanced the core competitiveness in serving technology enterprises. Through precise identification, strict control and efficient resolution of risks, the overall asset quality of the Group remained stable. As of the end of 2025, the net amount of loans and receivables of the Group decreased by 3.1% from the beginning of the year. The non-performing asset ratio of the Group was 1.2%, representing a decrease of 0.6 percentage point from the beginning of the year, remaining at a safe and controllable level.

As of December 31, 2025, the assets under special mention accounted for 8.1%, representing an increase of 0.7 percentage point from 7.4% as of December 31, 2024.

The following table sets forth the analysis of the Group's assets under special mention by industry as of the dates indicated:

	As of December 31, 2025		As of December 31, 2024		Changes
	<i>RMB'000</i>	<i>% of total</i>	<i>RMB'000</i>	<i>% of total</i>	
Intelligent manufacturing	256,623	27.5%	223,136	25.4%	15.0%
Medicine and health	106,353	11.4%	77,643	8.8%	37.0%
Double carbon	101,912	10.9%	102,310	11.6%	(0.4%)
Others	469,409	50.2%	476,067	54.2%	(1.4%)
<b>Total assets under special mention</b>	<b>934,297</b>	<b>100.0%</b>	<b>879,156</b>	<b>100.0%</b>	<b>6.3%</b>

In 2025, affected by macroeconomic and industry fluctuations, some customers experienced phased operational pressure or capital constraints. The Group prudently reclassified the assets of these customers as special mention assets and conducted close monitoring and key management on them. The special mention assets of the Group increased by 6.3% compared with the previous year, mainly concentrated in the healthcare industry and the intelligent manufacturing industry, which increased by 37.0% and 15.0% respectively compared with the previous year.

The following table sets forth the analysis of the Group's NPAs by industry:

	As of December 31, 2025		As of December 31, 2024		Changes
	<i>RMB'000</i>	<i>% of total</i>	<i>RMB'000</i>	<i>% of total</i>	
Intelligent manufacturing	<b>61,081</b>	<b>44.6%</b>	61,544	28.9%	(0.8%)
Double carbon	<b>35,271</b>	<b>25.8%</b>	62,286	29.2%	(43.4%)
Medicine and health	<b>11,839</b>	<b>8.7%</b>	3,357	1.6%	252.7%
Others	<b>28,546</b>	<b>20.9%</b>	85,778	40.3%	(66.7%)
<b>Total NPAs</b>	<b><u>136,737</u></b>	<b><u>100.0%</u></b>	<b><u>212,965</u></b>	<b><u>100.0%</u></b>	<b>(35.8%)</b>

In 2025, the Group explored new approaches for the batch resolution of non-performing assets and achieved the first disposal of non-performing assets. Benefiting from this, the non-performing assets of the Group decreased by a total of 35.8% in 2025 compared with the previous year. Among them, affected by the macroeconomy and policy adjustments transmitted to the end of the industrial chain in the healthcare industry, some small and medium-sized medical service customers faced multiple pressures such as passively extended collection cycles and tightened financing environment, resulting in short-term pressure on operational liquidity. The Group prudently classified the assets of these customers as non-performing assets, leading to a 252.7% increase in non-performing assets of the Group in the healthcare industry compared with the previous year. The Group continues to actively explore new paths for the disposal of non-performing assets to revitalize them.

### 3.2.5 Impairment and Allowances for Loans and Receivables

The Group adopts the expected loss model to measure financial instruments in accordance with accounting standards. The allowances for interest-earning assets of the Group decreased by RMB126.7 million from RMB441.9 million as of December 31, 2024 to RMB315.2 million as of December 31, 2025, primarily due to the transfer of non-performing asset trust beneficiary rights.

As at December 31, 2025, the provision coverage ratio of the Group was 230.5%, representing an increase of 23.0 percentage points compared with December 31, 2024. The management of the Group believes that prudent risk management policies are crucial to the sustainable development of the business and is committed to continuously improving the provision coverage ratio for loans and receivables, so as to consolidate the long-term development foundation of the Group.

The following table sets forth a summary of allowance for loans and receivables as of the dates indicated:

	As of December 31, 2025		As of December 31, 2024	
	RMB'000	% of total	RMB'000	% of total
Allowances for NPAs	107,611	34.1%	199,040	41.8%
Allowances for assets under normal and special mention categories	207,601	65.9%	242,826	58.2%
<b>Total allowance for loans and receivables</b>	<b>315,212</b>	<b>100.0%</b>	<b>441,866</b>	<b>100.0%</b>
<b>NPAs</b>	<b>136,737</b>		<b>212,965</b>	
<b>Ratio of allowances for impairment losses to loans and receivables</b>	<b>230.5%</b>		<b>207.5%</b>	

The Group has been closely monitoring the credit quality of loans and receivables by monitoring their ECL. As of December 31, 2025, ECL rate of loans and receivables of the Group in stage one, stage two and stage three were 0.3%, 0.6% and 24.8% respectively. Compared with the end of the previous year, the asset structure of the Group has remained stable. As of December 31, 2025, the assets of the Group in Stage 1 accounted for 90.2%, increased by 0.3 percentage point compared with the previous year. The assets in Stage 2 accounted for 0.1%, decreased by 1.0 percentage point compared with the previous year. The assets in Stage 3 accounted for 9.7%, increased by 0.7 percentage point compared with the previous year. During the Reporting Period, the Group carried out its first transfer of non-performing asset trust beneficiary rights. The balance of impairment losses on loans and receivables decreased, and the expected credit loss rate of the overall assets declined to 2.7%, representing a decrease of 27.0% compared with the previous year. Nevertheless, the overall risk resistance capacity of the assets remained at a safe and controllable level.

The following table sets forth the breakdown of allowances measured based on ECL as of the dates indicated:

	Stage 1	Stage 2	Stage 3	
	12-month	Lifetime ECL		
	ECL balance	Not	Credit-impaired	Total
	<i>RMB'000</i>	credit-impaired	<i>RMB'000</i>	<i>RMB'000</i>
		<i>RMB'000</i>	<i>RMB'000</i>	
<b>December 31, 2025</b>				
ECL rate%	0.3%	0.6%	24.8%	2.7%
Net amount of loans and receivables	10,438,068	13,216	1,125,757	11,577,041
Allowance for impairment loss	35,982	76	279,154	315,212
Net value of loans and receivables	10,402,086	13,140	846,603	11,261,829
<b>December 31, 2024</b>				
ECL rate%	0.3%	0.8%	37.5%	3.7%
Net amount of loans and receivables	10,739,750	129,485	1,077,725	11,946,960
Allowance for impairment loss	36,753	1,087	404,026	441,866
Net value of loans and receivables	10,702,997	128,398	673,699	11,505,094

The following table sets out the write-offs/transfers of loans and receivables as of the dates indicated:

	As of	As of
	December 31,	December 31,
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Write-offs/transfers	196,793	–
Non-performing assets at the end of last year	212,965	196,535
Write-off/transfer ratio <sup>(1)</sup>	92.4%	–

Note:

- (1) The write-off/transfer ratio is calculated as the amount of write-offs/transfers of bad debts of loans and receivables divided by the net balance of non-performing assets as at the end of the previous year.

### 3.3 Others

As of December 31, 2025, cash and cash equivalents of the Group amounted to RMB699.7 million, which were denominated in RMB. The Group retained adequate cash to support business expansion and ensures its liquidity and safety. Pledged and restricted deposits of the Group amounted to RMB106.4 million, primarily comprising restricted bank deposits for bank acceptances, factorings and asset-backed securities business.

As of December 31, 2025, the receivables of the Group amounted to RMB9.2 million, which mainly represented receivables arising from operating leases.

As at December 31, 2025, the balance of other assets of the Group was RMB166.6 million, mainly consisting of advance payments to suppliers for equipment and input VAT to be deducted, among others.

As of December 31, 2025, the balance of deferred tax assets of the Group amounted to RMB106.6 million, which was mainly derived from the temporary difference between net profit and taxable income in the financial report.

As of December 31, 2025, the balance of property and equipment of the Group amounted to RMB385.6 million, mainly including assets under operating leases, right-of-use assets and office equipment and computers for our employees.

As of December 31, 2025, the balance of interest in associates/joint ventures of the Group amounted to RMB337.0 million, which was the long-term equity investment in the joint ventures, Beijing Zhongnuo Tongchuang Investment Fund Management Co., Ltd., Jiangsu Zhongguancun Zhongnuo Xietong Investment Fund (Limited Partnership), Beijing Zhongnuo Yuanjian Innovation Investment Fund (Limited Partnership), Tianjin Zhongfa Tiankai Haihe Zhongnuo Venture Capital Fund Partnership Enterprise (Limited Partnership), Shenzhen Zhongke Zhiyi Industry Investment Co., Ltd., Hangzhou Zhongzhi Technology Management Co., Ltd., Zhongguancun Huizhi (Suzhou) Enterprise Management Co., Ltd and Shanghai Zhonghui Younuo Enterprise Consulting Partnership (Limited Partnership).

As of December 31, 2025, the balance of financial assets at fair value through other comprehensive income of the Group amounted to RMB13.4 million, which was the strategic equity investment in Beijing Zhongguancun Co-Innovative Fund Management Co., Ltd..

As of December 31, 2025, the balance of financial assets at fair value through profit or loss of the Group amounted to RMB1.7 million, which was the equity investment in Beijing YuanBio Angel Venture Capital Partnership (Limited Partnership) and Langfang Wantai Composite Materials Co., Ltd..

As of December 31, 2025, the balance of intangible assets of the Group amounted to RMB24.1 million, mainly including internal development software and digital information systems used in our business operations and risk management functions.

### 3.4 Liabilities (Overview)

As of December 31, 2024, the total liabilities of the Group amounted to RMB9,846.7 million, representing a decrease of RMB627.8 million or a drop rate of 6.0% as compared to December 31, 2024. Borrowings were the main component of the liabilities, accounting for 73.4%.

The following table sets forth the liability analysis as of the dates indicated:

	As of December 31, 2025		As of December 31, 2024		Changes
	<i>RMB'000</i>	<i>% of total</i>	<i>RMB'000</i>	<i>% of total</i>	
Borrowings	<b>7,228,329</b>	<b>73.4%</b>	8,008,224	76.5%	(9.7%)
Trade and other liabilities	<b>2,618,317</b>	<b>26.6%</b>	2,443,414	23.3%	7.2%
Income tax payable	-	<b>0.0%</b>	22,801	0.2%	(100.0%)
Deferred tax liabilities	<b>36</b>	<b>0.0%</b>	-	0.0%	100.0%
<b>Total liabilities</b>	<b><u>9,846,682</u></b>	<b><u>100.0%</u></b>	<b><u>10,474,439</u></b>	<b><u>100.0%</u></b>	(6.0%)

### 3.5 Borrowings

The Group has been committed to serving technology and new economy companies in China and established long-term and stable partners in both direct and indirect financing markets. At the end of the Reporting Period, all borrowings of the Group were denominated in RMB.

In the direct financing market, the Group has continued to diversify its bond financing channels. In the indirect financing market, the Group has established long-term and stable cooperative relations with more than 30 commercial banks, and will further build in-depth strategic partnerships, optimize the cooperation structure and expand credit lines in the future. Meanwhile, the Group will continue to expand banking cooperation channels and establish and improve diversified and multi-tiered banking financing channels. The Group has fully demonstrated the social responsibility of state-owned capital in enabling the development of the real economy through finance and serving technological innovation.

In conclusion, the Group will continue to optimize and consolidate diversified financing channels, explore innovative financing products and improve fund management efficiency.

As at December 31, 2025, the balance of bank loans of the Group was RMB1,857.0 million, accounting for 25.7% of the total borrowings, representing a decrease compared with the same period of the previous year. The balance of asset-backed securities accounted for 54.8% of the total borrowings, representing an increase compared with the same period of the previous year. The balance of credit bonds accounted for 19.5% of the total borrowings, representing an increase compared with the end of the previous year. The Group will actively develop bond financing products such as asset securitization products and credit bonds to further diversify the Group's funding sources.

The following table sets forth a breakdown of borrowings by financing sources as of the dates indicated:

	As of December 31, 2025		As of December 31, 2024		Changes
	<i>RMB'000</i>	<i>% of total</i>	<i>RMB'000</i>	<i>% of total</i>	
<b>Bank loans</b>	<b>1,857,046</b>	<b>25.7%</b>	3,344,993	41.7%	(44.5%)
– collateralized	<b>115,390</b>	<b>1.6%</b>	1,427,217	17.8%	(91.9%)
– pledged	<b>1,741,656</b>	<b>24.1%</b>	1,917,776	23.9%	(9.2%)
<b>Asset-backed securities</b>	<b>3,960,578</b>	<b>54.8%</b>	3,656,920	45.7%	8.3%
<b>Credit bonds</b>	<b>1,410,705</b>	<b>19.5%</b>	1,006,311	12.6%	40.2%
<b>Total borrowings</b>	<b><u>7,228,329</u></b>	<b><u>100.0%</u></b>	<b><u>8,008,224</u></b>	<b><u>100.0%</u></b>	(9.7%)

As of December 31, 2025, the current proportion of borrowings (including short-term borrowings and portions that are due within one year in long-term borrowings) accounted for 59.5% of total borrowings, representing a decrease of 7.2% as compared to the end of the last year. The Group maintained a sound and reasonable funding structure.

The following table sets forth the distribution of borrowings by liquidity as of the dates indicated:

	As of December 31, 2025		As of December 31, 2024		Changes
	<i>RMB'000</i>	<i>% of total</i>	<i>RMB'000</i>	<i>% of total</i>	
Current	<b>4,303,997</b>	<b>59.5%</b>	4,636,778	57.9%	(7.2%)
Non-current	<b>2,924,332</b>	<b>40.5%</b>	3,371,446	42.1%	(13.3%)
<b>Total borrowings</b>	<b><u>7,228,329</u></b>	<b><u>100.0%</u></b>	<b><u>8,008,224</u></b>	<b><u>100.0%</u></b>	(9.7%)

### 3.6 Trade and Other Liabilities

Trade and other liabilities of the Group mainly comprise deposits payable to lessees, trade payables, bills payable and employee compensation payable.

As at December 31, 2025, trade and other liabilities of the Group totalled RMB2,618.3 million, representing an increase of 7.2% from RMB2,443.4 million as at the end of the previous year, primarily due to the increase in bills payable and trade payables as at the year end.

### 3.7 Capital and Reserves

As at December 31, 2025, the total equity of the Group amounted to RMB3,265.4 million, representing an increase of RMB684.0 million or 26.5% compared with the end of the previous year.

The following table sets forth the details of total equity as of the dates indicated:

	As of December 31, 2025		As of December 31, 2024		Changes
	<i>RMB'000</i>	<i>% of total</i>	<i>RMB'000</i>	<i>% of total</i>	
Share capital	<b>1,615,102</b>	<b>49.5%</b>	1,333,334	51.7%	21.1%
Reserves	<b>1,650,254</b>	<b>50.5%</b>	1,248,041	48.3%	32.2%
<b>Total equity</b>	<b><u>3,265,356</u></b>	<b><u>100.0%</u></b>	<b><u>2,581,375</u></b>	<b><u>100.0%</u></b>	26.5%

## 4. CAPITAL EXPENDITURES

In 2025, the capital expenditure of the Group was RMB345.5 million, primarily including expenditures for external equity investment, upgrading business operations and risk management information systems, purchasing operating leased machinery and equipment, office and electronic equipment.

## 5. RISK MANAGEMENT

The Group has established a set of prudent, efficient and innovative risk management structure designed to balance the risks with benefits generated in the process of serving technology and new economy industries. While driving the growth of technology and new economy companies with continued efforts, the Group achieved its maximum value.

The Group has been exposed to various operational risks, primarily including credit risks, interest rate risks, liquidity risks and foreign exchange risk.

### 5.1 Credit Risks

Credit risks arise from our customers' failure to perform their payment obligations under the lease agreements or material and adverse changes in their creditworthiness. Credit risks are one of the major risks we are exposed to and may negatively impact our revenues, cash flow, and book value of leased assets. To manage and control the credit risks to which we are exposed, we have established and will keep updating the specialized and streamlined credit risk management policies and procedures.

**Strict Industrial and Regional Customer Access.** In line with national strategic guidance and the development strategy of the Group, firstly, we focus on “business sectors”, concentrating on high-precision and sophisticated equipment manufacturing and high-tech heavy-asset service industries, and continuously exploring blue-ocean markets; secondly, we focus on “core customers”, formulating unified customer admission standards, under which various business departments develop segmented standards based on their respective segmented sectors for business development, and strictly screen target customers; thirdly, we focus on “core leased assets”, clarifying the asset categories and admission standards for leased assets, and prudently selecting leased assets; finally, in the project initiation process, we implement a “three-person decision-making mechanism for project initiation” and a “front-loaded decision-making” procedure. At the project initiation stage, we strengthen the participation of business departments, the review department and the credit committee, conduct strict and prudent project initiation, make efficient decisions on risky projects at the initiation stage, and improve the effectiveness of project initiation and project operation efficiency.

**Scientific Credit Evaluation System.** We have continuously optimized the existing rating system. Among them, the issuer credit rating model, based on the original corporate growth stages, has been further divided according to the business models of the Group's core customers, with the development of manufacturing-oriented and operation-oriented rating models, which more accurately portray the risk characteristics of core customers and continuously enhance the adaptability and accuracy of the model; in addition, in terms of modelling methodology, we have introduced external big data, screened data of listed companies with the same customer characteristics and growth trajectories as the Group's target customers to supplement internal modelling samples, and revised the model evaluation criteria by referring to the indicator standards of listed companies across multiple sectors, so as to continuously improve the scientific nature of the model. The asset credit rating model has been further optimized according to the category characteristics of assets, with continuous improvement of evaluation indicators and criteria for various types of assets, so as to constantly enhance the accuracy of the asset credit rating model. Through the continuous optimization and iteration of the Group's core credit evaluation system, we have steadily advanced the Group's credit risk management towards “big data risk control” and gradually implemented the Group's digital transformation.

**Comprehensive Due Diligence System.** Our project due diligence system comprehensively considers various aspects such as the operational risk, credit risk and legal risk of the lessee, the risk of the lessee's affiliated enterprises, and guarantee of leased assets to lessor. The business manager conducts in-depth analysis of the lessee's basic situation, financial performance, credit status, and the purpose of financing through various due diligence investigations, based on full collection of information, assesses project risks and designs project plans to form due diligence report which shall be submitted to the assessment managers. The assessment manager conducts relevant verification and further risk assessment on the due diligence report and issues an assessment report. Based on an investigation by the asset manager into the authenticity, ownership, and value rationality of the leased assets, a comprehensive evaluation of the value preservation, controllability, and liquidity of the leased assets is conducted to form a leased assets report. Ensure that the overall risk of the project is controllable through due diligence and project analysis from multiple perspectives.

**Rigorous and Scientific Project Approval Decision.** Firstly, we have iterated the project approval mechanism by establishing an "Approver" system with dedicated approvers, setting approval authorities and pathways based on project amounts, and implementing tiered approval. Secondly, we have continuously enhanced the professional capabilities of project approval. On the one hand, approvers and review committee members are assigned specialized roles in line with the Group's focused business sectors and conduct approval for their respective professional sectors. On the other hand, outstanding reviewers are selected from professional streams including business, finance, legal and investment to conduct professional reviews based on their respective expertise. Thirdly, we have carried out thematic research on specific industries and business scenarios according to business development progress, and regularly analyzed and reviewed overdue projects to provide decision-making references for project approval, forming a closed-loop decision-making process. Through the establishment of the "Approver" system, professional project approval, thematic industry research and overdue project analysis, we have continuously improved the professional competence and approval efficiency of project approval.

**Complete Post-Lease Management System.** Our post-lease management system covers four aspects: lease assets management, lessee's operation monitoring, lease assets classification and non-performing asset disposal. In terms of lease assets management, we have formulated various requirements for leased assets management, including access conditions, monitoring measures and insurance guarantees for leased assets. In terms of lessee's operation monitoring, we adopt a combination of on-site and off-site inspections to closely monitor the lessee's operation. Once a risk signal is found, we will immediately start the investigation and issue disposal suggestions. In terms of lease assets classification, we classify the leased assets into five categories: normal, special mention, sub-standard, doubtful and loss, and regularly evaluate and adjust them, and take timely countermeasures for the deteriorated assets. In terms of non-performing asset disposal, we form interdepartmental team to analyze the disposal methods of non-performing assets and form targeted treatment plans, including taking relevant legal procedures, selling lease assets or other measures. Based on the accumulation of our long-term professional development, we can quickly dispose of non-performing assets and recover the financial lease receivables at a reasonable price in the existing customer network.

## 5.2 Interest Rate Risk

Interest rate risk refers to the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market interest rates. The Group's exposure to risks arising from changes in market interest rates relates primarily to its interest-bearing bank borrowings and other financing, as well as lease receivables. The Group plans to continuously monitor the impact of expected interest rate movements that may reduce future net interest income, while actively hedging its interest rate risk exposure through asset-liability management, repricing management, interest rate swaps and other financial instruments.

The following table illustrates the potential impact of reasonable changes in interest rates on the Group's retained profits based on the structure of financial assets and financial liabilities as at the balance sheet dates, assuming that all other variables remain constant.

	<b>Increase/(decrease) in retained profits</b>	
	<b>December 31, 2025</b>	<b>December 31, 2024</b>
	<b>RMB'000</b>	<b>RMB'000</b>
<b>Changes in basis points</b>		
+100 basis points	<b>21,247</b>	18,779
-100 basis points	<b>(21,247)</b>	(18,779)

## 5.3 Liquidity Risk

Liquidity risk refers to our potential failure to secure sufficient funding at reasonable costs, leading to our failure to satisfy our various payment obligations and to support our business operations and expansions.

In terms of liquidity risk management, the Group held cash and cash equivalents that the senior management considered sufficient and implemented comprehensive policies and process monitoring to meet our operating and sustainable development needs. Our management supervised the use of financing and ensured compliance with corresponding financing agreements.

In 2025, the liquidity position of the Group has been sound. By assessing and monitoring the liquidity situation, the Group allocated financial assets and financial liabilities as a whole to improve its ability to ensure liquidity at a reasonable cost in a timely manner.

The following table sets forth the Group's remaining contractual maturities as of the dates indicated of the financial assets and financial liabilities based on contractual undiscounted cash flows of the Group and the earliest date the Group may be required to pay.

	Overdue/ on demand <i>RMB'000</i>	Within 1 month <i>RMB'000</i>	Within 3 months <i>RMB'000</i>	3 to 12 months <i>RMB'000</i>	1 to 5 years <i>RMB'000</i>	Over 5 years <i>RMB'000</i>	Indefinite <i>RMB'000</i>	Total <i>RMB'000</i>
<b>As of December 31, 2025</b>								
Total financial assets	1,836,465	433,550	1,471,578	4,810,545	4,822,229	6,922	15,091	13,396,380
Total financial liabilities	-	307,528	1,276,226	4,470,602	3,748,142	-	142	9,802,640
Net liquidity gap	1,836,465	126,022	195,352	339,943	1,074,087	6,922	14,949	3,593,740
<b>As of December 31, 2024</b>								
Total financial assets	1,864,870	476,307	1,506,422	5,065,149	5,029,782	-	14,494	13,957,024
Total financial liabilities	-	336,944	1,300,187	4,550,411	4,266,720	-	121	10,454,383
Net liquidity gap	1,864,870	139,363	206,235	514,738	763,062	-	14,373	3,502,641

#### 5.4 Foreign Currency Risk

Foreign exchange risk refers to the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in foreign exchange rates. The Group's exposure to foreign currency exchange rate changes mainly relates to its operating and financing activities.

The functional currency of the Group is RMB. Most of the Group's income and expenditure are denominated in RMB. The Group's exposure to exchange rate risk mainly arises from transactions denominated in currencies other than RMB. To manage exchange rate risk, the Group uses financial instruments such as currency swaps to hedge its exchange rate risk exposure.

## 6. PLEDGE OF GROUP ASSETS

As of December 31, 2025, the Group held loans and receivables of RMB4,969.4 million pledged to secure borrowings, and cash of RMB106.4 million pledged for bank acceptances, factorings and asset-backed securities.

The following table sets forth the breakdown of the Group's pledged assets as of the dates indicated:

	As of December 31, 2025 RMB'000	As of December 31, 2024 RMB'000
<b>Pledged loans and receivables</b>		
For factorings and loan borrowings	612,065	1,519,142
For asset-backed securities	4,357,319	4,402,421
<b>Restricted bank deposits</b>	<u>106,446</u>	<u>85,785</u>
<b>Total pledged assets</b>	<u><u>5,075,830</u></u>	<u><u>6,007,348</u></u>

## 7. MATERIAL INVESTMENTS, ACQUISITIONS AND DISPOSALS

The Group has made an equity investment of RMB30.5 million in the formation of joint venture, Tianjin Zhongfa Tiankai Haihe Zhongnuo Venture Capital Fund Partnership Enterprise (Limited Partnership), during the year ended December 31, 2025.

On November 14, 2025, the Company (as the buyer) entered into the equity transfer agreements (the “**Equity Transfer Agreements**”) with Tianjin Zhongnuo Tongchuang Management Consulting Co., Ltd (“**Tianjin Zhongnuo**”) and Beijing Zhongguancun Collaborative Innovation Investment Fund Management Co., Ltd. (“**ZGC Co-Innovative**”), a connected person of the Company, respectively, pursuant to which (i) Tianjin Zhongnuo agreed to conditionally sell and the Company agreed to conditionally purchase 51% equity of Beijing Zhongguancun Innofund Limited (“**Beijing Zhongnuo**”) at a transfer consideration of approximately RMB4,161.0 thousand; and (ii) ZGC Co-Innovative agreed to conditionally sell and the Company agreed to conditionally purchase 10% equity of Beijing Zhongnuo at a transfer consideration of approximately RMB815.9 thousand; and (iii) the Company shall bear the post-closing capital commitment of RMB3,660.0 thousand.

Upon the completion of the Equity Transfer Agreements, the Company held 100% equity interest of Beijing Zhongnuo. Beijing Zhongnuo hence became a subsidiary of the Company and the financial results of Beijing Zhongnuo has been consolidated into the financial statements of the Group. Please refer to the announcement dated November 14, 2025 of the Company for further details.

Save as disclosed in this announcement, there were no significant investments, material acquisitions or disposals of subsidiaries, associated companies and joint ventures by the Group for the year ended December 31, 2025.

## **8. HUMAN RESOURCES**

### **8.1 Staff and Remuneration**

As of December 31, 2025, the Group had a total of 156 employees (As of December 31, 2023: 146), with approximately 100% of our employees holding bachelor's degrees (49 employees) or above (107 employees), and approximately 68.6% holding master's degrees or above. Approximately 14.7% (23 employees) have intermediate professional titles or above; and approximately 3.2% (5 employees) have associate senior professional titles or above.

The Group's employees are generally stable with a high retention rate. In addition to the normal flow of people, approximately 54.5% of our employees (85 employees) have been worked for the Group for over five years. We did not experience any material labor disputes for the year ended December 31, 2025.

For the year ended December 31, 2025, the staff costs of the Group amounted to approximately RMB89.4 million (2024: approximately RMB99.4 million).

### **8.2 Incentive Schemes**

We have established and implemented flexible and efficient employee incentive schemes to correlate the remuneration of our employees with their overall performance and contribution to the Group and have established a performance-based remuneration awards system that combines their performance and accomplishment of work targets. Employees of the Group are promoted in terms of positions, seniority, overall performance, as well as professional and administrative classification, with a clear career path. We implement comprehensive performance evaluations and well-directed training programs for all staff every year, in accordance with our business objective obligations and achievement of key objectives. As of December 31, 2025, the Group did not adopt any share option scheme.

### **8.3 Employee Benefits**

In accordance with applicable PRC laws and regulations, we have made contributions to social security insurance funds (including pension plans, medical insurance, work-related injury insurance, unemployment insurance and maternity insurance) and housing provident funds for our employees. We also provided supplemental commercial medical insurance and accident insurance in addition to the social security insurance and housing provident funds above.

### **8.4 Employee Training**

The Group valued staff training and established a preliminary training system based on job competency. The Group organized multiple training courses on operation management and professional skills, which fully cover employees at all levels from grass-roots staff to senior management. The Group also implemented the plan for the cultivation of cadres and young talents.

## 9. CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

### 9.1 Contingent Liabilities

As of December 31, 2025, the Group did not have any material contingent liabilities.

### 9.2 Capital Commitments and Credit Commitments

The Group has the following capital commitments and non-cancellable credit commitments as of the dates indicated:

	<b>As of December 31, 2025 RMB'000</b>	As of December 31, 2024 RMB'000
Credit commitments <sup>(1)</sup>	<b>179,825</b>	109,269
Capital commitments <sup>(2)</sup>	<b>29,450</b>	2,340
Property and equipment <sup>(3)</sup>	<b>6,000</b>	995

*Notes:*

- (1) The Group's non-cancellable credit commitments were primarily finance leases that have been contracted, but not yet commenced.
- (2) As of December 31, 2025, the contracted capital commitments included the unpaid capital commitment to Tianjin Zhongfa Tiankai Haihe Zhongnuo Venture Capital Fund Partnership Enterprise (Limited Partnership) of RMB29.5 million.
- (3) The property and equipment commitments of the Group mainly refer to the outstanding payments for operating lease assets that have been signed but not confirmed in the financial statements.

## 10. USE OF PROCEEDS FROM THE DOMESTIC SHARE SUBSCRIPTIONS

On January 17, 2025, the Company entered into the share subscription agreements (the “**Subscription Agreements**”) with Beijing Zhongguancun Finance Group Co., Ltd (“**ZGC Finance**”) and Beijing Chaoyang District Wangjing Xinxing Industry Zone Comprehensive Development Company (“**Wangjing Development**”) (the “**Subscribers**”) respectively, whereby the Subscribers have conditionally agreed to subscribe for an aggregate of not more than 281,786,000 new domestic shares (the “**Subscription Shares**”) at the subscription price of RMB1.81 (equivalent to approximately HK\$1.96 as at the date of the Subscription Agreements) per Subscription Share. The Subscription Shares have an aggregate nominal value of RMB281,786,000. As at the date of the Subscription Agreements, the closing price of the H Shares of the Company was HK\$0.81 per H Share.

The subscription was conducted in order to (i) help further enhance the Company's capital strength and market competitiveness, better leverage the supporting role of science and technology finance in technological innovation, consolidate first-mover advantages, seize development opportunities, increase the Company's market share, revenue and profitability, and accelerate the Company's strategic transformation; (ii) help improve the Company's credit rating, thereby further enhancing the Company's financing capabilities; (iii) help enhance the Company's brand influence in the domestic financing management industry and even the technology and finance field; and (iv) effectively reduce the Company's gearing ratio, optimize the capital structure, improve the Company's overall financial status and reduce financial risks.

The net amount of funds raised from the subscription of the Company's domestic shares (after deducting relevant costs and expenses) amounted to approximately RMB507.2 million (equivalent to approximately HK\$555 million). The net subscription price per Subscription Share is RMB1.80 (equivalent to approximately HK\$1.95). As of December 31, 2025, the full amount of RMB507.2 million raised from the subscription of the Company's domestic shares has been utilized. Please refer to the announcements of the Company dated January 17, 2025 and July 4, 2025 and the circular of the Company dated January 23, 2025 for details. The net proceeds from the subscription of domestic shares have been used in accordance with the purposes set out in the above announcements and circular.

The utilisation of the net proceeds from the subscription of domestic shares as at December 31, 2025 is as follows:

	<b>Planned Amount of Net Funds Raised from Domestic Share Subscriptions</b>	<b>Amount of Net Funds Raised from Domestic Share Subscriptions Already Used</b>	<b>Remaining Amount of Net Funds Raised from Domestic Share Subscriptions</b>	<b>Planned Time of Use</b>
	<i>(in RMB millions)</i>	<i>(in RMB millions)</i>	<i>(in RMB millions)</i>	
Developing financial leasing business	456.5	456.5	–	–
Developing industry and finance integration business	50.7	50.7	–	–

## **11. BUSINESS OUTLOOK**

Against the backdrop of macroeconomic cyclical fluctuations and industrial upgrading opportunities, the Group has closely focused on the three strategic pillars of functional restructuring, model upgrading and sector focus, and is steadily advancing towards its strategic vision of “becoming a world-class technology industry financial service provider”. The Group will continue to deepen the integrated “Leasing + Investment + Services” operating model, reshape service boundaries through functional restructuring, reconstruct value logic through model upgrading, and anchor growth engines through sector focus, so as to form a diversified and sustainable revenue structure. Meanwhile, the Group will systematically build five core capabilities, namely value discovery, value creation, risk management, market development and system support, to ensure sustained self-sustaining growth capacity.

Going forward, the Group will continue to deepen its presence in the three strategic sectors: AI+new energy, AI+robotics, and AI+high-end sophisticated equipment. Adhering to the screening logic of “sector > company > leased asset”, the Group will drive asset allocation with industrial insights, aligning its business structure with the national layout of strategic emerging industries. The Group will continue to promote the virtuous cycle of “technology-industry-finance”, assist technology enterprises in crossing the critical stages of industrialization breakthrough and scaled development, strive to be a financial partner for technology enterprises, and create sustainable long-term value for shareholders, customers and society.

## **12. FUTURE PLANS FOR MATERIAL INVESTMENTS AND INVESTMENTS IN CAPITAL ASSETS**

As at December 31, 2025, the Company did not have any future plans for material investments or investments in capital assets.

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended December 31, 2025

(Expressed in Renminbi (“RMB”))

	NOTES	2025 <b>RMB’000</b>	2024 <b>RMB’000</b>
Interest income		666,759	729,856
Advisory fee income		128,663	139,371
Rental income from operating leases		57,286	8,361
<b>Revenue</b>	7	<b>852,708</b>	877,588
Other net income	8	6,592	5,676
Interest expense	9	(239,535)	(286,057)
Operating expense	10	(198,647)	(166,381)
Impairment losses charged	11	(70,139)	(79,020)
Share of results of associates	21	11,723	10,394
Net foreign exchange losses		(57)	(680)
<b>Profit before taxation</b>		<b>362,645</b>	361,520
Income tax expense	12	(90,654)	(90,482)
<b>Profit for the year</b>		<b>271,991</b>	271,038
<b>Other comprehensive income/(expense) for the year</b>	16		
Item that will not be reclassified to profit or loss:			
– Net fair value change of equity investments at fair value through other comprehensive income		114	766
<b>Total comprehensive income for the year</b>		<b>272,105</b>	271,804
<b>Total comprehensive income for the year attributable to:</b>			
Equity shareholders of the Company		272,105	271,804
<b>Earnings per share</b>			
Basic and diluted ( <i>in RMB Yuan</i> )	15	<b>0.18</b>	0.20

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31, 2025

(Expressed in RMB)

	NOTES	2025 RMB'000	2024 RMB'000
<b>Non-current assets</b>			
Property and equipment	17	385,606	80,945
Intangible assets	18	24,070	22,872
Loans and receivables	19	4,463,424	4,644,450
Financial assets at fair value through profit and loss ("FVTPL")		1,694	1,249
Financial assets at fair value through other comprehensive income ("FVTOCI")	20	13,397	13,245
Interest in associates	21	336,950	302,790
Deferred tax assets	23(a)	106,579	110,814
Other assets	22	57,768	3,086
		5,389,488	5,179,451
<b>Current assets</b>			
Loans and receivables	19	6,798,405	6,860,644
Other assets	22	108,857	86,995
Accounts receivable	24	9,175	1,973
Pledged and restricted deposits		106,446	85,785
Cash and cash equivalents	25	699,667	840,966
		7,722,550	7,876,363
<b>Current liabilities</b>			
Borrowings	27	4,303,997	4,636,778
Income tax payable	23(b)	–	22,801
Trade and other liabilities	28	1,901,547	1,664,718
		6,205,544	6,324,297
<b>Net current assets</b>		1,517,006	1,552,066
<b>Total assets less current liabilities</b>		6,906,494	6,731,517

	<i>NOTES</i>	<b>2025</b> <b>RMB'000</b>	2024 <i>RMB'000</i>
<b>Non-current liabilities</b>			
Borrowings	27	<b>2,924,332</b>	3,371,446
Trade and other liabilities	28	<b>716,770</b>	778,696
Deferred tax liabilities	23(a)	<b>36</b>	–
		<u><b>3,641,138</b></u>	<u>4,150,142</u>
<b>NET ASSETS</b>		<u><b>3,265,356</b></u>	<u>2,581,375</u>
<b>CAPITAL AND RESERVES</b>			
	29		
Share capital		<b>1,615,102</b>	1,333,334
Reserves		<b>1,650,254</b>	1,248,041
		<u><b>3,265,356</b></u>	<u>2,581,375</u>
<b>Total equity attributable to equity shareholders of the Company</b>		<u><b>3,265,356</b></u>	<u>2,581,375</u>
<b>TOTAL EQUITY</b>		<u><b>3,265,356</b></u>	<u>2,581,375</u>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended December 31, 2025

(Expressed in RMB)

	Attributable to equity shareholders of the Company							Non-controlling interests	Total equity
	Share capital	Capital reserve	Surplus reserve	General reserve	Fair value reserve	Retained profits			
NOTES	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
At January 1, 2025	1,333,334	331,149	125,227	110,470	2,903	678,292	-	2,581,375	
<b>Changes in equity for 2025:</b>									
Profit for the year	-	-	-	-	-	271,991	-	271,991	
Other comprehensive income	-	-	-	-	114	-	-	114	
Total comprehensive income	-	-	-	-	114	271,991	-	272,105	
Issue of shares	281,768	225,397	-	-	-	-	-	507,165	
Appropriation to statutory reserve 29(c)(i)	-	-	27,190	-	-	(27,190)	-	-	
Dividends recognised as distribution 29(d)	-	-	-	-	-	(95,289)	-	(95,289)	
Non-controlling interests arising on acquisition of subsidiary 30(b)(c)	-	-	-	-	-	-	816	816	
Acquisition of non-controlling interests	-	-	-	-	-	-	(816)	(816)	
At December 31, 2025	<u>1,615,102</u>	<u>556,546</u>	<u>152,417</u>	<u>110,470</u>	<u>3,017</u>	<u>827,804</u>	<u>-</u>	<u>3,265,356</u>	

For the year ended December 31, 2024  
(Expressed in RMB)

		Attributable to equity shareholders of the Company						
		Share capital	Capital reserve	Surplus reserve	General reserve	Fair value reserve	Retained profits	Total equity
NOTES		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	At January 1, 2024	1,333,334	331,149	98,135	110,470	2,137	525,013	2,400,238
<b>Changes in equity for 2024:</b>								
	Profit for the year	-	-	-	-	-	271,038	271,038
	Other comprehensive income	-	-	-	-	766	-	766
	Total comprehensive income	-	-	-	-	766	271,038	271,804
	Appropriation to statutory reserve	29(c)(i)	-	27,092	-	-	(27,092)	-
	Dividends recognised as distribution	29(d)	-	-	-	-	(90,667)	(90,667)
	At December 31, 2024	1,333,334	331,149	125,227	110,470	2,903	678,292	2,581,375

## CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended December 31, 2025

(Expressed in RMB)

	NOTES	2025 RMB'000	2024 RMB'000
<b>Operating activities</b>			
Profit before taxation		362,645	361,520
Adjustments for:			
Interest expense	9	193,727	233,995
Share of results of associates		(11,723)	(10,394)
Impairment losses charged	11	70,139	79,020
Depreciation and amortization	10(b)	57,033	20,575
Investment income		(196)	(177)
Changes in fair value of FVTPL	8	(445)	68
Foreign exchange losses		57	680
Gains on disposal of property, plant and equipment		(3)	–
<b>Operating cash flows before movements in working capital</b>		<b>671,234</b>	<b>685,287</b>
Increase in pledged and restricted deposits		(43,877)	(58,656)
Decrease/(increase) in loans and receivables		165,949	(378,839)
Increase in trade and other receivables		(35,707)	(53)
Increase/(decrease) in trade and other liabilities		94,676	(10,789)
<b>Cash from operations</b>		<b>852,275</b>	<b>236,950</b>
PRC income taxes paid	23(b)	(115,529)	(100,352)
<b>Net cash from operating activities</b>		<b>736,746</b>	<b>136,598</b>
<b>Investing activities</b>			
Dividends received from equity investments		196	177
Proceeds from disposal and redemption of investments		10,585	32,130
Payments on investment in associates		(30,450)	(60,000)
Payment for purchase of equipment and intangible assets		(314,814)	(58,899)
Proceeds on disposal of property, plant and equipment		55	–
Net cash outflow on acquisition of a subsidiary		(195)	–
<b>Net cash used in investing activities</b>		<b>(334,623)</b>	<b>(86,592)</b>

		2025	2024
	NOTES	RMB'000	RMB'000
<b>Financing activities</b>			
Acquisition of partial interest of a subsidiary		(816)	–
Proceeds from borrowings	26	6,156,707	8,612,099
Repayment of borrowings	26	(6,896,739)	(8,027,535)
Capital element of lease rentals paid	26	(7,308)	(10,431)
Interest element of lease rentals paid	26	(244)	(729)
Interest paid	26	(182,743)	(248,832)
Other borrowing costs paid	26	(24,096)	(77,528)
Dividends paid to equity shareholders of the Company	29(d)	(95,291)	(90,667)
Proceeds from issue of shares		510,000	–
Transaction costs attributable to issue of shares		(2,835)	–
		<u>(543,365)</u>	<u>156,377</u>
<b>Net cash (used in)/from financing activities</b>		<u>(543,365)</u>	<u>156,377</u>
<b>Effect of foreign exchange rate change</b>		(57)	(680)
<b>Net (decrease)/increase in cash and cash equivalents</b>		(141,299)	205,703
<b>Cash and cash equivalents at beginning of the year</b>		<u>840,966</u>	<u>635,263</u>
<b>Cash and cash equivalents at end of the year</b>	25	<u><u>699,667</u></u>	<u><u>840,966</u></u>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

### 1. GENERAL INFORMATION

Zhongguancun Science-Tech Leasing Co., Ltd. (the “**Company**”), formerly known as Zhongguancun Science-Tech Leasing Ltd., was established as a limited liability company in Beijing, the People’s Republic of China (the “**PRC**”). On August 16, 2019, the Company was converted into a joint stock limited liability company and was renamed to Zhongguancun Science-Tech Leasing Co., Ltd. On January 21, 2020, the Company’s H shares were listed on The Stock Exchange of Hong Kong Limited.

As at 31 December 2025, the Company, its consolidated subsidiaries (see Note 30) and its consolidated structured entities (see Note 36) are collectively referred to as the “**Group**”.

### 2. BASIS OF PREPARATION

#### (a) Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“**IFRSs**”), which collectively includes all applicable individual International Financial Reporting Standards, International Accounting Standards (“**IASs**”) and Interpretations issued by the International Accounting Standards Board (the “**IASB**”). 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.

#### (b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended December 31, 2025 comprise the Company, its consolidated subsidiary (see Note 30) and its consolidated structured entities (see Note 36) and the Group’s interest in associates.

The measurement basis used in the preparation of the consolidated financial statements is the historical cost basis except that the financial assets at fair value through other comprehensive income and the financial asset measured at fair value through profit and loss, are stated at fair value as explained in Note 4 (15).

The preparation of the consolidated financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. Judgements made by management in the application of IFRSs that have significant effect on the financial statements and major sources of estimation uncertainty are disclosed in Note 5.

### 3. APPLICATION OF NEW AND AMENDMENTS TO IFRSs

#### (a) Amendments to IFRSs that are mandatorily effective for the current year

In the current year, the Group has applied, for the first time, the following amendments to IFRS Accounting Standards as issued by the IASB which are mandatorily effective for the Group’s annual period beginning on or after 1 January 2025 for the preparation of the consolidated financial statements:

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

**(b) New and amendments to IFRSs in issue but not yet effective**

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

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

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

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2026.

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2027.

The directors of the Company anticipate that the application of all these new and amendments to IFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

**4. MATERIAL ACCOUNTING POLICY INFORMATION**

**(1) Basis of consolidation**

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

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

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

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

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

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

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

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

## (2) Business combinations

A business is an integrated set of activities and assets which includes an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired processes are considered substantive if they are critical to the ability to continue producing outputs, including an organised workforce with the necessary skills, knowledge, or experience to perform the related processes or they significantly contribute to the ability to continue producing outputs and are considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

Acquisitions of businesses, other than business combination under common control are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

The identifiable assets acquired and liabilities assumed must meet the definitions of an asset and a liability in the Conceptual Framework for Financial Reporting (the “**Conceptual Framework**”) except for transactions and events within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets or IFRIC Interpretation 21 Levies, in which the Group applies IAS 37 or IFRIC Interpretation 21 Levies instead of the Conceptual Framework to identify the liabilities it has assumed in a business combination. Contingent assets are not recognised.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or sharebased payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 Share-based Payment at the acquisition date (see the accounting policy below);
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard; and
- lease liabilities are recognised and measured at the present value of the remaining lease payments (as defined in IFRS 16 Leases) as if the acquired leases were new leases at the acquisition date, except for leases for which (a) the lease term ends within 12 months of the acquisition date; or (b) the underlying asset is of low value. Right-of-use assets are recognised and measured at the same amount as the relevant lease liabilities, adjusted to reflect favourable or unfavourable terms of the lease when compared with market terms.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any noncontrolling interests in the acquiree, and the fair value of the acquirer’s previously held equity interest in the acquiree (if any) over the net amount of the identifiable assets acquired and the liabilities assumed as at acquisition date. If, after re-assessment, the net amount of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer’s previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the relevant subsidiary’s net assets in the event of liquidation are initially measured at the noncontrolling interests’ proportionate share of the recognised amounts of the acquiree’s identifiable net assets.

When a business combination is achieved in stages, the Group’s previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control), and the resulting gain or loss, if any, is recognised in profit or loss or other comprehensive income, as appropriate. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income and measured under IFRS 9 would be accounted for on the same basis as would be required if the Group had disposed directly of the previously held equity interest.

### (3) Investments in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting. The financial statements of associates used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Under the equity method, an investment in an associate is initially recognized in the consolidated statement of financial position at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associate. Changes in net assets of the associate other than profit or loss and other comprehensive income are not accounted for unless such changes resulted in changes in ownership interest held by the Group. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are provided for, and a liability is recognized only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate on acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognized as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognized immediately in profit or loss in the period in which the investment is acquired.

The Group assesses whether there is an objective evidence that the interest in an associate may be impaired. When any objective evidence exists, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 Impairment of Assets ("IAS 36") as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognized is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

When the Group ceases to have significant influence over an associate, it is accounted for as a disposal of the entire interest in the investee with a resulting gain or loss being recognized in profit or loss. When the Group retains an interest in the former associate and the retained interest is a financial asset within the scope of IFRS 9, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition. The difference between the carrying amount of the associate and the fair value of any retained interest and any proceeds from disposing of the relevant interest in the associate is included in the determination of the gain or loss on disposal of the associate. In addition, the Group accounts for all amounts previously recognized in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognized in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) upon disposal/partial disposal of the relevant associate.

When a group entity transacts with an associate of the Group, profits and losses resulting from the transactions with the associate are recognized in the consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

The Group applies IFRS 9, including the impairment requirements, to long-term interests in an associate to which the equity method is not applied and which form part of the net investment in the investee. Furthermore, in applying IFRS 9 to long-term interests, the Group does not take into account adjustments to their carrying amount required by IAS 28 Investments in Associates and Joint Ventures ("IAS 28") (i.e. adjustments to the carrying amount of long-term interests arising from the allocation of losses of the investee or assessment of impairment in accordance with IAS 28).

(4) **Leases**

The Group assesses whether a contract is or contains a lease based on the definition under IFRS 16 Leases (“**IFRS 16**”) at inception of the contract. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

***The Group as a lessee***

*Allocation of consideration to components of a contract*

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Group applies practical expedient not to separate non-lease components from lease component, and instead account for the lease component and any associated non-lease components as a single lease component.

*Short-term leases and leases of low-value assets*

The Group applies the short-term lease recognition exemption to leases motor vehicles/parking space that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the recognition exemption for lease of low-value assets (such as printer and plants). Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

*Right-of-use assets*

The cost of right-of-use assets includes:

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

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

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

The Group presents right-of-use assets in “property and equipment”, the same line item within which the corresponding underlying assets would be presented if they were owned.

*Refundable rental deposits*

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

### *Lease liabilities*

At the commencement date of a lease, the Group recognizes and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. The incremental borrowing rate depends on the term, currency and start date of the lease and is determined based on a series of inputs including: the risk-free rate based on government bond rates; a country-specific risk adjustment; a credit risk adjustment based on bond yields; and an entity-specific adjustment whether the risk profile of the entity that enters into the lease is different to that of the Group and whether the lease benefit from a guarantee from the Group.

The lease payments include:

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

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.
- the lease payments change due to changes in market rental rates following a market rent review, in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.

The Group presents lease liabilities within “Trade and other liabilities”.

### *Lease modifications*

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

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

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

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

When the modified contract contains one or more additional lease components, the Group allocates the consideration in the modified contract to each lease component on the basis of the relative stand-alone price of the lease component. The associated non-lease components are included in the respective lease components.

## ***The Group as a lessor***

### *Classification and measurement of leases*

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

Amounts due from lessees under finance leases are recognized as receivables at commencement date at amounts equal to net investments in the leases, measured using the interest rate implicit in the respective leases. Initial direct costs (other than those incurred by manufacturer or dealer lessors) are included in the initial measurement of the net investments in the leases. Interest income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Rental income from operating leases is recognized in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset, and such costs are recognized as an expense on a straight-line basis over the lease term except for investment properties measured under fair value model.

Interest and rental income which are derived from the Group's ordinary course of business are presented as revenue.

### *Allocation of consideration to components of a contract*

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

### *Refundable rental deposits*

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

### *Sublease*

When the Group is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use assets arising from the head lease, not with reference to the underlying asset.

### *Lease modification*

Changes in considerations of lease contracts that were not part of the original terms and conditions are accounted for as lease modifications, including lease incentives provided through forgiveness or reduction of rentals.

#### (i) Operating leases

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

For rent concession under which the Group legally releases the lessee from its obligation to make specifically identified lease payment, of which some of these lease payments are contractually due but not paid and some of them are not yet contractually due, the Group accounts for the portions which have been recognized as operating lease receivables (i.e. the lease payments which are contractually due but not paid) by applying the ECL and derecognition requirements under IFRS 9 and applies lease modification requirements for the forgiven lease payments that the Group has not recognized (i.e. the lease payments which are not yet contractually due) as at the effective date of modification.

(ii) Finance leases

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

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

For a modification to a finance lease that is not accounted for as a separate lease, if the lease would have been classified as an operating lease had the modification been in effect at the inception date, the Group accounts for the lease modification as a new lease from the effective date of the modification; and measures the carrying amount of the underlying asset as the net investment in the lease immediately before the effective date of the lease modification. Otherwise, the Group accounts for the modification in accordance with the requirements of IFRS 9. If the change represents a substantial modification, the finance lease receivables of the original lease are derecognized and a derecognition gain or loss calculated using the revised lease payments discounted at the revised discount rate is recognized in profit or loss on the date of the modification. If the change does not represent a substantial modification, the Group continues to recognise the finance lease receivables in which such carrying amount will be calculated at the present value of the modified contractual cash flows discounted at the related receivables' original discount rate. Any adjustment to the carrying amount is recognized in profit or loss at the effective date of modification.

***Sale and leaseback transactions***

The Group applies the requirements of IFRS 15 to assess whether sale and leaseback transaction constitutes a sale by the Group.

*The Group as a buyer-lessor*

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

**(5) Foreign currencies**

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognized at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

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

**(6) Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

Any specific borrowing that remain outstanding after the related asset is ready for its intended use or sale is included in the general borrowing pool for calculation of capitalisation rate on general borrowings. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

**(7) Government grants**

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

Government grants are recognized in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognized as a deduction from the carrying amount of the relevant asset in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

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

**(8) Employee benefits**

***Termination benefits***

A liability for a termination benefit is recognized at the earlier of when the Group entity can no longer withdraw the offer of the termination benefit and when it recognizes any related restructuring costs.

***Short-term and other long-term employee benefits***

Short-term employee benefits are recognized at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognized as an expense unless another IFRS Accounting Standard requires or permits the inclusion of the benefit in the cost of an asset.

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

Liabilities recognized in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date. Any changes in the liabilities' carrying amounts resulting from service cost, interest and remeasurements are recognized in profit or loss except to the extent that another IFRS requires or permits their inclusion in the cost of an asset.

**(9) Taxation**

Income tax expense represents the sum of current and deferred income tax expense.

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

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

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

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

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

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

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

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies IAS 12 Income Taxes (“IAS 12”) requirements to the lease liabilities.

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

#### **(10) Property and equipment**

Property and equipment are tangible assets that are held for use in the production or supply of goods or services, or for administrative purposes. Property and equipment are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

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

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

The estimated useful lives for the current and comparative periods are as follows:

- The Group’s leased assets are depreciated over the shorter of the unexpired term of lease and the leased assets’ estimated useful lives.
- Machinery leased out under operating leases 4.6 years
- Electronic equipment 5 years
- Office equipment 5 years
- Other 5 years

**(11) Intangible assets**

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

The estimated useful life is as follows:

*Estimate useful lives*

Software 5 – 10 years

**(12) Cash and cash equivalents**

Cash and cash equivalents presented on the consolidated statement of financial position include:

- cash, which comprises of cash on hand and demand deposits, excluding bank balances that are subject to regulatory restrictions that result in such balances no longer meeting the definition of cash; and
- cash equivalents, which comprises of short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

Bank balances for which use by the Group is subject to third party contractual restrictions are included as part of cash unless the restrictions result in a bank balance no longer meeting the definition of cash. Contractual restrictions affecting use of bank balances are presented in “Pledged and restricted deposits”. If the contractual restrictions to use the cash extend beyond 12 months after the end of the reporting period, the related amounts are classified as non-current in the consolidated statement of financial position.

**(13) Provisions**

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

**(14) Contingent liabilities**

A contingent liability is a present obligation arising from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

Where the Group is jointly and severally liable for an obligation, the part of the obligation that is expected to be met by other parties is treated as a contingent liability and it is not recognized in the consolidated financial statements.

The Group assesses continually to determine whether an outflow of resources embodying economic benefits has become probable. If it becomes probable that an outflow of future economic benefits will be required for an item previously dealt with as a contingent liability, a provision is recognized in the consolidated financial statements in the reporting period in which the change in probability occurs, except in the extremely rare circumstances where no reliable estimate can be made.

**(15) Financial instruments**

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

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

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

Interest/dividend income which are derived from the Group's ordinary course of business are presented as revenue.

***Financial assets***

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

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

***Classification and subsequent measurement of financial assets***

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

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at FVTOCI:

- the financial asset is held within a business model whose objective is achieved by both selling and collecting contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at FVTPL, except that at initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if that equity investment is neither held for trading nor contingent consideration recognized by an acquirer in a business combination to which IFRS 3 Business Combinations applies.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative, except for a derivative that is a designated and effective hedging instrument.

In addition, the Group may irrevocably designate a financial asset that are required to be measured at the amortized cost or FVTOCI as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

(i) *Amortised cost and interest income*

Interest income is recognized using the effective interest method for financial assets measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit impaired, interest income is recognized by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognized by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

(ii) *Equity instruments designated as at FVTOCI*

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in the reserve; and are not subject to impairment assessment. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, and will be transferred to retained profits.

Dividends from these investments in equity instruments are recognized in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the "Other net income" line item in profit or loss.

(iii) *Financial assets at FVTPL*

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

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognized in profit or loss. The net gain or loss recognized in profit or loss includes any dividend or interest earned on the financial asset and is included in the "Other net income" line item.

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

The Group performs impairment assessment under expected credit loss (“ECL”) model on financial assets including financial assets measured at amortised cost, loans and receivables and credit commitments which are subject to impairment assessment under IFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

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

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

#### *(i) Significant increase in credit risk*

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group’s debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group’s core operations.

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

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

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

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

For loan commitments, the date that the Group becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of a loan commitment, the Group considers changes in the risk of a default occurring on the loan to which a loan commitment relates.

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

(ii) *Definition of default*

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

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

(iii) *Credit-impaired financial assets*

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

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

(iv) *Measurement and recognition of ECL*

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights. The Group uses a practical expedient in estimating ECL on trade receivables using a provision matrix taking into consideration historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and forward-looking information, including time value of money where appropriate, that is available without undue cost or effort.

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

### ***Derecognition of financial assets***

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

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss.

On derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the FVTOCI reserve is not reclassified to profit or loss, but is transferred to retained profits.

#### **(16) Offsetting a financial asset and a financial liability**

A financial asset and a financial liability are offset and the net amount presented in the consolidated statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the recognized amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

#### **(17) Fair value measurement**

If there is an active market for a financial asset or financial liability, the quoted price in the active market without adjusting for transaction costs that may be incurred upon future disposal or settlement is used to establish the fair value of the financial asset or financial liability. For a financial asset held or a financial liability to be assumed, the quoted price is the current bid price. For a financial asset to be acquired or a financial liability assumed, it is the current asking price. The quoted prices from an active market are prices that are readily and regularly available from an exchange, broker, industry group or pricing service agency, and represent actual and regularly occurring market transactions on an arm's length basis.

If no active market exists for a financial instrument, a valuation technique is used to establish the fair value. Valuation techniques include using recent arm's length market transactions between knowledgeable, willing parties, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models. Where discounted cash flow technique is used, future cash flows are estimated based on management's best estimates and the discount rate used is the prevailing market rate applicable for instrument with similar terms and conditions at the end of each reporting period. Where other pricing models are used, inputs are based on market data at the end of each reporting period.

In estimating the fair value of a financial asset and financial liability, the Group considers all factors including, but not limited to, risk-free interest rate, credit risk, foreign exchange rate and market volatility, that are likely to affect the fair value of the financial asset and financial liability.

The Group obtains market data from the same market where the financial instrument was originated or purchased.

#### **(18) Trade and other receivables**

A receivable is recognized when the Group has an unconditional right to receive consideration and only the passage of time is required before payment of that consideration is due.

Trade receivables that do not contain a significant financing component are initially measured at their transaction price. Trade receivables that contain a significant financing component and other receivables are initially measured at fair value plus transaction costs. All receivables are subsequently stated at amortised cost.

#### **(19) Trade and other liabilities**

Trade and other payables are initially recognized at fair value. Subsequent to initial recognition, trade and other payables are stated at amortized cost unless the effect of discounting would be immaterial, in which case they are stated at invoice amounts.

**(20) Interest-bearing borrowings**

Interest-bearing borrowings are measured initially at fair value less transaction costs. Subsequently, these borrowings are stated at amortized cost using the effective interest method. Interest expense is recognized in accordance with Note 4(15).

**(21) Impairment of non-financial assets**

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than deferred tax assets) to determine whether there is any indication of impairment.

If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units ("CGU"s). Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognized in profit and loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the resulting carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

**(22) Revenue and other income**

Income is classified by the Group as revenue when it arises from the sale of goods, the provision of services or the use by others of the Group's assets under leases in the ordinary course of the Group's business.

Further details of the Group's revenue and other income recognition policies are as follows:

**(i) Interest income**

Interest income is recognized using the effective interest method. The "effective interest rate" is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. In calculating interest income, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired). However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

**(ii) Advisory fee income**

Depending on the nature of advisory services and the contract terms, advisory fee income is recognized at a point in time when the advisory service is completed.

**(iii) Rental income from operating leases**

Rental income from operating leases is recognized in profit or loss on a straight-line basis over term of the lease. Lease incentives granted are recognized as an integral part of the total rental income, over the term of the lease. Variable lease payments that do not depend on an index or a rate are recognized as income in the accounting period in which they are earned.

**(23) Related parties**

- (a) A person, or a close member of that person's family, is related to the Group if that person:
  - (i) has control or joint control over the Group;
  - (ii) has significant influence over the Group; or
  - (iii) is a member of the key management personnel of the Group or the Group's parent.
  
- (b) An entity is related to the Group if any of the following conditions applies:
  - (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
  - (ii) One entity is an associate of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
  - (iii) Both entities are joint ventures of the same third party;
  - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
  - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
  - (vi) The entity is controlled or jointly controlled by a person identified in (a);
  - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); or
  - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

**5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

In the application of the Group's accounting policies, which are described in Note 4, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

**Measurement of the ECL allowance**

For financial assets measured at amortised cost and loan commitments, complex models and a large number of assumptions are used in the measurement of expected credit losses (ECL). These models and assumptions involve future macroeconomic conditions and customers' credit behaviour (for example, the likelihood of customers defaulting and the resulting losses). The parameters, assumptions and estimation techniques used in the measurement of expected credit losses are disclosed in Note 31(a).

### **Impairment of non-financial assets**

As described in Note 4(21), on the balance sheet date, the Group conducts impairment assessments on assets such as long-term equity investments, fixed assets, right-of-use assets and intangible assets to determine whether the recoverable amount of the assets has fallen below their carrying amounts when there is an indication of impairment. If circumstances indicate that their carrying amounts may not be fully recoverable, the relevant assets will be regarded as impaired and impairment losses will be recognized accordingly.

The recoverable amount is the higher of the net amount obtained by deducting the disposal costs from the fair value of the asset and the present value of the expected future cash flows of the asset. When estimating the present value of the expected future cash flows, significant judgments need to be made regarding the cash inflows, selling prices, relevant operating costs of the asset and the discount rate used in calculating the present value. The Group will use all available relevant information when estimating the recoverable amount, including forecasts regarding cash inflows, selling prices and relevant operating costs made based on reasonable and supportable assumptions.

### **Income tax**

The Group needs to make judgments on the future tax treatment of certain transactions in order to recognize income tax. Based on relevant tax regulations, the Group carefully assesses the income tax impacts corresponding to the transactions and makes provisions for income tax accordingly. Deferred tax assets can only be recognized when it is probable that the Group will earn future taxable profits which can be used to offset the relevant temporary differences. In this regard, the management needs to make significant judgments on the tax treatment of certain transactions and also needs to make significant estimates regarding the probability of whether sufficient future taxable profits can be earned to offset deferred tax assets.

## **6. OPERATING SEGMENTS**

Operating segments, and the amounts of each segment item reported in the financial statements are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

The directors have determined that the Group has only one single business component/reportable segment as the Group is principally engaged in providing finance leasing service which is the basis to allocate resources and assess performance of the Group.

## 7. REVENUE

The principal activities of the Group are providing leasing services, and related advisory services to customers in the PRC. The Group has no lessee for the years ended December 31, 2025 and 2024, with whose transactions have exceeded 10% of the Group's aggregate revenues.

No segment information is presented as the Group is principally engaged in a single line of business. Revenue represents interest income, advisory fee and rental income. The amount of each significant category of revenue is as follows:

	<i>NOTE</i>	<b>2025</b> <b>RMB'000</b>	2024 <i>RMB'000</i>
Interest income			
– Finance lease receivables		<b>76,346</b>	66,179
– Sale-and-leaseback transactions		<b>550,285</b>	595,503
– Intellectual property lease transactions		<b>40,128</b>	68,174
Advisory fee income	<i>(i)</i>		
– Management advisory fee income		<b>38,177</b>	41,614
– Policy advisory fee income		<b>90,486</b>	97,757
Rental income from operating leases		<b>57,286</b>	8,361
		<u><b>852,708</b></u>	<u>877,588</u>

*Note:*

- (i) Advisory fee income arises from contracts with customers within the scope of IFRS 15 and is recognized at a point in time.

## 8. OTHER NET INCOME

	<i>NOTE</i>	<b>2025</b> <b>RMB'000</b>	2024 <i>RMB'000</i>
Interest from deposits		<b>3,343</b>	3,727
Dividends income		<b>196</b>	177
Changes in fair value of FVTPL		<b>445</b>	(68)
Government grants	<i>(i)</i>	<b>1,842</b>	1,677
Income from a related party		<b>–</b>	167
Others		<b>766</b>	(4)
		<u><b>6,592</b></u>	<u>5,676</u>

*Note:*

- (i) The government grants were mainly provided to reward enterprises that provide financing support to scientific and technological innovation business and are located in certain areas. The grants were unconditional and therefore recognized as income when received.

**9. INTEREST EXPENSE**

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Borrowings	181,431	222,660
Imputed interest expense on interest-free guaranteed deposits from lessees	45,808	52,062
Interest expense on lease liabilities	244	729
Others	12,052	10,606
	<u>239,535</u>	<u>286,057</u>

**10. OPERATING EXPENSE**

**(a) Staff costs**

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Salaries, bonuses and allowances	64,585	74,528
Social insurance and other benefits	24,814	24,893
	<u>89,399</u>	<u>99,421</u>

**(b) Other items**

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Depreciation and amortization expenses	57,033	20,575
Regional corporate service fees	10,405	10,715
Banking fees	8,827	7,409
Office and travel expenses	8,069	7,607
Other professional service fees	3,837	4,004
Auditor's remuneration	2,103	2,110
Public maintenance fees	7,847	2,621
Business development expenses	2,659	3,568
Others	8,468	8,351
	<u>109,248</u>	<u>66,960</u>
Sub-total	<u>109,248</u>	<u>66,960</u>
Total operating expense	<u>198,647</u>	<u>166,381</u>

**11. IMPAIRMENT LOSSES CHARGED**

	<i>NOTE</i>	<b>2025</b> <b>RMB'000</b>	2024 <i>RMB'000</i>
Loans and receivables	<i>19(c)</i>	<u>70,139</u>	<u>79,020</u>
		<u><b>70,139</b></u>	<u>79,020</u>

**12. INCOME TAX EXPENSE**

**(a) Taxation in the consolidated statement of profit or loss:**

	<i>NOTES</i>	<b>2025</b> <b>RMB'000</b>	2024 <i>RMB'000</i>
<b>Current tax</b>			
– PRC Enterprise Income Tax (“EIT”) Provision for the year	<i>23(b)</i>	<b>86,457</b>	109,011
<b>Deferred income tax</b>			
– Origination of temporary differences	<i>23(a)</i>	<u>4,197</u>	<u>(18,529)</u>
		<u><b>90,654</b></u>	<u>90,482</u>

**(b) Reconciliation between tax expense and accounting profit at applicable tax rates:**

	<b>2025</b> <b>RMB'000</b>	2024 <i>RMB'000</i>
Profit before taxation	<b>362,645</b>	361,520
Notional tax on profit before taxation, calculated at the rate of 25%	<b>90,661</b>	90,380
Tax effect of non-deductible expenses	<b>61</b>	168
Others	<u>(68)</u>	<u>(66)</u>
Income tax expense for the year	<u><b>90,654</b></u>	<u>90,482</u>

### 13. DIRECTORS' AND SUPERVISORS' EMOLUMENTS

Directors' remuneration for the year, disclosed pursuant to the applicable Listing Rules and the Hong Kong Companies Ordinance, is as follows:

	2025			
	Fees RMB'000	Salaries, allowances and benefits in kind RMB'000	Discretionary bonuses RMB'000	Total RMB'000
<b>Executive directors</b>				
Xu Jingquan (徐景泉) (i)	–	274	–	274
He Rongfeng (何融峰)	–	953	660	1,613
Huang Wen (黃聞)	–	472	167	639
Yang Pengyan (楊鵬艷) (ii)	–	472	246	718
<b>Non-executive directors</b>				
Zhang Shuqing (張書清) (iii)	–	–	–	–
Zhang Jian (張健) (iv)	–	–	–	–
Wei Tingquan (韋廷權) (v)	–	–	–	–
Huang Jinliang (黃錦亮) (vi)	–	–	–	–
Xu Zhengwen (許正文) (vii)	–	–	–	–
Zhang Chunlei (張春雷) (viii)	–	–	–	–
<b>Independent non-executive directors</b>				
Wu Tak Lung (吳德龍)	187	–	–	187
Lin Zhen (林楨)	187	–	–	187
Cheng Dongyue (程東躍) (ix)	150	–	–	150
Xiao Wang (肖旺) (x)	–	–	–	–
<b>Supervisors</b>				
Luo Feifei (羅飛飛) (xi)	–	–	–	–
Tian Anping (田安平)	–	–	–	–
Fang Fang (方放)	–	–	–	–
Du Xiaoming (杜曉明)	–	–	–	–
Tong Chao (佟超)	–	327	78	405
Han Nana (韓娜娜)	–	279	144	423
Huang Zemiao (黃澤淼) (xiii)	–	359	144	503
Total	<u>524</u>	<u>3,136</u>	<u>1,439</u>	<u>5,099</u>

2024

	Fees <i>RMB'000</i>	Salaries, allowances and benefits in kind <i>RMB'000</i>	Discretionary bonuses <i>RMB'000</i>	Total <i>RMB'000</i>
<b>Executive directors</b>				
He Rongfeng (何融峰)	–	1,149	960	2,109
Huang Wen (黃聞)	–	871	300	1,171
<b>Non-executive directors</b>				
Zhang Shuqing (張書清) (iii)	–	–	–	–
Zhang Jian (張健) (iv)	–	–	–	–
Wei Tingquan (韋廷權) (v)	–	–	–	–
Huang Jinliang (黃錦亮) (vi)	–	–	–	–
Zhang Chunlei (張春雷) (viii)	–	–	–	–
Wang Sujuan (王素娟) (xiv)	–	–	–	–
<b>Independent non-executive directors</b>				
Cheng Dongyue (程東躍) (ix)	150	–	–	150
Wu Tak Lung (吳德龍)	150	–	–	150
Lin Zhen (林楨)	150	–	–	150
<b>Supervisors</b>				
Zhang Jian (張健) (iv)	–	–	–	–
Luo Feifei (羅飛飛) (xi)	–	–	–	–
Tian Anping (田安平)	–	–	–	–
Fang Fang (方放)	–	–	–	–
Du Xiaoming (杜曉明)	–	–	–	–
Tong Chao (佟超)	–	524	247	771
Zhou Di (周迪) (xii)	–	107	144	251
Han Nana (韓娜娜)	–	438	144	582
Huang Zemiao (黃澤淼) (xiii)	–	–	–	–
Total	<u>450</u>	<u>3,089</u>	<u>1,795</u>	<u>5,334</u>

- (i) Executive director Xu Jingquan (徐景泉) was appointed on September 30, 2025.
- (ii) Executive director Yang Pengyan (楊鵬艷) was appointed on September 30, 2025.
- (iii) Non-executive director Zhang Shuqing (張書清) resigned on December 20, 2024, and continued to act until the director qualification of Zhang Jian (張健) was approved by the Beijing Local Financial Supervision and Administration Bureau on April 11, 2025.
- (iv) Zhang Jian (張健) was appointed as non-executive director on January 20, 2025, and the term of office commences upon the approval of the director's appointment qualifications by the Beijing Local Financial Supervision and Administration Bureau on April 11, 2025, resigned on August 12, 2025, and continued to act until the qualification of the new legal representative (徐景泉) took effect on September 30, 2025. Zhang Jian (張健) resigned as a supervisor on August 23, 2024.
- (v) Wei Tingquan (韋廷權) was appointed as non-executive director on January 20, 2025, and the term of office commences upon the approval of the director's appointment qualifications by the Beijing Local Financial Supervision and Administration Bureau, on April 11, 2025, resigned on August 12, 2025.
- (vi) Huang Jinliang's (黃錦亮) qualification for the position of non-executive director was provided to the Beijing Local Financial Supervision and Administration Bureau for review on May 10, 2024, and it became effective on January 7, 2025, and resigned on April 15, 2025.
- (vii) Non-executive director Xu Zhengwen (許正文) was appointed on December 30, 2025.
- (viii) Zhang Chunlei's (張春雷) qualification for the position of non-executive director was provided to the Beijing Local Financial Supervision and Administration Bureau for review on December 22, 2023, and it became effective on January 7, 2025.
- (ix) Independent non-executive director Cheng Dongyue (程東躍) resigned on July 21, 2025.
- (x) Independent non-executive director Xiao Wang (肖旺) was appointed on December 30, 2025.
- (xi) Luo Feifei (羅飛飛) was appointed as chairman of the Board of Supervisors on January 20, 2025, and the term of office commences upon the approval of the supervisor's appointment qualifications by the Beijing Local Financial Supervision and Administration Bureau on April 11, 2025, resigned on August 12, 2025.
- (xii) Supervisor Zhou Di (周迪) resigned on March 5, 2024.
- (xiii) Huang Zemiao (黃澤淼) was appointed as supervisor on January 7, 2025.
- (xiv) Non-executive director Wang Sujuan (王素娟) resigned on December 20, 2024.

The cancellation of the supervisory board and the amendment to the articles of association were considered and adopted at the Third Extraordinary General Meeting of Shareholders held in 2025. With effect from September 12, 2025, the Group cancelled the supervisory board, and all supervisors resigned from their respective offices.

There was no arrangement under which a director waived or agreed to waive any remuneration during both years.

In 2025, no emolument was paid by the Group to any of the directors or supervisors as an inducement to join or upon joining the Group or as a compensation for loss of office (2024: Nil).

#### 14. FIVE HIGHEST PAID INDIVIDUALS

Of the five individuals with the highest remuneration, there was one director (2024: one) of the Group for the year ended December 31, 2025, whose emoluments are disclosed in Note 13. The aggregate of the emoluments in respect of the other four (2024: four) individuals are as follows:

	<b>2025</b>	2024
	<b>RMB'000</b>	RMB'000
Salaries, allowances and benefits in kind	<b>1,450</b>	3,447
Discretionary bonuses	<b>3,115</b>	2,151
	<hr/>	<hr/>
Total	<b>4,565</b>	5,598
	<hr/> <hr/>	<hr/> <hr/>

The emoluments of the other individuals with the highest emoluments are all within the following bands:

	<b>2025</b>	2024
	<b>Number of</b>	Number of
	<b>individuals</b>	individuals
HKD1,000,001 – HKD1,500,000	<b>4</b>	3
HKD1,500,001 – HKD2,000,000	<b>–</b>	1
	<hr/>	<hr/>

#### 15. BASIC AND DILUTED EARNINGS PER SHARE

	<b>2025</b>	2024
Profit attributable to equity shareholders of the Company (RMB'000)	<b>271,991</b>	271,038
Weighted average number of ordinary shares (in thousands)	<b>1,478,464</b>	1,333,334
Basic and diluted earnings per share attributable to equity shareholders of the Company (in RMB Yuan per share)	<b>0.18</b>	0.20
	<hr/> <hr/>	<hr/> <hr/>

There is no difference between basic and diluted earnings per share as there were no potentially dilutive shares outstanding for the years ended December 31, 2025 and 2024.

#### 16. OTHER COMPREHENSIVE INCOME

	<b>2025</b>			2024		
	Before-tax amount RMB'000	Tax expense RMB'000	Net-of-Tax amount RMB'000	Before-tax amount RMB'000	Tax expense RMB'000	Net-of-Tax amount RMB'000
Net fair value change of equity investments at fair value through other comprehensive income	<b>152</b>	<b>(38)</b>	<b>114</b>	1,021	(255)	766
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

## 17. PROPERTY AND EQUIPMENT

	Properties leased for own use carried at cost <i>RMB'000</i>	Electronic equipment <i>RMB'000</i>	Office equipment <i>RMB'000</i>	Machinery leased out under operating leases <i>RMB'000</i>	Others <i>RMB'000</i>	Total <i>RMB'000</i>
<b>Cost</b>						
As at January 1, 2024	45,056	7,300	912	13,274	746	67,288
Additions	1,506	209	19	60,559	629	62,922
Disposals	(768)	(382)	(10)	–	(26)	(1,186)
As at December 31, 2024/ January 1, 2025	45,794	7,127	921	73,833	1,349	129,024
Acquisition through business combination	1,567	–	–	–	–	1,567
Additions	1	764	12	357,760	232	358,769
Disposals	(40,660)	(41)	–	(1,106)	(603)	(42,410)
As at December 31, 2025	6,702	7,850	933	430,487	978	446,950
<b>Accumulated depreciation</b>						
As at January 1, 2024	(26,825)	(3,480)	(726)	–	(292)	(31,323)
Charge for the year	(11,249)	(1,268)	(68)	(4,893)	(401)	(17,879)
Eliminated on disposals	768	346	9	–	–	1,123
As at December 31, 2024/ January 1, 2025	(37,306)	(4,402)	(785)	(4,893)	(693)	(48,079)
Charge for the year	(892)	–	–	–	–	(892)
Charge for the year	(6,127)	(1,068)	(70)	(46,086)	(311)	(53,662)
Eliminated on disposals	40,660	26	–	–	603	41,289
As at December 31, 2025	(3,665)	(5,444)	(855)	(50,979)	(401)	(61,344)
<b>Net carrying amount</b>						
As at December 31, 2025	3,037	2,406	78	379,508	577	385,606
As at December 31, 2024	8,488	2,725	136	68,940	656	80,945

Note:

The Group leases out a number of items of machinery under operating leases. The leases typically run for an initial period of three or four years. None of the leases includes variable lease payments. Undiscounted lease payments under non-cancellable operating leases in place at the reporting date that will be receivable by the Group in future periods are as follows:

	<b>December 31, 2025 RMB'000</b>	December 31, 2024 RMB'000
Within 1 year	120,358	19,693
1 to 2 years	83,751	19,106
2 to 3 years	18,889	18,610
3 to 4 years	3,135	8,476
	<u>226,133</u>	<u>65,885</u>

#### 18. INTANGIBLE ASSETS

	<b>December 31, 2025 RMB'000</b>	December 31, 2024 RMB'000
<b>Cost</b>		
At the beginning of the year	39,994	34,039
Additions	4,499	5,955
At the end of the year	<u>44,493</u>	<u>39,994</u>
<b>Accumulated amortization</b>		
At the beginning of the year	(17,122)	(14,483)
Charge for the year	(3,301)	(2,639)
At the end of the year	<u>(20,423)</u>	<u>(17,122)</u>
<b>Carrying amount</b>		
At the beginning of the year	<u>22,872</u>	<u>19,556</u>
At the end of the year	<u>24,070</u>	<u>22,872</u>

Intangible assets mainly include software.

## 19. LOANS AND RECEIVABLES

	<b>December 31, 2025</b>	December 31, 2024
<i>NOTE</i>	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Minimum finance lease receivables		
Within one year	<b>708,196</b>	796,170
In the second year	<b>365,269</b>	371,790
In the third year	<b>173,964</b>	159,391
In the fourth year	<b>40,753</b>	52,917
In the fifth year	<b>9,627</b>	16,939
	<hr/>	<hr/>
Gross amount of finance lease receivables	<b>1,297,809</b>	1,397,207
Less: Unearned finance income	<b>(121,969)</b>	(135,774)
	<hr/>	<hr/>
Net amount of finance lease receivables	<b>1,175,840</b>	1,261,433
Receivables from sale-and-leaseback transactions	<b>10,025,792</b>	9,788,885
Receivables from intellectual property lease transactions	<b>375,409</b>	896,642
	<hr/>	<hr/>
Loans and receivables	<b>11,577,041</b>	11,946,960
	<hr/>	<hr/>
Less:		
Provision for finance lease receivables	<b>(62,070)</b>	(122,577)
Provision for receivables from sale-and-leaseback transactions	<b>(223,989)</b>	(294,791)
Provision for intellectual property lease transactions	<b>(29,153)</b>	(24,498)
	<hr/>	<hr/>
Provision for loans and receivables	<b>(315,212)</b>	(441,866)
	<hr/>	<hr/>
Total	<b>11,261,829</b>	11,505,094
	<hr/> <hr/>	<hr/> <hr/>

### Notes:

- (i) Receivables from sale-and-leaseback transactions which do not satisfy sales under IFRS 15 were recognized as loans and receivables in accordance with IFRS 9.

### Analysis for reporting purpose as:

	<b>December 31, 2025</b>	December 31, 2024
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Non-current assets	<b>4,463,424</b>	4,644,450
Current assets	<b>6,798,405</b>	6,860,644
	<hr/>	<hr/>
Total	<b>11,261,829</b>	11,505,094
	<hr/> <hr/>	<hr/> <hr/>

The loans and receivables with net amount of approximately RMB612.1 million and RMB1,519.1 million were pledged as collaterals for the Group's borrowings as at December 31, 2025 and 2024, respectively (see Note 27 (i)).

The loans and receivables with net amount of approximately RMB2,715.6 million and RMB2,849.0 million were pledged as collaterals for the Group's asset-backed securities as at December 31, 2025 and 2024, respectively (see Note 27 (ii)). The loans and receivables with net amount of approximately RMB1,641.7 million and RMB1,553.4 million were pledged as collaterals for the Group's asset-backed notes as at December 31, 2025 and 2024, respectively (see Note 27 (ii)).

Loans and receivables are mainly secured by leased assets, lessees' deposits and leased assets repurchase arrangement where applicable.

Lessees' deposits are calculated and collected based on a certain percentage of the entire value of the lease contract. The deposits are returned to the lessees in full by end of the lease period according to the terms of the lease contracts. The balance of the customers' deposits can also be applied and used to settle any outstanding lease payments for the corresponding lease contracts. As at December 31, 2025, the lessees' deposits of RMB1,093.9 million (December 31, 2024: RMB1,242.5 million) were pledged for related loans and receivables (see Note 28).

(a) Present value of minimum finance lease receivables:

	<b>December 31, 2025 RMB'000</b>	December 31, 2024 RMB'000
Within one year	631,389	707,025
In the second year	333,226	340,527
In the third year	163,602	148,041
In the fourth year	38,381	49,541
In the fifth year	9,242	16,299
Total	<u><u>1,175,840</u></u>	<u><u>1,261,433</u></u>

(b) Loans and receivables and allowances for impairment losses:

	<b>December 31, 2025</b>			
	<b>12-month ECL</b>	<b>Lifetime ECL not credit- impaired</b>	<b>Lifetime ECL credit-impaired</b>	<b>Total</b>
Net amount of loans and receivables	10,438,068	13,216	1,125,757	11,577,041
Less: Allowances for impairment losses	<u>(35,982)</u>	<u>(76)</u>	<u>(279,154)</u>	<u>(315,212)</u>
Carrying amount of loans and receivables	<u><u>10,402,086</u></u>	<u><u>13,140</u></u>	<u><u>846,603</u></u>	<u><u>11,261,829</u></u>
	<b>December 31, 2024</b>			
	<b>12-month ECL</b>	<b>Lifetime ECL not credit- impaired</b>	<b>Lifetime ECL credit-impaired</b>	<b>Total</b>
Net amount of loans and receivables	10,739,750	129,485	1,077,725	11,946,960
Less: Allowances for impairment losses	<u>(36,753)</u>	<u>(1,087)</u>	<u>(404,026)</u>	<u>(441,866)</u>
Carrying amount of loans and receivables	<u><u>10,702,997</u></u>	<u><u>128,398</u></u>	<u><u>673,699</u></u>	<u><u>11,505,094</u></u>

(c) Changes in allowance for impairment losses of loans and receivables are as follows:

	2025			Total
	12-month ECL	Lifetime ECL not credit- impaired	Lifetime ECL credit-impaired	
Balance at January 1, 2025	36,753	1,087	404,026	441,866
Transfer:				
– to lifetime ECL not credit-impaired	(124)	124	–	–
– to lifetime ECL credit-impaired	(1,784)	(1,078)	2,862	–
Charge for the year	1,137	(57)	69,059	70,139
Disposal for the period (i)	–	–	(196,793)	(196,793)
Balance at December 31, 2025	<u>35,982</u>	<u>76</u>	<u>279,154</u>	<u>315,212</u>

(i) In June 2025, the Group established a trust plan with certain lifetime ECL credit-impaired loans and then transferred the trust beneficiary rights to its shareholder, Beijing Zhongguancun Technology Entrepreneurship Financial Service Group Co., Ltd., at a consideration of RMB20.6 million which equals the net book value of the loans (with principal amount of RMB217.4 million and impairment provision of RMB196.8 million) at the time of transfer. Such loans were derecognised from the financial statements and the transaction did not generate any gain or loss.

	2024			Total
	12-month ECL	Lifetime ECL not credit- impaired	Lifetime ECL credit-impaired	
Balance at January 1, 2024	39,578	920	322,348	362,846
Transfer:				
– to lifetime ECL not credit-impaired	(1,102)	1,102	–	–
– to lifetime ECL credit-impaired	(2,422)	(920)	3,342	–
Charge for the year	699	(15)	78,336	79,020
Balance at December 31, 2024	<u>36,753</u>	<u>1,087</u>	<u>404,026</u>	<u>441,866</u>

## 20. FINANCIAL ASSETS AT FVTOCI

	NOTE	December 31, 2025 RMB'000	December 31, 2024 RMB'000
Equity securities designated at FVTOCI			
– Unlisted equity securities	(i)	<u>13,397</u>	<u>13,245</u>

Notes:

(i) The unlisted equity securities are shares in Beijing Zhongguancun Synergetic Innovation Investment Fund Management Co., Ltd. (北京中關村協同創新投資基金管理有限公司), a company established in the PRC and engaged in investment management. The Group designated this investment at FVTOCI as the investment is held for strategic purposes. Dividends of RMB0.2 million were received on this investment in 2025 (2024: RMB0.2 million).

## 21. INTEREST IN ASSOCIATES

The following list contains the particulars of associates, all of which are unlisted corporate entities or partnerships whose quoted market price is not available:

Name of associates	Date of establishment	Form of business structure	Place of incorporation and business	Registered capital (RMB' million)	Paid in capital		Proportion of voting rights and ownership interest		Principal activities
					at 2025 (RMB' million)	at 2024 (RMB' million)	at 2025	at 2024	
Beijing Zhongnuo Tongchuang Investment Fund Management Co., Ltd. (北京中諾同創投資基金管理有限公司, "Beijing Zhongnuo") <sup>(i)</sup>	April 23, 2019	Incorporation	PRC	10.0	6.0	4.0	100.00%	39.00%	Investment management
Jiangsu Zhongguancun Zhongnuo Xietong Investment Fund (Limited Partnership) (江蘇中關村中諾協同投資基金合夥企業(有限合夥), "Jiangsu Zhongnuo") <sup>(ii)</sup>	November 11, 2019	Partnership	PRC	200.0	44.4	65.6	50.00%	49.00%	Investment management
Beijing Zhongnuo Foresight Innovation Investment Fund Center (Limited Partnership) (北京中諾遠見創新投資基金中心(有限合夥), "Zhongnuo Foresight") <sup>(iii)</sup>	May 6, 2022	Partnership	PRC	500.0	484.7	498.9	42.00%	40.09%	Investment management
Beijing Zhongfa Tiankai Haihe Zhongnuo Venture Capital Fund Partnership Enterprise (Limited Partnership) (天津中發天開海河中諾創業投資基金合夥企業(有限合夥), "Tianjin Zhongnuo") <sup>(iv)</sup>	November 14, 2025	Partnership	PRC	220.0	110.6	–	27.54%	–	Investment management
Shanghai Zhonghui Younuo Enterprise Consulting Partnership (Limited Partnership) (上海中慧油諾企業諮詢合夥企業(有限合夥), "Shanghai Zhonghui") <sup>(v)</sup>	May 29, 2023	Partnership	PRC	3.9	3.9	–	0.26%	–	Advisory service
Shenzhen Zhongke Zhiyi Industrial Investment Co., Ltd. (深圳中科知易產業投資有限公司, "Zhongke Zhiyi")	August 29, 2022	Incorporation	PRC	4.0	4.0	4.0	35.00%	35.00%	Advisory service
Hangzhou Zhongzhi Technology Management Co., Ltd. (杭州中致科技管理有限公司, "Hangzhou Zhongzhi")	September 14, 2022	Incorporation	PRC	4.0	4.0	4.0	35.00%	35.00%	Advisory service
Zhongguancun Huizhi (Suzhou) Enterprise Management Co., Ltd. (中關村匯志(蘇州)企業管理有限公司, "Huizhi (Suzhou)")	November 2, 2022	Incorporation	PRC	4.0	4.0	4.0	35.00%	35.00%	Advisory service

Notes:

- (i) As at December 31, 2024, the Group held a 39% equity interest in Beijing Zhongnuo and accounted for it as an associate. During the year, the Group completed the acquisition of the remaining 61% of its interest in Beijing Zhongnuo, increasing its ownership interest to 100%.
- (ii) The paid-in capital of Jiangsu Zhongnuo decreased in 2025 due to distribution of the fund.
- (iii) The paid-in capital of Zhongnuo Foresight decreased in 2025 due to distribution of the fund.
- (iv) Tianjin Zhongnuo was incorporated on November 14, 2025 with a registered capital of RMB220 million.
- (v) Shanghai Zhonghui is an associate of Beijing Zhongnuo.

The English translation of the name of these entities is for reference only. The official names of these entities are in Chinese.

These investments enable the Group to carry out investment management and advisory service activities in the PRC.

All of the above associates are accounted for using the equity method in the consolidated financial statements.

None of the associates is individually material to the Group and their aggregate information is presented below:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Carrying amount of individually insignificant associates in the consolidated financial statements	336,950	302,790
Group's share of those associates' profit	11,723	10,394
Total comprehensive income	<u>11,723</u>	<u>10,394</u>

## 22. OTHER ASSETS

	<i>NOTES</i>	December 31, 2025 <i>RMB'000</i>	December 31, 2024 <i>RMB'000</i>
<b>Non-current assets</b>			
Other assets		<u>57,768</u>	<u>3,086</u>
<b>Current assets</b>			
Deductible VAT		94,070	77,222
Advance payments		3,012	4,112
Due from related parties	33(c), (f)	4,832	5,288
Notes Receivables		–	357
Income Tax Prepayment	23(b)	6,271	–
Other receivables		<u>672</u>	<u>16</u>
Sub-total		<u>108,857</u>	<u>86,995</u>
Total		<u>166,625</u>	<u>90,081</u>

## 23. INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

### (a) Deferred tax assets and liabilities recognised:

The components of deferred tax assets/(liabilities) recognized in the consolidated statement of financial position and the movements for the years ended December 31, 2025 and 2024 are as follows:

Deferred tax assets/(liabilities) arising from	Revaluation of FVTOCI RMB'000	Revaluation of FVTPL RMB'000	Revenue with EIT paid in prior years RMB'000	Revaluation of equity investments RMB'000	Allowance for impairment losses RMB'000	Accrued staff costs RMB'000	Right-of-use assets RMB'000	Lease liabilities RMB'000	Depreciation RMB'000	Accrued Interest Payable RMB'000	Total RMB'000
January 1, 2024	(2,306)	35	5,354	(8,289)	90,822	6,682	(4,758)	5,000	-	-	92,540
Credited/(charged) to profit or loss	-	17	(5,293)	3,203	19,755	418	2,020	(2,081)	490	-	18,529
Charged to other comprehensive income	(255)	-	-	-	-	-	-	-	-	-	(255)
December 31, 2024	(2,561)	52	61	(5,086)	110,577	7,100	(2,738)	2,919	490	-	110,814
Credited/(charged) to profit or loss	-	(111)	(4,972)	(1,511)	(8,699)	(798)	1,532	(1,669)	6,577	5,454	(4,197)
Charged to other comprehensive income	(38)	-	-	-	-	-	-	-	-	-	(38)
Acquisition	-	-	-	(36)	-	-	-	-	-	-	(36)
December 31, 2025	(2,599)	(59)	(4,911)	(6,633)	101,878	6,302	(1,206)	1,250	7,067	5,454	106,543

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

	December 31, 2025 RMB'000	December 31, 2024 RMB'000
Deferred tax assets	106,579	110,814
Deferred tax liabilities	(36)	-
	<u>106,543</u>	<u>110,814</u>

### (b) Income tax payable/Income tax prepayment

	December 31, 2025 RMB'000	December 31, 2024 RMB'000
At beginning of the year	22,801	14,142
Provision for income tax for the year	86,457	109,011
Income tax paid	(115,529)	(100,352)
At end of the year	<u>(6,271)</u>	<u>22,801</u>

24. ACCOUNTS RECEIVABLE

	<b>December 31, 2025 RMB'000</b>	December 31, 2024 RMB'000
Operating lease receivables	<u>9,175</u>	<u>1,973</u>

The following is an aging analysis of accounts receivable presented based on the confirmation date of the accounts receivable.

	<b>December 31, 2025 RMB'000</b>	December 31, 2024 RMB'000
Within one year	<u>9,175</u>	<u>1,973</u>

25. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise:

	<b>December 31, 2025 RMB'000</b>	December 31, 2024 RMB'000
Deposits with banks	<u>699,667</u>	<u>840,966</u>
Cash and cash equivalents	<u>699,667</u>	<u>840,966</u>

## 26. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

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

	<b>Borrowings</b>	<b>Lease</b>	<b>Total</b>
	<i>RMB'000</i>	<i>liabilities</i>	<i>RMB'000</i>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>As at 1 January 2025</b>	<b>8,008,224</b>	<b>11,680</b>	<b>8,019,904</b>
<b>Changes from financing cash flows:</b>			
Capital element of lease rentals paid	–	(7,308)	(7,308)
Proceeds from borrowings	6,156,707	–	6,156,707
Repayment of borrowings	(6,896,739)	–	(6,896,739)
Interest element of lease rentals paid	–	(244)	(244)
Interest paid	(182,743)	–	(182,743)
Other borrowing costs paid	(24,096)	–	(24,096)
<b>Other changes:</b>			
Acquisition of a subsidiary	–	728	728
Increase in lease liabilities from entering into new leases during the year	–	233	233
Interest expense	181,431	244	181,675
Other borrowing costs	24,096	–	24,096
Interest adjustment	(38,551)	–	(38,551)
<b>As at December 31, 2025</b>	<b>7,228,329</b>	<b>5,333</b>	<b>7,233,662</b>
	<i>Borrowings</i>	<i>Lease</i>	<i>Total</i>
	<i>RMB'000</i>	<i>liabilities</i>	<i>RMB'000</i>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>As at 1 January 2024</b>	<b>7,451,596</b>	<b>16,806</b>	<b>7,468,402</b>
<b>Changes from financing cash flows:</b>			
Capital element of lease rentals paid	–	(10,431)	(10,431)
Proceeds from borrowings	8,612,099	–	8,612,099
Repayment of borrowings	(8,027,535)	–	(8,027,535)
Interest element of lease rentals paid	–	(729)	(729)
Interest paid	(248,832)	–	(248,832)
Other borrowing costs paid	(77,528)	–	(77,528)
<b>Other changes:</b>			
Increase in lease liabilities from entering into new leases during the year	–	5,305	5,305
Interest expense	222,660	729	223,389
Other borrowing costs	77,528	–	77,528
Interest adjustment	(1,764)	–	(1,764)
<b>As at December 31, 2024</b>	<b>8,008,224</b>	<b>11,680</b>	<b>8,019,904</b>

## 27. BORROWINGS

		<b>December 31, 2025</b>	December 31, 2024
	<i>NOTES</i>	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Bank loans			
– pledged	<i>(i)</i>	<b>115,390</b>	1,427,217
– unsecured		<b>1,741,656</b>	1,917,776
Asset-backed securities and notes	<i>(ii)</i>	<b>3,960,578</b>	3,656,920
Credit bonds	<i>(iii)</i>	<b>1,410,705</b>	1,006,311
		<b><u>7,228,329</u></b>	<u>8,008,224</u>

Analysis for reporting purpose as:

		<b>December 31, 2025</b>	December 31, 2024
		<b><i>RMB'000</i></b>	<i>RMB'000</i>
Non-current liabilities		<b>2,924,332</b>	3,371,446
Current liabilities		<b>4,303,997</b>	4,636,778
		<b><u>7,228,329</u></b>	<u>8,008,224</u>

*Notes:*

- (i) As at December 31, 2025, bank loans amounting to RMB115.4 million were pledged by loans and receivables (December 31, 2024: RMB1,427.2 million) (see Note 19).
- (ii) On April 7, 2023, the Company issued asset-backed notes with two tranches: senior tranche Class A with principal amount of RMB510.0 million, coupon rate of 3.50% and an expected maturity date on January 20, 2025; senior tranche Class B with principal amount of RMB135.0 million, coupon rate of 3.84% and an expected maturity date on April 21, 2025; junior tranche with principal amount of RMB35.0 million and an expected maturity date on April 21, 2025. The Company holds all junior tranche asset-backed notes.

On May 16, 2023, the Company issued asset-backed securities with two tranches: senior tranche Class A with principal amount of RMB600.0 million, coupon rate of 3.20% and an expected maturity date on February 20, 2025; senior tranche Class B with principal amount of RMB160.0 million, coupon rate of 3.20% and an expected maturity date on August 20, 2025; tranche with principal amount of RMB40.0 million and an expected maturity date on August 20, 2025. The Company holds all junior tranche asset-backed securities.

On March 12, 2024, the Company issued asset-backed securities with two tranches: senior tranche Class A with principal amount of RMB375.0 million, coupon rate of 2.80% and an expected maturity date on December 12, 2025; senior tranche Class B with principal amount of RMB100.0 million, coupon rate of 2.80% and an expected maturity date on March 20, 2026; junior tranche with principal amount of RMB25.0 million and an expected maturity date on March 20, 2026. The Company holds all junior tranche asset-backed securities.

On April 16, 2024, the Company issued asset-backed notes with two tranches: senior tranche Class A with principal amount of RMB520.0 million, coupon rate of 2.70% and an expected maturity date on March 20, 2026; senior tranche Class B with principal amount of RMB140.0 million, coupon rate of 2.70% and an expected maturity date on September 21, 2026; junior tranche with principal amount of RMB40.0 million and an expected maturity date on September 21, 2026. The Company holds all junior tranche asset-backed notes.

On June 14, 2024, the Company issued asset-backed securities with two tranches: senior tranche Class A with principal amount of RMB750.0 million, coupon rate of 2.60% and an expected maturity date on April 20, 2026; senior tranche Class B with principal amount of RMB200.0 million, coupon rate of 2.60% and an expected maturity date on October 20, 2026; junior tranche with principal amount of RMB50.0 million and an expected maturity date on October 20, 2026. The Company holds all junior tranche asset-backed securities.

On September 20, 2024, the Company issued asset-backed securities with two tranches: senior tranche Class A with principal amount of RMB375.0 million, coupon rate of 2.20% and an expected maturity date on May 20, 2026; senior tranche Class B with principal amount of RMB100.0 million, coupon rate of 2.20% and an expected maturity date on November 20, 2026; junior tranche with principal amount of RMB25.0 million and an expected maturity date on November 20, 2026. The Company holds all junior tranche asset-backed securities.

On October 29, 2024, the Company issued asset-backed securities with two tranches: senior tranche Class A with principal amount of RMB86.0 million, coupon rate of 2.30% and an expected maturity date on August 20, 2025; senior tranche Class B with principal amount of RMB23.0 million, coupon rate of 2.30% and an expected maturity date on November 20, 2025; junior tranche with principal amount of RMB5.0 million and an expected maturity date on November 20, 2025. The Company holds all junior tranche asset-backed securities.

On November 19, 2024, the Company issued asset-backed notes with two tranches: senior tranche Class A with principal amount of RMB510.0 million, coupon rate of 2.34% and an expected maturity date on August 25, 2026; senior tranche Class B with principal amount of RMB150.0 million, coupon rate of 2.34% and an expected maturity date on February 25, 2027; junior tranche with principal amount of RMB40.0 million and an expected maturity date on February 25, 2027. The Company holds all junior tranche asset-backed notes.

On April 23, 2025, the Company issued asset-backed securities with two tranches: senior tranche Class A with principal amount of RMB375.0 million, coupon rate of 2.20% and an expected maturity date on April 20, 2027; senior tranche Class B with principal amount of RMB100.0 million, coupon rate of 2.12% and an expected maturity date on July 20, 2027; junior tranche with principal amount of RMB25.0 million and an expected maturity date on July 20, 2027. The Company holds all junior tranche asset-backed securities.

On March 20, 2025, the Company issued asset-backed notes with two tranches: senior tranche Class A with principal amount of RMB600.0 million, coupon rate of 2.40% and an expected maturity date on December 21, 2026; senior tranche Class B with principal amount of RMB160.0 million, coupon rate of 2.37% and an expected maturity date on June 21, 2027; junior tranche with principal amount of RMB40.0 million and an expected maturity date on June 21, 2027. The Company holds all junior tranche asset-backed notes.

On April 24, 2025, the Company issued senior tranche asset-backed securities with principal amount of RMB300.0 million, coupon rate of 3.00% and an expected maturity date on April 23, 2028.

On November 24, 2025, the Company issued asset-backed business notes with two tranches: senior tranche with principal amount of RMB475.0 million, coupon rate of 1.97% and an expected maturity date on August 20, 2026; junior tranche with principal amount of RMB25.0 million and an expected maturity date on December 31, 2032. The Company holds all junior tranche asset-backed business notes.

On December 16, 2025, the Company issued asset-backed securities with two tranches: senior tranche Class A with principal amount of RMB520.0 million, coupon rate of 1.97% and an expected maturity date on October 20, 2027; senior tranche Class B with principal amount of RMB140.0 million, coupon rate of 1.98% and an expected maturity date on January 20, 2028; junior tranche with principal amount of RMB40.0 million and an expected maturity date on January 20, 2028. The Company holds all junior tranche asset-backed securities.

Certain Asset-backed securities and notes had earlier repayment before their maturity dates.

(iii) On June 13, 2025, the Company issued short-term commercial papers with principal amount of RMB400.0 million and coupon rate of 1.98% and an expected maturity date on January 23, 2026.

On October 21, 2024, the Company issued first tranche of medium-term notes with principal amount of RMB500.0 million and coupon rate of 2.56% and an expected maturity date on October 22, 2027.

On August 7, 2025, the Company issued first tranche of medium-term notes with principal amount of RMB500.0 million and coupon rate of 2.10% and an expected maturity date on August 8, 2028.

As at December 31, 2025, the remaining maturity of borrowings were repayable as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Within one year	4,303,997	4,636,778
After 1 year but within 2 years	1,906,788	2,353,902
After 2 years but within 5 years	<u>1,017,544</u>	<u>1,017,544</u>
	<u><u>7,228,329</u></u>	<u><u>8,008,224</u></u>

The ranges of contractual interest rates on the borrowings are as follows:

	December 31, 2025	December 31, 2024
Floating rate	<b>Loan Prime Rate -45bp to +40bp</b>	Loan Prime Rate+ 40bp to 90bp
Fixed rate	<b>1.97%-3.84%</b>	2.60%-4.30%

## 28. TRADE AND OTHER LIABILITIES

	NOTES	December 31, 2025 <i>RMB'000</i>	December 31, 2024 <i>RMB'000</i>
<b>Current liabilities</b>			
Notes payable		1,136,882	920,434
Guaranteed deposits from lessees		409,917	494,415
Accounts payable	(a)	280,763	150,838
Deferred revenue		33,944	50,764
Accrued staff costs	(b)	31,738	34,150
Lease liabilities	(c)	2,018	7,166
Others		<u>6,285</u>	<u>6,951</u>
Sub-total		<u><u>1,901,547</u></u>	<u><u>1,664,718</u></u>
<b>Non-current liabilities</b>			
Guaranteed deposits from lessees		683,939	748,041
Deferred revenue		29,072	25,697
Lease liabilities	(c)	3,315	4,514
Provision for credit commitments	(d)	<u>444</u>	<u>444</u>
Sub-total		<u><u>716,770</u></u>	<u><u>778,696</u></u>
Total		<u><u><u>2,618,317</u></u></u>	<u><u><u>2,443,414</u></u></u>

(a) **Accounts payable**

The following is an aging analysis of accounts payable presented based on the confirmation date of the accounts payable.

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Within one year	234,566	79,383
After 1 year but within 2 years	1,890	48,255
After 2 years	44,307	23,200
	<u>280,763</u>	<u>150,838</u>

(b) **Accrued staff costs**

Contributions to the defined contribution retirement plan, include the social pension insurance schemes and the retirement benefit annuity plan, are recognized as expenses when incurred, and there is no forfeited contributions that may be used by the Group to reduce the existing level of contribution.

(c) **Lease liabilities**

The following table shows the remaining contractual maturities of the Group's lease liabilities at December 31, 2025:

	December 31, 2025		December 31, 2024	
	Present value of the minimum lease payments <i>RMB'000</i>	Total minimum lease payments <i>RMB'000</i>	Present value of the minimum lease payments <i>RMB'000</i>	Total minimum lease payments <i>RMB'000</i>
Within 1 year	2,018	2,141	7,166	7,409
After 1 year but within 2 years	1,873	1,931	1,546	1,647
After 2 year but within 5 years	1,442	1,460	2,968	3,040
		5,532		12,096
Less: Interest adjustments		(199)		(416)
Present value of lease liabilities	<u>5,333</u>	<u>5,333</u>	<u>11,680</u>	<u>11,680</u>

Amounts included in the consolidated statements of cash flow for leases comprise the followings:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Within operating cash flows	6,643	1,084
Within financing cash flows	7,552	11,160
	<u>14,195</u>	<u>12,244</u>

(d) **Provision for credit commitments**

	2025			
	12-month ECL RMB'000	Lifetime ECL not credit- impaired RMB'000	Lifetime ECL credit-impaired RMB'000	Total RMB'000
Balance at January 1, 2025	444	–	–	444
Charge for the year	–	–	–	–
Balance at December 31, 2025	<u>444</u>	<u>–</u>	<u>–</u>	<u>444</u>

  

	2024			
	12-month ECL RMB'000	Lifetime ECL not credit- impaired RMB'000	Lifetime ECL credit-impaired RMB'000	Total RMB'000
Balance at January 1, 2024	444	–	–	444
Charge for the year	–	–	–	–
Balance at December 31, 2024	<u>444</u>	<u>–</u>	<u>–</u>	<u>444</u>

29. **CAPITAL, RESERVES AND DIVIDENDS**

(a) **Share capital**

	Number of shares '000	Share capital RMB'000
Issued and fully paid:		
Domestic shares of RMB1 Yuan each		
At 1 January 2024 and 31 December 2024	840,000	840,000
New shares issued	<u>281,768</u>	<u>281,768</u>
At 31 December 2025	<u>1,121,768</u>	<u>1,121,768</u>
H shares of RMB1 Yuan each		
At 1 January 2024 and 31 December 2024	<u>493,334</u>	<u>493,334</u>
At 31 December 2025	<u>493,334</u>	<u>493,334</u>
Total	<u>1,615,102</u>	<u>1,615,102</u>

In June 2025, the Company issued 281.77 million new domestic shares to Beijing Zhongguancun Finance Group Co., Ltd. and Beijing Wangjing Xinxing Industry Zone Comprehensive Development Company at a price of 1.81 RMB per share, and the share premium (net of issuance cost) amounting to RMB225.40 million was credited to capital reserve. Upon completion of the issuance, the total share capital increased to 1,615.10 million shares.

**(b) Capital reserve**

Capital reserve mainly includes the capital reserve arising from the conversion of the Company from a limited liability company into a joint-stock company and the share premium arising from the issuance of new shares at prices in excess of par value.

**(c) Reserves**

**(i) Surplus reserve**

The Company is required to appropriate 10% of its net profit, as determined under the China Accounting Standards for Business Enterprises and other relevant regulations issued by the Ministry of Finance of the PRC, to the statutory surplus reserve until the balance reaches 50% of the registered capital.

Subject to the approval of equity shareholders of the Company, statutory surplus reserve may be used to net off against accumulated losses, if any, and may be converted into capital, provided that the balance of statutory surplus reserve after such capitalization is not less than 25% of the registered capital before capitalization.

After making the appropriation to the statutory surplus reserve, the Company may also appropriate its net profit to the discretionary surplus reserve upon approval by equity shareholders.

**(ii) General reserve**

According to “Guidelines for the Supervision and Management of Beijing Financial Leasing Companies (Trial) (《北京市融資租賃公司監督管理指引(試行)》)” (the “Guidelines”) issued on April 7, 2020, the Company maintained a general reserve within equity, through the appropriation of net profit, which should be no less than 1.5% of the year end balance of gross risk-bearing assets in 2020. Since the Guidelines were annulled on July 15, 2021, there is no requirement for the Company to appropriate its net profit to general reserve in future.

**(iii) Fair value reserve**

The fair value reserve comprises the cumulative net change in the fair value of equity investments designated at FVTOCI under IFRS 9 that are held at the end of the reporting period.

**(d) Dividends**

Final dividend in respect of financial year ended December 31, 2024, approved and paid during 2025 was RMB95.3 million. Dividends on ordinary shares for 2024 was RMB0.059 per share.

Final dividend in respect of financial year ended December 31, 2023, approved and paid during 2024 was RMB90.7 million. Dividends on ordinary shares for 2023 was RMB0.068 per share.

**(e) Capital management**

The Group’s main objective of capital management is to ensure a stable capital ratio to support the Group’s business development and maximize equity shareholders’ value.

The Group assesses and manages its capital structure with the aim of striking a balance between achieving higher equity shareholders returns through debt financing and ensuring capital security through equity financing, and the Group adjusts the capital structure based on changes in external economic conditions.

### 30. ACQUISITION OF A SUBSIDIARY

On November 14, 2025, the Group acquired an 51% interest in Beijing Zhongnuo Tongchuang Investment Fund Management Co., Ltd. (北京中諾同創投資基金管理有限公司, “Beijing Zhongnuo”) at a consideration of RMB4,161.0 thousand, then Beijing Zhongnuo became a subsidiary of the Group. The acquisition has been accounted for as acquisition of business using the acquisition method.

#### (a) Assets acquired and liabilities recognised at the date of acquisition

	<i>RMB'000</i>
Property and equipment	676
Interest in associates	5,754
Cash and cash equivalents	3,966
Other assets	176
Contract liabilities	(756)
Deferred tax liabilities	(36)
Trade and other liabilities	(1,621)
	<u>8,159</u>

#### (b) Non-controlling interests

Non-controlling interests in Beijing Zhongnuo are measured by reference to the proportionate share of recognised amounts of net identifiable assets of Beijing Zhongnuo at the date of acquisition.

#### (c) Goodwill arising on acquisition

	<i>RMB'000</i>
Consideration transferred	4,161
Plus: previously held by the Company(39% in Beijing Zhongnuo)	3,182
Plus: non-controlling interests(10% in Beijing Zhongnuo)	816
Less: recognised amounts of net assets acquired	(8,159)
	<u>–</u>

#### (d) Net cash outflow on acquisition of Beijing Zhongnuo

	<i>RMB'000</i>
Cash consideration paid	4,161
Less: cash and cash equivalents balances acquired	(3,966)
	<u>195</u>

(e) **Impact of acquisition on the results of the Group**

Included in the profit for the year is RMB-322.6 thousand attributable to the additional business generated by Beijing Zhongnuo. Revenue for the year includes RMB750.6 thousand generated from Beijing Zhongnuo.

Had the acquisition of Beijing Zhongnuo been completed on 1 January 2025, revenue for the year of the Group from continuing operations would have been RMB861,068 thousand, and profit for the year from continuing operations would have been RMB272,132 thousand. The pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2025, nor is it intended to be a projection of future results.

In determining the 'pro-forma' revenue and profit of the Group had Beijing Zhongnuo been acquired at the beginning of the current year, the directors of the Company calculated depreciation of property, plant and equipment based on the recognised amounts of property, plant and equipment at the date of the acquisition.

**31. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS**

Exposure to credit, market and liquidity risks arises in the normal course of the Group's business. The Group's exposure to these risks and the financial risk management policies and practice used by the Group to manage these risks are described below.

(a) **Credit risk**

Credit risk is the risk that the Group will suffer losses due to a lessee's failure to fulfil contractual obligations. Credit risk is the most significant risk faced by the Group in the course of its operating activities. The credit risk exposure is managed based on the principle of prudence. The Group's credit risk is primarily attributable to its finance leasing business.

The Group's exposure to credit risk arising from cash and cash equivalents, pledged and restricted deposits is limited because the counterparties are banks and financial institutions, of which the Group considers to have low credit risk. The Group does not provide any guarantees which would expose the Group to credit risk.

(i) ***Loans and receivables credit risk management***

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer rather than the industry or country in which the customers operate and therefore significant concentrations of credit risk primarily arise when the Group has significant exposure to individual customers. As at December 31, 2025, 1.44% of the total net amounts of loans and receivables was due from the Group's largest customer (December 31, 2024: 1.73%), and 4.83% of the total net amounts of loans and receivables was due from the Group's five largest customers (December 31, 2024: 7.21%).

Individual credit evaluations are performed on all customers requiring credit. These evaluations focus on the customer's past history of making payments when due and current ability to pay and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates.

The Group performs standardized management throughout the entire finance lease business processes, including investigation of and application for finance lease projects, due diligence, review and approval of lease projects, release of finance lease funds, post-lease monitoring, and management of bad and doubtful financial lease receipts. The Group also identifies, monitors and manages potential credit risks throughout its operations with its five-tier risk grading system, policies and procedures related to credit risk management, leasing business information system, management of the investment direction of its leasing business and optimizing the structure of its leasing assets.

Changes in the economic environment or the distribution of a particular industry of finance lease assets in the Group's asset portfolio may cause losses to the Group. Credit risk exposure in the balance sheet is associated primarily with loans and receivables. The Group's credit risk is managed by the Engagement Evaluation Department, Risk Management Department, Asset Management Department and the Evaluation Committee.

(ii) **Risk limits management and mitigation measures**

The Group monitors credit risk limits on a regular basis, manages, limits, and controls the concentration of credit risk it identifies, particularly in industries, regions, and single customers.

To optimize the credit risk structure, the Group identifies the direction of its leasing business and sets limits for industries, regions and single lessees with reference to global economic developments, industry trends and corporate strategic objectives. The Group controls the set-up of leasing projects according to the industry's and region's risk levels.

Other specific management and mitigation measures include:

**Guarantee:** To make credit risk management more efficient, the Group uses different approaches to mitigate credit risk, including obtaining collaterals/pledges, deposits, and guarantees from guarantors.

For the finance lease business, the Group requires different approaches to guarantees based on the lessee's credit status, the risk level of the finance lease business and the characteristics of each guarantee category. The Group also requires an assessment of the guarantor's financing capacity, the ownership and value of collaterals and pledges, and the feasibility of realizing the collateral and the pledge. If a finance lease is guaranteed by a third party, the Group will assess the guarantor's financial status, credit condition and solvency.

**Insurance:** For the finance lease business, the title will be owned by the Group during the lease period, but the risks and benefits associated with the operation and maintenance will be transferred to the lessee. Therefore, if a covered accident occurs during the lease period, the lessee must immediately report it to the related insurance company and notify the Group, provide reasons and related materials to the Group for the accident, and file claims against the insurance company in a timely manner in conjunction with the Group.

*Concentration risk of credit exposure*

An analysis of gross amount of loans and receivables by industry is set out below:

	<b>December 31, 2025</b>		December 31, 2024	
	<b>RMB'000</b>	<b>%</b>	<b>RMB'000</b>	<b>%</b>
Intelligent manufacturing	<b>5,021,530</b>	<b>40</b>	3,961,309	30
Dual carbon	<b>3,364,137</b>	<b>27</b>	3,358,927	26
Medicine and health	<b>1,622,838</b>	<b>13</b>	1,950,181	15
Others	<b>2,551,992</b>	<b>20</b>	3,739,701	29
Total	<b>12,560,497</b>	<b>100</b>	13,010,118	100

An analysis of gross amount of loans and receivables by geographical area is set out below:

	December 31, 2025		December 31, 2024	
	RMB'000	%	RMB'000	%
Eastern China	5,188,323	41	5,027,455	39
Northern China	3,282,486	26	3,879,606	30
Southern China	1,297,318	10	1,539,580	12
Central China	810,421	6	977,593	7
Northwestern China	1,212,974	10	783,562	6
Southwestern China	575,149	5	561,613	4
Northeastern China	193,826	2	240,709	2
Total	<u>12,560,497</u>	<u>100</u>	<u>13,010,118</u>	<u>100</u>

The overall ECL rate for loans and receivables are summarized as follows:

	2025			
	Stage 1	Stage 2	Stage 3	Total
Loans and receivables	0.34%	0.58%	24.80%	2.72%
	2024			
	Stage 1	Stage 2	Stage 3	Total
Loans and receivables	0.34%	0.84%	37.49%	3.70%

An analysis of loans and receivables by credit quality is set out below:

	December 31, 2025 RMB'000	December 31, 2024 RMB'000
12-month ECL balance	10,438,068	10,739,750
Lifetime ECL not credit-impaired balance		
– Not overdue	8,341	11,784
– Less than 1 month (inclusive) overdue	–	420
– 1 to 3 months (inclusive) overdue	4,875	117,281
Lifetime ECL credit-impaired	<u>1,125,757</u>	<u>1,077,725</u>
Loans and receivables	11,577,041	11,946,960
Less: Allowances for impairment losses	<u>(315,212)</u>	<u>(441,866)</u>
Carrying value of loans and receivables	<u>11,261,829</u>	<u>11,505,094</u>

(b) **Market risk**

Market risk arises when the adverse changes in market prices (interest rates, exchange rates, as well as equity prices and other prices) lead to losses from the Group's business. The Group's market risk mainly arises from currency risk and interest rate risk.

(i) **Currency risk**

As the Group's principal activities are carried out in the PRC, the Group's transactions are mainly denominated in RMB, which is not freely convertible into foreign currencies. All foreign exchange transactions involving RMB must take place through the People's Bank of China or other institutions authorized to buy and sell foreign exchange. The exchange rates adopted for the foreign exchange transactions are the rates of exchange quoted by the People's Bank of China that are determined largely by supply and demand.

The directors consider the Group's exposure to foreign currency risk is not significant for 2025 as the foreign currency balance of the Group at the end of the reporting period is immaterial.

(ii) **Interest rate risk**

The risk of changes in the cash flow of financial instruments caused by the Groups interest rate changes is mainly related to financial lease. The Group's interest rate risk arises from the mismatch between the maturity date of interest-generating assets and interest-bearing liabilities and the contract repricing date. Interest margin of the Group may increase due to the change of market interest rate, interest margin of the Group may even decrease or loss due to their unpredictability.

The Group adopts the following measures to manage its interest rate risk:

- Optimizes the time difference between the maturity dates of interest-generating assets and interest-bearing liabilities and the contract repricing date; and
- Managing the difference between the pricing of interest-generating assets and interest-bearing liabilities and the benchmark interest rate of the People's Bank of China.

The sensitivity of the Group to the interest rate risk of financial instruments is based on the assumption that the reasonable changes in the interest rate risk borne by the financial instruments at the balance sheet date during the following year shall remain constant throughout the year. The following table shows the impact of the structure of financial assets and financial liabilities at the balance sheet date on the Group's after-tax profits, with a general increase or decrease of 100 basis points in interest rates, and all other variables held constant.

The following table illustrates the potential impact of a parallel upward or downward shift of 100 basis points in all financial instruments' yield rate on the Group's profit after taxation, based on the Group's positions of interest-generating assets and interest-bearing liabilities as at December 31, 2025 and 2024.

	<b>2025</b>	2024
	<b>RMB'000</b>	RMB'000
Profit after taxation		
+ 100 basis points	<b>21,247</b>	18,779
- 100 basis points	<b>(21,247)</b>	(18,779)

(c) **Liquidity risk**

Management regularly monitors the Group's liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and long term. The following tables show the remaining contractual maturities at the end of each reporting period of the Group's financial assets and financial liabilities, which are based on contractual undiscounted cash flows and the earliest date the Group can be required to pay:

	Overdue/ on demand RMB'000	Within 1 month RMB'000	1 to 3 months RMB'000	3 months to 1 year RMB'000	1 to 5 years RMB'000	More than five years RMB'000	Indefinite RMB'000	Total RMB'000	Carrying amount RMB'000
<b>December 31, 2025</b>									
Cash and cash equivalents	699,667	-	-	-	-	-	-	699,667	699,667
Pledged and restricted deposits	106,446	-	-	-	-	-	-	106,446	106,446
Loans and receivables	1,027,112	433,550	1,462,403	4,810,545	4,819,965	6,922	-	12,560,497	11,261,829
Financial assets at FVTOCI	-	-	-	-	-	-	13,397	13,397	13,397
Financial assets at FVTPL	-	-	-	-	-	-	1,694	1,694	1,694
Others	3,240	-	9,175	-	2,264	-	-	14,679	14,679
<b>Total financial assets</b>	<b>1,836,465</b>	<b>433,550</b>	<b>1,471,578</b>	<b>4,810,545</b>	<b>4,822,229</b>	<b>6,922</b>	<b>15,091</b>	<b>13,396,380</b>	<b>12,097,712</b>
Borrowings	-	203,950	692,610	3,418,744	2,931,987	-	-	7,247,291	7,228,329
Trade and other liabilities	-	103,578	583,043	1,050,290	812,764	-	142	2,549,817	2,514,091
Lease liabilities	-	-	573	1,568	3,391	-	-	5,532	5,333
<b>Total financial liabilities</b>	<b>-</b>	<b>307,528</b>	<b>1,276,226</b>	<b>4,470,602</b>	<b>3,748,142</b>	<b>-</b>	<b>142</b>	<b>9,802,640</b>	<b>9,747,753</b>
<b>Net exposure</b>	<b>1,836,465</b>	<b>126,022</b>	<b>195,352</b>	<b>339,943</b>	<b>1,074,087</b>	<b>6,922</b>	<b>14,949</b>	<b>3,593,740</b>	<b>2,349,959</b>
	Overdue/ on demand RMB'000	Within 1 month RMB'000	1 to 3 months RMB'000	3 months to 1 year RMB'000	1 to 5 years RMB'000	More than five years RMB'000	Indefinite RMB'000	Total RMB'000	Carrying amount RMB'000
<b>December 31, 2024</b>									
Cash and cash equivalents	840,966	-	-	-	-	-	-	840,966	840,966
Pledged and restricted deposits	85,785	-	-	-	-	-	-	85,785	85,785
Loans and receivables	935,435	476,307	1,506,422	5,064,792	5,027,162	-	-	13,010,118	11,505,094
Financial assets at FVTOCI	-	-	-	-	-	-	13,245	13,245	13,245
Financial assets at FVTPL	-	-	-	-	-	-	1,249	1,249	1,249
Others	2,684	-	-	357	2,620	-	-	5,661	5,661
<b>Total financial assets</b>	<b>1,864,870</b>	<b>476,307</b>	<b>1,506,422</b>	<b>5,065,149</b>	<b>5,029,782</b>	<b>-</b>	<b>14,494</b>	<b>13,957,024</b>	<b>12,452,000</b>
Borrowings	-	245,148	903,532	3,505,970	3,400,845	-	-	8,055,495	8,008,224
Trade and other liabilities	-	91,796	396,134	1,037,553	861,188	-	121	2,386,792	2,317,279
Lease liabilities	-	-	521	6,888	4,687	-	-	12,096	11,680
<b>Total financial liabilities</b>	<b>-</b>	<b>336,944</b>	<b>1,300,187</b>	<b>4,550,411</b>	<b>4,266,720</b>	<b>-</b>	<b>121</b>	<b>10,454,383</b>	<b>10,337,183</b>
<b>Net exposure</b>	<b>1,864,870</b>	<b>139,363</b>	<b>206,235</b>	<b>514,738</b>	<b>763,062</b>	<b>-</b>	<b>14,373</b>	<b>3,502,641</b>	<b>2,114,817</b>

(d) **Fair values**

Fair value estimates are generally subjective in nature, and are made as of a specific point in time based on the characteristics of the financial instruments and relevant market information. The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments:

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;
- Level 2: techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and
- Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

	2025			
	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI	–	–	13,397	13,397
Financial assets at FVTPL	–	–	1,694	1,694
Total	–	–	15,091	15,091

  

	2024			
	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI	–	–	13,245	13,245
Financial assets at FVTPL	–	–	1,249	1,249
Total	–	–	14,494	14,494

For the years ended December 31, 2025 and 2024, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3. The Group's policy is to recognize transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

**Information about Level 3 fair value measurements**

The following table presents the related valuation techniques and inputs of the major financial instruments in Level 3.

Financial assets /liabilities	Fair value hierarchy	Valuation Technique(s) and Key inputs	Significant Unobservable Input(s)	Relationship of unobservable input(s) to fair value
Unlisted investments	Level 3	the net asset method	the net asset	The higher the net asset, the higher the fair value

The fair value of unlisted equity instruments is determined using the net asset method. The unobservable valuation parameter is the net asset.

The movements during the year in the balance of these Level 3 fair value measurements are as follows:

	<b>2025</b>	2024
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
<b>Unlisted equity securities:</b>		
At the beginning of the year	<b>14,494</b>	13,541
Investments from debt restructuring	–	–
Repayment of cost	–	–
Net unrealised gains or losses recognized in profit and loss during the year	<b>445</b>	(68)
Net unrealised gains recognized in other comprehensive income during the year	<b>152</b>	1,021
	<hr/> <b>15,091</b> <hr/>	<hr/> 14,494 <hr/>
At end of the year	<b>15,091</b>	14,494

Total unrealised gains included in the consolidated statement of profit or loss for assets held at the end of the reporting period is RMB445 thousand (December 31, 2024: RMB-68 thousand).

### 32. COMMITMENTS AND CONTINGENT LIABILITIES

#### (a) Finance lease commitments

The irrevocable finance lease commitments of the Group refer to loans and receivables that have not been yet released. As at December 31, 2025, the Group's non-cancellable finance lease commitments amounted to RMB179.82 million (December 31, 2024: RMB109.3 million).

#### (b) Capital commitments

	<b>2025</b>	2024
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Contracted, but not provided for:		
Interest in associates	<b>29,450</b>	2,340
Property and equipment	<b>6,000</b>	995

### 33. MATERIAL RELATED PARTY TRANSACTIONS

#### (a) Name and relationship with related parties

Name of the entities	Relationship
Zhongguancun Development Group Co., Ltd.* (中關村發展集團股份有限公司)	Ultimate controlling party
Beijing Zhongguancun Technology Entrepreneurship Financial Service Group Co., Ltd.* (北京中關村科技創業金融服務集團有限公司)	Controlling shareholder
Beijing Zhongguancun Frontier Technology Industry Development Co., Ltd.* (北京中關村前沿技術產業發展有限公司)	A company controlled by the ultimate controlling party
Beijing Zhongguancun Software Park Development Co., Ltd.* (北京中關村軟件園發展有限責任公司)	A company controlled by the ultimate controlling party
Beijing Zhongguancun Technology Service Co., Ltd.* (北京中關村科技服務有限公司)	A company controlled by the ultimate controlling party
Beijing Zhongnuo Tongchuang Investment Fund Management Co., Ltd.* (北京中諾同創投資基金管理有限公司)	A Subsidiary of the Company
Shenzhen Zhongke Zhiyi Industrial Investment Co., Ltd.* (深圳中科知易產業投資有限公司)	An associate of the Company
Zhongguancun Huizhi (Suzhou) Enterprise Management Co., Ltd.* (中關村匯志(蘇州)企業管理有限公司)	An associate of the Company
Hangzhou Zhongzhi Technology Management Co., Ltd.* (杭州中致科技管理有限公司)	An associate of the Company
Tianjin Zhongfa Tiankai Haihe Zhongnuo Venture Capital Fund Partnership Enterprise (Limited Partnership) (天津中發天開海河中諾創業投資基金合夥企業(有限合夥))	An associate of the Company

\* The English translation of the name of these entities is for reference only. The official name of the entities are in Chinese.

#### (b) Transaction amounts with related parties within the Group

	2025 RMB'000	2024 RMB'000
<b>Leasing related</b>		
Interest expense on lease liabilities to related parties	175	672
<b>Guarantee related</b>		
Payment of guarantee fees to related parties <sup>(i)</sup>	4,258	6,493
<b>Others</b>		
Office expense to related parties	6,362	557

#### Note:

- (i) Zhongguancun Development Group Co., Ltd. assumes the second deficit payment obligation under a series of asset securitisation transactions signed by the Company. As at December 31, 2025, the outstanding guarantee balance obtained by the Company from Zhongguancun Development Group Co., Ltd. was RMB1,246,936 thousand (December 31, 2024: RMB613,000 thousand).
- (ii) In June 2025, the Group made a transaction with Beijing Zhongguancun Technology Entrepreneurship Financial Service Group Co., Ltd. that did not generate any gain or loss (see Note 19(c)).

(c) **The balances of transactions with related parties within the Group**

		<b>December 31, 2025</b>	December 31, 2024
	<i>NOTE</i>	<b>RMB'000</b>	<i>RMB'000</i>
<b>Leasing related</b>			
Lease liabilities payable to related parties		<b>1,479</b>	7,813
Lease prepayment to related parties		<b>2,879</b>	2,860
<b>Others</b>			
Deposits for rental	<i>(i)</i>	<b>3,329</b>	3,329
Other payable to a related party		<b>585</b>	700

*Note:*

- (i) As at December 31, 2025, this represents deposits for rental paid to Zhongguancun Development Group Co., Ltd. and Beijing Zhongguancun Technology Service Co., Ltd. which will be due within one year and two years, respectively (December 31, 2024: due within one year and three years, respectively).

(d) **Transaction amounts with related parties within the Subsidiary**

	<b>December 31, 2025</b>	December 31, 2024
	<b>RMB'000</b>	<i>RMB'000</i>
Additional capital contribution to Beijing Zhongnuo	<b>2,000</b>	–

(e) **Transaction amounts with related parties within the Associates**

	<b>2025</b>	2024
	<b>RMB'000</b>	<i>RMB'000</i>
Service fees to related parties	<b>10,405</b>	10,715
Office expense to related parties	<b>297</b>	714
Other income from related parties	–	167
Additional capital contribution to Tianjin Zhongnuo	<b>29,450</b>	–

(f) **The balances of transactions with related parties within the Associates**

	<b>December 31, 2025</b>	December 31, 2024
	<b>RMB'000</b>	<i>RMB'000</i>
Service fees payable to related parties	<b>3,332</b>	4,089
Other receivables from related parties	<b>1,503</b>	1,960

(g) **Transactions with key management personnel**

	<b>2025</b>	2024
	<b>RMB'000</b>	<i>RMB'000</i>
Key management personnel remuneration	<b>5,443</b>	8,410

34. COMPANY-LEVEL STATEMENT OF FINANCIAL POSITION

	December 31, 2025 RMB'000	December 31, 2024 RMB'000
<b>Non-current assets</b>		
Property and equipment	385,007	80,945
Intangible assets	24,070	22,872
Loans and receivables	4,463,424	4,644,450
Financial assets at FVTOCI	13,397	13,245
Financial assets at FVTPL	1,694	1,249
Interest in associates	330,214	302,790
Investments in subsidiaries	10,091	–
Deferred tax assets	106,579	110,814
Other assets	57,768	3,086
	<u>5,392,244</u>	<u>5,179,451</u>
<b>Current assets</b>		
Loans and receivables	6,798,405	6,860,644
Other assets	164,253	153,677
Accounts receivable	9,150	1,973
Pledged and restricted deposits	49,997	18,586
Cash and cash equivalents	695,924	840,966
	<u>7,717,729</u>	<u>7,875,846</u>
<b>Current liabilities</b>		
Borrowings	4,303,997	4,636,778
Income tax payable	–	22,801
Trade and other liabilities	1,900,298	1,664,602
	<u>6,204,295</u>	<u>6,324,181</u>
<b>Net current assets</b>	<u>1,513,434</u>	<u>1,551,665</u>
<b>Total assets less current liabilities</b>	<u>6,905,678</u>	<u>6,731,116</u>
<b>Non-current liabilities</b>		
<b>Borrowings</b>	2,924,332	3,371,446
<b>Trade and other liabilities</b>	716,482	778,696
	<u>3,640,814</u>	<u>4,150,142</u>
<b>NET ASSETS</b>	<u>3,264,864</u>	<u>2,580,974</u>
<b>CAPITAL AND RESERVES</b>		
Share capital	1,615,102	1,333,334
Reserves	1,649,762	1,247,640
<b>TOTAL EQUITY</b>	<u>3,264,864</u>	<u>2,580,974</u>

Approved and authorised for issue by the board of directors on March 24, 2026.

### Movements in components of equity

The reconciliation between the opening and closing balances of each component of Group's consolidated equity is set out in the consolidated statement of changes in equity. Details of the changes in the Company's individual components of equity between the beginning and the end of the year are set out below:

	Share capital <i>RMB'000</i>	Capital reserve <i>RMB'000</i>	Surplus reserve <i>RMB'000</i>	General reserve <i>RMB'000</i>	Fair value reserve <i>RMB'000</i>	Retained profits <i>RMB'000</i>	Total equity <i>RMB'000</i>
At January 1, 2024	1,333,334	331,149	98,135	110,470	2,137	524,733	2,399,958
Changes in equity for 2024							
Profit for the year	-	-	-	-	-	270,917	270,917
Other comprehensive income	-	-	-	-	766	-	766
Total comprehensive income	-	-	-	-	766	270,917	271,683
Appropriation to statutory reserve	-	-	27,092	-	-	(27,092)	-
Dividends approved in respect of the previous years	-	-	-	-	-	(90,667)	(90,667)
At December 31, 2024							
January 1, 2025	<u>1,333,334</u>	<u>331,149</u>	<u>125,227</u>	<u>110,470</u>	<u>2,903</u>	<u>677,891</u>	<u>2,580,974</u>
Changes in equity for 2025							
Profit for the year	-	-	-	-	-	271,901	271,901
Other comprehensive income	-	-	-	-	114	-	114
Total comprehensive income	-	-	-	-	114	271,901	272,015
Issue of shares	281,768	225,397	-	-	-	-	507,165
Appropriation to statutory reserve	-	-	27,190	-	-	(27,190)	-
Dividends approved in respect of the previous years	-	-	-	-	-	(95,289)	(95,289)
At December 31, 2025	<u>1,615,102</u>	<u>556,546</u>	<u>152,417</u>	<u>110,470</u>	<u>3,017</u>	<u>827,313</u>	<u>3,264,865</u>

### 35. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

#### (a) General information of subsidiaries

Details of the subsidiary directly held by the Company at the end of the reporting period are set out below.

Name of subsidiary	Date of establishment	Form of business structure	Place of incorporation and business	Registered capital (RMB' million)	Paid in capital at 2025 (RMB' million)	Proportion of voting rights and ownership interest at 2025	Principal activities
Beijing Zhongnuo	April 23, 2019	Incorporation	PRC	10.0	6.0	100%	Investment management

#### (b) Change in ownership interest in a subsidiary

During the year, the Group completed the acquisition of the remaining 61% of its interest in Beijing Zhongnuo, increasing its ownership interest to 100%. The total consideration for the acquisition was RMB497.7 million settled in cash. The acquisition cost was substantially equivalent to the fair value of the identifiable net assets of Beijing Zhongnuo as at the acquisition date.

### 36. CONSOLIDATED STRUCTURED ENTITIES

In the course of its ordinary activities, the Group enters into asset securitisation transactions and transfers the loans and receivables to special purpose entities, which are structured entities created to provide opportunities for investors to invest in the loans and receivables. Where a structured entity conducts activities according to contractual arrangements, voting right is not a main factor to consider in assessing whether the Group controls the structured entity. The Group obtains control over a structured entity when it involves itself in the entity's operations and is exposed to variable returns from such involvement, and when it has the ability to affect those returns through its power over the structured entity. In this case, the Group includes the structured entities in its consolidation scope.

As at December 31, 2025, the number of consolidated structured entities of the Group was fourteen (December 31, 2024: twelve). As at December 31, 2025, the total assets of the consolidated structured entities amounted to RMB4,456.6 million (December 31, 2024: RMB3,963.1 million).

(a) **Name of consolidated structured entities**

***Name of the entities***

Zhongguancun Science and Technology Leasing Corporation Limited 2022 Phase I Directed Asset Backed Notes  
中關村科技租賃股份有限公司2022年度第一期定向資產支持票據

Zhongguancun Science and Technology Leasing Corporation Limited 2023 Phase I Directed Asset Backed Notes  
中關村科技租賃股份有限公司2023年度第一期定向資產支持票據

China Securities & Guotai Junan – Zhongguancun Science and Technology Leasing 2023 Phase I Asset Backed  
Special Programme  
建投國君—中關村科技租賃2023年第一期資產支持專項計劃

China Securities – Zhongguancun Science and Technology Leasing Phase I Asset Backed Special Programme  
中信建投—中關村科技租賃1期資產支持專項計劃

Zhongguancun Science and Technology Leasing Company Limited 2024 Phase I Directed Asset Backed Notes  
中關村科技租賃股份有限公司2024年度第一期定向資產支持票據

China Securities – Zhongguancun Science and Technology Leasing Phase II Asset Backed Special Programme  
中信建投—中關村科技租賃2期資產支持專項計劃

Zhongguancun Science and Technology Leasing Company Limited 2024 Phase II Directed Asset Backed Notes  
中關村科技租賃股份有限公司2024年度第二期定向資產支持票據

China Securities – Zhongguancun Science and Technology Leasing Phase III Small and Micro Enterprises Asset  
Backed Special Programme (Science and Technology Innovation)  
中信建投—中關村科技租賃3期小微企業資產支持專項計劃(科技創新)

Zhongguancun Science and Technology Leasing – Guangzhou Development Zone New Energy Vehicle Intellectual  
Property Right No.1 Asset Backed Special Programme (Specialised)  
中關村科技租賃—廣州開發區新能源汽車知識產權1號資產支持專項計劃(專精特新)

Zhongguancun Science and Technology Leasing 2025 Phase I Asset Backed Special Programme  
中關村科技租賃2025年1期資產支持專項計劃

Zhongguancun Science and Technology Leasing Company Limited 2025 Phase I Directed Asset Backed Notes  
中關村科技租賃股份有限公司2025年度第一期定向資產支持票據

People’s Insurance Asset – Zhongguancun Science and Technology Leasing No. 1 Asset Backed Programme  
人保資產—中關村科技租賃1號資產支持計劃

Zhongguancun Science and Technology Leasing Company Limited 2025 Phase I Directed Asset Backed Business  
Notes  
中關村科技租賃股份有限公司2025年度第一期定向資產支持商業票據

Zhongguancun Science and Technology Leasing 2025 Phase II Asset Backed Special Programme  
中關村科技租賃2025年2期資產支持專項計劃

**37. IMMEDIATE AND ULTIMATE CONTROLLING PARTY**

At December 31, 2025, the directors consider the immediate parent of the Company to be Beijing Zhongguancun Technology Entrepreneurship Financial Service Group Co., Ltd. (北京中關村科技創業金融服務集團有限公司) and the ultimate controlling party of the Group to be Zhongguancun Development Group Co., Ltd. (中關村發展集團股份有限公司).

**38. NON-ADJUSTING EVENT AFTER THE REPORTING PERIOD**

According to the proposal of the meeting of board of directors dated March 24, 2026, a cash profit distribution by the Company to its equity shareholders amounted to RMB95.3 million, and the dividend per share was RMB0.059. If the total share capital of the Company changes before the equity registration date for implementing equity distribution (i.e. Monday, July 6, 2026), the amount of cash dividends distributed per share will be adjusted accordingly within the total amount of RMB95.3 million. The final dividend proposed after the end of the reporting period has not been recognized as a liability at the end of the reporting period.

**39. COMPARATIVE FIGURES**

Certain comparative figures have been adjusted to conform to current year's presentation.

## OTHER INFORMATION

### 1 CORPORATE GOVERNANCE PRACTICES

The Company has adopted the Corporate Governance Code (the “**CG Code**”) as contained in Appendix C1 to the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong (the “**Stock Exchange**”) as its own code of corporate governance. The Company has committed to maintaining high standards of corporate governance in order to safeguard the interests of the shareholders of the Company (the “**Shareholders**”) and enhance the corporate value and accountability of the Company.

To the best knowledge of the Directors, during the Reporting Period, the Company has complied with all applicable code provisions set out in Part 2 of the CG Code. The Board will continue to review and improve the Company’s corporate governance practice to ensure its compliance with the CG Code.

Mr. CHENG Dongyue resigned from his positions as an independent non-executive Director, chairman of the remuneration committee, member of the audit committee, member of the nomination committee and member of the risk control committee of the Board due to personal health reasons with effect from July 21, 2025. The Company has failed to comply with Rules 3.10(1), 3.10A, 3.21, 3.25 and 3.27A of the Listing Rules. For details, please refer to the Company’s announcement dated July 23, 2025.

Mr. WEI Tingquan resigned from his positions as a non-executive Director and member of the Audit Committee due to a change in his work on August 12, 2025. The Company has complied with Rules 3.10A and 3.21 of the Listing Rules but has failed to comply with Rules 3.10(1), 3.25 and 3.27A of the Listing Rules. For details, please refer to the Company’s announcement dated August 12, 2025.

On September 30, 2025, the Company received the approval of the qualification for appointment from the Local Financial Administration Bureau of Beijing Municipality in respect of the appointment of Mr. XU Jingquan and Ms. YANG Pengyan as executive Directors. Mr. XU Jingquan was also appointed as the chairman of the Board on the same date. Following Mr. XU Jinaquan’s appointment, Mr. ZHANG Jian resigned as the chairman of the Board, a non-executive Director, chairman of the nomination committee, member of the remuneration committee, member of the risk control committee and chairman of the environmental, social and governance committee of the Board due to work changes with effect from September 30, 2025. The Company has failed to comply with Rule 3.10A of the Listing Rules. For details, please refer to the Company’s announcements dated September 30, 2025.

The Company applied to the Stock Exchange for a waiver seeking an extension of the grace period for strict compliance with Rules 3.10(1), 3.10A, 3.25 and 3.27A of the Listing Rules to February 6, 2026 pursuant to Rules 3.11, 3.27 and 3.27C of the Listing Rules. On November 7, 2025, the Stock Exchange granted a waiver extending the grace period to February 6, 2026. For details, please refer to the Company’s waiver announcements dated October 21, 2025 and November 13, 2025.

On December 30, 2025, the Company received the approval of the qualification for appointment from the Local Financial Administration Bureau of Beijing Municipality in respect of the appointment of Mr. XU Zhengwen and Mr. XIAO Wang as a non-executive Director and an independent non-executive Director respectively. Mr. XU Zhengwen also serves as a member of the Audit Committee, and Mr. XIAO Wang also serves as chairman of the remuneration committee, member of the audit committee, member of the nomination committee and member of the risk control committee of the Board. The Company has satisfied the requirements under Rules 3.10(1), 3.10A and 3.25 of the Listing Rules. For details, please refer to the Company's announcement dated December 30, 2025.

On December 31, 2025, Mr. XU Jingquan, chairman of the Board and executive Director, was appointed as chairman of the nomination committee, chairman of the environmental, social and governance committee, member of the remuneration committee and member of the risk control committee of the Board. The Company has re-complied with all the relevant requirements of the Listing Rules in respect of directors.

## **2 DIRECTORS' AND SUPERVISORS' SECURITIES TRANSACTIONS**

The Company has formulated the Code of Dealing in Securities of the Company by Directors, Supervisors, Senior Management and Personnel with Inside Information (《董事、監事、高級管理人員及其他內幕信息知情人員證券交易管理制度》) (the “**Code of Dealing**”) as the code of conduct of the securities transactions carried out by the Directors, Supervisors, senior management and personnel with inside information, the terms of which are not less exacting than the Model Code for Securities Transactions by Directors of Listed Issuers as contained in Appendix C3 to the Listing Rules.

Specific enquiry has been made with the Directors and Supervisors, and they have confirmed their compliance with the required standards set out in the said Code of Dealing during the Reporting Period.

## **3 ANNUAL GENERAL MEETING**

The forthcoming annual general meeting of the Company (the “**AGM**”) will be held on Tuesday, June 16, 2026, a notice of which will be published and provided to the Shareholders in due course.

## **4 FINAL DIVIDEND**

The Board has recommended the payment of a final dividend of RMB0.059 per share (tax inclusive) for the year ended December 31, 2025 (2024: RMB0.059 per share (tax inclusive)), totalling approximately RMB95.3 million, to the Shareholders whose names appear on the register of members of the Company on Monday, July 6, 2026. In principle, the payments will be made to holders of Domestic Shares in RMB and to holders of H Shares in HK\$. The proposed final dividend is expected to be paid on or around Wednesday, August 12, 2026, subject to the Shareholders' approval at the AGM.

## Taxation

Pursuant to the PRC Individual Income Tax Law (《中華人民共和國個人所得稅法》), the Implementation Regulations of the PRC Individual Income Tax Law (《中華人民共和國個人所得稅法實施條例》), the Notice on the Issues Concerning the Collection and Administration of Individual Income Tax Following the Repeal of Guo Shui Fa [1993] No. 45 (Guo Shui Han [2011] No. 348) (《國家稅務總局關於國稅發[1993]045號文件廢止後有關個人所得稅徵管問題的通知》(國稅函[2011]348號)) and the Announcement of the State Administration of Taxation on Promulgation of the “Administrative Measures on Entitlement of Non-residents to Treatment under Treaties” (Announcement No. 35 [2019] of the State Administration of Taxation) (《國家稅務總局關於發佈〈非居民納稅人享受協議待遇管理辦法〉的公告》)(國家稅務總局公告2019年第35號)) and the relevant laws, regulations and regulatory documents, the Company shall, as a withholding agent, withhold and pay individual income tax for the individual holders of H Shares in respect of the proposed final dividend to be distributed to them. Overseas resident individual shareholders of stocks issued by domestic non-foreign investment enterprises in Hong Kong are entitled to the relevant preferential tax treatment pursuant to the provisions in the tax agreements signed between the countries in which they are residents and China, or to the tax arrangements between mainland China and Hong Kong and Macau. Accordingly, 10% of the dividends to be distributed to the individual holders of H Shares are generally withheld as individual income tax unless otherwise specified by the relevant tax laws, regulations and agreements.

For holders of H Shares who are non-resident enterprises, in accordance with the provisions of the Notice on Issues concerning Withholding the Enterprise Income Tax on Dividends Paid by Chinese Resident Enterprises to H Shares holders who are Overseas Non-resident Enterprises (Guoshuihan [2008] No. 897) published by the State Administration of Taxation of PRC (國家稅務總局《關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》(國稅函[2008]897號)), the enterprise income tax shall be withheld at a uniform rate of 10% by the Company. Non-resident enterprise shareholders may apply for tax refund for the difference in accordance with relevant requirements including tax agreements (arrangements).

The Company assumes no responsibility and disclaims all liabilities whatsoever in relation to the tax status or tax treatment of the holders of H shares and for any claims arising from any delay in or inaccurate determination of the tax status or tax treatment of the holders of H shares or any disputes relating to the tax withholding and payment mechanism or arrangements.

## 5 CLOSURES OF REGISTER OF MEMBERS

The register of members of the Company will be closed during the following periods:

For determining the entitlement to attend and vote at the forthcoming annual general meeting, the register of members of the Company will be closed from Wednesday, June 10, 2026 to Tuesday, June 16, 2026, both dates inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the forthcoming annual general meeting, all share transfer documents accompanied by the relevant share certificates must be lodged with the Company's headquarters and principal place of business in China at Floor 6, Suite 7, Courtyard 2, No. 1 West Third Ring North Road, Haidian District, Beijing, the PRC (for holders of domestic shares) or the Company's H share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for holders of H shares) not later than 4:30 p.m. on Tuesday, June 9, 2026, for registration. The record date for determining the entitlement of the Shareholders to attend and vote at the forthcoming annual general meeting will be on Tuesday, June 16, 2026.

For determining the entitlement to the proposed final dividend, subject to approval by the Shareholders at the forthcoming annual general meeting, the register of members of the Company will be closed from Monday, June 29, 2026 to Monday, July 6, 2026, both dates inclusive, during which period no transfer of shares will be registered. In order to qualify for the proposed final dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's H share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for holders of H shares) not later than 4:30 p.m. on Friday, June 26, 2026, for registration. The record date for determining the entitlement of the Shareholders to receive the proposed final dividend will be on Monday, July 6, 2026.

## 6 AUDIT COMMITTEE

The Company has established the audit committee (the "**Audit Committee**") in accordance with Rule 3.21 and the CG Code, with terms of reference in writing. The Audit Committee consists of five members, being Mr. WU Tak Lung, Ms. LIN Zhen and Mr. XIAO Wang, independent non-executive Directors, Mr. XU Zhengwen and Mr. ZHANG Chunlei, non-executive Directors. The Audit Committee is chaired by Mr. WU Tak Lung who has a professional qualification in accountancy as required by the Listing Rules. Mr. ZHANG Chunlei was appointed as member of the Audit Committee with effect from January 7, 2025. Mr. CHENG Dongyue resigned as member of the Audit Committee with effect from July 21, 2025. Mr. WEI Tingquan served as a member of the Audit Committee from April 11, 2025 to August 12, 2025. Mr. XIAO Wang and Mr. XU Zhengwen were appointed as members of the Audit Committee with effect from December 30, 2025.

The primary functions of the Audit Committee include making recommendations to the Board on the appointment, re-appointment and removal of external auditors; reviewing the financial statements, assisting the Board in providing advice and an independent view of the financial reporting process, overseeing the audit process, providing advice and comment to the Board on matters related to corporate governance and performing other duties and responsibilities as assigned by the Board.

The Audit Committee has discussed with the management and the external auditor of the Company and reviewed the audited annual consolidated financial statements of the Group for the Reporting Period and the annual results. In addition, Deloitte Touche Tohmatsu, the external auditor of the Company, has independently audited the consolidated financial statements of the Group for the Reporting Period in accordance with International Standards on Auditing.

## **7 SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD**

There were no significant events after the year ended December 31, 2025 and up to the date of this announcement.

## **8 MATERIAL LEGAL, LITIGATION AND ARBITRATION MATTERS**

As at the end of the Reporting Period, the Company has no pending litigation as defendant.

## **9 PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES**

During the Reporting Period, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company (including sale of treasury shares (as defined in the Listing Rules)). As at the end of the Reporting Period, no treasury shares (as defined in the Listing Rules) were held by the Company.

## **10 PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT**

This announcement was published on the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and on the website of the Company ([www.zgclease.com](http://www.zgclease.com)). 2025 annual report of the Company will be provided to the Shareholders and published on the websites of the Stock Exchange and the Company in due course.

This announcement was prepared in both Chinese and English versions, where there is a discrepancy between the Chinese and English versions, the Chinese version shall prevail.

By order of the Board  
**Zhongguancun Science-Tech Leasing Co., Ltd.**  
**XU Jingquan**  
*Chairman*

Beijing, the PRC, March 24, 2026

*As at the date of this announcement, the Board comprises Mr. XU Jingquan, Mr. HE Rongfeng, Mr. HUANG Wen and Ms. YANG Pengyan as executive Directors, Mr. XU Zhengwen and Mr. ZHANG Chunlei as non-executive Directors, and Mr. WU Tak Lung, Ms. LIN Zhen and Mr. XIAO Wang as independent non-executive Directors.*