



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

2025
ANNUAL REPORT



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

Corporate Profile

Zhongguancun Science-Tech Leasing Co., Ltd. (Stock Code: 01601.HK) was established in November 2012 with its headquarters in Beijing. It is a state-controlled technology finance platform under ZGC Group, dedicated to serving technology enterprises in China. The Company was listed on the Main Board of the Stock Exchange in January 2020, with a registered capital of RMB1,615 million.

The Group upholds the mission of “identifying and nurturing high-growth technology enterprises” and precisely positions itself to serve high-end equipment manufacturing enterprises and high-tech producer services enterprises in the “1-10” industrialization breakout stage. Faced with macroeconomic cyclical fluctuations and industrial upgrading opportunities, the Group anchors its strategic vision of “becoming a world-class technology industry financial service provider” and actively promotes functional restructuring, model upgrading and sector focus:

- Functionally: transform from “leasing as financing” to “leasing as sales promotion + leasing as service”;
- Model-wise: upgrade from financial leasing to an integrated “leasing + investment + service” model;
- Sector-wise: deeply focus on three high-growth strategic sectors, namely:
 - (1) AI+new energy: energy storage technologies and energy-saving services;
 - (2) AI+robotics: robotics manufacturing and services in logistics, energy, medical engineering and other fields;
 - (3) AI+high-end sophisticated equipment: “bottleneck” technology breakthrough and domestic substitution areas urgently needed by national strategies.

Looking ahead to the 15th Five-Year Plan period, the Group will continue to deepen the innovative model of “industry-finance integration”, promote a virtuous cycle of “technology-industry-finance”, strive to be a financial partner for technology enterprises, empower the real economy, and contribute leasing strength to the high-quality development of China’s economy.

Corporate Information

BOARD OF DIRECTORS

Non-executive Director

Mr. XU Zhengwen

Executive Directors

Mr. XU Jingquan (*Chairman*)

Mr. HE Rongfeng (*General manager*)

Mr. HUANG Wen

Ms. YANG Pengyan

Independent Non-executive Directors

Mr. WU Tak Lung

Ms. LIN Zhen

Mr. XIAO Wang

COMPANY SECRETARY

Mr. GAO Wei (*FCG, HKFCG (PE)*)

AUTHORISED REPRESENTATIVES UNDER THE LISTING RULES

Mr. HE Rongfeng

Mr. HUANG Wen

AUDIT COMMITTEE

Mr. WU Tak Lung (*Chairman*)

Ms. LIN Zhen

Mr. XIAO Wang

Mr. XU Zhengwen

REMUNERATION COMMITTEE

Mr. XIAO Wang (*Chairman*)

Mr. WU Tak Lung

Ms. LIN Zhen

Mr. XU Jingquan

Mr. HE Rongfeng

NOMINATION COMMITTEE

Mr. XU Jingquan (*Chairman*)

Mr. WU Tak Lung

Ms. LIN Zhen

Mr. XIAO Wang

Mr. HE Rongfeng

RISK CONTROL COMMITTEE

Ms. LIN Zhen (*Chairwoman*)

Mr. WU Tak Lung

Mr. XIAO Wang

Mr. XU Jingquan

Mr. HUANG Wen

ENVIRONMENTAL, SOCIAL AND GOVERNANCE COMMITTEE

Mr. XU Jingquan (*Chairman*)

Mr. WU Tak Lung

Mr. HUANG Wen

Corporate Information

REGISTERED OFFICE

610, 6/F, Block A
No. 2 Lizezhong 2nd Road
Chaoyang District, Beijing
PRC

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN CHINA

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No. 1 West Third Ring North Road
Haidian District, Beijing
PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

40th Floor, Dah Sing Financial Centre
No. 248 Queen's Road East
Wanchai
Hong Kong

PRINCIPAL BANKS

Bank of Communications

No.6 Xinkexiangyuan
Academy of Sciences South Road
Haidian District, Beijing
PRC

Bank of Jiangsu

Floors 1-3, No. 7 Haidian South Road
Haidian District, Beijing
PRC

Guangfa Bank

1st Floor, Angel Building
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Haidian District, Beijing
PRC

AUDITOR

Deloitte Touche Tohmatsu
35/F, One Pacific Place
88 Queensway, Admiralty
Hong Kong

LEGAL ADVISOR

As to Hong Kong Law

Patrick Mak & Tse Solicitors
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No. 111 Connaught Rd. C, Central
Hong Kong

As to PRC Law

Beijing Shengda Law Firm
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No. 2 Fuwai Street
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Services Limited
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STOCK CODE

1601

WEBSITE

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or
zgclease.zgcgroupp.com.cn

Chairman's Statement

Dear Shareholders,

Time flies and a new chapter unfolds. 2025 marked the successful conclusion of the Group's 14th Five-Year Plan period and a pivotal year for connecting the past and planning for the long term. Faced with a complex and challenging international and domestic environment, increasingly fierce market competition and stricter industry regulatory requirements, we closely followed the strategic arrangements of the "Five Major Tasks" in finance. Led by Party building, guided by strategy, focused on industry-finance integration and grounded in risk control, we forged ahead steadily on the path of high-quality development, achieving synchronous improvement in operational efficiency and core competitiveness. The total assets of the Group reached RMB13.112 billion, the net assets of the Group reached RMB3.265 billion, and net profit maintained growth year after year, drawing a successful conclusion to the 14th Five-Year Plan.

Party building leads the way, consolidating the "foundation and soul" of development. As a state-owned enterprise, we have deeply integrated Party building with business development, using the red guidance of Party building to drive industrial prosperity and financial vitality. We have integrated Party leadership throughout strategy formulation, business development and risk prevention and control, deeply grasped the laws of technology industry development and regulatory requirements, and ensured that the Group's development aligns with national strategies and the real economy. We have formed Party member strike teams to tackle key tasks, holding the Party flag high at the frontline of business and risk control, and built a solid political foundation and organizational guarantee for high-quality development with the responsibility of a state-owned enterprise.

Strategic planning opens a new journey, anchoring the blueprint for the 15th Five-Year Plan. In 2025, based on industrial trends and our own strengths, we completed the formulation of the 15th Five-Year strategic plan and established the strategic vision of "becoming a first-class technology industry financial service provider in China" by 2030. We deeply recognize that under the dual context of economic cyclical fluctuations and industrial upgrading, refined value creation is the core engine of sustainable development. Therefore, the Group has comprehensively promoted strategic upgrading – reshaping service boundaries through functional restructuring, reconstructing value logic through model upgrading, and anchoring growth engines through sector focus, intervening before the outbreak of corporate value to share full-cycle growth returns.

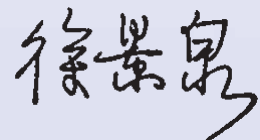
Chairman's Statement

Deep empowerment through industry-finance integration, building a hard technology industrial ecosystem. In 2025, centering on the core needs of high-growth technology enterprises in technology commercialization, market development and capital operation, the Group provided ecological financial solutions. The proportion of industry-finance integration projects in the Group's total investment historically exceeded 10%, establishing differentiated competitive advantages in the three sectors of AI+new energy, AI+robotics and AI+high-end sophisticated equipment. The Group has built a service system of "digital empowerment + scenario deep cultivation", directing financial resources precisely to the hard technology industry and bridging the "last mile" of technology implementation.

Risk control lays the foundation and safeguards the bottom line, consolidating the basis for steady development. In 2025, adhering to a prudent comprehensive risk management philosophy, we upgraded the risk control system and applied big data modeling to enhance the foresight and scientificity of risk identification. Through the implementation of a tiered and classified collection and disposal mechanism, we successfully completed the first transfer of non-performing asset trust beneficiary rights, reducing the non-performing asset ratio from 1.8% to 1.2%. Meanwhile, the Group has established a compliance management system featuring "sound systems, effective implementation, adequate supervision and strict accountability", building a rigorous defense line with coordinated compliance and risk control.

The journey is long and the wind is strong; with heavy responsibilities, we set off again. 2026 is the grand opening year of the 15th Five-Year Plan period. The Group will continue to adhere to steady operation, deeply cultivate core strategic sectors, strictly adhere to the risk bottom line, firmly advance business transformation, continuously deepen the innovative model of "industry-finance integration", and promote a virtuous cycle of "technology-industry-finance". Looking ahead, we will always uphold the responsibility of a state-owned enterprise and a listed company, work together with all shareholders, customers, partners and colleagues from all walks of life to pursue win-win results, and write a new chapter of high-quality development with solid actions!

Chairman of the Board



XU Jingquan

March 24, 2026

General Manager's Statement

Dear Shareholders,

Dedicated to deep cultivation and forging ahead with unremitting efforts, 2025 was a crucial year for the Group to advance its strategic transformation in depth and with tangible results. Faced with the external environment of profound adjustments in the financial leasing industry, the Group closely focused on the three strategic pillars of functional restructuring, model upgrading and sector focus, driving value discovery through industrial insight, empowering value creation through financial services, and extending the value chain through resource integration. Throughout the year, the Group achieved a total income of RMB853 million, a net profit of RMB272 million, and a total equity of RMB3.265 billion. This performance record testifies to the Group's strategic resilience in breaking through during transformation and growing through reform, and further illuminates the broad prospects of moving towards becoming a "technology industry financial service provider".

Promoting functional restructuring to upgrade leasing from a financing tool to an industrial empowerment platform. The Group deepened its transformation from "leasing as financing" to "leasing as sales promotion + leasing as service", and helped equipment manufacturers accelerate market penetration through product innovation such as operating leasing and vendor leasing. In 2025, operating lease disbursement amount reached RMB408 million, a year-on-year increase of 600%, fully verifying the "sales promotion" function of leasing; by deeply participating in customers' operation links and providing value-added services such as equipment management and technological upgrading, the repurchase rate of industry-finance integration projects exceeded 50%, and the "service" value of leasing continued to be demonstrated. Functional restructuring has integrated leasing deeply into the industrial cycle, making it an indispensable strategic partner for customers' growth.

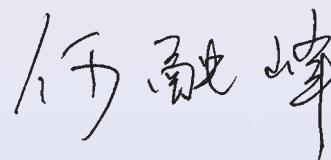
Deepening model upgrading to build full-cycle service capabilities through the integration of "leasing, investment and service". The Group upgraded from financial leasing to an integrated industry-finance integration model of "leasing + investment + service", cultivating a customer base through leasing business, capturing growth value through equity investment, and deepening cooperation stickiness through industrial services. In 2025, 15 new investment decision projects were added, successfully helping 5 enterprises list on domestic and foreign capital markets; the income driven by industry-finance integration projects increased by 123.88% year-on-year, demonstrating the strong vitality of the integrated "leasing, investment and service" business model. Model upgrading has transformed the Group from a capital provider to a value co-creator, sharing risks and growth with technology enterprises.

General Manager's Statement

Focusing on sector concentration to build differentiated competitive barriers in three high-growth areas. The Group precisely directed its resources to the three strategic sectors of AI+new energy, AI+robotics and AI+high-end sophisticated equipment. It has laid out three of the top four leading enterprises in the domestic unmanned driving in mining areas, and successfully cultivated more than ten quasi-chain leader enterprises. In 2025, all new industry-finance integration projects focused on the three sectors, and the business structure was highly consistent with the layout of national strategic emerging industries. Sector focus allowed the Group to seize opportunities and move forward steadily in the wave of hard technology.

The journey is long and only hard work will prevail; the stars and the sea start from the footsteps. Looking ahead to 2026, the Group will continue to move forward firmly along the path of strategic transformation, systematically build an ecological system of in-depth coordination among technology, industry and finance, continuously deepen the “leasing, investment and service” business model, and build a more resilient comprehensive risk management system. With higher standards and more concrete measures, we will step into a new stage of high-quality development, strive to be a financial partner for technology enterprises, and create sustainable long-term value for shareholders, customers and society!

General Manager



HE Rongfeng

March 24, 2026

Management Discussion and Analysis

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

Management Discussion and Analysis

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

Management Discussion and Analysis

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.

Management Discussion and Analysis

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.

Management Discussion and Analysis

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 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 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.

Management Discussion and Analysis

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.

Management Discussion and Analysis

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.

Management Discussion and Analysis

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		
	RMB'000	% of total	RMB'000	% of total	
Interest income	666,759	78.2%	729,856	83.1%	(8.6%)
Advisory fee income	128,663	15.1%	139,371	15.9%	(7.7%)
Operating lease income	57,286	6.7%	8,361	1.0%	585.2%
Total revenue	852,708	100.0%	877,588	100.0%	(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.

Management Discussion and Analysis

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		
	RMB'000	% of total	RMB'000	% of total	
Intelligent manufacturing	306,331	38.5%	297,372	34.2%	3.0%
Double carbon	206,626	26.0%	183,115	21.1%	12.8%
Medicine and health	118,489	14.9%	133,258	15.3%	(11.1%)
Others	163,976	20.6%	255,482	29.4%	(35.8%)
Total interest income and advisory fee income	795,422	100.0%	869,227	100.0%	(8.5%)

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:

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

Management Discussion and Analysis

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 ⁽¹⁾	Interest income	Average yield of interest-earning assets ⁽²⁾	Average balance of interest-earning assets	Interest income	Average yield of interest-earning assets
	RMB'000	RMB'000	%	RMB'000	RMB'000	%
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%
Total	11,762,001	666,759	5.7%	11,758,528	729,856	6.2%

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.

Management Discussion and Analysis

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.

Management Discussion and Analysis

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		
	RMB' 000	% of total	RMB'000	% of total	
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%)
Total advisory fee income	128,663	100.0%	139,371	100.0%	(7.7%)

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		
	RMB' 000	% of total	RMB'000	% of total	
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%)
Total advisory fee income	128,663	100.0%	139,371	100.0%	(7.7%)

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.

Management Discussion and Analysis

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%)
Total interest expense	239,535	100.0%	286,057	100.0%	(16.3%)

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.

Management Discussion and Analysis

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

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

Management Discussion and Analysis

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

	For the year ended December 31,		
	2025 RMB' 000	2024 RMB'000	Changes
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 ⁽¹⁾	5.9%	6.7%	(11.9%)
Interest expense yield ⁽²⁾	2.9%	3.5%	(17.1%)
Net interest spread ⁽³⁾	3.0%	3.2%	(6.3%)
Net interest margin ⁽⁴⁾	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.

Management Discussion and Analysis

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,		
	2025	2024	Changes
	RMB' 000	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%
Total other net income	6,592	5,676	16.1%

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.

Management Discussion and Analysis

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%)
Total operating expense	198,647	100.0%	166,381	100.0%	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:

	For the year ended December 31,		
	2025	2024	Changes
	RMB' 000	RMB'000	
Loans and receivables	70,139	79,020	(11.2%)
Total impairment losses	70,139	79,020	(11.2%)

Management Discussion and Analysis

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.

Management Discussion and Analysis

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

Management Discussion and Analysis

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:

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

Management Discussion and Analysis

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
	RMB'000	% of total	RMB'000	% of total	
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%)
Net amount of loans and receivables	11,577,041	100.0%	11,946,960	100.0%	(3.1%)

Management Discussion and Analysis

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
	RMB'000	% of total	RMB'000	% of total	
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%
Net amount of loans and receivables	11,577,041	100.0%	11,946,960	100.0%	(3.1%)

Management Discussion and Analysis

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	
Maturity					
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	300,601	2.6%	368,525	3.1%	(18.4%)
Net amount of loans and receivables	11,577,041	100.0%	11,946,960	100.0%	(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.

Management Discussion and Analysis

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.

Management Discussion and Analysis

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.

Management Discussion and Analysis

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
	RMB'000	% of total	RMB'000	% of total	
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%)
Net amount of loans and receivables	11,577,041	100.0%	11,946,960	100.0%	(3.1%)
NPAs	136,737		212,965		(35.8%)
NPAs ratio	1.2%		1.8%		(33.7%)

Management Discussion and Analysis

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
	RMB'000	% of total	RMB'000	% of total	
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%)
Total assets under special mention	934,297	100.0%	879,156	100.0%	6.3%

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.

Management Discussion and Analysis

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

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.

Management Discussion and Analysis

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%
Total allowance for loans and receivables	315,212	100.0%	441,866	100.0%
NPAs	136,737		212,965	
Ratio of allowances for impairment losses to loans and receivables	230.5%		207.5%	

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.

Management Discussion and Analysis

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

	Stage 1 12-month ECL balance RMB' 000	Stage 2 Lifetime ECL Not credit-impaired RMB' 000	Stage 3 Credit-impaired RMB' 000	Total RMB' 000
December 31, 2025				
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
December 31, 2024				
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 December 31, 2025 RMB' 000	As of December 31, 2024 RMB' 000
Write-offs/transfers	196,793	–
Non-performing assets at the end of last year	212,965	196,535
Write-off/transfer ratio ⁽¹⁾	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.

Management Discussion and Analysis

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).

Management Discussion and Analysis

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
	RMB'000	% of total	RMB'000	% of total	
Borrowings	7,228,329	73.4%	8,008,224	76.5%	(9.7%)
Trade and other liabilities	2,618,317	26.6%	2,443,414	23.3%	7.2%
Income tax payable	–	0.0%	22,801	0.2%	(100.0%)
Deferred tax liabilities	36	0.0%	–	0.0%	100.0%
Total liabilities	9,846,682	100.0%	10,474,439	100.0%	(6.0%)

Management Discussion and Analysis

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.

Management Discussion and Analysis

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
	RMB' 000	% of total	RMB'000	% of total	
Bank loans	1,857,046	25.7%	3,344,993	41.7%	(44.5%)
– pledged	115,390	1.6%	1,427,217	17.8%	(91.9%)
– collateralized	1,741,656	24.1%	1,917,776	23.9%	(9.2%)
Asset-backed securities	3,960,578	54.8%	3,656,920	45.7%	8.3%
Credit bonds	1,410,705	19.5%	1,006,311	12.6%	40.2%
Total borrowings	7,228,329	100.0%	8,008,224	100.0%	(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
	RMB' 000	% of total	RMB'000	% of total	
Current	4,303,997	59.5%	4,636,778	57.9%	(7.2%)
Non-current	2,924,332	40.5%	3,371,446	42.1%	(13.3%)
Total borrowings	7,228,329	100.0%	8,008,224	100.0%	(9.7%)

Management Discussion and Analysis

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
	RMB'000	% of total	RMB'000	% of total	
Share capital	1,615,102	49.5%	1,333,334	51.7%	21.1%
Reserves	1,650,254	50.5%	1,248,041	48.3%	32.2%
Total equity	3,265,356	100.0%	2,581,375	100.0%	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.

Management Discussion and Analysis

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.

Management Discussion and Analysis

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.

Management Discussion and Analysis

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.

Management Discussion and Analysis

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.

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

Management Discussion and Analysis

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 RMB'000	Within 1 month RMB'000	Within 3 months RMB'000	3 to 12 months RMB'000	1 to 5 years RMB'000	Over 5 years RMB'000	Indefinite RMB'000	Total RMB'000
As of December 31, 2025								
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
As of December 31, 2024								
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.

Management Discussion and Analysis

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
Pledged loans and receivables		
For factorings and loan borrowings	612,065	1,519,142
For asset-backed securities	4,357,319	4,402,421
Restricted bank deposits	106,446	85,785
Total pledged assets	5,075,830	6,007,348

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 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.

Management Discussion and Analysis

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 annual report, 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, 2024: 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).

Management Discussion and Analysis

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.

Management Discussion and Analysis

9.2 Capital Commitments and Credit Commitments

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

	As of December 31, 2025 RMB' 000	As of December 31, 2024 RMB'000
Credit commitments ⁽¹⁾	179,825	109,269
Capital commitments ⁽²⁾	29,450	2,340
Property and equipment ⁽³⁾	6,000	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 “**Share Subscription Agreements**”) with ZGC Finance and 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 Share Subscription Agreements) per Subscription Share. The Subscription Shares have an aggregate nominal value of RMB281,786,000. As at the date of the Share Subscription Agreements, the closing price of the H Shares of the Company was HK\$0.81 per H Share.

Management Discussion and Analysis

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:

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

Management Discussion and Analysis

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.

Profile of Directors and Senior Management

DIRECTORS

The Board currently consists of eight Directors, which comprises one non-executive Director, four executive Directors and three independent non-executive Directors. The following table sets forth the information regarding the Directors.

Name	Age	Position	Date of First Appointment as Director
Non-executive Director			
Mr. XU Zhengwen	52	Non-executive Director	December 30, 2025
Executive Directors			
Mr. XU Jingquan	46	Executive Director and Chairman	September 30, 2025
Mr. HE Rongfeng	58	Executive Director and general manager	August 13, 2019
Mr. HUANG Wen	51	Executive Director and deputy general manager	August 13, 2019
Ms. YANG Pengyan	49	Executive Director, deputy general manager, board secretary and person in charge of finance	September 30, 2025
Independent Non-executive Directors			
Mr. WU Tak Lung	60	Independent non-executive Director	August 29, 2019
Ms. LIN Zhen	42	Independent non-executive Director	August 29, 2019
Mr. XIAO Wang	54	Independent non-executive Director	December 30, 2025

Profile of Directors and Senior Management

Non-executive Director

Mr. XU Zhengwen (許正文), aged 52, the non-executive Director. Mr. Xu has been serving as the General Manager of Zhongguancun Medical Equipment Park Co., Ltd. (中關村醫療器械園有限公司) since April 2025, and has held the position of Director since December 2025. Meanwhile, Mr. Xu has served as the Director and General Manager of Beijing Zhongguancun Life & Health Industry Service Co., Ltd. (北京中關村生命健康產業服務有限公司) since December 2025. Prior to those, Mr. Xu served as the Chairman of Beijing Zhongchuang Juyuan Investment Management Co., Ltd. (北京中創聚源投資管理有限公司) and the Legal Representative and Chairman of Beijing Xinchuang Space Technology Service Co., Ltd. (北京芯創空間科技服務有限責任公司) from March 2019 to October 2025. He has also been the Director of Beijing Integrated Circuit Industry Development Equity Investment Fund Co., Ltd. (北京集成電路產業發展股權投資基金有限公司) since July 2014. From April 2019 to April 2025, Mr. Xu served as the Deputy General Manager and Executive General Manager of Beijing Zhongguancun Integrated Circuit Design Park Development Co., Ltd. (北京中關村集成電路設計園發展有限責任公司). From July 2012 to April 2019, he served as the Deputy General Manager of Beijing Zhongguancun Software Park Development Co., Ltd. (北京中關村軟件園發展有限責任公司). From July 2009 to July 2012, he served as the Vice President and Leader of the Leading Group for Stock Reform and Listing of Beijing Jinli Holdings Group Co., Ltd. (北京金力控股集團有限公司).

Mr. Xu graduated from Anhui University of Finance & Economics (formerly known as Anhui Finance & Trade School (安徽財貿學院)) with a major in Industrial Economics and Management in July 1998. He studied Business Administration at Northumbria University in the United Kingdom from September 2003 to August 2004 and obtained a Master's degree in Business Administration.

Profile of Directors and Senior Management

Executive Directors

Mr. XU Jingquan (徐景泉), aged 46, the executive Director. He has been serving as the Secretary of the Party General Branch of the Group since June 2025. From March 2023 to June 2025, he was the Vice Chairman and director of Beijing Science and Technology Innovation Investment Management Co., Ltd. (北京市科技創新投資管理有限公司). Prior to that, from June 2021 to March 2023, Mr. Xu served as the Director of the Human Resources Department of ZGC Group. From October 2018 to June 2021, he was the Deputy Secretary of the Party General Branch, Director and General Manager of Zhongguancun Medical Device Park Co., Ltd. (中關村醫療器械園有限公司). From August 2015 to October 2018, he served as the Director and Deputy General Manager of Beijing Zhongguancun Lingchuang Space Technology Service Co., Ltd. (北京中關村領創空間科技服務有限責任公司). From July 2010 to August 2015, Mr. Xu successively held the positions of Deputy Director of the Office and Director of the General Manager's Office of ZGC Group. From November 2008 to July 2010, he was the Performance Appraisal Supervisor of the Human Resources Department, Office Cadre and Secretary to the Chairman of Beijing Science and Technology Park Construction (Group) Co., Ltd. (北京科技園建設(集團)股份有限公司). From November 2005 to November 2008, he served as a Project Assistant in the Personnel Planning Division of the Human Resources Department of the Beijing Organizing Committee for the Olympic Games. From July 2002 to November 2005, he successively held the positions of Clerk of the Ideological Education Section of the Student Affairs Office and Secretary of the Youth League Committee of the School of Foreign Languages of the University of Science and Technology Beijing.

Mr. Xu studied in the major of Economic Law at the University of Science and Technology Beijing from September 1998 to July 2002 and obtained a Bachelor's Degree. He obtained a Master's Degree in Public Administration from Peking University in January 2010 and a Doctoral Degree in Management from the University of Chinese Academy of Sciences in June 2024.

Mr. HE Rongfeng (何融峰), aged 58, the executive Director and the general manager of the Company. Mr. He has around 20 years of experience in finance leasing and corporate management. Mr. He has been a director of Beijing Zhongguancun Capital Fund Management Co., Ltd. (北京中關村資本基金管理有限公司) since April 2024. He has been serving as a director of Beijing Zhongnuo Tongchuang Investment Fund Management Co., Ltd. (北京中諾同創投資基金管理有限公司) since April 2019, and as a director of 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) since July 2016. Prior to joining the Group, Mr. He served as the deputy general manager of China KangFu International Leasing Co., Ltd. (中國康富國際租賃股份有限公司), a company with the shares of which are quoted on National Equities Exchanges and Quotations with stock code of 833499, from March 2005 to January 2009. He then served as the general manager of China KangFu International Leasing Co., Ltd. from February 2009 to December 2012, responsible for the overall operation and management of the company.

Mr. He graduated from Xiangtan University (湘潭大學), majoring in mechanical engineering, and obtained a bachelor's degree in engineering in June 1990.

Profile of Directors and Senior Management

Mr. HUANG Wen (黃聞), aged 51, the executive Director and deputy general manager of the Company. Mr. Huang joined the Group in April 2013 as the general manager assistant, and then has been serving as a deputy general manager of the Group since December 2014. Mr. Huang has around 16 years of experience in corporate management. Prior to joining the Group, Mr. Huang served as the general manager of Beijing region of Ping An Pratt & Whitney Finance Guarantee Co., Ltd. (平安普惠融資擔保有限公司, previously known as Fudeng Investment Credit Guarantee Co., Ltd. (富登投資信用擔保有限公司)) from August 2011 to January 2013. He served as a deputy general manager in Tianjin Bohai Finance Guarantee Co., Ltd. (天津渤海融資擔保有限公司) from June 2010 to July 2011. Mr. Huang served as the vice president of Zhongyuan Guoxin Credit Guaranty Co., Ltd. (中元國信信用擔保有限公司) from January 2009 to January 2010, prior to which he served as the deputy manager of its guarantee department from September 2004 to September 2006.

Mr. Huang graduated from Capital University of Economics and Business (首都經貿大學) with a bachelor's degree in economics in July 1997. He further obtained a master's degree in business administration from Tsinghua University (清華大學) in July 2004.

Ms. YANG Pengyan (楊鵬艷), aged 49, the executive Director, the deputy general manager, the secretary to the Board and the person in charge of finance of the Company. Ms. Yang joined the Group in April 2013 as a vice director of the business development department of the Group. In December 2014, she was promoted to serve as the director of strategy development team of the Group. Ms. Yang was further promoted to and she has been serving as a deputy general manager of the Group since September 2017. Prior to joining the Group, Ms. Yang served as the head of the planning and development department of ZGC Group from January 2012 to April 2013. From August 2010 to March 2011, she temporarily served as a president assistant in the insurance and non-banking service department of Beijing Financial Work Bureau (北京市金融局保險與非銀服務處) for training purpose. From March 2009 to May 2012, she was a postdoctoral fellow majoring in applied economics at Peking University (北京大學).

Ms. Yang graduated from University of Jinan (濟南大學, previously known as Shandong Construction Material & Industrial School (山東建築材料工業學院)) with a bachelor's degree in engineering in July 1998. She graduated from University of International Business and Economics with a master's degree in law in June 2003. She further obtained a doctoral degree in economics from University of International Business and Economics in June 2008. She was granted the legal professional qualification by the Ministry of Justice in September 2002. She obtained the certificate of senior economist granted by Beijing Senior Professional Technical Qualification Review Committee (北京市高級專業技術資格評審委員會) in September 2016.

Profile of Directors and Senior Management

Independent Non-executive Directors

Mr. WU Tak Lung (吳德龍), aged 60, the independent non-executive Director. Mr. Wu has served as an independent non-executive director of each of the following companies listed on the Stock Exchange: (1) Kam Hing International Holdings Limited (stock code: 2307) and (2) Sinopharm Group Co., Ltd. (stock code: 1099).

Save as disclosed above, Mr. Wu was an independent non-executive director of (1) Henan Jinma Energy Company Limited (stock code : 6885), (2) Minth Group Co., Ltd. (stock code: 0425), and (3) Sinomax Group Limited (stock code: 1418) in the past three years. Certain members and former members of the board of Beijing Media Corporation Limited have been criticized, details of which in respect of Mr. Wu are set out in the Company's announcement dated February 15, 2022.

Mr. Wu obtained a bachelor's degree of business administration in accounting from the Hong Kong Baptist University and a master's degree of business administration (MBA) jointly from the University of Manchester and the University of Wales. He worked in an international accounting firm, Deloitte Touche Tohmatsu, for five years, and was then employed by several listed and private companies in Hong Kong as head of corporate finance and executive director.

Mr. Wu is a member of Hong Kong Institute of Certified Public Accountants, a senior fellow member of Hong Kong Securities and Investment Institute, a fellow member of the Association of Chartered Certified Accountants, the Taxation Institute of Hong Kong and the Hong Kong Chartered Governance Institute. He is a member of the Governing Committee of the Youde Hospital in Hong Kong's Eastern District and a trustee of its charitable foundation, and a member of the audit and risk management committee of the Chinese Medicine Hospital of Hong Kong Baptist University.

Ms. LIN Zhen (林禎), aged 42, the independent non-executive Director. Ms. Lin has been a partner at the Shanghai office of Grandall Law Firm (國浩律師事務所) since June 2012, responsible for providing professional legal services mainly with respect to corporate and securities law. Ms. Lin has served as the part-time vice chairperson and standing committee member of the Second Executive Committee of the Jing'an District Women's Federation in Shanghai since September 2022, and as the vice president of the 11th Shanghai Women Lawyers Association since December 2023. Prior to that, she successively served as a legal assistant and a lawyer at Grandall Law Firm since July 2005.

Ms. Lin graduated from East China University of Political Science and Law (華東政法大學) with a bachelor's degree in law in July 2005. Ms. Lin obtained a master's degree in international and comparative law from Illinois Institute of Technology Chicago-Kent College of Law in May 2010. Ms. Lin was accredited as a PRC lawyer by Shanghai Municipal Bureau of Justice in December 2006.

Profile of Directors and Senior Management

Mr. XIAO Wang (肖旺), aged 54, the independent non-executive Director. Mr. Xiao has been a director of Guangdong Zhongxingwan Chanrong Technology Co., Ltd. (廣東中星灣產融科技有限公司) since September 2024. Mr. Xiao served as a director and general manager of Guangdong Zhongxingwan Qingqing Asset Operation Co., Ltd. (廣東中星灣輕輕資產運營有限公司) from April 2025 to January 2026. Mr. Xiao served as the Deputy General Manager of the Structural Finance Department and the Managing Director of the Green Finance Department at Tianfeng Securities Co., Ltd. (天風證券股份有限公司) from June 2018 to December 2022. From January 2016 to June 2018, he served as the Director of Asset Securitization and Deputy General Manager of Structural Finance Department at Guangfa Securities Asset Management (Guangdong) Co., Ltd. (廣發證券資產管理(廣東)有限公司), as well as a Director and Deputy General Manager of Shanghai Guangfa Hengjin Equity Investment Fund Management Co., Ltd. (上海廣發恒進股權投資基金管理有限公司). From June 2007 to December 2015, he served as the Chief Reporter and Senior Reporter of the Financial Times Newspaper of the People's Bank of China, as well as the Secretary General of the China Financial Leasing Research Institute (中國融資租賃研究院).

Mr. Xiao graduated from Hunan Normal University (湖南師範大學) with a Bachelor's degree in English in July 1993, and from Communication University of China (中國傳媒大學) (formerly known as Beijing Broadcasting Institute (北京廣播學院)) with a Master's degree in Journalism in May 2003.

SENIOR MANAGEMENT

Saved as the Directors disclosed above, the following table sets forth information regarding the senior management of the Group.

Name	Age	Position	Time of joining the Group
Mr. DOU Jiyang	47	Deputy general manager	April 30, 2013
Mr. LIU Shouquan	44	General manager assistant	November 1, 2013
Mr. LIANG Jingji	49	General manager assistant, General Counsel and head of risk management team	April 30, 2013
Mr. GAO Wei	59	Company secretary	June 17, 2019

Profile of Directors and Senior Management

Mr. DOU Jiyan (竇繼岩), aged 47, deputy general manager of the Company. Mr. Dou joined the Group in April 2013 and successively served as the Chief Risk Officer and Assistant General Manager of the Group. Mr. Dou was promoted and has been serving as a deputy general manager of the Company since October 2017. Mr. Dou has been serving as the chairman of Beijing Zhongnuo Tongchuang Investment Fund Management Co., Ltd. (北京中諾同創投資基金管理有限公司) since April 2019. Prior to joining the Group, Mr. Dou served as a senior manager of the marketing department of Doushan (China) Financial Leasing Co., Ltd. (鬥山(中國)融資租賃有限公司) from September 2007 to May 2013.

Mr. Dou graduated from Shandong Technology and Business University (山東工商學院, formerly known as China Coal Economic College (中國煤炭經濟學院)) with a bachelor's degree in management in July 2002. He obtained the certificate of senior economist granted by Beijing Municipal Human Resources and Social Securities Bureau in September 2019.

Mr. LIU Shouquan (劉守泉), aged 44, general manager assistant of the Company. Mr. Liu joined the Group in November 2013 and has successively held the positions of Senior Manager, Deputy Director and Director of the Leasing Business Department of the Group. He was promoted to Assistant General Manager of the Company in January 2018. Prior to joining the Group, Mr. Liu served as the general manager assistant in Beijing Kaiyuan Finance Leasing Co., Ltd. (北京開元融資租賃有限公司) from April 2012 to October 2013. He served in Zhongdan Investment Credit Assurance Co., Ltd. (中擔投資信用擔保有限公司) from September 2009 to February 2012, primarily responsible for guarantee business. He served in Beijing Hyundai Motor Group (北京現代汽車有限公司) from August 2003 to July 2006.

Mr. Liu obtained a bachelor's degree in management from School of Network Education of Renmin University of China (中國人民大學網絡教育學院) in June 2007 through remote learning course. He obtained a Master's degree in business administration from China Europe International Business School (中歐國際工商學院) in November 2023.

Mr. LIANG Jingji (梁經基), aged 49, general manager assistant, General Counsel and head of risk management team of the Company. Mr. Liang joined the Group in April 2013 and has successively served as Director of the Asset Management Department and Chief Expert of the Group. He was promoted to General Manager Assistant of the Company in January 2019. Prior to joining the Group, Mr. Liang served as the general counsel of China KangFu International Leasing Co., Ltd. (中國康富國際租賃有限公司), a company whose shares are quoted on National Equities Exchanges and Quotations (stock code: 833499), from September 2007 to April 2013, primarily responsible for legal affairs.

Mr. Liang graduated from Hunan Normal University (湖南師範大學) with a bachelor's degree in Arts in June 1999. He graduated from Xiangtan University (湘潭大學) with a master's degree in law in June 2006. He was accredited as a PRC lawyer by Beijing Municipal Bureau of Justice in December 2007.

Profile of Directors and Senior Management

Mr. GAO Wei (高偉), aged 59, is the company secretary of the Company. Mr. Gao has extensive experience in corporate financing and managing overseas-listed companies. He is now the chief representative of Beijing Representative Office of the Hong Kong Chartered Governance Institute (formerly known as the Hong Kong Institute of Chartered Secretaries). He is an independent non-executive director of Guolian Minsheng Securities Co., Ltd. (listed on the Stock Exchange and the Shanghai Stock Exchange, stock codes: 1456 and 601456), Best Mart 360 Holdings Limited (listed on the Stock Exchange, stock code: 2360) and Aikang Medical Holdings Limited (listed on the Stock Exchange, stock code: 1789). He is also a member of the Independent Directors Committee of the China Association for Public Companies. Mr. Gao served as a Council Member of the Hong Kong Chartered Governance Institute from January 2012 to December 2020. He served as Vice President of the Institute from April 2014 to December 2020 and from January 2022 to December 2023. He served as one of the vice chairmen of the board secretary committee of China Association for Public Companies (中國上市公司協會) from November 2015 to November 2018. He served as a director of Sinotrans Air Transportation Development Co., Ltd. (中外運空運發展股份有限公司, a company previously listed on Shanghai Stock Exchange with the stock code of 600270) from November 2011 to June 2019 and the general manager of the company from January 2016 to June 2019, primarily responsible for overall operation and management, and he served as the legal representative of the company from January 2017 to August 2019. He served as the board secretary and company secretary of Sinotrans Limited (中國外運股份有限公司), a company listed on the Stock Exchange with the stock code of 0598) from January 2003 to December 2016, primarily responsible for secretarial work; he served as the general counsel of Sinotrans Limited from January 2010 to June 2019, primarily responsible for legal affairs. He served as the board secretary and head of finance team of the Company from June 2019 to February 2021, and he has been the company secretary of the Company since June 2019.

Mr. Gao graduated from University of Science and Technology Beijing (北京科技大學) majoring in management engineering in July 1989, and further obtained a master's degree in economics from Central University of Finance and Economics (中央財經大學) in January 1993. He obtained a doctor's degree in law from University of International Business and Economics (對外經濟貿易大學) in June 1999. He was accredited as a PRC lawyer by the Ministry of Justice in October 1996. He is a fellow member of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom. Mr. Gao is also an arbitrator of each of China International Economic and Trade Arbitration Commission, China Maritime Arbitration Commission, Beijing Arbitration Commission and Shanghai Arbitration Commission.

Corporate Governance Report

1. CORPORATE GOVERNANCE PRACTICE

The Company has adopted the CG Code as contained in Appendix C1 to the Listing Rules 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 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 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 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.

Corporate Governance Report

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. 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. The Company has re-complied with all the relevant requirements of the Listing Rules in respect of directors.

Corporate Governance Report

2. CORPORATE CULTURE

Since the Group establishment, we have focused on delivering comprehensive financial solutions to technology companies and built a unique corporate culture centered on four pillars. Our vision to become a world-class financial services provider for the tech industry; our mission to identify and nurture high-growth technology enterprises. Our core competencies in value discovery, value creation, risk management, marketing management, and system support. Our corporate values: innovation, professionalism, health and belief.

The Group believes that a healthy corporate culture is the core of good corporate governance and promotes it in business development, general operations and employee training. At present, the Group judges the practice degree of corporate culture by business completion, the number of SRDI (specialized, refined, differentiated and innovative) enterprise customers, the number of small and micro innovation enterprise customers, the number of finance leasing and investments linkage projects, product innovation ability and other indicators. During business expansion, the Group regularly tracks the completion of key annual targets and continuously optimizes its rating model to better align with and secure our target clientele. In general operation, the Group encourages all teams to innovate products and services based on various corporate cultures of serving science and technology enterprises, and provides certain financial support for related innovation activities. In employee training, the Group has incorporated the publicity of corporate culture into various employee training materials, work reporting procedures, topic discussions and other aspects and found out the employees' recognition to the corporate culture or issues identified through various channels. In addition, the Group organized strategic seminars to comprehensively sort out the current strategy and corporate culture based on the Group's actual operating conditions and provide guidance for the Group's development.

Corporate Governance Report

3. THE BOARD

3.1 Duties and Division of Responsibility

The Board shall be accountable to the general meeting and perform the following duties and powers as conferred by the Articles of Association:

- (I) to convene the general meeting and report its performance at the general meetings;
- (II) to implement resolutions adopted at the general meetings;
- (III) to make decisions on the Group's business plans and investment plans;
- (IV) to formulate the Group's annual financial budgets and annual final accounting plans;
- (V) to formulate the Group's profit distribution plans and loss recovery plans;
- (VI) to formulate proposals on the increase or reduction of the Company's registered capital and proposals on the issuance of corporate bonds or other securities and listing plans;
- (VII) to formulate plans for merger, division, dissolution and other changes in corporate form of the Group;
- (VIII) to determine the establishment of internal management departments of the Group;
- (IX) to appoint or dismiss the general manager and the board secretary of the Company, and to appoint or dismiss other senior management members of the Company as nominated by the general manager and to determine their remunerations;
- (X) to formulate the basic management system of the Group;
- (XI) to formulate proposals for any amendment to the Articles of Association;

Corporate Governance Report

- (XII) to propose the engagement or replacement of accounting firm which undertakes the audit business of the Company to the general meeting;
- (XIII) to determine the external guarantee matter of the Group other than those to be considered by the general meeting;
- (XIV) to determine the purchase or sale of major assets of the Group within one year, or the amount of guarantee, which does not exceed 30% of the most recently audited total assets of the Group;
- (XV) to approve the connected transaction which shall be approved by the Board in accordance with the requirements of the laws, administrative regulations, the listing rules of the stock exchange on which the shares of the Company are listed and the Articles of Association; and
- (XVI) other duties and powers granted by the requirements of the laws, regulations, the listing rules of the stock exchange on which the shares of the Company are listed and the general meeting.

The Board has delegated the authority and responsibility of day-to-day management and operation of the Group to the senior management of the Group.

To oversee particular aspects of the Group's affairs, the Board has established five Board committees, including the Audit Committee, the Remuneration Committee, the Nomination Committee, the Risk Control Committee and the Environmental, Social and Governance Committee. The Board has delegated to the Board Committees responsibilities as set out in their respective terms of reference. The terms of reference of each of the Board Committees are published on the websites of the Stock Exchange and the Company.

All Directors shall ensure that they carry out duties in good faith, in compliance with the applicable laws and regulations, and in the interests of the Group and the Shareholders at all times.

Corporate Governance Report

3.2 Chairman of the Board and General Manager

In accordance with code provision C.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. The Company does not have the position of chief executive officer, the duties of whom are performed by the general manager of the Company.

On December 20, 2024, Mr. ZHANG Shuqing resigned from the positions of chairman of the Board, 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. Mr. ZHANG Shuqing continued to perform his duties until the qualification of Mr. ZHANG Jian to act as chairman of the Board and non-executive Director was approved by the Beijing Local Financial Administration Bureau on April 11, 2025.

On August 12, 2025, Mr. ZHANG Jian resigned from the positions of chairman of the Board, 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 due to work changes. Mr. ZHANG Jian continued to perform his duties until the qualification of Mr. XU Jingquan to act as executive Director was approved by the Beijing Local Financial Administration Bureau on September 30, 2025 and the appointment of the new legal representative of the Company took effect. On the same day, the 25th meeting of the second session of the Board resolved to elect Mr. XU Jingquan as chairman of the second session of the Board.

During the Reporting Period, the general manager of the Group was Mr. HE Rongfeng, an executive Director.

In accordance with the Articles of Association, the chairman of the Board shall perform the following duties and powers:

- (I) to preside over the general meetings, and to convene and preside over Board meetings;
- (II) to inspect the implementation of the resolutions of the Board;
- (III) to sign the securities issued by the Company;

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(IV) to sign the legally binding and important documents with external parties on behalf of the Company; and

(V) other duties and powers granted by the Board.

If the chairman of the Board is unable to perform his or her duties and powers, a Director elected jointly by more than half of the Directors shall perform the chairman of the Board's duties and powers on his or her behalf.

The Company shall have one general manager, who shall be appointed or dismissed by the Board. In accordance with the Articles of Association, the general manager of the Company shall be accountable to the Board and may exercise the following powers:

(I) to be in charge of the management of production and operation of the Group and to organize the implementation of the resolutions of the Board;

(II) to organize the implementation of the annual business plans and investment plans of the Group;

(III) to draft proposals for the establishment of internal management bodies of the Group;

(IV) to draft the basis management system of the Group;

(V) to formulate the basic rules and regulations of the Group;

(VI) to propose the appointment or dismissal of the deputy general manager, head of finance team and head of risk management team of the Group;

(VII) to appoint or dismiss the management personnel other than those required to be appointed or dismissed by the Board; and

(VIII) other duties and powers granted by the Articles of Association and the Board.

There is a clear division of responsibilities between the chairman of the Board and the general manager of the Company, which provides a balance of power and authority, according to the Articles of Association.

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3.3 Composition of the Board

As at the end of the Reporting Period, the Board consisted of nine Directors, including four executive Directors namely, Mr. XU Jingquan (the chairman of the Board), Mr. HE Rongfeng (general manager), Mr. HUANG Wen and Ms. YANG Pengyan, two non-executive Directors namely, Mr. XU Zhengwen and Mr. ZHANG Chunlei, and three independent non-executive Directors namely, Mr. WU Tak Lung, Ms. LIN Zhen and Mr. XIAO Wang. The term of appointment of each of the Directors (including non-executive Directors and independent non-executive Directors) is three years commencing from the date when their respective appointments are approved by the Shareholders.

Mr. HUANG Jinliang and Mr. ZHANG Chunlei have obtained legal advice as referred to in Rule 3.09D of the Listing Rules on January 7, 2025 and confirmed they understood their obligations as a director of a listed issuer.

Mr. ZHANG Jian and Mr. WEI Tingquan have obtained legal advice as referred to in Rule 3.09D of the Listing Rules on April 11, 2025 and confirmed they understood their obligations as a director of a listed issuer.

Mr. XU Jingquan and Ms. YANG Pengyan have obtained legal advice as referred to in Rule 3.09D of the Listing Rules on September 30, 2025 and confirmed they understood their obligations as a director of a listed issuer.

Mr. XU Zhengwen and Mr. XIAO Wang have obtained legal advice as referred to in Rule 3.09D of the Listing Rules on December 30, 2025 and confirmed they understood their obligations as a director of a listed issuer.

Save as disclosed herein, the Board has complied with the requirements of Rules 3.10(1) and 3.10(2) of the Listing Rules to have not less than three independent non-executive directors, including at least an independent non-executive director who has the relevant professional qualification or accounting or related financial management expertise. In accordance with Rule 3.10A of the Listing Rules, at least one-third of the Directors shall be independent non-executive directors. Currently, the Company has three independent non-executive Directors, representing one-third of the total number of directors and is in compliance with the relevant requirement.

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The Company has received from each of independent non-executive Directors a confirmation of his/her independence according to Rule 3.13 of the Listing Rules during the Reporting Period. Based on the contents of such confirmations, the Company considered that all independent non-executive Directors are independent and they have met the specific independence guidelines in accordance with Rule 3.13 of the Listing Rules.

During the year, the Board also reviewed the implementation and effectiveness of mechanisms to ensure independent views and input are available to the Board. Taking into account the following channels, the Board considered that the Company had in place mechanisms which remain effective to ensure a strong independent element on the Board:

- a sufficient number of three independent non-executive Directors, with the respective professional background of accounting, law and finance leasing industry, representing more than one-third of the Board and all of them continue to devote adequate time contribution to the Board;
- the fees payable to independent non-executive Directors are fixed fees without a discretionary element and none of the independent non-executive Directors receives remuneration based on performance of the Group;
- annual meeting between the chairman and all independent non-executive Directors without presence of other Directors providing effective platform for the chairman to listen independent views on various issues concerning the Group;
- external independent professional advice is available to all Directors (including independent non-executive Directors) whenever deemed necessary to assist them to perform their duties to the Company; and
- to facilitate attendance and participation at the Board and other Board committee meetings, the Company plans meeting schedules for the year well in advance, with remote facilities for attendance also available to all Directors. The Board process, ranging from agenda setting, provision of information and focus on constructive debates and discussions, facilitates effective and active participation by all independent non-executive Directors.

To the best knowledge of the Directors, there is no financial, business, family or other relationship between the Directors, the chairman of the Board, the general manager and the senior management of the Company.

The Company, with the assistance of the Nomination Committee, will conduct a formal evaluation of the Board's performance at least every two years.

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3.4 Corporate Governance Functions

The Board delegated to the Audit Committee to perform the corporate governance duties set out in the Code Provision A.2.1 of the CG Code, as below:

- formulating and reviewing the corporate governance policies and practices of the Company, and making recommendations to the Board;
- reviewing and monitoring the training and continuous professional development of the directors and the senior management;
- reviewing and monitoring the Company's policies and practices on compliance with laws and regulatory requirements;
- formulating, reviewing and monitoring the code of conduct and compliance manual applicable to employees and the directors (if any); and
- reviewing the Company's compliance with the CG Code and disclosures in the Corporate Governance Report.

The Board and the Audit Committee have performed the aforesaid corporate governance duties during the Reporting Period.

4. BOARD MEETINGS

In accordance with the Articles of Association, Board meetings shall be convened at least four times a year, and it shall be convened by the chairman of the Board. Notice of Board meetings and extraordinary Board meetings shall be delivered in person, by facsimile, by express delivery service, by registered mail, by electronic mail or paperless office system. The time limit for the delivery of such notices shall be at least fourteen days before the date of a regular Board meeting and at least three days before the date of an extraordinary Board meeting. Where an extraordinary Board meeting needs to be convened in an urgent manner, reasonable notice shall be served by telephone call or by other verbal means, but the convener shall offer explanations at the meeting.

The Board agenda for each meeting is approved by the chairman of the Board following consultation with other Board members and senior management of the Company. In addition, in order to facilitate open discussion with all independent non-executive Directors, the chairman of the Board will meet with the independent non-executive Directors, in the absence of other Directors, at least once annually.

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Board meetings are structured so as to encourage open discussion, frank debate and active participation by Directors in meetings. Board decisions are made by vote at Board meetings and supplemented by the circulation of written resolutions between Board meetings.

A typical Board meeting would consist of:

- the presentation of papers to support decisions requiring Board approval;
- a report by the chairman of each Board Committee on matters arising since the last Board meeting;
- a management report by the general manager providing an update on the results since the last Board meeting and an explanation of changes in the business environment and their impact on budgets and the longer-term plan; and
- any declarations of interest.

The minutes of Board meetings recorded in sufficient detail the matters considered and decisions reached, including any concerns raised by Directors or dissenting views expressed. Draft and final versions of minutes have been sent to all Directors for their comment and records respectively, within a reasonable time after the Board meeting was held.

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During the Reporting Period, the Company held 11 Board meetings, 1 annual general meeting and 5 extraordinary general meetings (including one H-share class meeting of Shareholders). Details of the attendance of Directors in the meetings of the Board, the Board Committees, the annual general meeting and the extraordinary general meetings are as follows:

Name of Director	Attendance/Number of Meetings held during the Director's tenure							
	Board	Audit Committee	Remuneration Committee	Nomination Committee	Risk Control Committee	Environmental, Social and Governance Committee	Annual General Meeting	Extraordinary General Meeting
Mr. ZHANG Shuqing ¹	3/3	N/A	1/1	1/1	1/1	N/A	N/A	3/3
Mr. ZHANG Jian ²	4/4	N/A	N/A	1/1	N/A	1/1	1/1	1/1
Mr. WEI Tingquan ³	1/1	N/A	N/A	N/A	N/A	N/A	1/1	N/A
Mr. XU Zhengwen ⁴	1/1	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mr. HUANG Jinliang ⁵	3/3	N/A	N/A	N/A	N/A	N/A	N/A	3/3
Mr. ZHANG Chunlei ⁶	11/11	2/2	N/A	N/A	N/A	N/A	1/1	5/5
Mr. XU Jingquan ⁷	4/4	N/A	N/A	N/A	N/A	N/A	N/A	1/1
Mr. HE Rongfeng	11/11	N/A	2/2	4/4	N/A	N/A	1/1	5/5
Mr. HUANG Wen	11/11	N/A	N/A	N/A	1/1	1/1	1/1	5/5
Ms. YANG Pengyan ⁸	4/4	N/A	N/A	N/A	N/A	N/A	N/A	1/1
Mr. CHENG Dongyue ⁹	4/4	1/1	1/1	1/1	1/1	N/A	1/1	3/3
Mr. WU Tak Lung	11/11	2/2	2/2	4/4	1/1	1/1	1/1	5/5
Ms. LIN Zhen	11/11	2/2	2/2	4/4	1/1	N/A	1/1	5/5
Mr. XIAO Wang ¹⁰	1/1	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Note 1: Mr. ZHANG Shuqing has resigned from his positions as the Chairman, non-executive Director, the chairman of the Nomination Committee, the member of the Remuneration Committee, a member of the Risk Control Committee and the chairman of the Environmental, Social and Governance Committee on December 20, 2024. Mr. ZHANG Shuqing continued to perform his duties until the qualifications of the newly appointed chairman of the Board and non-executive Director, Mr. ZHANG Jian, was approved by the Local Financial Regulatory Bureau of Beijing Municipality on April 11, 2025.

Note 2: Mr. ZHANG Jian was appointed as the Chairman, a non-executive Director, the chairman of the Nomination Committee, a member of the Remuneration Committee, a member of the Risk Control Committee and the chairman of the Environmental, Social and Governance Committee on April 11, 2025, and resigned from his position as the Chairman and non-executive Director, the chairman of the Nomination Committee, a member of the Remuneration Committee, a member of the Risk Control Committee and the chairman of the Environmental, Social and Governance Committee on August 12, 2025. Mr. ZHANG Jian continued to perform his duties until the assumption of office of the new legal representative of the Company, Mr. XU Jingquan took effect on September 30, 2025.

Note 3: Mr. WEI Tingquan was appointed as a non-executive Director and a member of the Audit Committee on April 11, 2025, and resigned from his positions as a non-executive Director and a member of the Audit Committee on August 12, 2025.

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- Note 4: Mr. XU Zhengwen was appointed as a non-executive Director and a member of the Audit Committee on December 30, 2025.
- Note 5: Mr. HUANG Jinliang was appointed as a non-executive Director on January 7, 2025 and resigned with effect from April 15, 2025.
- Note 6: Mr. ZHANG Chunlei was appointed as a non-executive Director and a member of the Audit Committee on January 7, 2025 and resigned from his positions as a non-executive Director and a member of the Audit Committee with effect from March 27, 2026.
- Note 7: Mr. XU Jingquan was appointed as the chairman of the Board and an executive Director on September 30, 2025. He was appointed as the chairman of the Nomination Committee, a member of the Remuneration Committee, a member of the Risk Control Committee and the chairman of the Environmental, Social and Governance Committee on December 31, 2025.
- Note 8: Ms. YANG Pengyan was appointed as an executive Director on September 30, 2025.
- Note 9: Mr. CHENG Dongyue resigned as an independent non-executive Director, the chairman of the Remuneration Committee, a member of the Audit Committee, a member of the Nomination Committee and a member of the Risk Control Committee with effect from July 21, 2025.
- Note 10: Mr. XIAO Wang was appointed as an independent non-executive Director, the chairman of the Remuneration Committee, a member of the Audit Committee, a member of the Nomination Committee and a member of the Risk Control Committee on December 30, 2025.

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5. ELECTION OF DIRECTORS

In accordance with the Articles of Association, all Directors (including the non-executive Directors) shall be elected by general meeting, for a term of three years. A Director may be re-elected upon expiry of his/her term of office. Before a Director's term of office expires, the general meeting shall not dismiss him/her from his/her position without due cause. The term of office of a Director shall commence from the date on which he/she takes his/her position to the expiration of the session of the Board he/she serves. Where re-election is not carried out promptly after a Director's term of office expires, the existing Director shall continue to perform the duties owed by a director subject to the laws, administrative regulations, departmental rules and the Article of Association before a new Director is elected to take up the office.

The Company has implemented a set of effective procedures for appointment of new Directors. The nomination of new Directors shall be first deliberated by the Nomination Committee and then submitted to the Board, subject to the approval by the general meeting.

According to code provision B.2.2 of the Corporate Governance Code, each director should retire by rotation at least once every three years. Term of the Company's second session of the Board expired on January 16, 2026. As the nomination of candidates for directors of the third session of the Board has not been completed, the election of the Board is still in proactive preparation, and in order to ensure the continuity of the relevant work of the Company, the election of the Board will be postponed. The term of the directors of the second session of the Board will be extended till the election of the third session of the Board at a shareholders' general meeting of the Company and officially perform their duties. The term of each special committee of the Board and the senior management will be correspondingly extended.

6. CONTINUOUS PROFESSIONAL DEVELOPMENT OF DIRECTORS

Each newly appointed Director will receive induction training on the occasion of his/her appointment, so as to ensure that he/she has a proper understanding of the business and operations of the Company and is fully aware of his/her responsibilities under the applicable laws, rules and regulations and the Company's various governance and internal control policies. All Directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills and have been informed of the requirement under Rules 3.09F and 3.09G of the Listing Rules. All newly appointed Directors will receive the training referred to above and will be provided with A Guide on Directors' Duties issued by the Hong Kong Companies Registry and Guidelines for Directors and Guide for Independent Non-Executive Directors issued by the Hong Kong Institute of Directors. The Company provides continuous professional development for all Directors at the expense of the Company so as to develop and refresh their knowledge and skills.

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Details of Directors' continuous professional development during the Reporting Period are as follows:

Directors	Reading relevant materials	Attending training on Hong Kong listed issuers' and directors' continuing duties and responsibilities/ Visiting/Interviewing key management personnel
Non-executive Directors		
Mr. ZHANG Shuqing	✓	✓
Mr. ZHANG Jian	✓	✓
Mr. WEI Tingquan	✓	✓
Mr. XU Zhengwen	✓	✓
Mr. HUANG Jinliang	✓	✓
Mr. ZHANG Chunlei	✓	✓
Executive Directors		
Mr. XU Jingquan	✓	✓
Mr. HE Rongfeng	✓	✓
Mr. HUANG Wen	✓	✓
Ms. YANG Pengyan	✓	✓
Independent Non-executive Directors		
Mr. CHENG Dongyue	✓	✓
Mr. WU Tak Lung	✓	✓
Ms. LIN Zhen	✓	✓
Mr. XIAO Wang	✓	✓

7. INSURANCE FOR DIRECTORS

The Company has arranged appropriate insurance to cover liabilities in respect of legal litigation against its Directors and officers due to corporate activities. The insurance coverage will be reviewed annually.

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8. BOARD COMMITTEES

There are five committees under the Board including the Audit Committee, the Remuneration Committee, the Nomination Committee, the Risk Control Committee and the Environmental, Social and Governance Committee. The terms of reference of each of the Board Committees have been published on the websites of the Company and the Stock Exchange.

8.1 Audit Committee

As at the end of the Reporting Period, the Audit Committee consisted 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.

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 internal audit, performing other duties and responsibilities as assigned by the Board, and to exercise the powers and functions of supervisors and the supervisory committee as prescribed by the Company Law of the People's Republic of China.

During the Reporting Period, the Audit Committee has convened two meetings to review the report on annual audit and the letter of statement prepared by auditors, the annual results of the Group for the year ended December 31, 2024, the interim results of the Group for the six months ended June 30, 2025, the significant issues on the financial reporting and compliance procedures of the Group, the corporate governance report and the Company's performance on following the corporate governance code and non-assurance services to be provided by the auditors. In addition, the Audit Committee has considered the re-appointment of external auditors of the Company and made recommendation to 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 Financial Reporting Standards.

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8.2 Remuneration Committee

As at the end of the Reporting Period, the Remuneration Committee consisted of five members, being Mr. WU Tak Lung, Ms. LIN Zhen and Mr. XIAO Wang, independent non-executive Directors and Mr. XU Jingquan and Mr. HE Rongfeng, executive Directors. The Remuneration Committee is chaired by Mr. XIAO Wang.

The primary functions of the Remuneration Committee include determining the policies in relation to human resources management, reviewing the Company's remuneration policies and determining remuneration packages, bonuses and other compensation payables to Directors and senior management members of the Company and reviewing and/or approving matters relating to share schemes under Chapter 17 of the Listing Rules.

During the Reporting Period, the Remuneration Committee held two meetings, at which it considered and approved the remuneration of the Company's professional managers and independent non-executive Directors. The Remuneration Committee has also reviewed the existing remuneration policies and is satisfied that no adjustment is required during the Reporting Period. Please refer to paragraph 11 of this Report for further information regarding the annual remuneration of Directors and senior management of the Company.

8.3 Nomination Committee

As at the end of the Reporting Period, the Nomination Committee consisted of five members, being Mr. WU Tak Lung, Ms. LIN Zhen and Mr. XIAO Wang, independent non-executive Directors and Mr. XU Jingquan and Mr. HE Rongfeng, executive Directors. The Nomination Committee is chaired by Mr. XU Jingquan.

The primary responsibility of the Nomination Committee is to review the structure, size and members of the Board, make recommendations to the Board in relation to the appointment of Directors and the Board succession, review independence of independent non-executive Directors, assess the time and contribution devoted by each Director to the Board and their ability to perform their duties effectively, and provide support for the Company's periodic assessment of the Board's performance.

During the Reporting Period, the Nomination Committee held four meetings, at which it considered the changes to the Board Secretary and the person in charge of finance of the Company, the changes to the Directors, and the appointment of independent non-executive Director. The Nomination Committee has also reviewed the existing Director nomination policies and is satisfied that no adjustment is required during the Reporting Period. Please refer to paragraph 8.6 of this Report for the Director Nomination Policy.

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8.4 Risk Control Committee

As at the end of the Reporting Period, the Risk Control Committee consisted of five members, being Mr. XU Jingquan and Mr. HUANG Wen, executive Directors, Mr. WU Tak Lung, Ms. LIN Zhen and Mr. XIAO Wang, independent non-executive Directors. The Risk Control Committee is chaired by Ms. LIN Zhen.

The primary functions of our Risk Control Committee are to conduct research and propose suggestions on our risk management and internal control system in respect of our operations and business development. It is also responsible for supervising the implementation of risk management and internal control measures and process.

During the Reporting Period, the Risk Control Committee has convened one meeting to review the Group's risk management and internal control for the financial year 2024 and review on the effectiveness of the internal audit functions as required under the Listing Rules.

8.5 Environmental, Social and Governance Committee

As at the end of the Reporting Period, the Environmental, Social and Governance Committee consisted of three members, being Mr. XU Jingquan and Mr. HUANG Wen, executive Directors and Mr. WU Tak Lung, independent non-executive Director. The Risk Control Committee is chaired by Mr. XU Jingquan.

The main function of the Environmental, Social and Governance Committee is to review and monitor the Group's environmental, social and governance policies and practices, in order to improve the Company's governance structure and strengthen the decision-making function of the Board.

During the Reporting Period, the Environmental, Social and Governance Committee held one meeting, at which it considered the 2024 Environmental, Social and Governance Report of the Company.

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8.6 Director Nomination Policy

The director nomination policy of the Company is contained in the terms of reference of the Nomination Committee. The procedure for selection of Directors is as follows:

- (I) doing research on the demand of the Company for new directors and senior management and then form written materials;
- (II) identifying candidates for directors and senior management within the Company and its wholly-owned companies, majority-owned subsidiaries and affiliated companies as well as in the talent market;
- (III) collecting information about the candidates, such as occupation, educational background, professional titles, detailed work experience and all part-time jobs engaged in, and then forming written materials;
- (IV) seeking consent from each candidate before nominating him/her as a candidate for director or senior management;
- (V) convening a Nomination Committee meeting and conducting qualification review on the primary candidates based on requirements for directors and senior management;
- (VI) providing suggestions and related materials of the candidates for directors and senior management to the Board prior to the election of new directors and appointment of new senior management; and
- (VII) carrying out additional follow-up work in accordance with decisions and feedback of the Board.

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When assessing and selecting a candidate for Director, the Nomination Committee shall consider the following criteria:

- (I) the candidate's character and integrity;
- (II) the candidate's qualifications including professional qualifications, skills, knowledge and experience in relation to the Group's business and strategies;
- (III) whether the candidate is willing to devote sufficient time to fulfill the duties of being a member of the Board and to serve the other roles of directorship and responsibilities of major commitments;
- (IV) compliance with the provision of the Listing Rules in respect of the requirement that the Board shall comprise independent non-executive Directors, and whether such candidates are considered independent with reference to the independence guidelines set out in the Listing Rules;
- (V) the policy for diversity of Board members and any measurable objectives adopted by the Board to achieve diversity of Board members; and
- (VI) various other factors applicable to the Group's business.

The above factors are for reference only, and not meant to be exhaustive and decisive. The Nomination Committee has the discretion to nominate any persons, as it considers appropriate.

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8.7 Board Diversity Policy

At present, there are two female members among the Board members of the Company. The Company has adopted a board diversity policy which sets out the approach to achieve diversity of the Board. The Company recognizes and embraces the benefits of having a diverse Board and sees increasing diversity at the Board level, including gender diversity, as an essential element in maintaining the Group's competitive advantage and enhancing its ability to attract, retain and motivate employees from the available talent pool. In reviewing and assessing suitable candidates to serve as a Director, the Nomination Committee will consider a number of aspects, including but not limited to gender, age, cultural and educational background, professional qualifications, skills, knowledge and industry and regional experience. All appointments made or to be made by the Board are merit-based, and candidates are selected based on objective criteria taking full consideration of board diversity. Final decisions are comprehensively made based on each candidate's attributes and the consideration for his/her value contributions to be made to the Board. The Nomination Committee will discuss periodically and when necessary, agree on the measurable objectives for achieving diversity, including gender diversity, on the Board and recommend them to the Board for adoption. At present, the Nomination Committee believes that the current composition of the Board meets the diversification factor.

In addition, as of December 31, 2025, the proportion of female members among all employees (including senior management) of the Group was 43.6%. The Group will take steps to maintain gender diversity among all employees (including senior management). The Group plans to provide comprehensive training for female employees who we believe have the appropriate experience, skills and knowledge in operations and business, including but not limited to business operations, management, accounting and finance, legal compliance, and research and development.

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9. DIRECTORS' RESPONSIBILITIES FOR FINANCIAL STATEMENTS

The Directors acknowledge their responsibilities for preparing the financial statements of the Group for the year ended December 31, 2025, which give a true and fair view in accordance with the Listing Rules, International Financial Reporting Standards issued by the International Accounting Standards Board and the disclosure requirements of the Hong Kong Companies Ordinance. In addition, the Directors are responsible for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

The senior management of the Company has provided to the Board such explanation and information as are necessary to enable the Board to carry out an informed assessment of the Group's financial statements, which have been put to the Board for approval. The Company provides all members of the Board with monthly updates on the Group's performance, positions and prospects.

The Directors consider that in preparing the financial statements, the Group has adopted appropriate accounting policies which have been consistently applied and supported by reasonable judgements and estimates, and that all accounting standards which they consider to be applicable have been followed.

The Directors are not aware of any material uncertainties relating to events or conditions which may cast significant doubt upon the Group's ability to continue as a going concern.

The statement by the auditors of the Company regarding their reporting responsibilities on the consolidated financial statements of the Group for the Reporting Period is set out in the Independent Auditor's Report in this annual report.

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10. DIRECTORS' AND SUPERVISORS' SECURITIES TRANSACTIONS

The Company has formulated the Code of Dealing in Securities of the Group 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》) as the code of conduct of the securities transactions carried out by our Directors, Supervisors and senior management. The terms of which are not less exacting than the Model Code.

Having made specific enquiry with the Directors and Supervisors, they have confirmed their compliance with the relevant standards stipulated in the aforesaid code during the Reporting Period.

11. INFORMATION REGARDING ANNUAL REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

Remuneration of Directors and senior management is proposed by the Remuneration Committee according to their academic qualifications, working experience, work performance, and performance of duties. The remuneration of Directors is subject to approval and confirmation of the general meeting, while the remuneration of the senior management is subject to approval and confirmation of the Board.

Details regarding the remuneration of the Directors and chief executives of the Company are set out in Note 13 to the financial statements.

The range of remuneration of senior management of the Company is set out as follows:

	Number of individuals
RMB0 to RMB 500,000	2
RMB500,001 to RMB1,000,000	5
RMB1,000,001 to RMB2,000,000	1

12. COMPANY SECRETARY

The Company appointed Mr. GAO Wei as the company secretary of the Company. Mr. GAO Wei confirmed that he received not less than 15 hours of relevant professional training during the Reporting Period.

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13. RISK MANAGEMENT AND INTERNAL CONTROLS

The Board acknowledges its responsibility for the risk management and internal control systems to safeguard the investment of Shareholders and the assets of the Group, and reviewing their effectiveness (including ESG risks) annually. The Board also acknowledges that such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board is our highest decision-making body on risk management matters, and is ultimately responsible for the effectiveness of the overall risk management policies and procedures. The main responsibilities of the Board include (1) reviewing and approving major risk management policies and procedures (including ESG risks), (2) assessing our overall risk exposure (including ESG risks), and (3) supervising senior management members who are charged with risk management responsibilities.

The Risk Control Committee is primarily responsible for (1) researching and monitoring our risk management and internal control over our business operations and development (including ESG risks), and making proposals for the Board's consideration, (2) offering insights on the characteristics of the risks we face and our risk management strategies, (3) reviewing, discussing and approving our risk management policies and guidance (including ESG risks), (4) making decisions on risk levels and the corresponding resource allocations, (5) supervising the implementation of risk management policies and procedures, and (6) assessing the effectiveness of our risk management and internal control systems (including ESG risks).

The Company has established Environmental, Social, and Governance Committee on June 16, 2023, responsible for identifying environmental, social, and governance risks and opportunities related to the Group, evaluating the impact of such risks or opportunities on the Group, and providing recommendations to the board of directors on the response to risks or opportunities, as well as fully implementing the Group's environmental, social, and governance activities.

Corporate Governance Report

Senior management team consists of key management personnel who primarily bear the following responsibilities under the authorization and supervision of the Board:

- (I) establishing a risk management execution team with clear division of duties and working procedures with regards to each type of risk to which our business is exposed;
- (II) assessing and monitoring the risk sensitivity, appetite and tolerance, and understanding the risk bottleneck during business operations;
- (III) supervising the implementation and execution of risk management policies, procedures and tools;
- (IV) identifying deficiencies in the risk management and reporting them to the Board;
- (V) investigating major risk events and reporting the results of such investigations to the Board;
- (VI) evaluating the performance of employees involved in risk management; and
- (VII) supervising and monitoring the implementation and operation of the information technology systems in support of our risk management activities.

The Board determines the risk preference and risk level according to the different risk conditions and unique characteristics of technology and new economy companies and traditional industries to ensure the perfection and effectiveness of risk management and internal monitoring system. The management of the Group implements the risk management and internal monitoring policies formulated by the Board, identifies and evaluates risks, designs, operates and monitors effective risk management and internal monitoring systems.

In ensuring the effectiveness of the risk management and internal control systems, the Risk Control Committee will follow and report the status of risk management and control regularly, improve the collection mechanism of risk-related information and identify the potential flaws of risk in a timely manner.

Corporate Governance Report

From the aspect of risk management system construction, the Group returns to the essence of financial lease business, establishes a risk management system that is really suitable for the “technology” and “financial lease” characteristics of Zhongguancun, strengthens the application of financial technology in the financial lease business, and promotes the deep integration of financial technology and financial lease business. During the Reporting Period, we further optimized and iterated the risk management system, developed “credit asset + credit subject” system, and strengthened risk management and control using technology. At the same time, we gradually transfer technology from the middle platform to the front platform, from strengthening risk control to enabling business development, from supporting role to value creation, through technological innovation, effectively drive business development, and better provide more quality services for innovative enterprises.

From the aspect of internal control system, the Group has built an internal control system covering all aspects of the Group’s operation and management. The Group’s internal control system fully absorbs COSO (the Committee of sponsoring organizations of the Treadway Commission) risk management framework requirements and the Hong Kong Society of Accountants’ guidelines on risk management, taking into account the actual situation and business characteristics of the Group, formulate a monitoring framework, which provides reasonable guarantee for the effectiveness of the Group’s business activities, the reliability of its financial reports and the compliance with laws and regulations.

The Group has established a risk management department and an audit department, which play an important role in monitoring the Group’s risk management and internal control. The risk management department carries out the Group’s risk assessment every year and issues the *Major Risk Report*. Taking into account the results of risk points sorted out, the audit department formulates the annual work plan of internal audit, and negotiates the annual internal audit plan and resource utilization with the management.

During the Reporting Period, the Group has inspected the overall effectiveness of the internal control system and issued the internal control self-evaluation report, which found no major defects and control risks.

The Board normally conducts review of the effectiveness of the risk management and internal control systems at least on an annual basis. During the Reporting Period, the Board, together with the Risk Control Committee, has reviewed the effectiveness of the risk management and internal control of the Group, covering all material controls, financial and internal controls, compliance and operational controls as well as risk management mechanisms and considered the risk management and internal control systems of the Group are adequate and being implemented effectively.

The Company takes the Guidelines on Disclosure of Inside Information issued by the Securities and Futures Commission of Hong Kong as the Group’s basis of identification of insider information, to ensure timely report of insider information to the executive Directors and maintain communication with the Board.

Corporate Governance Report

14. AUDITOR'S REMUNERATION

Independence of the Company's external auditor is significant to Shareholders, the Board and the Audit Committee. The external auditor of the Company confirms annually to the Audit Committee that they are independent accountants and that they are not aware of any matters which could be reasonably thought to bear on their independence. The Audit Committee will assess the independence of the external auditor of the Company at least annually.

The Company appointed Deloitte Touche Tohmatsu Certified Public Accountants LLP (issuance of audit report in accordance with the standards in the PRC) and Deloitte Touche Tohmatsu (issuance of audit report in accordance with the international standards) (hereinafter collectively referred to as "**Deloitte**") as the external auditors of the Company for the Reporting Period.

The Board and the Audit Committee are satisfied with the independence, objectivity and effectiveness of Deloitte and the effectiveness of its audit procedures. Upon the recommendation of the Audit committee, the Board has proposed that Deloitte be re-appointed as external auditor of the Company at the forthcoming AGM. Subject to Shareholders' approval, the Board has authorised the Audit Committee to determine the remuneration of Deloitte.

The total remuneration paid or payable to Deloitte for audit and non-audit services during the Reporting Period are as below:

Service Category	Fees Paid/ Payable RMB' 000
Audit services	1,200
Non-audit services – reviewing the 2025 interim financial report of the Company	880

Corporate Governance Report

15. DIVIDEND POLICY

The Company has adopted a dividend policy on December 20, 2019. The Company may distribute dividends by cash, stock or combination of cash and stock or other ways permitted by laws and regulations. According to the aforesaid dividend policy, the Articles of Association and the applicable laws and regulations, the Company's profit distribution plan shall be formulated by the Board and submitted to the general meeting for deliberation after being approved by the Board, and shall be approved by more than half of the Shareholders with voting rights and attending the general meeting. The Board will declare a dividend (if any) in RMB on a per share basis for H Shares and pay the dividend in Hong Kong dollars. In general, the Company intends to distribute not less than 35% of the annual distributable profits as dividends. All Shareholders have equal rights to obtain distributable profits, and the profits will be distributed in proportion. The Company's future dividend declaration may not necessarily reflect its previous dividend declaration and will be made by the Board at its discretion.

According to the applicable PRC laws and the Articles of Association, the after tax profits of the Company shall be distributed in the following order:

- (I) When the Company distributes the after tax profits of the current year, 10% of the profits shall be withdrawn and included in the Company's statutory reserve fund. If the cumulative amount of the Company's legal accumulation fund is more than 50% of the Company's registered capital, it may not be withdrawn any more.
- (II) Where the Company's statutory reserve fund is insufficient to cover the losses of the previous year, the Company shall first use the profits of the current year to cover the losses before drawing the statutory reserve fund in accordance with the provisions of the preceding paragraph.
- (III) After the Company withdraws the legal accumulation fund from the after tax profit, it can also withdraw the discretionary accumulation fund from the after tax profit upon the resolution of the general meeting.

Corporate Governance Report

- (IV) The remaining after tax profits after the Company makes up the losses and withdraws the accumulation fund shall be regarded as the distributable profits. In principle, the annual dividend shall not be less than 35% of the distributable profits realized in the current year, and shall be distributed according to the proportion of shares held by the Shareholders, except for those not distributed according to the proportion of shares held in accordance with the Articles of Association. The profit distribution plan of the Company shall be formulated by the Board and submitted to the general meeting for deliberation after being approved by the Board, and shall not be adopted until more than half of the Shareholders present have voted for approval. The Board will declare a dividend (if any) in RMB on a per share basis for H Shares and pay the dividend in Hong Kong dollars.
- (V) If the general meeting, in violation of the provisions of the preceding paragraph, distributes profits to the Shareholders before the Company makes up for the losses and withdraws the statutory reserve fund, the Shareholders must return the profits distributed in violation of the provisions to the Company.
- (VI) The Shares held by the Company do not participate in the distribution of profits.

16. THE PROCEDURE FOR SHAREHOLDERS TO CONVENE A GENERAL MEETING

As the owners of the Company, Shareholders are entitled to the various rights stipulated by laws, administrative rules and regulations and the Articles of Association. The general meeting is the supreme authority of the Company, through which Shareholders exercise their power.

The Board and senior management of the Company understand that they are representing the interest of all the Shareholders and their top priority is to maintain the stable and continuous growth of Shareholders' investment return in the long run and enhance the competitiveness of the business.

16.1 The Procedure for Shareholders to Convene a General Meeting

In accordance with the Articles of Association, general meetings are convened by the Board. If the Board is unable or fails to fulfill the obligation of convening a general meeting, the Shareholders individually or jointly holding no less than 10% of shares of the Company for no less than 90 consecutive days may convene and preside over such meeting on their own.

Corporate Governance Report

Shareholders who request an extraordinary general meeting or a general meeting of a class of Shareholders shall comply with the following procedures:

- (I) two or more Shareholders who individually or together hold 10% or more of the shares carrying the right to vote in the meeting to be convened can request the Board to convene an extraordinary general meeting or a class meeting by signing one or several copies of written request(s) in the same form and content, and stating the motions and resolutions proposed. The Board shall convene the extraordinary general meeting or the class meeting as soon as possible upon receiving such written request(s). The shareholdings referred to above shall be calculated as at the date of request made.
- (II) If no notice of convening a general meeting is issued within thirty days after the Board receiving the above mentioned written request(s), the Shareholders making the request(s) can convene a meeting by themselves within four months after the Board receiving the above mentioned written request(s), and the procedures for convening such meeting shall follow the procedures of the general meeting convened by the Board as much as possible.

All reasonable expenses incurred for such meeting convened by the Shareholders as a result of the failure of the Board to convene a meeting as required above shall be borne by the Company and be set off against sums owed by the Company to the defaulting Directors.

16.2 The Procedure for Shareholders of Putting Forward Proposals at the General Meeting

In accordance with the Articles of Association, as a general meeting is convened, any Shareholders individually or jointly holding more than 3% of the Company's shares may propose any resolution to the Company. Such Shareholders who individually or together hold more than 3% of the Company's shares may submit an interim proposal in writing to the convener ten days prior to the date of the general meeting. The convener shall then send a supplemental notice of general meeting to announce the interim proposal and submit the interim proposal to the general meeting for consideration within two days upon receipt of such proposal. Written proposal can be sent by mail to 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 or by email at ir@zgclease.com.

Corporate Governance Report

16.3 The Procedure for Enquiry from Shareholders to the Board

Shareholders may at any time send their inquiries and concerns to the Board in writing through the investor relations which contact details are as follows:

Address: Floor 6, Suite 7, Courtyard 2, No. 1 West Third Ring North Road, Haidian District, Beijing, the PRC

Fax: +86-010-8345-3809

Email: ir@zgclear.com

Attention: the Board/Company secretary

For the avoidance of doubt, Shareholders must lodge their questions together with their detailed contact information (including full name, contact details and identification) for prompt response from the Company if the Company deems appropriate. Shareholders' information may be disclosed as required by law.

17. COMMUNICATIONS WITH SHAREHOLDERS

The Company considers that effective communication with Shareholders is essential for enhancing investor relations and understanding of the Group's business, performance and strategies. The Company attaches great importance to listening to and accepting the reasonable suggestions and opinions of Shareholders and investors.

During the Reporting Period, the Company strengthened communication with Shareholders and investors through various channels, such as online and offline shareholder-investor exchange activities, results conferences, online roadshows, which allows investors to have a more comprehensive interpretation and analysis of the Group's business philosophy and operating conditions. The Company's corporate website (www.zgclear.com or zgclear.zgclear.com.cn) has three languages: English, traditional Chinese and simplified Chinese, and has a section on investor relations, which converges all regulatory announcements, reports and circulars published on the website of the Stock Exchange for Shareholders and investors' reference, while the other sections of the corporate website provide the latest information on all aspects of the Group's operations. Through the above communication measures and procedures with investors and Shareholders, the Company has examined and reviewed the effectiveness of the relevant policies on communication with investors and Shareholders during the Reporting Period and considers that the above policies and measures can safeguard the effective communication between the Company and investors and Shareholders.

Corporate Governance Report

18. AMENDMENTS TO THE ARTICLES OF ASSOCIATION

As the Company issued new domestic shares pursuant to a special mandate, the Articles of Association was revised in respect of the relevant contents. Details of the revisions were approved at the second extraordinary general meeting of 2025, the first class meeting of domestic-share holders of 2025 and the first class meeting of H-share holders of 2025 held on February 18, 2025. For details of the revisions, please refer to the Group's announcement dated January 17, 2025 and the circular dated January 23, 2025. The amended Articles of Association took effect on July 4, 2025.

To further enhance the corporate governance standards of the Company, revisions were made to the Articles of Association in accordance with the latest Company Law of the People's Republic of China, the Arrangements for the Implementation of Supporting Rules during the Transitional Period in Connection with the New Company Law issued by the China Securities Regulatory Commission and other relevant laws and regulations, as well as the work specifications and reform requirements on corporate governance of municipal state-owned enterprises issued by the State-owned Assets Supervision and Administration Commission of the People's Government of Beijing Municipality, taking into account the Company's actual conditions and business development needs. For details of the revisions, please refer to the Company's announcement dated August 12, 2025 and the circular dated August 21, 2025. The amended Articles of Association took effect on September 12, 2025.

Saved as disclosed above, there was no major amendment to the Articles of Association during the Reporting Period.

Report of the Directors

The Board is pleased to present its report together with the audited financial statements of the Group for the Reporting Period.

1. BUSINESS REVIEW

1.1 Principal Activities

The Company was established as a limited liability Group on November 27, 2012 under the laws of the PRC and is a member of ZGC Group. The Company's H shares were listed on the Stock Exchange since January 21, 2020. During the Reporting Period, the Group was principally engaged in providing finance lease, leasing-based equity investment and integration of industry and finance solution for domestic science and technology innovation enterprises of high growth.

During the Reporting Period, on November 14, 2025, the Company entered into an equity transfer agreements with Tianjin Zhongnuo Tongchuan Management Consulting Co., Ltd. and Beijing ZGC Co-Innovative Investment Fund Management Co., Ltd. Upon completion of the acquisition, Beijing Zhongnuo became a wholly-owned subsidiary of the Group. The Company, Beijing Zhongnuo and the consolidated structured entities are collectively referred to as the Group. An analysis of the Group's principal business revenue and operating profit during the Reporting Period is set out in the chapter headed "Management Discussion and Analysis" in this annual report.

1.2 Business Review and Analysis of Key Indicators of Financial Performance

A review of the Group's business during the Reporting Period, which includes a discussion of the principal risks and uncertainties faced by the Group, an analysis of the Group's performance using financial key performance indicators, particulars of important events affecting the Group during the year, and an indication of likely future developments in the Group's business, could be found in the sections headed "Chairman's Statement", "General Manager's Statement" and "Management Discussion and Analysis" in this annual report. A discussion on relationships with its key stakeholders is included in the sections headed "Management Discussion and Analysis" and "Corporate Governance Report" in this annual report. These discussions form part of this directors' report. The Directors are not aware of any important events affecting the Group that have occurred since the end of the Reporting Period and up to the date of this annual report.

Report of the Directors

1.3 Environmental, Social and Governance Performance

As a listed company of the Stock Exchange, the Group attaches great importance to the performance of environmental, social and governance responsibilities, in pursuit of long-term sustainable development. For more information regarding environmental, social and governance matters of the Group for the Reporting Period, please refer to the section headed “Environmental, Social and Governance Report” in this annual report.

2. PROFIT DISTRIBUTIONS

2.1 Final Dividend

The consolidated annual results of the Group for the Reporting Period are set out in the Consolidated Statement of Profit or Loss and Other Comprehensive Income and Notes to the Financial Statements of this annual report.

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)), totally 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 forthcoming annual general meeting.

The Company is not aware of any arrangement under which a Shareholder has waived or agree to waive any dividend.

Report of the Directors

2.2 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布〈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. 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.

Saved as disclosed above, the Company is not aware of any tax relief or exemption available to the Shareholders by reason of their holding of the Company’s securities.

Report of the Directors

3. 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.

4. FINANCIAL SUMMARY

A summary of the Group's results, assets and liabilities for the last five financial years is set out on pages 9 to 10 of this annual report. This summary does not form part of the audited consolidated financial statements.

5. PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment of the Group during the Reporting Period are set out in Note 17 to the Financial Statements of this annual report.

Report of the Directors

6. SHARE/PAID-IN CAPITAL

Details of the movements in share/paid-in capital of the Company during the Reporting Period are set out in Note 29 to the Financial Statements of this annual report.

7. EQUITY-LINKED AGREEMENTS

During the Reporting Period, the Company has not entered into any equity-linked agreement.

8. RESERVES

Details of the movement in the reserves of the Company during the Reporting Period are set out in Note 34 to the Financial Statements of this annual report.

As at the end of the Reporting Period, the reserves of the Company available for distribution to the Shareholders amounted to approximately RMB827.31 million.

9. BORROWINGS

Details of the borrowings of the Group during the Reporting Period are set out in the section headed “Management Discussion and Analysis” and Note 27 to the Financial Statements of this annual report.

10. CHARITABLE DONATIONS

During the Reporting Period, the Group did not make any charitable donations (2024: nil).

11. PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S 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.

12. PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles of Association, or the laws of the PRC, which would oblige the Company to offer new shares on a pro-rata basis to its existing Shareholders.

Report of the Directors

13. DIRECTORS

During the Reporting Period and up to the date of this report, the Directors were as follows:

Non-executive Directors

Mr. ZHANG Shuqing¹
Mr. ZHANG Jian²
Mr. WEI Tingquan³
Mr. HUANG Jinliang⁴
Mr. XU Zhengwen⁵
Mr. ZHANG Chunlei⁶

Executive Directors

Mr. XU Jingquan⁷
Mr. HE Rongfeng
Mr. HUANG Wen
Mr. YANG Pengyan⁸

Independent Non-executive Directors

Mr. CHENG Dongyue⁹
Mr. WU Tak Lung
Ms. LIN Zhen
Mr. XIAO Wang¹⁰

Notes:

- 1 Resigned on December 20, 2024 and continued to perform his duties until Mr. ZHANG Jian's qualification as a Director was approved by the Local Financial Regulatory Bureau of Beijing Municipality on April 11, 2025
- 2 Appointed on April 11, 2025, and resigned on August 12, 2025 and continued to perform his duties until the qualification of the new legal representative took effect on September 30, 2025
- 3 Appointed on April 11, 2025, and resigned on August 12, 2025
- 4 Appointed on January 7, 2025, and resigned on April 15, 2025
- 5 Appointed on December 30, 2025
- 6 Appointed on January 7, 2025
- 7 Appointed on September 30, 2025
- 8 Appointed on September 30, 2025
- 9 Resigned on July 21, 2025 due to personal health reasons. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, save for the difference in commercial decisions in relation to the Transfer Agreement and the Trust Property Service Agreement (as defined in the announcement of the Company dated June 23, 2025) and the transactions contemplated thereunder, whereby Mr. CHENG Dongyue expressed a dissenting view on the relevant Board resolutions, the Company is not aware of any disagreement between Mr. Cheng and the Board, nor any other matters relating to his resignation that need to be brought to the attention of the Shareholders. For further information on the Transfer Agreement, the Trust Property Service Agreement and the transactions contemplated thereunder, please refer to the announcement of the Company dated June 23, 2025.
- 10 Appointed on December 30, 2025

Report of the Directors

14. SUPERVISORS

During the Reporting Period, the Supervisors were as follows:

Mr. LUO Feifei¹
Mr. TIAN Anping
Mr. FANG Fang
Mr. DU Xiaoming
Mr. TONG Chao
Ms. HAN Nana
Mr. HUANG Zemiao²

Notes:

- 1 Appointed on April 11, 2025, and resigned on August 12, 2025
- 2 Appointed on January 7, 2025
- 3 The abolition of the Supervisory Committee and amendments to the Articles of Association were considered and approved at the Third Extraordinary General Meeting of 2025. The Company abolished the Supervisory Committee with effect from September 12, 2025, and all Supervisors retired therefrom.

15. BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Biographical details of Directors and the senior management are set out in the section headed “Profile of Directors and Senior Management” to this annual report.

16. DIRECTOR SERVICE CONTRACTS

Each of the Directors entered into a service contract with the Company. The principal particulars of these service contracts comprise, among other things, (a) the term of three years commencing from the date when their respective appointments are approved by the Shareholders, and (b) termination provisions in accordance with their respective terms.

Save as disclosed above, none of the Directors has a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than normal statutory compensation.

Report of the Directors

17. CONTROLLING SHAREHOLDERS' INTERESTS IN CONTRACTS

Save as disclosed in the Report, there was no transaction, arrangement or contract of significance in relation to the Group's business to which the Company or its subsidiaries was a party and in which any controlling Shareholder or any of its subsidiary corporations had a material interest, whether directly or indirectly, subsisted at the end of the Reporting Period or at any time during the Reporting Period.

18. DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS OF SIGNIFICANCE

No transactions, arrangements or contracts of significance in relation to the Group's business to which the Company or its subsidiaries was a party and in which a director of the Company or his/her connected entity had a material interest, whether directly or indirectly, subsisted at the end of the Reporting Period or at any time during the Reporting Period.

19. REMUNERATION OF DIRECTORS AND THE FIVE HIGHEST PAID INDIVIDUALS

During the Reporting Period, details of the Directors' emoluments and emoluments of the five highest paid individuals in the Group are set out in Notes 13 and 14 to the financial statements of this annual report, respectively.

20. DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the Reporting Period and up to the date of this report, none of the Directors had any interest in a business that competed or was likely to compete, either directly or indirectly, with the business of the Group.

Report of the Directors

21. NON-COMPETITION AGREEMENT

To avoid any potential competition between the business of the Controlling Shareholders and the Group, on December 20, 2019, each of the Controlling Shareholders (except for Beijing SCOMC which became a controlling shareholder since December 2022) entered into a non-competition agreement in favor of the Group (the “**Non-competition Agreement**”), pursuant to which each of the Controlling Shareholders irrevocably undertakes to the Group that it will not and will procure its subsidiaries (except the Group) not to, directly or indirectly (whether in the capacity of principal or agent, whether for its own benefit or jointly with or on behalf of any person, firm or Group, whether within or outside China), commence, engage in, participate in or acquire any business which competes or may compete directly or indirectly with the core business of the Group or own any rights or interests in such business within the restricted period. Details of the Non-competition Agreement are set out in the section headed “Relationship with the Controlling Shareholders – Non-competition Agreement” in the Prospectus.

The Controlling Shareholders (except for Beijing SCOMC which became a controlling shareholder since December 2022) declared that they complied with the Non-competition Agreement during the Reporting Period. The independent non-executive Directors have conducted the review of the aforesaid compliance and also reviewed the relevant undertakings and are satisfied that the Non-competition Agreement has been fully complied with.

22. INDEMNITY OF DIRECTORS

At no time during the Reporting Period was there any permitted indemnity provision being in force for the benefit of any of the Directors (whether made by the Company or otherwise) or any associated companies (if made by the Company). The Company has arranged appropriate liability insurance coverage for the Directors and officers.

23. MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Group were entered into or in existence during the Reporting Period.

Report of the Directors

24. LOAN AND GUARANTEE

During the Reporting Period, the Group did not make any loan or provided any guarantee for any loan, directly or indirectly, to the Company's Directors, senior management, the Controlling Shareholders or their respective connected persons.

25. SHARE SCHEME

The Company has no share scheme pursuant to Chapter 17 of the Listing Rules since its incorporation and up to the date of this report.

26. INTERESTS AND SHORT POSITIONS OF THE DIRECTORS AND CHIEF EXECUTIVE IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at the end of the Reporting Period, none of the Directors or chief executive of the Company had any interests and/or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which he or she was taken or deemed to have under such provisions of the SFO) or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

Report of the Directors

27. INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES AND UNDERLYING SHARES

As at the end of the Reporting Period, to the knowledge of the Directors, the following persons (not being Directors and the chief executive of the Company) had interests or short positions in the shares or underlying shares of the Company which were required to be notified to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO and recorded in the register required to be kept by the Company under Section 336 of the SFO:

Name of Shareholder	Class of Shares	Capacity/ Nature of interest	Number of Shares interested ⁽¹⁾	Approximate percentage of shareholding in the total issued relevant class of Shares ⁽¹⁾ (%)	Approximate percentage of shareholding in the total issued Shares ⁽¹⁾ (%)
ZGC Finance ⁽²⁾	Domestic Shares	Beneficial owner	879,504,000 (L)	78.40%(L)	54.45%(L)
ZGC International Holding Limited ⁽²⁾	H Shares	Beneficial owner	50,952,000 (L)	10.33%(L)	3.45%(L)
ZGC Group ⁽²⁾	Domestic Shares	Interest of controlled corporation	879,504,000 (L)	78.40%(L)	54.46%(L)
	H Shares	Interest of controlled corporation	50,952,000 (L)	10.33%(L)	3.15%(L)
Beijing SCOMC ⁽²⁾	Domestic Shares	Interest of controlled corporation	879,504,000 (L)	76.19%(L)	54.45%(L)
	H Shares	Interest of controlled corporation	50,952,000 (L)	10.33%(L)	3.15%(L)
Chaoyang SCOMC ⁽³⁾	Domestic Shares	Beneficial owner	100,000,000 (L)	8.91%(L)	6.19%(L)
		Interest of controlled corporation	142,264,000 (L)	12.68%(L)	8.81%(L)
		Total:	242,264,000 (L)	21.60%(L)	15.00%(L)
Beijing Chaoyang International Technology Development Group Co., Ltd. (北京朝陽國際科技發展集團有限公司) ⁽³⁾	Domestic Shares	Interest of controlled corporation	142,264,000 (L)	12.68%(L)	8.81%(L)
Wangjing Development ⁽³⁾	Domestic Shares	Beneficial owner	142,264,000 (L)	12.68%(L)	8.81%(L)
Nanshan Capital ⁽⁴⁾	H Shares	Beneficial owner	99,900,000 (L)	20.25%(L)	6.19%(L)
Nanshan Group Co., Ltd. (南山集團有限公司) ⁽⁴⁾	H Shares	Interest of controlled corporation	99,900,000 (L)	20.25%(L)	6.19%(L)

Report of the Directors

Name of Shareholder	Class of Shares	Capacity/ Nature of interest	Number of Shares interested ⁽¹⁾	Approximate percentage of shareholding in the total issued relevant class of Shares ⁽¹⁾ (%)	Approximate percentage of shareholding in the total issued Shares ⁽¹⁾ (%)
Nanshan Villagers' Committee of Dongjiang County, Longkou City (龍口市東江鎮南山村村民委員會) ⁽⁴⁾	H Shares	Interest of controlled corporation	99,900,000 (L)	20.25%(L)	6.19%(L)
SONG Jianbo (宋建波) ⁽⁴⁾	H Shares	Interest of controlled corporation	99,900,000 (L)	20.25%(L)	6.19%(L)
CCCG (HK) Holding Limited (中交集團(香港)控股有限公司) ⁽⁵⁾	H Shares	Beneficial owner	58,914,000 (L)	11.94%(L)	3.65%(L)
China Communications Construction Group Limited (中國交通建設集團有限公司) ⁽⁵⁾	H Shares	Interest of controlled corporation	58,914,000 (L)	11.94%(L)	3.65%(L)
Beijing Haidian District State Owned Capital Operation Co., Ltd. (北京市海澱區國有資本運營有限公司) ⁽⁶⁾	H Shares	Interest of controlled corporation	36,742,000 (L)	7.45%(L)	2.27%(L)
Beijing Zhongguancun Science City Innovation and Development Co., Ltd. (北京中關村科學城創新發展有限公司) ⁽⁶⁾	H Shares	Beneficial owner	36,742,000 (L)	7.45%(L)	2.27%(L)
HU Daosheng (胡道生) ⁽⁷⁾	H Shares	Interest of controlled corporation	32,894,000 (L)	6.67%(L)	2.04%(L)
Superior Far East International Holdings Limited ⁽⁷⁾	H Shares	Interest of controlled corporation	32,894,000 (L)	6.67%(L)	2.04%(L)
Superior Far East (China) Holdings Limited (佳和控股有限公司) ⁽⁷⁾	H Shares	Interest of controlled corporation	32,894,000 (L)	6.67%(L)	2.04%(L)

Report of the Directors

Notes:

- (1) As at the end of the Reporting Period, the Company has issued a total number of 1,615,102,000 Shares, comprising 1,121,768,000 Domestic Shares and 493,334,000 H Shares. (L) represents long position.
- (2) ZGC Finance directly holds 879,504,000 Domestic Shares. ZGC International Holding Limited directly holds 50,952,000 H Shares. As ZGC Finance and ZGC International Holdings Limited are wholly-owned subsidiaries of ZGC Group, ZGC Group is deemed to be interested in entire Domestic Shares held by ZGC Finance and H Shares held by ZGC International Holding Limited under the SFO. As ZGC Group is owned as to 50.41% by Beijing SCOMC, Beijing SCOMC is deemed to be interested in entire Domestic Shares held by ZGC Finance and H Shares held by ZGC International Holding Limited under the SFO.
- (3) Chaoyang SCOMC directly holds 100,000,000 Domestic Shares. Wangjing Development is a wholly-owned subsidiary of Beijing Chaoyang International Technology Development Group Co., Ltd. which in turn is a wholly-owned subsidiary of Chaoyang SCOMC. Beijing Chaoyang International Technology Development Group Co., Ltd. and Chaoyang SCOMC are also deemed to be interested in 142,264,000 Domestic Shares held by Wangjing Development under the SFO.
- (4) Under the SFO, Nanshan Group Co., Ltd. (南山集團有限公司) is deemed to be interested in the entire H Shares held by Nanshan Capital its wholly-owned subsidiary. As Nanshan Group Co., Ltd. is owned as to 51% by Nanshan Villagers' Committee of Dongjiang County, Longkou City (龍口市東江鎮南山村村民委員會) and 49% by Mr. SONG Jianbo (宋建波), respectively, under the SFO, each of Nanshan Villagers' Committee of Dongjiang County, Longkou City and Mr. SONG Jianbo is deemed to be interested in the entire H Shares held by Nanshan Group Co., Ltd.
- (5) Under the SFO, China Communications Construction Group Limited (中國交通建設集團有限公司) is deemed to be interested in the entire H Shares held by CCCG (HK) Holding Limited (中交集團(香港)控股有限公司), its wholly-owned subsidiary.
- (6) Under the SFO, Beijing Haidian State-owned Capital Operation Company Limited (北京市海澱區國有資本運營有限公司) is deemed to be interested in the entire H Shares held by Beijing Zhongguancun Science City Innovation and Development Co., Ltd. (北京中關村科學城創新發展有限公司), its wholly-owned subsidiary.
- (7) Superior Far East (China) Holdings Limited (佳和控股有限公司) is wholly owned by Superior Far East International Holdings Limited, which is wholly owned by Mr. HU Daosheng. Under the SFO, each of Superior Far East International Holdings Limited and Mr. HU Daosheng is therefore deemed to be interested in H Shares held by Superior Far East (China) Holdings Limited.

Save as disclosed above and to the best knowledge of the Directors, as at the end of the Reporting Period, no person (excluding Directors and chief executives of the Company) had an interest or a short position in the shares or underlying shares of the Company which were required to be notified to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO and recorded in the register required to be kept by the Company under section 336 of the SFO.

Report of the Directors

28. ARRANGEMENTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the Reporting Period was the Group or its holding Company, a party to any arrangement to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debt securities including debentures of, the Group or any other body corporate.

29. MAJOR CUSTOMERS AND SUPPLIERS

During the Reporting Period, the Group's largest customers accounted for approximately 4.64% of the Group's total revenue. The Group's five largest customers accounted for approximately 9.03% of the Group's total revenue.

During the Reporting Period, the Group's largest suppliers accounted for approximately 9.88% of the Group's total cost of sales. The Group's five largest suppliers accounted for 23.32% of the Group's total cost of sales.

Except for disclosure in section "Connected Transactions and Continuing Connected Transactions" of this annual report, during the Reporting Period, none of the Directors or any of their close associates or any Shareholders (which, to the best knowledge of the Directors, owns more than 5% of the Group's issued share capital (excluding treasury shares)) has any beneficial interest in the Group's five largest suppliers or the Group's five largest customers.

30. EMPLOYEES AND REMUNERATION POLICY

The Group had 156 employees as at the end of the Reporting Period, as compared to approximately 146 employees as at December 31, 2024. The Group entered into employment contracts with its employees to cover matters such as position, term of employment, wage, employee benefits and liabilities for breaches and grounds for termination.

Remuneration of the Group's employees, including Directors, includes basic salaries, allowances, bonus and other employee benefits, and is determined with reference to their experience, qualifications and general market conditions.

Report of the Directors

31. RETIREMENT BENEFITS

The employees of the Group are members of the state-managed retirement benefits scheme operated by the PRC government. The employees of the Group are required to contribute a certain percentage of their payroll to the retirement benefits scheme to fund the benefits. The only obligation of the Group with respect to this retirement benefits scheme is to make the required contributions under the scheme.

During the Reporting Period, the Group had no forfeited contributions under its retirement benefit scheme in the PRC which may be used to reduce the existing level of contributions as described in paragraph 26(2) of Appendix D2 to the Listing Rules.

32. CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS

CONNECTED TRANSACTIONS

Share Subscription Agreements

On January 17, 2025, the Company entered into each of the Share Subscription Agreements with ZGC Finance and Wangjing Development (the “**Subscribers**”), pursuant to which the Company has conditionally agreed to issue and allot, and the Subscribers have conditionally agreed to subscribe for, an aggregate of not more than 281,768,000 Subscription Shares (inclusive) at the subscription price of RMB1.81 (equivalent to approximately HK\$1.96 and subject to final adjustment) (the “**Subscription Price**”) per Subscription Share for a total consideration of approximately RMB510 million (equivalent to approximately HK\$553 million) in cash (the “**Domestic Share Subscription**”).

As at the date of signing of the Share Subscription Agreements, ZGC Finance directly holds 640,000,000 Domestic Shares, representing approximately 48.00% of the Company’s total number of issued Shares, and is a Controlling Shareholder of the Company; Chaoyang SCOMC, directly and indirectly through its wholly-owned subsidiary, Wangjing Development, holds 200,000,000 Domestic Shares, representing approximately 15.00% of the Company’s total number of issued Shares, and is a substantial Shareholder of the Company. According to Chapter 14A of the Listing Rules, ZGC Finance and Wangjing Development (being an associate of Chaoyang SCOMC) are connected persons of the Company. Accordingly, the Domestic Share Subscription constitutes a connected transaction of the Company and is subject to reporting, announcement and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules.

Report of the Directors

(i) Class of shares and nominal value

Ordinary domestic share(s) with a nominal value of RMB1.00 each.

(ii) Method of issuance and the subscribers

The issuance adopts a private placement method, and the Subscribers are ZGC Finance and Wangjing Development.

(iii) Pre-emptive arrangement

The existing Shareholders do not have any pre-emptive rights under the issuance.

(iv) Method of subscription

ZGC Finance and Wangjing Development will subscribe for the Subscription Shares in cash (RMB).

(v) Subscription Price and pricing methodology

RMB1.81 (equivalent to approximately HK\$1.96 and subject to final adjustment) per Subscription Share. The Subscription Price is subject to corresponding adjustment upon the occurrence of any ex-rights and ex-dividend events including, among others, dividend distribution, bonus shares, capitalization of capital reserve during the period from the issuance benchmark date (i.e. the date of the Board resolution approving the issuance) to the date of completion of the Domestic Share Subscription (i.e. the date when the full subscription amount is credited to the Company's designated account), and the Subscription Price is subject to final adjustment by competent regulatory authorities, provided that the Subscription Price shall not be lower than the par value of RMB1.00 after adjustment.

Report of the Directors

The Subscription Price of RMB1.81 (equivalent to approximately HK\$1.96 and subject to final adjustment) per Subscription Share represents:

- (1) a premium of approximately 142.09% to the price of approximately HK\$0.81 per H Share based on the closing price as quoted on the Stock Exchange on the date of each of the Share Subscription Agreements and the date of the Company's relevant announcement;
- (2) a premium of approximately 142.69% to the average closing price of approximately HK\$0.81 per H Share as quoted on the Stock Exchange for the last 5 consecutive trading days immediately prior to the date of each of the Share Subscription Agreements and the date of the Company's relevant announcement;
- (3) a premium of approximately 141.19% to the average closing price of approximately HK\$0.81 per H Share as quoted on the Stock Exchange for the last 10 consecutive trading days immediately prior to the date of each of the Share Subscription Agreements and the date of the Company's relevant announcement;
- (4) a premium of approximately 0.55% to the audited consolidated net asset value per Share attributable to the Shareholders as at December 31, 2023 of approximately RMB1.80 (equivalent to approximately HK\$1.95) per Share calculated based on the audited consolidated equity attributable to Shareholders of approximately RMB2,400,238,000 as at December 31, 2023 as extracted from the annual report of Company for the year ended December 31, 2023 and 1,333,334,000 Shares then in issue; and
- (5) a discount of approximately 1.37% to the unaudited consolidated net asset value per Share attributable to the Shareholders as at June 30, 2024 of approximately RMB1.84 (equivalent to approximately HK\$1.99) per Share calculated based on the unaudited consolidated equity attributable to Shareholders of approximately RMB2,446,827,000 as at June 30, 2024 as extracted from the interim results announcement of the Company for the six months ended June 30, 2024 and 1,333,334,000 Shares then in issue.

Report of the Directors

The Subscription Price for the Domestic Share Subscription is determined after arm's length negotiations between the Company and the Subscribers, with reference to (i) the Company's audited consolidated net asset value per Share attributable to the Shareholders as at December 31, 2023 and the Company's unaudited consolidated net asset value per Share attributable to the Shareholders as at June 30, 2024; (ii) the recent and historical market prices of the H Shares; and (iii) the amount of funds that the Company intends to raise under the issuance. The total subscription amount for each Subscriber is calculated by multiplying the final Subscription Price by the number of new Domestic Shares subscribed by each Subscriber.

(vi) Use of proceeds

The total amount of funds raised from the issuance shall not exceed RMB600 million. The Company expects to raise gross proceeds of approximately RMB510 million (equivalent to approximately HK\$553 million) from the Domestic Share Subscription and the net proceeds (after deduction of relevant costs and expenses) from the Domestic Share Subscription is expected to be approximately RMB507 million (equivalent to approximately HK\$549 million). The Company intends to apply the net proceeds from the Domestic Share Subscription, after deduction of relevant costs and expenses, to supplement general working capital of the Company for the development of finance leasing business (approximately 90.00% of the net proceeds, or RMB456 million, equivalent to approximately HK\$494 million) and industry & finance integration business (approximately 10.00% of the net proceeds, or RMB51 million, equivalent to approximately HK\$55 million). If there are any adjustments to the issuance size, the Company will re-allocate the use of proceeds according to the same percentage among different uses. The net Subscription Price per new Domestic Share is RMB1.80 (equivalent to approximately HK\$1.95).

For details of the subscription of the domestic shares, 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.

Report of the Directors

Trust Beneficial Interests Transfer Agreement

On June 23, 2025, the Company (as the transferor) entered into the trust beneficial interests transfer agreement (the “**Transfer Agreement**”) with ZGC Finance (as the transferee), the Controlling Shareholder, pursuant to which, the Company, as the initial beneficiary under the Trust Scheme, has agreed to transfer the Trust Beneficial Interests to ZGC Finance at the Transfer Price of RMB20,654,500, and ZGC Finance has agreed to acquire the above Trust Beneficial Interests.

Pursuant to the Transfer Agreement, the Company has agreed to transfer, and ZGC Finance has agreed to acquire, 20,654,500 trust units issued by Xingbao International Trust Co., Ltd. (興寶國際信託有限責任公司), corresponding to the entire Trust Beneficial Interests under the Trust Scheme, representing an investment principal of RMB20,654,500, together with all associated rights and obligations.

The consideration for this transaction is RMB20,654,500, which shall be paid by ZGC Finance within 5 days from the effective date of the Transfer Agreement and the completion of the registration of the transfer of trust beneficiary rights. The consideration of the transfer of the Trust Beneficial Interests was determined after arm’s length negotiations between the Company and ZGC Finance with reference to the Valuation of the Trust Property as of December 31, 2024, the Valuation Date. As at the date of the Transfer Agreement, the book value of the total trust units being transferred, being the entire principal of the Trust Scheme, is equivalent to the appraised value of the Trust Property (totaling RMB20,654,500). Based on the Valuation, and taking into account (i) the scope of the Valuation, (ii) the valuation approaches and methodology applicable to the Trust Property, (iii) the reasonableness of the assumptions adopted, the Directors (including the independent non-executive Directors) are of the view that the Valuation has reflected the value of the beneficial interest of the Trust Beneficial Interest, and that the consideration of the Trust Beneficial Interest is on normal commercial terms, fair and reasonable and in the interest of the Company and its shareholders as a whole.

The consideration for this transaction will be satisfied by cash and be funded by ZGC Finance using internal resources.

Report of the Directors

Pursuant to the Trust Contract, the total amount of the Trust is RMB20,654,500, which is equivalent to the appraised value of the underlying assets of the Trust Property. Each trust unit is priced at RMB1. The Trust Property comprises solely the Non-performing Loans arising from the finance lease operation of the Company, which involve 51 loan items. As at the date of the Trust Contract, the net book value of the Non-performing Loans is RMB20,654,500. According to the appraisal carried out by an independent Valuer, the Non-performing Loans have an appraised value of RMB20,654,500. The Company does not separately account for the pre-tax or after-tax profits of the underlying assets of the Trust Property.

On the day of signing the Transfer Agreement, ZGC Finance is a controlling shareholder of the Company, holding 48% of the total issued shares of the Company. As such, ZGC Finance is a connected person of the Company. The Transfer Agreement and the transactions contemplated thereunder constitute a connected transaction of the Company under Chapter 14A of the Listing Rules.

The Company is primarily engaged in the provision of leasing services. Upon completion of the transfer of the Trust Beneficial Interests under the Trust Scheme and the Transfer Agreement, the Company will subsequently derecognize the related Non-performing Loans from its balance sheet to enhance the overall asset yield. Furthermore, following the transfer, the Company will continue to manage and collect the Non-performing Loans, thereby leveraging its post-leasing asset management expertise to generate service fee income.

Mr. CHENG Dongyue, the independent non-executive Director, voted against the Transfer Agreement and transactions contemplated thereunder, stating that he did not agree that the transaction has complied with the state-owned asset supervision and approval procedures.

The Directors (except independent non-executive Director Mr. CHENG Dongyue) believe that entering into the Transfer Agreement will enhance the overall quality of the Company's assets and improve the total returns generated. In addition, the proceeds from the transfer of Trust Beneficial Interests under the Transfer Agreement will provide financial support for the development of new projects, in line with the Company's business development strategy.

For details of the Transfer Agreement, please refer to the announcements of the Company dated June 23, 2025 and July 31, 2025.

Report of the Directors

The Equity Transfer Agreements

The Company entered into Equity Transfer Agreements with Tianjin Zhongnuo and ZGC Co-Innovative on November 14, 2025 respectively, acquiring 51% and 10% of the equity interests in the target company (Beijing Zhongnuo) for consideration of approximately RMB4,161.0 thousand and RMB815.9 thousand respectively. Following completion, the Company shall undertake the capital contribution obligation in respect of the unpaid registered capital corresponding to the target equity interests, amounting to RMB3,660.0 thousand.

The amount of the consideration was determined by the parties to the Equity Transfer Agreements after (i) considering the future development prospects for the target company's business operations; (ii) referring to the valuation report issued by a third-party valuer on the target company; and (iii) the arm's length negotiations.

As at the date of the Equity Transfer Agreements, ZGC Group is the Controlling Shareholder of the Company and also the controller of the Company within the meaning of Rule 14A.28 of the Listing Rules. ZGC Co-Innovative is a subsidiary of ZGC Group, so it is an associate of the controller of the Company and a connected person of the Company. As at the date of the Equity Transfer Agreements, ZGC Co-Innovative holds 10% equity in the target company as one of its substantial shareholders. Therefore, the acquisition of the target company constitutes a connected transaction under Chapter 14A of the Listing Rules.

Financial-industrial integration is an important strategy for the Company to improve its asset size, profitability and competitiveness. Acquisition of the target company will improve the implementation results of the Company's financial-industrial integration, generate more capital gains and optimize the Company's income structure.

For details of the acquisition, please refer to the Company's announcement dated November 14, 2025.

Report of the Directors

The Fund Partnership Agreement

The Company and its wholly-owned subsidiary (Beijing Zhongnuo) entered into a fund partnership agreement with ZGC Co-Innovative, 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) (“**ZGC Frontier**”), Tianjin Venture Capital Co., Ltd. (天津創業投資有限公司) (“**Tianjin Venture Capital**”), Tianjin Huake Financial Holdings Investment Co., Ltd. (天津華科金控投資有限公司) (“**Tianjin Huake**”), Tianjin Haihe Hensheng Intelligent Technology Industry Fund Partnership (Limited Partnership) (天津海河恆盛智能科技產業基金合夥企業(有限合夥)) (“**Tianjin Haihe**”) and Port Innovation Investment (Hainan) Partnership (Limited Partnership) (港灣創新投資(海南)合夥企業(有限合夥)) (“**Port Innovation**”) on November 14, 2025 for the establishment and operation of a fund (the “**Fund**”) with registered capital of RMB220 million.

The registered capital of the Fund is RMB220 million. The respective capital commitment in RMB payable by each of the partners of the Fund (the “**Fund Partners**”) Partners are as follows:

Partner	Type	Capital Contribution	Percentage
Beijing Zhongnuo	General Partner	RMB1,000,000	0.45%
ZGC Co-Innovative	General Partner	RMB100,000	0.05%
The Company	Limited Partner	RMB58,900,000	26.77%
ZGC Frontier	Limited Partner	RMB40,000,000	18.18%
Tianjin Venture Capital	Limited Partner	RMB50,000,000	22.73%
Tianjin Huake	Limited Partner	RMB40,000,000	18.18%
Tianjin Haihe	Limited Partner	RMB10,000,000	4.55%
Port Innovation	Limited Partner	RMB20,000,000	9.09%

The total amount of capital contribution to be made by each Fund Partner to the Fund was arrived with reference to, among others, the capital needs of the Fund after arm’s length negotiation by the Fund Partners.

The Fund’s investment scope is mainly focused on the equity of unlisted enterprises. Its investment fields are mainly high-end, sophisticated and advanced industries such as AI+, new energy, and life and health.

Report of the Directors

ZGC Co-Innovative is the fund manager and is entitled to collect annual management fees. During the Investment Period (as defined in the announcement of the Company dated November 14, 2025), the annual management fee is calculated at 1.0% of the Fund's total committed capital. During the Withdrawal Period (as defined in the announcement of the Company dated November 14, 2025), the annual management fee is calculated at 1.0% of the balance obtained by deducting the recalled capital contributions by Fund Partners from the Fund's total capital contributions.

Beijing Zhongnuo, as the executive partner, is entitled to collect annual executive partnership service fees. During the Investment Period, the annual fee is calculated at 1.0% of the Fund's total committed capital. During the Withdrawal Period, the annual fee is calculated at 1.0% of the balance obtained by deducting the recalled capital contribution by Fund Partners from the Fund's total capital contributions. When ZGC Co-Innovative serves as the executive partner, it shall not be entitled to collect executive partnership service fees.

As of the date of the fund partnership agreement, ZGC Group directly and indirectly holds approximately 56.04% of the Company's issued share capital, constituting the Controlling Shareholder of the Company. Both ZGC Co-Innovative and ZGC Frontier are subsidiaries of ZGC Group. Therefore, ZGC Co-Innovative and ZGC Frontier are connected persons of the Company. Accordingly, the execution of the fund partnership agreement and the transactions contemplated thereunder (including the establishment of the Fund) constitute a connected transaction of the Company.

"Industry-Finance Integration Business" is an important strategic path to enhance the Company's competitive advantage. In order to further enhance the Company's competitive advantage and improve the ability to obtain and serve the Company's high-quality customers, the Company sets up the Fund to meet the growing needs of the Company's customers for equity financing products and optimize the customers' financing structure on the one hand; and to identify potential customers through equity investment to form finance lease reserve, creating a favorable situation in which the leasing and the investment business of the Company could promote and support each other on the other hand.

For details of the Fund's establishment, please refer to the Company's announcement of November 14, 2025 and supplemental announcements of December 5, 2025 and December 29, 2025.

Report of the Directors

CONTINUING CONNECTED TRANSACTIONS

The Company entered into continuing connected transaction with ZGC Group, which is subject to the disclosure requirements under Chapter 14A of the Listing Rules. The Company confirms that it has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules for the continuing connected transaction.

The Company complied with the pricing policy of the Company in respect of the continuing connected transaction up to the end of the Reporting Period.

ZGC Group indirectly holds approximately 57.61% of all issued shares of the Company and is the Controlling Shareholder. ZGC Finance is a wholly-owned subsidiary of ZGC Group. Accordingly, ZGC Group constitutes a connected person of the Company.

The table below sets out the details of the continuing connected transactions:

Items of Continuing Connected Transactions	Connected Person	2025 Annual Cap	Actual Transaction
		(RMB'000)	Amount for 2025 (RMB'000)
The Trust Property Service Agreement			
Total Service Fees	ZGC Finance	36,000	10

The Trust Property Service Agreement

On June 23, 2025, the Company (as the asset service institution), ZGC Finance (as the beneficiary), and Xingbao International Trust Co., Ltd. (興寶國際信託有限責任公司) (“**Xingbao Trust**”) (as the trustee) entered into the trust property service agreement (the “**Trust Property Service Agreement**”). The principal terms and conditions of the Trust Property Service Agreement are as follows:

As designated and entrusted by ZGC Finance, Xingbao Trust appoints the Company to act as the asset service institution for the Trust Property, responsible for the management, collection, disposal, proceeds consolidation, and other services regarding the Trust Property during the term of the Trust.

On June 23, 2025, a resolution in respect of the continuing connected transactions under the Trust Property Services Agreement and the proposed annual caps was approved by the Board.

Report of the Directors

The table below sets out the annual caps under the Trust Property Services Agreement.

	For the year ended December 31, 2025 RMB'000	For the year ending December 31, 2026 RMB'000	For the year ending December 31, 2027 RMB'000
Total Service Fees	36,000	36,000	36,000

The proposed annual caps for the total service fees receivable by the Company for each of the financial years ending December 31, 2025, December 31, 2026, and December 31, 2027 are all set at RMB36,000,000. The proposed annual caps are arrived based on the service fees which receivable by the Company on assumption of the most optimistic three-year cash recovery estimate for the Non-performing Loans, pursuant to the Trust Property Service Agreement.

Total service fees = Fixed management fee + Variable management fee.

Fixed management fee: RMB10,000/year;

Variable management fee: Calculated in tiers based on the cumulative collections in the trust account:

- (a) For the portion of collections not exceeding RMB10 million (inclusive), the management fee shall be 20% of the collections;
- (b) For the portion exceeding RMB10 million and up to RMB20 million (inclusive), the management fee shall be 30%;
- (c) For the portion exceeding RMB20 million and up to RMB30 million (inclusive), the management fee shall be 40%;
- (d) For the portion exceeding RMB30 million and up to RMB40 million (inclusive), the management fee shall be 90%;
- (e) For the portion exceeding RMB40 million, the management fee shall be 95%.

Report of the Directors

The trust account collections would only be attributed to the variable management fee if, after deducting from the trust account collections the taxes and regulatory fees payable under the Trust Scheme, the fixed remuneration payable to the Trustee, the fixed management fee portion of the service fee, the investment principal and expected returns distributable to the beneficiaries, and any judicial enforcement costs incurred or to be incurred by the asset service institution in connection with the disposal of the Trust Property, there remains a surplus.

Among the Directors as at the date of the Trust Property Service Agreement: (i) Mr. ZHANG Jian is a director and party secretary of ZGC Finance; (ii) Mr. WEI Tingquan is a senior expert at ZGC Finance; and (iii) Mr. HE Rongfeng serves as a director in two subsidiaries of ZGC Group (excluding the Company). As such, they are considered to have a material interest in the entering into of the Transfer Agreement and the Trust Property Service Agreement, and have abstained from voting on the relevant board resolutions. To the best of the Company's knowledge and having made all reasonable enquiries, no other Director is required to abstain from voting on the relevant board resolutions.

Mr. CHENG Dongyue, the independent non-executive Director, voted against the Trust Property Service Agreement and transactions contemplated thereunder, stating that he did not agree that the transaction has complied with the state-owned asset supervision and approval procedures. The Directors (except independent non-executive Director Mr. CHENG Dongyue) believe that entering into the Trust Property Service Agreement will enhance the overall quality of the Company's assets and improve the total returns generated. In addition, the proceeds from the transfer of Trust Beneficial Interests under the Transfer Agreement will provide financial support for the development of new projects, in line with the Company's business development strategy.

On the day of signing the Trust Property Service Agreement, ZGC Finance is a controlling shareholder of the Company, holding 48% of the total issued shares of the Company. As such, ZGC Finance is a connected person of the Company. The Trust Property Service Agreement and the transactions contemplated thereunder constitute a continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

For details regarding the Trust Property Service Agreement, please refer to the Company's announcements of June 23, 2025 and July 31, 2025.

Report of the Directors

Confirmation of Independent Non-executive Directors

Pursuant to Rule 14A.55 of the Listing Rules, the aforesaid continuing connected transactions have been reviewed by the independent non-executive Directors, who confirmed that the aforesaid continuing connected transactions have been entered into:

- (a) in the ordinary and usual course of business of the Group;
- (b) on normal commercial terms or better; and
- (c) in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole.

Confirmation of the Auditor

The auditor of the Company has been engaged to report on the continuing connected transactions of the Group disclosed in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) “Assurance Engagements Other Than Audits or Reviews of Historical Financial Information” and with reference to Practice Note 740 “Auditor’s Letter on Continuing Connected Transactions under the Hong Kong Listing Rules” issued by the Hong Kong Institute of Certified Public Accountants. The Board has received an unqualified letter from the auditor of the Company in accordance with Rule 14A.56 of the Listing Rules containing the auditor’s findings and conclusion on the aforesaid continuing connected transactions of the Group, stating that the auditor has not noticed anything that causes it to believe that any of these continuing connected transactions:

- (a) have not been approved by the Board;
- (b) were not, in all material respects, in accordance with the pricing policies of the Group for the continuing connected transactions involving the provision of goods or services by the Group;
- (c) were not entered into, in all material aspects, in accordance with the relevant agreements governing such continuing connected transactions; and
- (d) have exceeded the relevant annual caps as set by the Group.

Report of the Directors

Related Party Transactions

Details of the related party transactions of the Group during the Reporting Period are set out in Note 33 to the Financial Statements of this annual report.

Save for the transaction disclosed in the section headed “Connected Transactions and Continuing Connected Transactions”, none of these related party transactions constituted non-exempt connected transactions or continuing connected transactions under Chapter 14A of the Listing Rules, which were subject to reporting, annual review, announcement and independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules.

The relevant non-exempt connected transactions and continuing connected transactions had complied with the disclosure requirements of the Listing Rules.

33. DEBENTURES ISSUED

As approved by the Shareholders, the Company issued RMB800 million 2.24-year asset-backed notes with an interest rate range of 2.37%-2.40% on March 20, 2025 via the National Association of Financial Market Institutional Investors. The proceeds are mainly used to repay borrowings from financial institutions of the Group.

As approved by the Shareholders, the Company issued RMB500 million 2.24-year asset-backed securities with an interest rate range of 2.12%-2.20% on April 23, 2025 on the Shanghai Stock Exchange. The proceeds are mainly used for general working capital of the Group.

As approved by the Shareholders, the Company issued RMB400 million 0.61-year ultra-short-term financing bonds at an interest rate of 1.98% on June 13, 2025 in the interbank market. The proceeds are mainly used to repay the Company’s maturing debts.

As approved by the Shareholders, the Company issued RMB500 million 3-year medium-term notes at an interest rate of 2.10% on August 7, 2025 in the interbank market. The proceeds are mainly used to repay the Company’s maturing debts.

Report of the Directors

As approved by the Shareholders, the Company issued RMB500 million 0.73-year asset-backed commercial paper at an interest rate of 1.97% on November 24, 2025 in the interbank market. The primary use of the proceeds is to repay the Company's maturing debts and for project deployment.

As approved by the Shareholders, the Company issued RMB700 million 2.09-year asset-backed securities with an interest rate range of 1.97%-1.98% on December 12, 2025 on the Shanghai Stock Exchange. The proceeds are mainly used for general working capital of the Group.

34. SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Board, as at the latest practicable date prior to the issue of this report, the Company has maintained the public float as required under the Listing Rules.

35. AUDITOR

Deloitte Touche Tohmatsu Certified Public Accountants LLP and Deloitte Touche Tohmatsu will retire, and, being eligible, offer themselves for re-appointment at the forthcoming annual general meeting.

An ordinary resolution for appointment of Deloitte Touche Tohmatsu Certified Public Accountants LLP (issuance of audit report in accordance with the standards in the PRC) and Deloitte Touche Tohmatsu (issuance of audit report in accordance with the international standards) as the auditors of the Company for the year 2026 will be proposed at the forthcoming annual general meeting for Shareholders' approval.

KPMG Huazhen LLP and KPMG retired as the auditors of the Company at the annual general meeting held on May 10, 2024. Save as disclosed above, there were no other changes of the Company in the past three year.

Report of the Directors

36. COMPLIANCE WITH LAWS AND REGULATIONS

During the Reporting Period, the Company has complied with all applicable laws and regulations in material respects.

37. MATTERS LEGAL, LITIGATION AND ARBITRATION MATTERS

As at the end of the Reporting Period, the Company was not involved in any material litigation or arbitration. Nor were the Directors of the Company aware of any material litigation or claims that were pending or threatened against the Company.

On behalf of the Board

XU Jingquan

Chairman

March 24, 2026

Environmental, Social and Governance Report

ABOUT THE REPORT

This is the fifth environmental, social, and governance (“**ESG**”) report (“**ESG Report**”) of Zhongguancun Science-Tech Leasing Co., Ltd. and its subsidiary(the “**Group**”, or “**we**”). The purpose of this report is to report the social responsibility and the sustainability practices of the Group in 2025, as well as to respond to the material issues concerned by our key stakeholders. For more information on corporate governance of the Group, please refer to the “Corporate Governance Report” section in this annual report.

Basis of Preparation

This report is prepared by the Group in accordance with the materiality, quantitative, balance and consistency principles of Appendix C2 Code of Environmental, Social and Governance Reporting (the “**ESG Code**”) to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited issued by The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). This report complies with the “comply or explain” provisions of the ESG Code, and correspondingly describes the environmental and social impacts of the Group’s business and operational activities.

Reporting Scope

The principal activities of the Group are offering efficient finance lease solutions and a variety of advisory services to satisfy technology and new economy companies’ needs for financial services at different stages of their growth. This report covers the Group’s overall environmental and social performances and selected key performance indicators for the period from January 1, 2025 to December 31, 2025 (the “**Reporting Period**”), unless otherwise stated.

Data Explanation

The relevant information of this report is extracted from statistics in the internal system of our Group.

Review of the Report

The report has been reviewed and approved by the Board on March 24, 2026.

Environmental, Social and Governance Report

Publication of the Report

This ESG report should be published in printed form and electronic form.

Reporting Principles

The ESG Report discloses information in accordance with the reporting principles in the ESG Reporting Guide of the Hong Kong Stock Exchange including:

- **Materiality**

Based on the principle of materiality, the ESG Report determines the major issues to be responded herein via stakeholders investigation and materiality analysis and provides key disclosures of environmental, social and governance matters with potential significant impacts on the investors and other stakeholders.

- **Quantitative**

Based on the principle of quantitative, the ESG Report discloses the quantitative key performance indicators (“**KPIs**”), gives the description of such KPIs, and provides the calculation basis and assumptions.

- **Balance**

Based on the principle of balance, the ESG Report reflects the objective facts and discloses indicators involving both positive information and negative information.

- **Consistency**

Based on the principle of consistency, the ESG Report gives the description of the ESG quantitative KPIs, provides the calculation basis and assumptions, and maximizes the consistency of indicators used for different reporting periods to reflect the tendency of performance level.

Readers Feedback

We attach great importance to your views on this report. If you have any inquiries or valuable comments on this report, welcome to contact us via email at ir@zgclease.com.

Environmental, Social and Governance Report

ESG GOVERNANCE

Board Statement

The Group believes that well-established ESG governance principles, strategies and practices are crucial to the long term development of its business, especially in increasing investment values and returns. In order to ensure the establishment of appropriate and effective ESG risk management measures and internal control systems, the Board has taken up the responsibility to govern and oversee the Group's ESG issues and its development. The Board is responsible for monitoring the Group's ESG strategies and reporting, ensuring that the requirements from the Board are met. Furthermore, the Board monitors and reviews the Group's compliance status of ESG-related laws and regulations by external regulatory bodies. The Board also review ESG-related information annually, assessing ESG work progress and the content and quality of ESG Report.

The Board continuously monitors ESG work, pays attention to the latest regulations on ESG disclosure by the Stock Exchange, and ensures close cooperation among departments to jointly achieve the goals of compliant operation and social responsibility. The Board will also regularly review the plans and implementation of related work based on the goals set by the Group, and monitor the coordination and management of ESG matters.

ESG Governance Structure

We continue to strengthen our ESG management and incorporate that into our business management to promote our Group's sustainable development, as well as realize and protect the most important interests of our investors, employees and other stakeholders. The Board proactively participates in relevant processes of ESG reporting, in which they are responsible for assessing and determining the ESG-related risk, ensuring the development of a suitable and effective ESG risk management and internal control system and finally approving the ESG policies and ESG report.

The Group established the Environmental, Social and Governance Committee (the “**ESG Committee**”) in June, 2023 to continuously improve the top-down ESG management system.

Environmental, Social and Governance Report

The major duties and authorities of the ESG Committee are as follows:

- (1) to guide and review the Group's ESG management policies, strategies, principles and vision to ensure that they keep pace with the times, meet the needs, and comply with applicable laws and regulatory requirements;
- (2) to supervise the establishment the Group's ESG management performance objectives, review the progress of realisation of the objectives and provide suggestions on the actions needed to achieve the objectives;
- (3) to review the Group's Annual Environmental, Social and Governance Report and other ESG-related disclosures, and to make recommendations to the Board for approval;
- (4) to identify and assess ESG risks and opportunities related to the Group;
- (5) to guide and review the identification and prioritisation of important ESG issues of the Group;
- (6) to perform other duties assigned by the Board.

The Group convened the first meeting of the Environmental, Social and Governance (ESG) Committee of the Board of Directors on March 31, 2025, to review the Group's ESG report for the year 2024.

The Group established an ESG affair management team headed by the strategic development department to govern the performance of ESG responsibilities of the relevant functional and operation departments. Duties of the ESG affair management team include:

- (1) to supervise and review the formulation of ESG management direction and strategy;
- (2) to supervise and review the formulation and implementation of ESG objectives;
- (3) to supervise and examine the identification and priority of ESG topics;
- (4) to coordinate the preparation of annual ESG report for review and approval by the Board before publication;
- (5) to identify ESG risks related to the Group annually, evaluate the impact of such risks to the Group and give advices to the Board accordingly;
- (6) to fulfill other responsibilities authorized by the Board.

Environmental, Social and Governance Report

Stakeholder Engagement

Understanding stakeholders' concerns and expectations and taking actions is essential to our sustainable development. Therefore, we actively engage with stakeholders to help us recognize our sustainability performance and understand the impacts by our sustainability policies and measures. We have established various communication channels so that comments and feedback from major stakeholders are effectively and timely addressed.

The following table summarizes the main expectations and concerns of the key stakeholders as identified by the Group, and the corresponding management responses.

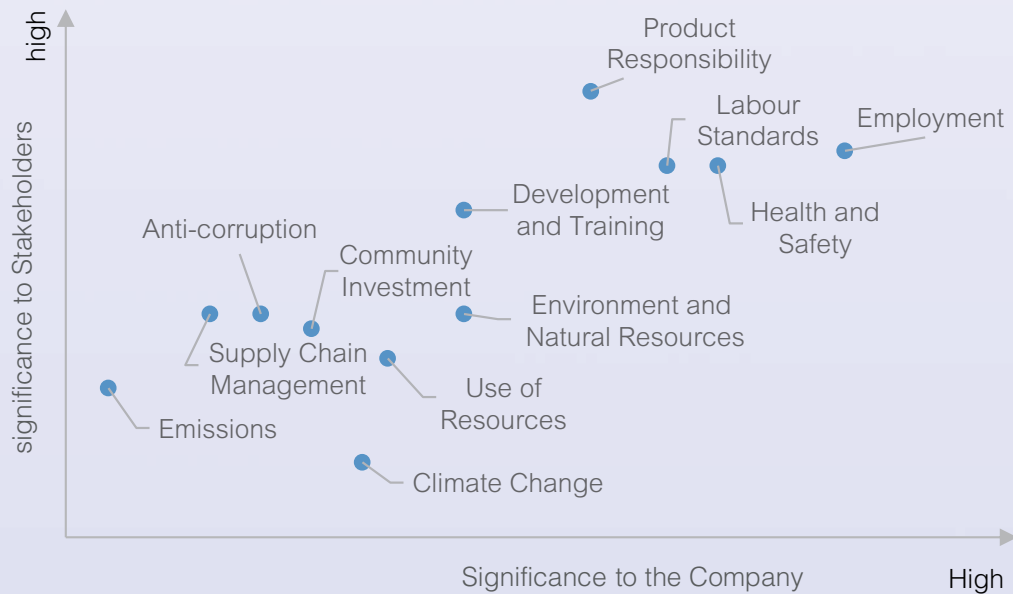
Stakeholder	Requirement and Expectation	Communication and Response
Governments and Regulatory Bodies	<ul style="list-style-type: none">• Compliance with national policies, laws and regulations• Real economy service• Pay taxes according to law• Anti-corruption• Risk management	<ul style="list-style-type: none">• Regular reporting• Policy implementation• Examinations and inspections• Education and learning• Establish and improve the risk management system
Shareholders	<ul style="list-style-type: none">• Business performance and corporate strategy• Corporate governance and compliant operations• Rise in Company value• Risk management	<ul style="list-style-type: none">• Financial reports and announcements• General meetings and road-shows• Investor relations management• Dedicated reports
Suppliers and partners	<ul style="list-style-type: none">• Supply chain management• Business ethics	<ul style="list-style-type: none">• Formulating purchasing management rules• Strategic cooperation agreements
Customers	<ul style="list-style-type: none">• Outstanding products and services• Client information security• Long-term and stable cooperative relationship	<ul style="list-style-type: none">• Customers meetings• Regular visits• Customer feedback

Environmental, Social and Governance Report

Stakeholder	Requirement and Expectation	Communication and Response
Employees	<ul style="list-style-type: none"> • Employees' rights and benefits • Employee health and safety • Employee development and training 	<ul style="list-style-type: none"> • Trade union activities • Employee physical examination • Regular Employee Training and Online Training Platform
Community and the public	<ul style="list-style-type: none"> • Community services • Environmental protection 	<ul style="list-style-type: none"> • Charity activities • Company website

Materiality Assessment

In view of the relevance and validity of the ESG Report with the Group's environmental and social performance, the Group has conducted a materiality assessment to identify ESG issues that are material to the business of the Group and its stakeholders. The assessment is based on stakeholder surveys, and professional opinions from the ESG professional. The material ESG issues as identified are shown as follows:



Through the above survey, we have identified, in order of importance, five key issues, namely Employment, Product Responsibility, Labour Standards, Health and Safety, Development and Training,. We will use these as important internal references to continuously improve our sustainability management and performance and effectively respond to the key concerns of stakeholders on sustainability issues.

Environmental, Social and Governance Report

ENVIRONMENTAL PROTECTION

A1. Emissions

With the nature of the business, the Group's operations were office based, all business and management were in compliance with the requirements of the Environmental Protection Law of the People's Republic of China ("PRC") (《中華人民共和國環境保護法》) and its related environmental impact was very minimal. Since the Group's daily operation rarely affect the environment, the Group has not established any policy and did not notice any incident of material non-compliance relating to air and greenhouse gas emissions, discharge into water and land, and the generation of hazardous and non-hazardous waste as required by the applicable laws and regulations.

A1.1. Emissions

Greenhouse gas emissions are also generated from electricity consumption from the Group's office operation. The Group aims to reduce electricity consumption in daily operation as the amount of indirect greenhouse gas emissions depend on the units of electricity consumed.

During the Reporting Period, employees of the Group attended business trips by plane, which generated an aggregate of 191.44 tons of carbon dioxide emissions.

Environmental, Social and Governance Report

A1.2. Greenhouse Gas Emissions

The greenhouse gas emissions in various scopes of the Group mainly come from fuel oil used by office vehicles (Scope 1), indirect emissions caused by purchased electricity (Scope 2) and employee business trips by plane (Scope 3).

Greenhouse gas	Emission amount in 2025	Emission amount in 2024	Emission density in 2025	Emission density in 2024
Carbon dioxide (CO ₂) emission (Scope 1)	1.39 tons	3.05 tons	0.01 tons per person	0.02 tons per person
Carbon dioxide (CO ₂) emission (Scope 2)	89.61 tons	103.72 tons	0.57 tons per person	0.71 tons per person
Carbon dioxide (CO ₂) emission (Scope 3)	193.78 tons	190.67 tons	1.34 tons per person	1.27 tons per person
Total carbon dioxide (CO ₂) emission equivalent	284.78 tons	297.43 tons	1.95 tons per person	1.86 tons per person

Note: Emission factors were made with reference to Appendix C2 of the Listing Rules and their referred documentation as set out therein, unless stated otherwise.

During the Reporting Period, air pollutants mainly came from exhaust emissions of office vehicles by the Group.

Air pollutants	The amount generated in 2025	The amount generated in 2024	The density generated in 2025	The density generated in 2024
Nitrogen oxide (NO _x)	11,458.98 grams	18,988.56 grams	73.46 grams per person	130.06 grams per person
Sulfur oxide (SO _x)	8.66 grams	19.01 grams	0.05 grams per person	0.13 grams per person
Particulates (PM)	1,098.99 grams	1,819.47 grams	7.04 grams per person	12.46 grams per person

Environmental, Social and Governance Report

A1.3. Hazardous Waste

The major hazardous waste mainly includes waste ink cartridges and waste batteries, which are regularly recycled and properly disposed by third parties.

Hazardous waste	The amount generated in 2024	The amount generated in 2023	The density generated in 2024	The density generated in 2023
Waste batteries	33.07 kilograms	30.74 kilograms	0.23 kilograms per person	0.21 kilograms per person
Waste ink cartridges	88 pieces	90 pieces	0.54 pieces per person	0.62 pieces per person

A1.4. Non-hazardous Waste

The main non-hazardous waste generated during our daily operation is paper waste. In order to protect the privacy and safety of our customers, the Group added many shredders, and waste paper are recycled after crushing. Employees are reminded to practice save paper.

Non-hazardous waste	The amount generated in 2025	The amount generated in 2024	The density generated in 2025	The density generated in 2024
Waste paper	488.04 kilograms	566.67 kilograms	2.98 kilograms per person	3.88 kilograms per person

The amount of waste paper is estimated at 20% of paper consumption.

Environmental, Social and Governance Report

A1.5. Measures to Mitigate Emissions

The Group's operations resulted in insignificant emissions.

We complied with the Atmospheric Pollution Prevention and Control Law of the PRC (《中華人民共和國大氣污染防治法》), strictly requiring drivers to adhere to the official vehicle usage policy. This includes controlling the size and specifications of the vehicle fleet, using official cars reasonably, reducing individual trips, and encouraging employees to use public transportation or new energy vehicles for business travel to reduce pollutant.

As a measure to mitigate emission and to increase productivity, business phone calls are encouraged for internal and external communications to reduce the need of business air trips. During the Reporting Period, we were not subject to any punishments and legal proceedings resulting from violating environmental issues.

A1.6. Waste Handling and Reduction Initiatives

Non-hazardous waste from office is mainly paper being used for daily office operations such as documents printing and deliverables packaging. In order to protect the privacy of customers, the waste paper must be shredded before recycling.

Waste reduction initiatives are encouraged among employees, such as adopting double-sided paper printing, and reusing single-side used printed paper. The Group shall review existing waste management at the work environment to promote better waste sorting and reduction practices.

Environmental, Social and Governance Report

A2. Use of Resources

During the Reporting Period, our resources usage mainly included water, electricity, gasoline for office vehicles and office paper. According to the Policy on the Efficient Use of Resources formulated by office building property management office, the Group reminds the employees to utilize resources responsibly and promote the awareness of energy conservation in the office.

A2.1. Energy Consumption

Resources usage	Consumption in 2022	Consumption in 2024	Per capita consumption in 2025	Per capita consumption in 2024
Total electricity consumption	92,572.00 kWh	107,144.00 kWh	564.46kWhs per person	733.86 kWhs per person
Gasoline consumption	589.30 liters	1,293.40 liters	3.59 Liters per person	8.86 Liters per person
Office paper	2.44 tons	2.83 tons	0.01 tons per person	0.02 tons per person

A2.2. Water Consumption

The Group's business is operated in commercial buildings where water supply is solely controlled by the property management Group. In this case, it is not feasible for the Group to provide water consumption data as there is no sub-meter to record the data.

Environmental, Social and Governance Report

A2.3. Energy Use Efficiency Initiatives

We have made corresponding regulations on office electricity consumption and other aspects, including:

1. Reasonably plan electricity usage. Under conditions of sufficient sunlight during the day, the lighting of offices and meeting rooms should make full use of natural light and reduce the use of indoor lighting.
2. Reasonably use air conditioning. The indoor air conditioning temperature should be set as low as 26°C in summer and as low as 24°C in winter. In the spring and autumn seasons, try to make full use of natural wind to open windows for ventilation and reduce the use of air conditioning.
3. Reduce device brightness. Moderately reduce the brightness of the display screen on computers, monitors, and conference room projection equipment. During short breaks, please activate standby mode and try to turn off the monitor as much as possible. After work, turn off the monitor and unplug it at will.
4. Reduce the long standby time of power consuming devices. Power consuming devices in public areas such as copiers, shredders, water dispensers, and conference room equipment should be turned off after use.

The Group promotes to implement a paperless office. Drafting, revising and circulating documents and materials should be done through office software, e-mail and other electronic means, in order to prevent printing out papers and using faxes as much as possible. In terms of issuing hard-copy documents and materials, we strictly limit the number of copies issued to avoid overprinting and encourage double-sided printing.

A2.4. Water Use Efficiency Initiatives

Water was supplied by the office's building management Group and there was no issue in sourcing water that is fit for purpose. Employees are reminded to save water.

A2.5. Packaging Materials

As the principal activities of the Group are offering efficient finance lease solutions and a variety of advisory services, the Group did not generate any packaging materials during its principal activities.

Environmental, Social and Governance Report

A3. The Environment and Natural Resources

The Group is committed to conducting its business responsibly, ensuring that its business does not contribute significant adverse impact to the environment and society while bringing sustainable growth and profit. As the Group's business does not generate significant adverse impact on the environment and natural resources, no policy on minimizing the Group's significant impact on the environment and natural resources have been established. Nevertheless, employees are reminded to include potential environmental impacts as one of considerations for approving the projects.

A3.1. Significant Impacts of Activities on the Environment and Natural Resources

Although the Group's business does not generate significant adverse impact on the environment and natural resources as compared with businesses in other sectors, the Group is committed to reduce greenhouse gas emissions and preserve natural resources by promoting a culture of save energy where paper waste and non-crucial business travel are not encouraged.

During the Reporting Period, the Group earnestly implemented various policies and requirements of green finance, took carbon peaking and carbon neutrality as a key business field, increased resource allocation and pricing support, enriched product lines, upgraded service mode of carbon peaking and carbon neutrality business, strengthened the concept of green development, and promoted green finance. In 2023, the Group' finance leasing principles recognized over RMB1.2 billion in the fields of energy conservation, environmental protection, clean energy, ecological protection and environmental governance, hazardous waste disposal, recycling and other fields, effectively supporting the cause of environmental protection through financial leasing.

Environmental, Social and Governance Report

B. SOCIAL

1. Employment and Labor Practices

B1. Employment

The Group follows the principle of equality, voluntariness and consensus, strictly complies with the Labor Law of the PRC (《中華人民共和國勞動法》) (hereinafter referred to as the “**Labor Law**”), the Labor Contract Law of the PRC (《中華人民共和國勞動合同法》) and other relevant laws and regulations, concludes legal and effective labor contracts with employees. The Group has formulated the Management Measures for Employee Recruitment (《員工招聘錄用管理辦法》) and the Management Measures for Probation Period (《試用期管理辦法》) to carry out recruitment work. We have strict control in the formulation of the recruitment plan, the determination of recruitment standards, written examination, interview, employment, probation management and assessment, to ensure fair procedures and precise operation.

In accordance with the Labor Law and the Labor Dispute Mediation and Arbitration Law of the PRC (《中華人民共和國勞動爭議調解仲裁法》), the Group has formulated the Regulations on Management of Resignation (《離職管理規定》), which standardized the response process of various types of resignation and the interest protection measures of relevant parties.

The Group did not notice any incident of material non-compliance in relation to employment, relating to compensation and dismissal, recruitment, and promotion, working hours, rest periods, equal, opportunity, diversity, anti-discrimination, and other benefits and welfare, during the Reporting Period.

The Group had a total number of 156 employees as at December 31, 2025 (146 employees in 2024), all of which were from the PRC and located in Beijing.

Environmental, Social and Governance Report

Workforce	Unit	2025	2024
By Employment Type			
Full-time	Person	156	146
Part-time	Person	0	0
By Gender			
Female	Person	68	66
Male	Person	88	80
By Employee Category			
Senior Management	Person	7	6
Middle Management	Person	25	25
Frontline and Other Employees	Person	124	115
By Age Group			
35 or under	Person	71	74
36-54	Person	74	71
55 or above	Person	1	1
By Academic Qualification			
Master or above	Person	109	98
Bachelor	Person	47	48
Junior college graduate or below	Person	0	0

Environmental, Social and Governance Report

A total of 12 employees left the Group during the Reporting Period (turnover rate: 7.7%) who were all full-time employees in the PRC. (A total of 11 employees left the Group in 2024, turnover rate is 7.5%)

Turnover	Unit	2025	2024
By Gender			
Female	Percentage	2.9	8.3
Male	Percentage	11.3	5.7
By Employee Category			
Senior Management	Percentage	0	0
Middle Management	Percentage	1	0
Frontline and Other Employees	Percentage	9.7	7.0
By Age Group			
35 or under	Percentage	7	9.9
36-54	Percentage	9.5	3.9
55 or above	Percentage		
By Academic Qualification			
Master or above	Percentage	7.3	6.7
Bachelor	Percentage	8.5	7.4
Junior college graduate or below	Percentage	0	0

We place great emphasis on and protect the legitimate rights of employees, and strictly comply with the Labor Law and relevant laws and regulations in determining wages of employees. During the Reporting Period, the salaries payment and other operations of the Group complied with the requirements of systems and procedures. The Group has formulated the Administrative Measures for Employees Attendance (《考勤與休假管理辦法》) in compliance with the Labor Law and relevant local requirements and taking into account practical situation, to make sure employees' lawful rights of rest and annual leave are safeguarded, employees are also entitled to statutory leave, annual leave, maternity leave and marriage leave.

Environmental, Social and Governance Report

In addition, the Group pays social insurances and housing provident fund for all types of employees in strict compliance with the Payment of Wages Tentative Provisions (《工資支付暫行規定》), the Regulations on Management of Housing Provident Fund (《住房公積金管理條例》) and relevant laws and regulations. Apart from statutory benefits, the Group continues to implement middle- and long-term plans for talent incentive mechanism, and improves supplementary pension insurance scheme for the employees, and additional medical insurance scheme for the employees. The Group values employees' wellbeing by offering team building activities, annual medical check, daily meal and birthday allowances.

The Group strictly complies with the Labor Law and provides equal opportunities for employees in terms of recruitment, training and development, career progression, compensation, benefits and termination of contract. Employees are not discriminated against or deprived of opportunities on the basis of gender, ethnic, background, religion, colour, age, marital status, family status, retirement, physical conditions, pregnancy, political connection, sexual orientation or any other discrimination prohibited by applicable laws of the PRC.

B2. Health and Safety

The Group attaches great importance to humanistic care by caring for our employees' physical and mental health and striving to provide employees with comprehensive welfare benefit programs. Based on the statutory welfare benefits and according to Social Security Law of the PRC (《中華人民共和國社會保障法》), the Group established a welfare benefit system with multiple dimensions and levels, covering supplementary medical insurance, supplementary pension, personal accident insurance, diversified group insurance, health checks and health lectures, to ease the physical and mental pressure of employees, alleviate their concerns, and enhance their sense of belongings and happiness. During the Reporting Period, there was no case of work-related injury or fatalities occurred.

The Group takes the work of helping and delivering warmth to employees in sudden difficulties as the focus of caring for employees, and carries out specific work around helping employees in difficulty, workers' home, employee reading corner, maternal and child care room, trade union benefits, birthday greetings, etc.

Environmental, Social and Governance Report

The Group has continuously strengthened corporate culture development, actively organized a variety of cultural and sports activities, and fostered a sound corporate culture atmosphere. A Spring Festival Gala was held during the Lunar New Year; on International Women's Day, a handicraft experience activity entitled "Art at Your Fingertips – Experience Filigree Enamel and Feel the Beauty of Intangible Cultural Heritage" (指尖上的藝術－體驗掐絲琺瑯感受非遺之美) was organized, and holiday gifts were distributed to all female employees; on Children's Day, a parent-child activity "(古觀象臺－小小氣象員) Ancient Observatory – Little Meteorologist" was held to promote harmonious parent-child relationships. The Group also actively carried out activities including support for employees in difficulties, condolences to sick employees, condolences to employees with immediate family members who were ill, and condolences to retired employees, reflecting the Group's people-oriented and employee-care development philosophy.



Environmental, Social and Governance Report

B3. Development and Training

The Group has established a training system providing equal opportunities for all employees in terms of training and career development. In order to strengthen the management of employee education and training, the Group has formulated the Measures for Employee Training (《員工培訓管理辦法》) and the Implementation Rules for Measures for Employee Training (《員工培訓管理辦法實施細則》). The Group adheres to the principle of “People-oriented and Talents Come First”, and always pays attention to the career development and personal growth of our employees.

The Group provided face-to-face lectures, corporate retreat, and online training platform for employees from different levels and types, thereby boosting employees’ growth and assisting them in working out short, medium and long-term targets and directions by focusing on the job career planning and talent pool management of employees.



In order to enhance the talent pool for the Group, and to cultivate advanced talents for the development of finance lease service, the Group has developed a various levels of employee training on, among others, business capability and management skills. At the same time, we invited industrial experts to give dedicated trainings on various topics.

Environmental, Social and Governance Report

During the Reporting Period, a total of 39,156 training hours was completed by 156 employees. (a total of 31,260 training hours was completed in 2024).

Development and Training	Unit	2025	2024
Percentage of Employees Trained by Employee Category			
Senior Management	Percentage	100	100
Middle Management	Percentage	100	100
Frontline and Other Employees	Percentage	100	100
Percentage of Employees Trained by Gender			
Female	Percentage	100	100
Male	Percentage	100	100
Average Training Hours Completed per Employee by Employee Category			
Senior Management	Hour	300	260
Middle Management	Hour	265	233
Frontline and Other Employees	Hour	270	210
Average Training Hours Completed per Employee by Gender			
Female	Hour	251	221
Male	Hour	251	221

B4. Labor Standards

The Group strictly complies with the Labour Laws. There was no employment of child labor or forced labor in the Group's operation during the Reporting Period. Personal identification documents, relevant certificates and past working experience of job candidates must be checked and reviewed by the Group during recruitment process to avoid recruitment of child labor.

Environmental, Social and Governance Report

2. Operating Practices

B5. Supply Chain Management

Suppliers related to financial services were engaged during the Reporting Period and they are mainly based in Beijing. The Group has always adhered to the supply chain management policy of “laying equal stress on quality and efficiency” and standardized the management of supplier selection to ensure that the purchased materials meet quality standards. We has formulated the Procurement Management Measures of Zhongguancun Science-Tech Leasing Co., Ltd. (《中關村科技租賃股份有限公司採購管理辦法》), which stipulates open and transparent procurement process, equal treatment to all suppliers and strict confidentiality of sensitive and classified information involved in the procurement process. Following the selection of suppliers, we will oversee the performance of suppliers on an ongoing basis. If there are issues concerning the quality, environment and social responsibility, we will consider to terminate cooperation with them. There were no major changes in practices in relation to supply chain management during the Reporting Period.

B6. Product Responsibility

During the Reporting Period, the Group did not notice any incident of material non-compliance regarding health and safety, advertising, labeling and privacy matters relating to products and services provided as required by related laws and regulations. There were no recalls or complaints received related to products and service provided.

The Group has formulated policies for finance leasing business to standardize operation procedures. In 2022, the Group prepare and release business operation guidelines such as product standardization manual, process standardization manual and project lifecycle standardization management manual to improve the quality and consistency of products and services, and identify the responsibilities, rights and interests involved in the business to reduce business risks.

The Group attaches great importance to the protection of intellectual property, such as registered trademarks and Group website. There was no infringement of intellectual property rights during the Reporting Period. Only licensed software is allowed to be used at work.

Environmental, Social and Governance Report

Moreover, the Group handles significant amount of personal data and credit information of customers. The Group has established an independent information system department to take responsibility for the network security and information maintenance of daily business operations. During the Reporting Period, the Group did not receive any complaints on the violation of customer privacy from external or regulatory institutions.

B7. Anti-corruption

In terms of the integrity related risk, the Group strictly abides by the Group Law of the PRC (《中華人民共和國公司法》), the Anti-money laundering Law of the PRC (《中華人民共和國公司法》), the Interim Provisions on Banning Commercial Bribery (《關於禁止商業賄賂行為的暫行規定》) and other laws and regulations on anti-bribery, blackmail and money-laundering.

We have internally formulated the Management Rules on Anti-bribery (《反賄賂管理制度》), the Management Rules on Anti-Fraud (《反舞弊制度》), the Management Rules on Anti-money Laundering (《反洗錢管理制度》) and the Management Rules on Internal Supervision and Reporting (《內部監督舉報管理辦法》), etc., embedded the anti-corruption concept into the Group's internal policies and focused on crucial areas and stages, so as to promote the strengthening the integrity related risk prevention and control mechanism of the Group and constantly strengthened and improved the anti-corruption and bribery work.

We have set up a special mailbox and e-mail for complaints and reporting to provide the public with various reporting channels. There was no concluded legal case regarding corruption practices brought against the Group or its employees during the Reporting Period.

B8. Community Investment

Practicing the responsibility of state-owned enterprises and fulfilling social responsibilities, during the reporting period, the Company carried out the 2025 Communist Party Member Love Donation Activity, mainly used for medical assistance, charity education, charity assistance for the elderly, assistance to party members in difficult living conditions, emergency assistance, and charity system construction.

Independent Auditor's Report

TO THE SHAREHOLDERS OF ZHONGGUANCUN SCIENCE-TECH LEASING CO., LTD.

(incorporated in the People's Republic of China (the "PRC") with limited liability)

OPINION

We have audited the consolidated financial statements of Zhongguancun Science-Tech Leasing Co., Ltd. (the "**Company**") and its subsidiaries (collectively referred to as "**the Group**") set out on pages 153 to 260, which comprise the consolidated statement of financial position as at December 31, 2025, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at December 31, 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("**IASB**") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing ("**ISAs**"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("**IESBA Code**"), as applicable to audits of the financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent Auditor's Report

KEY AUDIT MATTERS (continued)

Allowances for impairment losses of loans and receivables	
The Key Audit Matter	How our audit addressed the key audit matter
<p>The Group uses the expected credit loss (“ECL”) model to calculate the loss allowance in accordance with IFRS 9, Financial instruments (“IFRS 9”). The Group classifies loans and receivables into three stages and recognises an impairment allowance based on the expected credit loss for the next 12 months or the entire lifetime of the loans and receivables, depending on whether credit risk on the loans and receivables has increased significantly since initial recognition and whether the loans and receivables are considered to be credit-impaired respectively.</p> <p>The determination of allowances for impairment losses using the ECL model is subject to a number of key parameters and assumptions, including the identification of staging of loans and receivables, estimation of probability of default, loss given default, exposures at default, forward-looking information and other factors, and using the discounted cash flow method to estimate allowances for impairment for stage three. Management judgement is involved in the determination of those parameters and the application of the assumptions.</p>	<p>Our audit procedures in respect of allowances for impairment losses of loans and receivables included the followings:</p> <p>(1) The effectiveness of the design and operation of key internal controls:</p> <ul style="list-style-type: none"> understood and assessed the design and implementation of key internal controls over the identification of the input of basic data and related parameters, staging of loans and receivables, and the prediction of cash flow in the discounted cash flow method and testing the operating effectiveness. <p>(2) Substantive procedures:</p> <ul style="list-style-type: none"> assessed the reliability of the ECL model used by management in determining allowances for impairment losses, and the appropriateness of the key parameters and assumptions in the ECL model, which includes the identification of staging of loans and receivables, probability of default, loss given default, exposure at default, adjustments for forward-looking information; verified, on a sample basis, the accuracy of ECL model data input such as loan and accounts receivable contract amounts, due dates, and guarantee methods;

Independent Auditor's Report

KEY AUDIT MATTERS (continued)

Allowances for impairment losses of loans and receivables	
The Key Audit Matter	How our audit addressed the key audit matter
<p>We identified the allowances for impairment losses of loans and receivables as a key audit matter because of the inherent uncertainty and management judgement involved and its significance to the financial results and capital of the Group.</p> <p>As at December 31, 2025, the Group's loans and receivables was RMB11,577.0 million, and the related impairment allowance was RMB315.2 million.</p> <p>Refer to Note 4(15), Note 11 and Note 19 to the consolidated financial statements for relevant disclosures.</p>	<ul style="list-style-type: none"> assessed the reasonableness of multiple macro-economic scenarios, and other inputs and assumptions used by management in the forward-looking adjustments; verified the calculation of ECL model, and tested whether the model reasonably reflected management's modelling methodology; analysed the borrower's financial and non-financial information, and other available information, and evaluated the reasonableness of management's judgement on staging, including whether credit risk has increased significantly since initial recognition and whether credit impairment events have occurred by reviewing the credit files, interviewing management, independently searching for publicly available information and exercising professional judgement; performed credit assessments on lessee's and guarantor's financial information, collateral valuation and other sources of repayment for the selected stage three credit-impaired loans and receivables, tested the recalculation of impairment provision based on the recoverable cash flows and discount rates, and evaluated whether there was any material misstatement.

Independent Auditor's Report

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the IASB and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Independent Auditor's Report

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

Independent Auditor's Report

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Zhu Wei.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong

March 24, 2026

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended December 31, 2025
(Expressed in Renminbi (“RMB”))

	Notes	2025 RMB' 000	2024 RMB'000
Interest income		666,759	729,856
Advisory fee income		128,663	139,371
Rental income from operating leases		57,286	8,361
Revenue	7	852,708	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)
Profit before taxation		362,645	361,520
Income tax expense	12	(90,654)	(90,482)
Profit for the year		271,991	271,038
Other comprehensive income/(expense) for the year	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
Total comprehensive income for the year		272,105	271,804
Total comprehensive income for the year attributable to:			
Equity shareholders of the Company		272,105	271,804
Earnings per share			
Basic and diluted (in RMB Yuan)	15	0.18	0.20

The notes on pages 153 to 260 form part of these consolidated financial statements.

Consolidated Statement of Financial Position

At December 31, 2025
(Expressed in RMB)

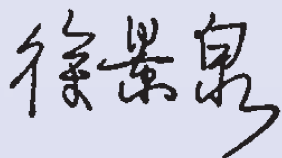
	Notes	2025 RMB' 000	2024 RMB'000
Non-current assets			
Property and equipment	17	385,606	80,945
Intangible assets	18	24,070	22,872
Loans and receivables	19	4,463,424	4,644,450
Financial assets at fair value through profit and loss ("FVTPL")		1,694	1,249
Financial assets at fair value through other comprehensive 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
Current assets			
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
Current liabilities			
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
Net current assets		1,517,006	1,552,066
Total assets less current liabilities		6,906,494	6,731,517

Consolidated Statement of Financial Position

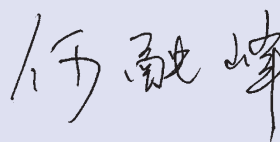
At December 31, 2025
(Expressed in RMB)

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

The consolidated financial statements on pages 153 to 260 were approved and authorised for issue by the board of directors on March 24, 2026.



CHAIRMAN-XU JINGQUAN



GENERAL MANAGER-HE RONGFENG

Consolidated Statement of Changes in Equity

For the year ended December 31, 2025
(Expressed in RMB)

Notes	Attributable to equity shareholders of the Company						Non-	Total equity RMB' 000
	Share capital RMB' 000	Capital reserve RMB' 000	Surplus reserve RMB' 000	General reserve RMB' 000	Fair value reserve RMB' 000	Retained profits RMB' 000	controlling interests RMB' 000	
At January 1, 2025	1,333,334	331,149	125,227	110,470	2,903	678,292	-	2,581,375
Changes in equity for 2025:								
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
Acquisition of non-controlling interests		-	-	-	-	-	-	(816)
At December 31, 2025	1,615,102	556,546	152,417	110,470	3,017	827,804	-	3,265,356

Consolidated Statement of Changes in Equity

For the year ended December 31, 2025
(Expressed in RMB)

	Notes	Attributable to equity shareholders of the Company						Total equity RMB'000
		Share capital RMB'000	Capital reserve RMB'000	Surplus reserve RMB'000	General reserve RMB'000	Fair value reserve RMB'000	Retained profits RMB'000	
At January 1, 2024		1,333,334	331,149	98,135	110,470	2,137	525,013	2,400,238
Changes in equity for 2024:								
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

The notes on pages 153 to 260 form part of these consolidated financial statements.

Consolidated Statement of Cash Flows

For the year ended December 31, 2025
(Expressed in RMB)

	Notes	2025 RMB' 000	2024 RMB'000
Operating activities			
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)	–
Operating cash flows before movements in working capital			
		671,234	685,287
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)
Cash from operations			
		852,275	236,950
PRC income taxes paid	23(b)	(115,529)	(100,352)
Net cash from operating activities			
		736,746	136,598
Investing activities			
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)	–
Net cash used in investing activities			
		(334,623)	(86,592)

Consolidated Statement of Cash Flows

For the year ended December 31, 2025
(Expressed in RMB)

	Notes	2025 RMB' 000	2024 RMB'000
Financing activities			
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)	–
Net cash (used in)/from financing activities		(543,365)	156,377
Effect of foreign exchange rate change		(57)	(680)
Net (decrease)/increase in cash and cash equivalents		(141,299)	205,703
Cash and cash equivalents at beginning of the year		840,966	635,263
Cash and cash equivalents at end of the year	25	699,667	840,966

The notes on pages 153 to 260 form part of these consolidated financial statements.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025
(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.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025
(Expressed in RMB unless otherwise indicated)

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

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

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

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

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.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025
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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.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025
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4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(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);

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025
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4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(2) Business combinations (continued)

- 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 non-controlling 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 non-controlling 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.

Notes to the Consolidated Financial Statements

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(Expressed in RMB unless otherwise indicated)

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(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.

Notes to the Consolidated Financial Statements

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(Expressed in RMB unless otherwise indicated)

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(3) Investments in associates (continued)

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.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025
(Expressed in RMB unless otherwise indicated)

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(3) Investments in associates (continued)

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.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025
(Expressed in RMB unless otherwise indicated)

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(4) Leases (continued)

The Group as a lessee (continued)

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.

Notes to the Consolidated Financial Statements

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4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(4) Leases (continued)

The Group as a lessee (continued)

Right-of-use assets (continued)

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.

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For the year ended December 31, 2025
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4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(4) Leases (continued)

Lease liabilities (continued)

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”.

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4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(4) Leases (continued)

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.

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4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(4) Leases (continued)

The Group as a lessor (continued)

Classification and measurement of leases (continued)

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.

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4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(4) Leases (continued)

The Group as a lessor (continued)

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.

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4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(4) Leases (continued)

The Group as a lessor (continued)

Lease modification (continued)

(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.

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4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(4) Leases (continued)

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.

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For the year ended December 31, 2025
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4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(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.

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4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(8) Employee benefits (continued)

Short-term and other long-term employee benefits (continued)

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.

Notes to the Consolidated Financial Statements

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4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(9) Taxation (continued)

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.

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4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(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

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4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(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.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025
(Expressed in RMB unless otherwise indicated)

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(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.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025
(Expressed in RMB unless otherwise indicated)

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(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.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025
(Expressed in RMB unless otherwise indicated)

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(15) Financial instruments (continued)

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.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025
(Expressed in RMB unless otherwise indicated)

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(15) Financial instruments (continued)

Financial assets (continued)

Classification and subsequent measurement of financial assets (continued)

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.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025
(Expressed in RMB unless otherwise indicated)

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(15) Financial instruments (continued)

Financial assets (continued)

Classification and subsequent measurement of financial assets (continued)

(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.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025
(Expressed in RMB unless otherwise indicated)

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(15) Financial instruments (continued)

Financial assets (continued)

Classification and subsequent measurement of financial assets (continued)

(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.

Notes to the Consolidated Financial Statements

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(Expressed in RMB unless otherwise indicated)

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(15) Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets and other items subject to impairment assessment under IFRS 9 (continued)

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.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025
(Expressed in RMB unless otherwise indicated)

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(15) Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets and other items subject to impairment assessment under IFRS 9 (continued)

(i) Significant increase in credit risk (continued)

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.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025
(Expressed in RMB unless otherwise indicated)

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(15) Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets and other items subject to impairment assessment under IFRS 9 (continued)

(i) Significant increase in credit risk (continued)

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.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025
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4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(15) Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets and other items subject to impairment assessment under IFRS 9 (continued)

(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.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025
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4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(15) Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets and other items subject to impairment assessment under IFRS 9 (continued)

(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.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025
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4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(15) Financial instruments (continued)

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.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025
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4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(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.

Notes to the Consolidated Financial Statements

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4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(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.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025
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4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

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

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.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025
(Expressed in RMB unless otherwise indicated)

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(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.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025
(Expressed in RMB unless otherwise indicated)

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(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.

Notes to the Consolidated Financial Statements

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(Expressed in RMB unless otherwise indicated)

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.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025
(Expressed in RMB unless otherwise indicated)

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

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.

Notes to the Consolidated Financial Statements

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(Expressed in RMB unless otherwise indicated)

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:

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

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

Notes to the Consolidated Financial Statements

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8. OTHER NET INCOME

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

(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 RMB' 000	2024 RMB'000
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
	239,535	286,057

Notes to the Consolidated Financial Statements

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(Expressed in RMB unless otherwise indicated)

10. OPERATING EXPENSE

(a) Staff costs

	2025 RMB' 000	2024 RMB'000
Salaries, bonuses and allowances	64,585	74,528
Social insurance and other benefits	24,814	24,893
Sub-total	89,399	99,421

(b) Other items

	2025 RMB' 000	2024 RMB'000
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
Sub-total	109,248	66,960
Total operating expense	198,647	166,381

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11. IMPAIRMENT LOSSES CHARGED

	Note	2025 RMB' 000	2024 RMB'000
Loans and receivables	19(c)	70,139	79,020
		70,139	79,020

12. INCOME TAX EXPENSE

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

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

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

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

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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
Executive directors				
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
Non-executive directors				
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)	–	–	–	–
Independent non-executive directors				
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)	–	–	–	–
Supervisors				
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	524	3,136	1,439	5,099

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For the year ended December 31, 2025
(Expressed in RMB unless otherwise indicated)

13. DIRECTORS' AND SUPERVISORS' EMOLUMENTS (continued)

	2024			
	Fees RMB'000	Salaries, allowances and benefits in kind RMB'000	Discretionary bonuses RMB'000	Total RMB'000
Executive directors				
He Rongfeng (何融峰)	–	1,149	960	2,109
Huang Wen (黃聞)	–	871	300	1,171
Non-executive directors				
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)	–	–	–	–
Independent non-executive directors				
Cheng Dongyue (程東躍) (ix)	150	–	–	150
Wu Tak Lung (吳德龍)	150	–	–	150
Lin Zhen (林楨)	150	–	–	150
Supervisors				
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	450	3,089	1,795	5,334

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(Expressed in RMB unless otherwise indicated)

13. DIRECTORS' AND SUPERVISORS' EMOLUMENTS (continued)

- (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, 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.

Notes to the Consolidated Financial Statements

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13. DIRECTORS' AND SUPERVISORS' EMOLUMENTS (continued)

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:

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

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

	2025 Number of individuals	2024 Number of individuals
HKD1,000,001 – HKD1,500,000	4	3
HKD1,500,001 – HKD2,000,000	–	1

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15. BASIC AND DILUTED EARNINGS PER SHARE

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

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

	2025			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	152	(38)	114	1,021	(255)	766

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17. PROPERTY AND EQUIPMENT

	Properties leased for own use carried at cost RMB'000	Electronic equipment RMB'000	Office equipment RMB'000	Machinery leased out under operating leases RMB'000	Others RMB'000	Total RMB'000
Cost						
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
Accumulated depreciation						
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)
Net carrying amount						
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

Notes to the Consolidated Financial Statements

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17. PROPERTY AND EQUIPMENT (continued)

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:

	December 31, 2025 RMB' 000	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
	226,133	65,885

18. INTANGIBLE ASSETS

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

Intangible assets mainly include software.

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19. LOANS AND RECEIVABLES

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

(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.

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19. LOANS AND RECEIVABLES (continued)

Analysis for reporting purpose as:

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

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).

Notes to the Consolidated Financial Statements

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19. LOANS AND RECEIVABLES (continued)

(a) Present value of minimum finance lease receivables:

	December 31, 2025	December 31, 2024
	RMB' 000	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	1,175,840	1,261,433

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

	December 31, 2025			Total
	12-month ECL	Lifetime ECL not credit- impaired	Lifetime ECL credit-impaired	
Net amount of loans and receivables	10,438,068	13,216	1,125,757	11,577,041
Less: Allowances for impairment losses	(35,982)	(76)	(279,154)	(315,212)
Carrying amount of loans and receivables	10,402,086	13,140	846,603	11,261,829

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19. LOANS AND RECEIVABLES (continued)

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

	December 31, 2024			Total
	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	
Net amount of loans and receivables	10,739,750	129,485	1,077,725	11,946,960
Less: Allowances for impairment losses	(36,753)	(1,087)	(404,026)	(441,866)
Carrying amount of loans and receivables	10,702,997	128,398	673,699	11,505,094

(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	35,982	76	279,154	315,212

(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.

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19. LOANS AND RECEIVABLES (continued)

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

	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	36,753	1,087	404,026	441,866

20. FINANCIAL ASSETS AT FVTOCI

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

- (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).

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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") (i)	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") (ii)	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") (iii)	May 6, 2022	Partnership	PRC	500.0	484.7	498.9	42.00%	40.09%	Investment management
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), "Tianjin Zhongnuo") (iv)	November 14, 2025	Partnership	PRC	220.0	110.6	-	27.54%	-	Investment management

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21. INTEREST IN ASSOCIATES (continued)

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	
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") (v)	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

- (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.

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21. INTEREST IN ASSOCIATES (continued)

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 RMB' 000	2024 RMB'000
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	11,723	10,394

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22. OTHER ASSETS

	Notes	December 31, 2025 RMB' 000	December 31, 2024 RMB'000
Non-current assets			
Other assets		57,768	3,086
Current assets			
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		672	16
Sub-total		108,857	86,995
Total		166,625	90,081

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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

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23. INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

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

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)	–
	106,543	110,814

(b) Income tax prepayment/Income tax payable

	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	(6,271)	22,801

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24. ACCOUNTS RECEIVABLE

	December 31, 2025 RMB' 000	December 31, 2024 RMB'000
Operating lease receivables	9,175	1,973

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

	December 31, 2025 RMB' 000	December 31, 2024 RMB'000
Within one year	9,175	1,973

25. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise:

	December 31, 2025 RMB' 000	December 31, 2024 RMB'000
Deposits with banks	699,667	840,966
Cash and cash equivalents	699,667	840,966

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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.

	Borrowings RMB' 000	Lease liabilities RMB' 000	Total RMB' 000
As at 1 January 2025	8,008,224	11,680	8,019,904
Changes from financing cash flows:			
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)
Other changes:			
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)
As at December 31, 2025	7,228,329	5,333	7,233,662

Notes to the Consolidated Financial Statements

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(Expressed in RMB unless otherwise indicated)

26. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES (continued)

	Borrowings RMB'000	Lease liabilities RMB'000	Total RMB'000
As at 1 January 2024	7,451,596	16,806	7,468,402
Changes from financing cash flows:			
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)
Other changes:			
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)
As at December 31, 2024	8,008,224	11,680	8,019,904

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27. BORROWINGS

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

Analysis for reporting purpose as:

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

- (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).

Notes to the Consolidated Financial Statements

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27. BORROWINGS (continued)

- (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.

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For the year ended December 31, 2025
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27. BORROWINGS (continued)

(ii) (continued)

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.

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27. BORROWINGS (continued)

(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 RMB' 000	2024 RMB'000
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	1,017,544	1,017,544
	7,228,329	8,008,224

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

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

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28. TRADE AND OTHER LIABILITIES

	December 31, 2025 RMB' 000	December 31, 2024 RMB'000
Current liabilities		
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	6,285	6,951
Sub-total	1,901,547	1,664,718
Non-current liabilities		
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)	444	444
Sub-total	716,770	778,696
Total	2,618,317	2,443,414

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28. TRADE AND OTHER LIABILITIES (continued)

(a) Accounts payable

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

	2025 RMB' 000	2024 RMB'000
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
	280,763	150,838

(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.

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28. TRADE AND OTHER LIABILITIES (continued)

(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 RMB' 000	Total minimum lease payments RMB' 000	Present value of the minimum lease payments RMB'000	Total minimum lease payments RMB'000
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	5,333	5,333	11,680	11,680

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

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

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28. TRADE AND OTHER LIABILITIES (continued)

(d) Provision for credit commitments

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

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

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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	281,768	281,768
At 31 December 2025	1,121,768	1,121,768
H shares of RMB1 Yuan each		
At 1 January 2024 and 31 December 2024	493,334	493,334
At 31 December 2025	493,334	493,334
Total	1,615,102	1,615,102

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.

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29. CAPITAL, RESERVES AND DIVIDENDS (continued)

(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.

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29. CAPITAL, RESERVES AND DIVIDENDS (continued)

(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.

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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

	RMB'000
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)
	8,159

(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

	RMB'000
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)
Goodwill arising on acquisition	–

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30. ACQUISITION OF A SUBSIDIARY (continued)

(d) Net cash outflow on acquisition of Beijing Zhongnuo

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

(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.

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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.

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31. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

(a) Credit risk (continued)

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

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.

Notes to the Consolidated Financial Statements

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31. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

(a) Credit risk (continued)

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

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.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025
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31. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

(a) Credit risk (continued)

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

Concentration risk of credit exposure

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

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

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31. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

(a) Credit risk (continued)

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

Concentration risk of credit exposure (continued)

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	1,125,757	1,077,725
Loans and receivables	11,577,041	11,946,960
Less: Allowances for impairment losses	(315,212)	(441,866)
Carrying value of loans and receivables	11,261,829	11,505,094

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(Expressed in RMB unless otherwise indicated)

31. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

(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.

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31. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

(b) Market risk (continued)

(ii) Interest rate risk (continued)

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.

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

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31. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

(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
December 31, 2025									
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
Total financial assets	1,836,465	433,550	1,471,578	4,810,545	4,822,229	6,922	15,091	13,396,380	12,097,712
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
Total financial liabilities	-	307,528	1,276,226	4,470,602	3,748,142	-	142	9,802,640	9,747,753
Net exposure	1,836,465	126,022	195,352	339,943	1,074,087	6,922	14,949	3,593,740	2,349,959

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31. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

(c) Liquidity risk (continued)

	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
December 31, 2024									
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
Total financial assets	1,864,870	476,307	1,506,422	5,065,149	5,029,782	-	14,494	13,957,024	12,452,000
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
Total financial liabilities	-	336,944	1,300,187	4,550,411	4,266,720	-	121	10,454,383	10,337,183
Net exposure	1,864,870	139,363	206,235	514,738	763,062	-	14,373	3,502,641	2,114,817

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For the year ended December 31, 2025
(Expressed in RMB unless otherwise indicated)

31. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

(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.

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31. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

(d) Fair values (continued)

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:

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

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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

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

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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.

Notes to the Consolidated Financial Statements

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33. MATERIAL RELATED PARTY TRANSACTIONS (continued)

(b) Transaction amounts with related parties within the Group

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

- (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)).

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For the year ended December 31, 2025
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33. MATERIAL RELATED PARTY TRANSACTIONS (continued)

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

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

(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

	December 31, 2025 RMB' 000	December 31, 2024 RMB'000
Additional capital contribution to Beijing Zhongnuo	2,000	—

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33. MATERIAL RELATED PARTY TRANSACTIONS (continued)

(e) Transaction amounts with related parties within the Associates

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

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

	December 31, 2025 RMB' 000	December 31, 2024 RMB'000
Service fees payable to related parties	3,332	4,089
Other receivables from related parties	1,503	1,959

(g) Transactions with key management personnel

	2025 RMB' 000	2024 RMB'000
Key management personnel remuneration	5,443	8,410

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34. COMPANY-LEVEL STATEMENT OF FINANCIAL POSITION

	December 31, 2025 RMB' 000	December 31, 2024 RMB'000
Non-current assets		
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
	5,392,244	5,179,451
Current assets		
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
	7,717,729	7,875,846
Current liabilities		
Borrowings	4,303,997	4,636,778
Income tax payable	–	22,801
Trade and other liabilities	1,900,298	1,664,602
	6,204,295	6,324,181
Net current assets	1,513,434	1,551,665
Total assets less current liabilities	6,905,678	6,731,116

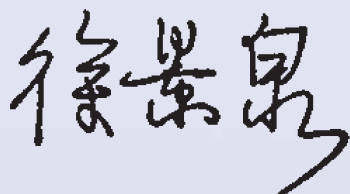
Notes to the Consolidated Financial Statements

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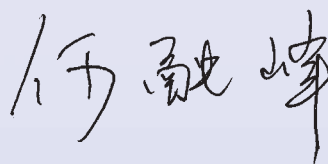
34. COMPANY-LEVEL STATEMENT OF FINANCIAL POSITION (continued)

	December 31, 2025 RMB' 000	December 31, 2024 RMB'000
Non-current liabilities		
Borrowings	2,924,332	3,371,446
Trade and other liabilities	716,482	778,696
	3,640,814	4,150,142
NET ASSETS	3,264,864	2,580,974
CAPITAL AND RESERVES		
Share capital	1,615,102	1,333,334
Reserves	1,649,762	1,247,640
TOTAL EQUITY	3,264,864	2,580,974

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



CHAIRMAN-XU JINGQUAN



GENERAL MANAGER-HE RONGFENG

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34. COMPANY-LEVEL STATEMENT OF FINANCIAL POSITION (continued)

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 RMB'000	Capital reserve RMB'000	Surplus reserve RMB'000	General reserve RMB'000	Fair value reserve RMB'000	Retained profits RMB'000	Total equity RMB'000
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	1,333,334	331,149	125,227	110,470	2,903	677,891	2,580,974
Changes in equity for 2025							
Profit for the year	-	-	-	-	-	271,900	271,900
Other comprehensive income	-	-	-	-	114	-	114
Total comprehensive income	-	-	-	-	114	271,900	272,014
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	1,615,102	556,546	152,417	110,470	3,017	827,312	3,264,864

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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.

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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

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36. CONSOLIDATED STRUCTURED ENTITIES (continued)

(a) Name of consolidated structured entities (continued)

Name of the entities (continued)

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

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025
(Expressed in RMB unless otherwise indicated)

36. CONSOLIDATED STRUCTURED ENTITIES (continued)

(a) Name of consolidated structured entities (continued)

Name of the entities (continued)

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.

Definitions

In this annual report, unless the context otherwise requires, the following expressions shall have the following meanings.

“2025 AGM”	the AGM to be held on June 16, 2026
“ABS”	assets-backed securities
“AGM”	annual general meeting of the Company
“Articles” or “Articles of Association”	the articles of association of the Company
“Audit Committee”	the audit committee of the Company
“Beijing SCOMC”	Beijing State-owned Capital Operation and Management Company Limited (北京國有資本運營管理有限公司), a company incorporated under the laws of the PRC with limited liability on December 30, 2008 and also one of the Controlling Shareholders
“Beijing Zhongnuo”	Beijing Zhongguancun Innofund Limited (北京中諾同創投資基金管理有限公司), a limited company established in the PRC, as of the date of this report, Beijing Zhongnuo is a wholly-owned subsidiary of the Company
“Board”	the board of Directors
“Board Committees”	collectively, Audit Committee, Remuneration Committee, Nomination Committee, Risk Control Committee and Environmental, Social and Governance Committee
“Board of Supervisors”	the former board of supervisors of the Company
“CG Code”	the “Corporate Governance Code” as contained in Appendix C1 to the Listing Rules
“Chairman”	the chairman of the Board
“Chaoyang SCOMC”	Beijing Chaoyang State Owned Capital Operation and Management Company Limited (北京朝陽國有資本運營管理有限公司), a state-owned enterprise established under the laws of the PRC on May 27, 2009 and also a substantial shareholder of the Company

Definitions

“China” or “PRC”	the People’s Republic of China, which for the purpose of this annual report and for geographical reference only, excludes Hong Kong, Macau and Taiwan
“close associate”	has the meaning ascribed to it in the Listing Rules
“Company”	Zhongguancun Science-Tech Leasing Co., Ltd. (中關村科技租賃股份有限公司), a joint stock company incorporated under the laws of the PRC with limited liability on August 16, 2019, or its predecessor
“Controlling Shareholder(s)”	has the meaning ascribed thereto under the Listing Rules and unless the context requires otherwise, refers to Beijing SCOMC, ZGC Group and ZGC Finance
“Director(s)”	the director(s) of the Company
“Domestic Shares”	ordinary shares issued by the Company, with a nominal value of RMB1.00, which are subscribed for or credited as paid in RMB
“Environmental, Social and Governance Committee”	the environmental, social and governance committee of the Company
“Group” or “we”	the Company, its subsidiary Beijing Zhongnuo, and consolidated structured entities
“H Share(s)”	overseas listed foreign shares in the ordinary share capital of the Company with a nominal value of RMB1.00 each, which are subscribed for and traded in HK dollars and listed on the Stock Exchange
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing”	listing of the H Shares on the Main Board of the Stock Exchange
“Listing Date”	January 21, 2020, on which the H Shares are listed and from which dealings therein are permitted to take place on the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange (as amended from time to time)

Definitions

“Model Code”	the “Model Code for Securities Transactions by Directors of Listed Issuers” set out in Appendix C3 to the Listing Rules
“Nanshan Capital”	Nanshan Group Capital Investment Co., Ltd. (南山集團資本投資有限公司), a company incorporated under the laws of the PRC with limited liability on November 18, 2011 and also a shareholder of H Shares
“Nomination Committee”	the nomination committee of the Company
“PBOC”	People’s Bank of China (中國人民銀行), the central bank of the PRC
“Remuneration Committee”	the remuneration committee of the Company
“Risk Control Committee”	the risk control committee of the Company
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary share(s) of RMB1.00 each in capital of the Company, comprising the Domestic Shares and the H Shares
“Shareholder(s)”	holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supervisor(s)”	the former supervisor(s) of the Company
“treasury share(s)”	has the meaning ascribed to it under the Listing Rules
“Wangjing Development”	Beijing Chaoyang District Wangjing Xinxing Industry Zone Comprehensive Development Company (北京望京新興產業區綜合開發有限公司), a company incorporated under the laws of the PRC with limited liability on July 11, 1994, which is wholly owned by Chaoyang SCOMC and also a shareholder of Domestic Shares

Definitions

“ZGC Finance”	Beijing Zhongguancun Finance Group Co., Ltd. (北京中關村科技創業金融服務集團有限公司), a company incorporated under the laws of the PRC with limited liability on February 24, 2009 and also one of the Controlling Shareholders
“ZGC Group”	Zhongguancun Development Group Co., Ltd. (中關村發展集團股份有限公司), a company incorporated under the laws of the PRC with limited liability on March 31, 2010 and also one of the Controlling Shareholders
“%”	per cent