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CHINA CHENGTONG DEVELOPMENT GROUP LIMITED

中國誠通發展集團有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 217)

ANNOUNCEMENT OF 2025 FINAL RESULTS

FINANCIAL HIGHLIGHTS

- Revenue for FY2025 increased by 5% to approximately HK\$579.00 million, which was driven by accelerated delivery progress of the CCT-Champs-Elysees project under the property development and investment segment, which led to significant growth of revenue.
- The consolidated gross profit margin for FY2025 slightly increased to 41% from 37% in FY2024. The consolidated gross profit and net interest income for FY2025 amounted to approximately HK\$239.54 million, which represented an increase of 17% from FY2024.
- The net impairment losses under ECL model in respect of Leasing Receivables increased by about HK\$5.24 million or 1,095% in FY2025, which was mainly influenced by a significant increase of loan receivables of the leasing business.
- The value of the Group's investment properties was impacted by the downtrend of the overall real estate market in the PRC and recorded an increase in the fair value loss on investment properties by approximately HK\$1.46 million.

- Consolidated profit after tax for FY2025 increased by 24% and amounted to approximately HK\$48.05 million. The enhanced performance was primarily driven by accelerated delivery progress of the CCT-Champs-Elysees project, which led to a significant increase in revenue from property sales. Meanwhile, for the leasing business, income from consulting service fees increased, financing interest rates went down and the consolidated cost of sales decreased.
- The Group's Leasing Receivables increased by 60% to approximately HK\$10,491.35 million. The total net assets increased by 6% from 31 December 2024 to approximately HK\$2,946.10 million, which was mainly due to the rapid growth of the Group's leasing business during the year.
- Interest coverage ratio (calculated by dividing consolidated profit before tax and finance costs (EBIT) by finance costs) remained sound which was approximately 10 times during FY2025.
- The Board has resolved to declare a final dividend of HK0.25 cent.

SCOPE OF WORK OF BAKER TILLY HONG KONG LIMITED ON THE PRELIMINARY RESULTS ANNOUNCEMENT

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for FY2025 as set out in this preliminary results announcement have been agreed by the Group's auditor, Baker Tilly Hong Kong Limited ("**Baker Tilly**"), to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Baker Tilly in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Baker Tilly on the preliminary results announcement.

The board (“**Board**”) of directors (“**Directors**”) of China Chengtong Development Group Limited (“**Company**”) would like to announce the audited consolidated results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 December 2025 together with the comparative figures for the year ended 31 December 2024 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2025

	<i>Notes</i>	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Revenue	3	578,995	552,637
Cost of sales		<u>(339,459)</u>	<u>(347,685)</u>
Gross profit and net interest income		239,536	204,952
Other income and gains, net	5	15,854	21,685
Selling expenses		(25,967)	(10,360)
Administrative expenses		(96,024)	(98,156)
Impairment losses under expected credit loss model, net of reversal		(5,723)	(479)
Fair value loss on investment properties		(13,634)	(12,172)
Finance costs	6	<u>(11,659)</u>	<u>(25,594)</u>
Profit before tax		102,383	79,876
Income tax expense	7	<u>(54,335)</u>	<u>(41,128)</u>
Profit for the year	8	<u>48,048</u>	<u>38,748</u>
Profit for the year attributable to:			
Owners of the Company		47,851	38,633
Non-controlling interests		<u>197</u>	<u>115</u>
		<u>48,048</u>	<u>38,748</u>
Earnings per share			
– Basic and diluted	10	<u>HK0.80 cents</u>	<u>HK0.65 cents</u>

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Profit for the year	48,048	38,748
Other comprehensive income/(expense), net of tax		
<i>Items that will not be reclassified to profit or loss:</i>		
Net change in fair value of equity investments at fair value through other comprehensive income	12,940	(771)
<i>Item that may be reclassified to profit or loss:</i>		
Exchange differences arising on translation of foreign operations	<u>127,528</u>	<u>(108,290)</u>
Total comprehensive income/(expense) for the year	<u>188,516</u>	<u>(70,313)</u>
Total comprehensive income/(expense) attributable to:		
Owners of the Company	188,319	(70,428)
Non-controlling interests	<u>197</u>	<u>115</u>
	<u>188,516</u>	<u>(70,313)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

	Notes	2025 HK\$'000	2024 HK\$'000
Non-current assets			
Property, plant and equipment		633,392	468,564
Investment properties		33,503	64,045
Finance lease receivables and loan receivables	12	4,103,676	3,313,009
Other financial assets		459	453
Deferred tax assets		12,043	15,696
		<u>4,783,073</u>	<u>3,861,767</u>
Current assets			
Properties held for sale		53,031	134,666
Inventories		3,879	3,724
Trade and other receivables	11	53,310	29,776
Finance lease receivables and loan receivables	12	6,387,673	3,255,832
Loans to a related party		–	26,500
Other financial assets		43,180	30,226
Tax recoverable		4,282	1,089
Pledged bank deposits		2,756	2,634
Bank balances and cash		1,054,287	1,031,160
		<u>7,602,398</u>	<u>4,515,607</u>
Current liabilities			
Trade and other payables	13	222,226	300,704
Contract liabilities		42,166	110,693
Lease liabilities		–	2,982
Tax payables		52,145	34,168
Bank borrowings		2,319,669	1,602,581
Asset-backed securities	14	1,637,042	1,464,538
Corporate bonds	15	16,823	–
Loans from related parties		359,832	–
		<u>4,649,903</u>	<u>3,515,666</u>
Net current assets		<u>2,952,495</u>	<u>999,941</u>
Total assets less current liabilities		<u>7,735,568</u>	<u>4,861,708</u>

	<i>Notes</i>	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Non-current liabilities			
Bank borrowings		2,924,309	990,524
Asset-backed securities	14	689,408	671,746
Corporate bonds	15	1,107,174	–
Loans from related parties		–	174,900
Other payables	13	30,198	214,984
Deferred tax liabilities		38,382	40,044
		<u>4,789,471</u>	<u>2,092,198</u>
Net assets		<u>2,946,097</u>	<u>2,769,510</u>
Capital and reserves			
Share capital		2,214,624	2,214,624
Reserves		726,101	549,711
Equity attributable to owners of the Company		2,940,725	2,764,335
Non-controlling interests		5,372	5,175
Total equity		<u>2,946,097</u>	<u>2,769,510</u>

NOTES

For the year ended 31 December 2025

1 GENERAL AND BASIS OF PREPARATION

China Chengtong Development Group Limited (the “**Company**”) is a public limited company incorporated in Hong Kong. The address of its registered office and its principal place of business is 22/F., Li Po Chun Chambers, 189 Des Voeux Road Central, Hong Kong. The Company is an investment holding company. The Company and its subsidiaries (hereinafter referred to as the “**Group**”) are principally engaged in leasing, property development and investment, marine recreation services and hotel business.

The Company’s shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). As at 31 December 2025, the Company’s immediate holding company is China Chengtong Hong Kong Company Limited, which is incorporated in Hong Kong. The directors of the Company consider the Group’s ultimate holding company to be China Chengtong Holdings Group Limited (“**CCHG**”), a company incorporated in the People’s Republic of China (the “**PRC**”).

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards as issued by the HKICPA. 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 (the “**Listing Rules**”) and by the Hong Kong Companies Ordinance.

The consolidated financial statements are presented in Hong Kong Dollar (“**HK\$**”), which is also the functional currency of the Company.

The financial information relating to the years ended 31 December 2025 and 2024 included in this preliminary announcement of annual results does not constitute the Company’s statutory annual consolidated financial statements for those years but is derived from those consolidated financial statements in accordance with section 436 of the Hong Kong Companies Ordinance.

The Company has delivered the consolidated financial statements for the year ended 31 December 2024 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance and will deliver the consolidated financial statements for the year ended 31 December 2025 in due course.

The Company’s auditor has reported on the consolidated financial statements for both years. The auditor’s reports were unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its reports; and did not contain a statement under sections 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance.

For the year ended 31 December 2024

Segments	Leasing <i>HK\$'000</i>	Property development and investment <i>HK\$'000</i>	Marine recreation services and hotel <i>HK\$'000</i>	Total <i>HK\$'000</i>
Types of goods or services				
Sales of properties	–	87,476	–	87,476
Marine recreation and hotel services income	–	–	32,666	32,666
Revenue from contracts with customers	–	87,476	32,666	120,142
Rental income from investment properties	–	2,094	–	2,094
Rental income under operating lease in respect of owned machineries and equipment	109,387	–	–	109,387
Interest income from loan receivables	319,772	–	–	319,772
Finance lease income	1,242	–	–	1,242
Total	430,401	89,570	32,666	552,637
Timing of revenue recognition:				
A point in time	–	87,476	27,004	114,480
Over time	–	–	5,662	5,662
Total revenue from contracts with customers	–	87,476	32,666	120,142

4 OPERATING SEGMENTS

Information reported to the executive directors of the Company, being the chief operating decision makers (“CODM”), for the purpose of resources allocation and assessment of segment performance, focuses on types of goods delivered or services provided.

The Group’s reportable segments under HKFRS 8 are as follows:

- (1) Leasing – providing leasing services including consultancy services from leasing arrangement, finance lease, sale and leaseback and operating lease services
- (2) Property development and investment – sales of properties and holding investment properties for appreciation and/or providing rental services
- (3) Marine recreation services and hotel – providing marine recreation and hotel services

Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable segments:

For the year ended 31 December 2025

	Leasing <i>HK\$'000</i>	Property development and investment <i>HK\$'000</i>	Marine recreation services and hotel <i>HK\$'000</i>	Total <i>HK\$'000</i>
Revenue as presented in the consolidated statement of profit or loss	<u>412,582</u>	<u>137,577</u>	<u>28,836</u>	<u>578,995</u>
Segment results	<u>118,655</u>	<u>40,741</u>	<u>(6,424)</u>	152,972
Fair value loss on investment properties				(13,634)
Unallocated finance costs				(11,578)
Unallocated corporate expenses				(29,737)
Unallocated corporate income				<u>4,360</u>
Profit before tax				<u>102,383</u>

For the year ended 31 December 2024

	Leasing <i>HK\$'000</i>	Property development and investment <i>HK\$'000</i>	Marine recreation services and hotel <i>HK\$'000</i>	Total <i>HK\$'000</i>
Revenue as presented in the consolidated statement of profit or loss	<u>430,401</u>	<u>89,570</u>	<u>32,666</u>	<u>552,637</u>
Segment results	<u>105,936</u>	<u>29,279</u>	<u>(5,856)</u>	129,359
Fair value loss on investment properties				(12,172)
Unallocated finance costs				(25,385)
Unallocated corporate expenses				(23,837)
Unallocated corporate income				<u>11,911</u>
Profit before tax				<u>79,876</u>

5 OTHER INCOME AND GAINS, NET

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Interest income from:		
– deposits and other financial assets	10,038	15,004
– related parties	1,513	2,072
Dividend from equity instruments at fair value through other comprehensive income	24	40
Government subsidies (<i>note</i>)	414	816
Gain on disposal of investment properties	143	–
Exchange gain, net	–	1,602
Others	3,722	2,151
	<u>15,854</u>	<u>21,685</u>

Note: The amounts for both years represent government grants obtained from the PRC local government to support the tourism business. The Group has complied with the requirements as set out by the local government for both years.

6 FINANCE COSTS

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Interest on bank borrowings	88,665	131,194
Interest on asset-backed securities	44,289	70,149
Interest on corporate bonds	17,447	–
Interest on loans from related parties	11,753	8,503
Interest on lease liabilities	93	267
	<u>162,247</u>	<u>210,113</u>
Less:		
Amounts included in cost of sales:		
– Interest on bank borrowings	(82,812)	(109,658)
– Interest on asset-backed securities	(44,289)	(70,149)
– Interest on corporate bonds	(17,447)	–
– Interest on loans from related parties	(6,040)	(4,712)
	<u>(150,588)</u>	<u>(184,519)</u>
	<u>11,659</u>	<u>25,594</u>

7 INCOME TAX EXPENSE

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Current tax:		
PRC Enterprise Income Tax (“EIT”)	37,379	33,955
PRC Land Appreciation Tax	<u>15,305</u>	<u>9,450</u>
	52,684	43,405
Under/(over)-provision in prior years:		
Hong Kong Profits Tax	–	3
PRC EIT	<u>754</u>	<u>(762)</u>
	754	(759)
Deferred tax	<u>897</u>	<u>(1,518)</u>
	<u>54,335</u>	<u>41,128</u>

8 PROFIT FOR THE YEAR

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Profit for the year has been arrived at after charging/ (crediting):		
Depreciation of property, plant and equipment	<u>98,665</u>	<u>104,567</u>
Staff costs (including directors’ emoluments)	58,976	52,953
Contributions to retirement benefits schemes (including directors’ emoluments)	<u>11,670</u>	<u>12,474</u>
Total staff costs	<u>70,646</u>	<u>65,427</u>
Impairment losses under expected credit loss model, net of reversal		
– trade and bills receivables	–	(1)
– finance lease receivables and loan receivables	<u>5,723</u>	<u>480</u>
	5,723	479
Auditor’s remuneration		
– audit service	1,180	1,180
– non-audit service	869	859
Cost of properties sold (included in cost of sales)	85,776	48,786
Exchange loss, net	7,707	–
Impairment loss recognised on property, plant and equipment	–	2,057
Loss on disposal of property, plant and equipment, net	104	2,107
Loss on disposal of investment properties	–	99
Gross rental income from investment properties	(1,790)	(2,094)
Expenses relating to short-term leases	<u>480</u>	<u>–</u>

9 DIVIDENDS

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Dividends proposed:		
Proposed final dividend of HK0.25 cent (2024: HK0.20 cent) per ordinary share in respect of the current financial year	<u>14,912</u>	<u>11,929</u>
Dividends paid in cash:		
Final dividend of HK0.20 cent (2023: HK0.34 cent) per ordinary share in respect of the previous financial year	<u>11,929</u>	<u>20,280</u>

The final dividend of HK0.25 cent per ordinary share proposed after the reporting date for the year ended 31 December 2025 were not recognised as a liability at the end of the reporting date. In addition, the final dividend is subject to the shareholders' approval at the forthcoming annual general meeting.

10 EARNINGS PER SHARE

The calculation of the basic earnings per share attributable to owners of the Company is based on the following data:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Earnings		
Profit for the year attributable to owners of the Company for the purpose of basic earnings per share	<u>47,851</u>	<u>38,633</u>
	2025 <i>'000</i>	2024 <i>'000</i>
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share (<i>Note</i>)	<u>5,952,885</u>	<u>5,952,885</u>

Note: The weighted average number of ordinary shares is adjusted for 11,750,000 shares of the Company, which were purchased for the purpose of the share award scheme held by trustee as at 31 December 2025 and 2024. Details of the share award scheme are set out in the Company's announcement dated 30 June 2017.

Diluted earnings per share for the years ended 31 December 2025 and 2024 are not presented as there were no dilutive potential ordinary shares in issue during both years.

11 TRADE AND OTHER RECEIVABLES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Trade and bills receivables	7,719	2,760
Other prepayments and deposits	36,527	3,596
Other receivables	4,049	14,149
Other tax recoverable	2,929	7,952
Amounts due from related companies	<u>2,086</u>	<u>1,319</u>
	<u>53,310</u>	<u>29,776</u>

The following is an ageing analysis of trade and bills receivables, net of allowance for credit losses, presented based on the invoice date at the end of the reporting period:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
1-30 days	6,094	2,351
31-90 days	1,594	177
Over 90 days	31	232
	<u>7,719</u>	<u>2,760</u>

12 FINANCE LEASE RECEIVABLES AND LOAN RECEIVABLES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Finance lease receivables	–	10,132
Loan receivables	<u>10,529,174</u>	<u>6,621,504</u>
	10,529,174	6,631,636
Less: Allowance for credit losses	<u>(37,825)</u>	<u>(62,795)</u>
	<u>10,491,349</u>	<u>6,568,841</u>
Analysed for reporting purposes as:		
Current assets	6,387,673	3,255,832
Non-current assets	<u>4,103,676</u>	<u>3,313,009</u>
	<u>10,491,349</u>	<u>6,568,841</u>

The Group is engaged in finance lease arrangements and sale and leaseback arrangements. The ownership of the leased assets will be transferred to the lessees at a purchase option price upon settlement of the principal of finance lease receivables and the interest accrued under the finance lease arrangements. The terms of finance lease entered into usually range from 2 to 5 years.

There were no finance lease receivables as at 31 December 2025. The finance lease receivables outstanding as at 31 December 2024 were due as follows:

	2024	
	Undiscounted minimum lease payments <i>HK\$'000</i>	Present value of minimum lease payments <i>HK\$'000</i>
Finance lease receivables comprise:		
Within one year	<u>10,902</u>	<u>10,132</u>
Gross investment in the lease	10,902	
Less: Unearned finance income	<u>(770)</u>	
Present value of minimum lease payment receivables	<u>10,132</u>	

Loan receivables arose from the sale and leaseback arrangements. Under these arrangements, customers (i.e. lessees) disposed of their equipment and facilities to the Group and leased back the equipment and facilities. In addition, the ownership of the leased assets will be transferred back to the lessees at a purchase option price upon settlement of the principal of the loan receivables and the interest accrued under the sale and leaseback arrangements. The lessees retain control of the equipment and facilities before and after entering into the sale and leaseback arrangements, which do not therefore constitute a lease for accounting purposes. As such, the sale and leaseback arrangements have been accounted for as a secured loan and recognised in accordance with HKFRS 9.

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Fixed-rate loan receivables	1,114,532	833,896
Variable-rate loan receivables	<u>9,414,642</u>	<u>5,787,608</u>
	10,529,174	6,621,504
Less: Allowance for credit losses	<u>(37,825)</u>	<u>(62,795)</u>
	<u>10,491,349</u>	<u>6,558,709</u>
Analysed for reporting purposes as:		
Current assets	6,387,673	3,245,700
Non-current assets	<u>4,103,676</u>	<u>3,313,009</u>
	<u>10,491,349</u>	<u>6,558,709</u>

The exposure of the Group's fixed-rate loan receivables to fair value interest rate risk and their contractual maturity dates are as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Fixed-rate loan receivables (gross carrying amount):		
Within one year	748,824	653,203
In more than one year but not more than two years	6,566	177,809
In more than two years but not more than five years	<u>359,142</u>	<u>2,884</u>
	<u>1,114,532</u>	<u>833,896</u>

The exposure of the Group's variable-rate loan receivables to cash flow interest rate risk and their contractual maturity dates are as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Variable-rate loan receivables (gross carrying amount):		
Within one year	5,676,674	2,655,292
In more than one year but not more than two years	2,486,797	1,856,170
In more than two years but not more than five years	1,251,171	1,172,862
In more than five years	<u>–</u>	<u>103,284</u>
	<u>9,414,642</u>	<u>5,787,608</u>

13 TRADE AND OTHER PAYABLES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Trade and bills payables (<i>note (a)</i>)	23,466	112,448
Other payables and accruals	72,250	73,721
Deposits received (<i>note (b)</i>)	147,827	308,003
Accrual of construction costs	4,068	11,554
Amount due to ultimate holding company	2,851	8,074
Amount due to immediate holding company	–	1,691
Amounts due to fellow subsidiaries	1,962	197
	<u>252,424</u>	<u>515,688</u>
Analysed for reporting purposes as:		
Current liabilities	222,226	300,704
Non-current liabilities	30,198	214,984
	<u>252,424</u>	<u>515,688</u>

Notes:

- (a) The ageing analysis of the trade and bills payables presented based on the invoice date at the end of the reporting period is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
1–30 days	22,143	106,095
31–90 days	311	6,352
Over 90 days	1,012	1
	<u>23,466</u>	<u>112,448</u>

- (b) The amounts mainly represent deposits received from customers under operating lease, finance lease and sale and leaseback arrangements which will be returned to the customers at the end of the lease terms. As at 31 December 2025, the deposits received amounting to approximately HK\$30,198,000 (2024: approximately HK\$214,984,000) are presented as non-current liabilities based on the final lease instalment due date stipulated in the finance lease and sale and leaseback agreements, which are beyond twelve months at the end of the reporting period.

14 ASSET-BACKED SECURITIES

	2025 HK\$'000	2024 HK\$'000
Secured	<u>2,326,450</u>	<u>2,136,284</u>
Carrying amount of above asset-backed securities are repayable:		
Within one year	1,637,042	1,464,538
After one year but within two years	488,814	671,746
After two years but within five years	<u>200,594</u>	<u>–</u>
	<u>2,326,450</u>	<u>2,136,284</u>
Less: Amounts shown under current liabilities	<u>(1,637,042)</u>	<u>(1,464,538)</u>
Amounts shown under non-current liabilities	<u>689,408</u>	<u>671,746</u>

During the year ended 31 December 2025, the Group publicly launched two asset-backed securities scheme (2024: one asset-backed securities scheme) on the Shanghai Stock Exchange. The purpose of launching the asset-backed securities schemes is to securitise certain loan receivables and trade receivables under operating lease arrangement of the Group and to fund the expansion of the leasing business of the Group. Details of the asset-back securities schemes launched during both years are as follows:

On 17 December 2024, the Group publicly launched an asset-backed securities scheme. The total issuance of the scheme was RMB1,052,000,000 (equivalent to HK\$1,115,120,000) and the asset-backed securities are divided into (i) priority class with a total principal of RMB997,000,000 (equivalent to HK\$1,056,820,000) which are listed and traded on the Shanghai Stock Exchange with maturity date ranging from 26 May 2025 to 26 May 2027 and with coupon rate ranging from 2.00% to 2.98% per annum. The principal and interest of the priority class asset-backed securities shall be repaid quarterly; and (ii) subordinated class with a total principal of RMB55,000,000 (equivalent to HK\$58,300,000) with no coupon rate and with maturity date on 26 May 2029. The subordinated class asset-backed securities are not listed. As at 31 December 2025, the Group held all the subordinated class asset-backed securities.

On 23 September 2025, the Group publicly launched another asset-backed securities scheme. The total issuance of the scheme was RMB1,291,000,000 (equivalent to HK\$1,429,362,000) and the asset-backed securities are divided into (i) priority class with a total principal of RMB1,226,000,000 (equivalent to HK\$1,357,396,000) which are listed and traded on the Shanghai Stock Exchange with maturity date ranging from 26 January 2027 to 26 July 2029 and with coupon rate ranging from 1.95% to 2.76% per annum. The principal and interest of the priority class asset-backed securities shall be repaid quarterly; and (ii) subordinated class with a total principal of RMB65,000,000 (equivalent to HK\$71,966,000) with no coupon rate and with maturity date on 26 April 2030. The subordinated class asset-backed securities are not listed. As at 31 December 2025, the Group held all the subordinated class asset-backed securities.

On 19 December 2025, the Group publicly launched another asset-backed securities scheme. The total issuance of the scheme was RMB1,000,000,000 (equivalent to HK\$1,107,174,000) and the asset-backed securities are divided into (i) priority class with a total principal of RMB890,000,000 (equivalent to HK\$985,385,000) which are listed and traded on the Shanghai Stock Exchange with maturity date ranging from 26 October 2026 to 26 April 2028 and with coupon rate ranging from 1.90% to 2.70% per annum. The principal and interest of the priority class asset-backed securities shall be repaid quarterly; and (ii) subordinated class with a total principal of RMB110,000,000 (equivalent to HK\$121,789,000) with no coupon rate and with maturity date on 26 October 2028. The subordinated class asset-backed securities are not listed. As at 31 December 2025, the Group held all the subordinated class asset-backed securities.

The effective interest rate of the asset-backed securities ranged from 2.00% to 4.00% (as at 31 December 2024: 2.00% to 4.00%) per annum at 31 December 2025.

15 CORPORATE BONDS

	2025
	HK\$'000
Unsecured corporate bonds	1,123,997
Less: Amounts shown under current liabilities	<u>(16,823)</u>
Amounts shown under non-current liabilities	<u><u>1,107,174</u></u>

During the year ended 31 December 2025, the Group issued two tranches of corporate bonds each with principal amount of RMB500,000,000 (equivalent to HK\$553,587,000) at par value. The corporate bonds carry effective interest rates ranging from 2.17% to 2.18% per annum.

The term of the corporate bonds is five years and the interests are repaid annually. Below is the summary of the key terms of the corporate bonds:

Early redemption option

With proper notice to the bond holders, the issuer has the right to early redeem all outstanding corporate bonds at par value plus all accrued interests at the end of the second or fourth year from the date of issue of the corporate bonds.

Put option

With proper notice to the issuer, the bond holders have the right to sell back all or part of the outstanding corporate bonds to the issuer at par value plus all accrued interests at the end of the second or fourth year from the date of issue of the corporate bonds.

Coupon rate adjustment option

The issuer reserves the right to decide, at the end of the second or fourth year from the date of issue of corporate bonds, whether to adjust the coupon rate for subsequent years.

16 CONTINGENT LIABILITIES

As at 31 December 2025, the Group had contingent liabilities in relation to guarantees of approximately HK\$82,626,000 (2024: HK\$230,470,000) given to banks in respect of mortgage loans granted to purchasers of certain property units of CCT-Champs-Elysees project.

Pursuant to the terms of the guarantees, upon default in mortgage payments by these purchasers, the Group is responsible for repaying the outstanding mortgage principals together with any accrued interest and penalty owed by the defaulted purchasers to the banks, and the Group is entitled to take over the legal title and possession of the related properties.

In the opinion of the directors of the Company, the financial impact arising from providing the above financial guarantees is insignificant and accordingly, they were not accounted for in these financial statements.

As at 31 December 2025 and 2024, the Group was not involved in any litigation or arbitration of material importance and there was no litigation or claim of material importance known to the directors of the Company to be pending or threatened against the Group.

17 CAPITAL COMMITMENTS

	2025	2024
	HK\$'000	HK\$'000
Contracted but not provided for:		
Purchase of property, plant and equipment	<u><u>–</u></u>	<u><u>135</u></u>

MANAGEMENT DISCUSSION AND ANALYSIS

I. RESULTS OVERVIEW

The principal business of the Group includes leasing, property development and investment, and marine recreation services and hotel operation. For the year ended 31 December 2025 (“FY2025”), the Group’s total revenue amounted to approximately HK\$579 million, representing an increase of about 5% compared to the year ended 31 December 2024 (“FY2024”). Consolidated gross profit and net interest income reached approximately HK\$239.54 million, marking an increase of about 17% compared to the previous year. Net profit attributable to shareholders reached HK\$47.85 million, representing a year-on-year increase of approximately 24%. The following table sets forth segment revenue and profit for the period indicated:

	2025	2024	Changes
	HK\$’000	HK\$’000	
Revenue	578,995	552,637	5%
Leasing	412,582	430,401	(4%)
Property development and investment	137,577	89,570	54%
Marine recreation services and hotel	28,836	32,666	(12%)
Gross profit and net interest income	239,536	204,952	17%
Profit before tax	102,383	79,876	28%
Net profit attributable to the shareholders	<u>47,851</u>	<u>38,633</u>	24%

During the year, the Group’s revenue increased by 5%, primarily driven by accelerated delivery progress of the CCT-Champs-Elysees project under the property development and investment segment, which led to a significant growth of 54% in the revenue of this segment to HK\$137.58 million. Such growth mainly reflects increased revenue recognition from the concentrated delivery of properties sold during the year. In 2025, China’s financial leasing industry entered a period of profound adjustment characterized by stringent regulation, rigorous compliance, and a return to fundamentals. Overall, the industry exhibited a development trajectory marked by slowing growth, structural optimization, and quality enhancement, gradually transitioning from scale expansion to high-quality development. The industry faced challenges including rising compliance costs and narrowing interest margins. The revenue of the leasing business for the year decreased by 4% compared to 2024, primarily due to the settlement of several projects from previous years during the current year. Although the investment amount of new projects increased substantially during the year, they were mainly concentrated in the second half, and the related projects have not yet entered a full annual interest calculation period.

Consolidated cost of sales decreased by 2% from approximately HK\$347.69 million in FY2024 to approximately HK\$339.46 million.

Hence, the Group reported a consolidated gross profit and net interest income of approximately HK\$239.54 million and a consolidated profit before tax of approximately HK\$102.38 million in FY2025, marking an increase of approximately HK\$22.50 million. The changes were primarily attributed to the following factors:

- (i) an increase in consolidated revenue and a decrease in consolidated cost of sales which led to an increase in consolidated gross profit and net interest income of approximately HK\$34.58 million or 17%;
- (ii) an increase in total selling and administrative expenses of approximately HK\$13.48 million or 12% in FY2025;
- (iii) a decrease in finance costs of approximately HK\$13.94 million or 54%, which was mainly driven by the lower interest rate in Hong Kong and a decrease in bank loan balances during the year;
- (iv) other income and gains, net, decreased by approximately HK\$5.83 million or 27%, primarily due to reduced interest income from deposits and other financial assets, as well as loans granted to related parties; and
- (v) an increase in net impairment losses determined under the expected credit loss (“ECL”) model of about HK\$5.24 million, which was mainly influenced by a significant increase of finance lease receivables and loan receivables (collectively “Leasing Receivables”) from leasing business in 2025.

II. BUSINESS REVIEW

A. Segment Performance

During the period under review, the Group derives its revenue from leasing operation, property development and investment, as well as marine recreation services and hotel. The breakdown of revenue and results from each segment are detailed as follows:

(1) Leasing

Business Segments	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>	Changes
Segment revenue	412,582	430,401	(4%)
Interest income	269,454	321,014	(16%)
Rental income	90,471	109,387	(17%)
Consultancy service fee	52,657	–	N/A
Cost of sales	(243,795)	(283,023)	(14%)
Gross profit	168,787	147,378	15%
Gross profit margin	41%	34%	7%
Segment results	118,655	105,936	12%

During the year, the Group continued to advance the development of its finance leasing business, intensifying efforts to deploy capital into high-quality projects, resulting in a significant increase in new deployments for the full year. As new projects were primarily concentrated on year-end deployments, the interest income contribution from related leased assets in FY2025 was limited while certain previously deployed finance leasing projects were settled during the current year. As a result, revenue from the leasing operation segment decreased by 4% to HK\$412.58 million.

Revenue

During FY2025, the interest income from leasing segment was approximately HK\$269.45 million, reflecting a decrease of 16% compared to the previous year. The interest income from various sectors is outlined below:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>	Changes
Infrastructure	87,420	118,572	(26%)
Energy conservation and environmental protection	44,357	70,399	(37%)
Logistics and warehousing	30,332	63,023	(52%)
Manufacturing	47,829	43,881	9%
Others	59,516	25,139	137%
Total	<u>269,454</u>	<u>321,014</u>	(16%)

The overall interest yield was as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>	Changes
Interest income	269,454	321,014	(16%)
Average Leasing Receivables balance*	7,515,696	7,102,222	6%
Yield	<u>3.59%</u>	<u>4.52%</u>	(1%)

* Being the average of 12 months' balances of net Leasing Receivables

The Group primarily earned interest income from leasing services based on variable interest rates benchmarked to the loan prime rate(s) as published by the National Interbank Funding Center in the PRC (“LPR”). Throughout 2025, both the one-year loan prime rate and the five-year loan prime rate experienced slight declines. Additionally, adjustments to the deployment structure and business model, coupled with a significant increase in new deployments during the year, led to a rise in the average balance of lease receivables, which resulted in a collective contribution to a decrease in the interest yield. However, this change in interest yield primarily reflects shifts in the composition of revenue recognition methods during the year and has no material impact on the overall return level of the projects.

By expanding into operating leases alongside its finance lease services, the Group has enhanced the adaptability of its overall leasing portfolio. At the end of 2025, the Company entered into a new container operating lease business. However, as several prior operating lease projects had been completed upon expiry during the year, the Group’s rental income from annual operating lease decreased by 17% compared to FY2024.

Cost of Sales

The following table shows the breakdown of the cost of sales by its components:

	2025	2024	Changes
	HK\$’000	HK\$’000	
Interest expenses	150,588	184,519	(18%)
Depreciation of leased assets	83,949	88,568	(5%)
Guarantee fees	2,344	7,613	(69%)
Others	6,914	2,323	198%
	<u>243,795</u>	<u>283,023</u>	
Total	243,795	283,023	(14%)

In FY2025, the cost of sales for the leasing segment stood at approximately HK\$243.80 million, marking a decrease of 14% compared to the previous year, which was primarily influenced by the reduction in interest expenses. During the year, the Group continued to optimize its financing structure and benefited from a general decline in financing interest rates. Interest expense decreased by 18% year-on-year to approximately HK\$150.89 million, accounting for about 62% of the segment’s cost of sales.

In FY2025, Chengtong Financial Leasing had successfully launched two ABS schemes and two corporate bonds. As at 31 December 2025, the outstanding amount of the remaining schemes was approximately HK\$3,450.44 million (as at 31 December 2024: approximately HK\$2,136.28 million). In addition, the total outstanding bank loans of Chengtong Financial Leasing as at 31 December 2025 were approximately HK\$5,198.58 million (as at 31 December 2024: approximately HK\$2,286.12 million).

As the scale of business deployment expanded, the Group's average total borrowing balance increased. However, benefiting from a relatively accommodative market interest rate environment and further diversification of financing channels, the Group's effective annual borrowing rate decreased by 1 percentage point compared to the previous year.

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>	Changes
Interest expenses	150,588	184,519	(18%)
Average total borrowings balance*	5,660,038	4,992,077	13%
Effective annual borrowing rate	<u>2.66%</u>	<u>3.70%</u>	(1%)

* Being the average of 12 months' aggregate balances of bank loans, ABS and other loans

Guarantee fee expenses for FY2025 recorded a year-on-year decrease of 69% compared to the previous year, primarily due to the reduction in outstanding guaranteed balances as ABS schemes matured according to schedule.

Other costs primarily comprised amortization expenses for ABS schemes and corporate bonds, management fees, and consulting service fees. Among these, consulting service fees increased by approximately HK\$3.93 million, mainly due to higher professional service and project-related expenses incurred during the expansion of business scale and implementation of new projects during the year.

Segment Results

In summary, the segment results in leasing business for the year were approximately HK\$118.66 million representing an increase of 12% compared to FY2024.

Leasing Receivables

During the year, Chengtong Financial Leasing has additionally launched 70 new leasing projects, with a total leasing principal amount of approximately HK\$7,905.70 million, representing an increase of 267% compared to the previous year.

The major terms of the new leasing projects entered during FY2025 and the preceding year are tabulated below:

	2025	2024
Number of new leasing projects	70	18
Principal amount	HK\$7,905.70	HK\$2,151.60
	million	million
Range of lease term	1-5 years	2-5 years
Interest rate and range per annum	2.50%-4.61%	3.50%-5.67%

The following table shows a breakdown of the Group's net Leasing Receivables by industry sectors:

	As at	As at	Changes
	31 December	31 December	
	2025	2024	
	HK\$'000	HK\$'000	
Infrastructure	2,819,839	1,981,438	42%
Energy conservation and environmental protection	1,362,262	1,398,524	(3%)
Logistics and warehousing	936,141	1,223,594	(23%)
Manufacturing	2,034,436	1,055,649	93%
Others	3,338,671	909,636	267%
Total	<u>10,491,349</u>	<u>6,568,841</u>	60%

Due to the significant increase in the number and value of leasing projects launched this year, the Group's net Leasing Receivables amounted to approximately HK\$10,491.35 million, representing an increase of 60% compared to the previous year.

As at 31 December 2025, the maturity profile of the Group's net Leasing Receivables was as follows:

	2025	2024	Changes
	HK\$'000	HK\$'000	
Not later than 1 year	6,387,673	3,255,832	96%
1 to 2 years	2,493,363	1,971,711	26%
2 to 3 years	1,010,725	523,998	93%
Over 3 years	599,588	817,300	(27%)
	<u>10,491,349</u>	<u>6,568,841</u>	60%

The Group adopts International Accounting Standards to assess impairment of its Leasing Receivables. The Group uses a three-stage impairment model as well as the risk modelling approach which incorporates key parameters, including probability of default, loss given default and exposure at default to calculate ECL:

- Stage 1: After initial recognition, Leasing Receivables without significant increase in credit risk are classified in this stage. ECL will be assessed and recognized over the next 12 months;
- Stage 2: After initial recognition, Leasing Receivables with significant increase in credit risk but without objective evidence of impairment are classified in this stage. ECL will be measured over the whole period;
- Stage 3: Leasing Receivables with objective evidence of impairment are classified in this stage. For such Leasing Receivables, ECL will be measured over the whole period.

The Group's Leasing Receivables as at 31 December 2025 were classified into 5 categories according to customers' repayment abilities, up-to-date repayment history, profitability and carrying values of the underlying leasing projects, relevant security and enforcement measures against customers, with Category I being the lowest risk and Category V being the highest risk. Specific ECL provision was made for each category.

<i>(Expressed in HK\$'000)</i> Category	31 December 2025			31 December 2024		
	Gross		Net	Gross		Net
	Leasing Receivables	Provision for ECL	Leasing Receivables	Leasing Receivables	Provision for ECL	Leasing Receivables
I. Performing	10,181,253	4,473	10,176,780	6,268,168	1,719	6,266,449
II. Special Mention	311,717	17,496	294,221	294,555	12,739	281,816
III. Sub-standard	-	-	-	-	-	-
IV. Doubtful	26,573	6,225	20,348	51,300	30,724	20,576
V. Loss	9,631	9,631	-	17,613	17,613	-
Total	<u>10,529,174</u>	<u>37,825</u>	<u>10,491,349</u>	<u>6,631,636</u>	<u>62,795</u>	<u>6,568,841</u>

In FY2025, the provision for ECL decreased by 40% to HK\$37.83 million, mainly due to the Group having entered into debt settlement agreements during the year with one customer in the "Doubtful" category and one customer in the "Loss" category. In accordance with the agreements, the corresponding gross Leasing Receivables and provision for these categories were written off during the year, resulting in a decrease in the provision for ECL. The provision for ECL for the "Doubtful" and "Loss" categories decreased by approximately HK\$24.50 million and HK\$7.98 million, respectively. The provision for ECL ratio (calculated by dividing the provision for ECL by the total Leasing Receivables) decreased from 0.95% in FY2024 to 0.36% in FY2025.

The Group does not have material reliance on customers. The net Leasing Receivables' concentration breakdown is summarized below:

	As at 31 December 2025	As at 31 December 2024
Due from the five largest customers	26%	14%
Due from the largest single customer	7%	5%
Due from the largest single customer group*	10%	6%

* Customers are regarded as a "group" if one or more of them are subsidiaries, holding companies or fellow subsidiaries of the other.

As of 31 December 2025, about 99% (31 December 2024: 99%) of the net Leasing Receivables were due from state-owned enterprises, which made regular and timely repayment and the non-performing exposure was comparably low.

(2) Property Development and Investment

Business Segments	2025	2024	Changes
	<i>HK\$'000</i>	<i>HK\$'000</i>	
Segment revenue	137,577	89,570	54%
Property sales	135,787	87,476	55%
Rental income	<u>1,790</u>	<u>2,094</u>	(15%)
Cost of sales	(85,775)	(48,786)	76%
Gross profit	51,802	40,784	27%
Gross profit margin	38%	46%	(8%)
Segment results	<u>40,741</u>	<u>29,279</u>	39%

The Group derived its revenue from this segment by means of property sales and rental income. The property sales were entirely derived from its wholly owned CCT-Champs-Elysees project while the rental income was generated from the leasing of the commercial properties of the CCT-Champs-Elysees project and certain office premises of the Group.

During the year, the property development and investment segment recorded revenue of approximately HK\$137.58 million, representing an increase of about 54% compared to FY2024. This growth was primarily driven by the accelerated delivery progress of the CCT-Champs-Elysees project, which significantly boosted property sales revenue. Property sales revenue for the year amounted to approximately HK\$135.79 million, marking an increase of about 55% over FY2024.

During the year, the delivered floor area increased significantly, while unsold floor area decreased further. As at 31 December 2025, unsold floor area within the property portfolio held for sale comprised approximately 14,308 square meters of residential space (as at 31 December 2024: approximately 37,857 square meters) and approximately 647 square meters of commercial space (as at 31 December 2024: approximately 682 square meters).

As affected by the persistent downturn in China's real estate market, the average selling price per square meter of residential space decreased to approximately RMB 4,735 during the year (FY2024: approximately RMB 4,998). However, the increase in delivery volume offset the impact of the decline in average selling price.

The Group will continue to actively promote the sale of the remaining saleable properties in the CCT-Champs-Elysees project.

Rental income primarily derives from the leasing of commercial properties at the CCT-Champs-Elysees project and certain office properties of the Group. In FY2025, China's property leasing market remained under pressure, presenting challenges for the Group in retaining existing tenants and attracting new ones. Rental income for the year amounted to approximately HK\$1.79 million, representing a decrease of 15% from approximately HK\$2.09 million in FY2024.

Despite significant growth in property sales revenue, the gross profit margin for the property development and investment segment decreased from 46% to 38% during the year, primarily due to the continued downturn in China's real estate market and the resulting decline in the average selling price of residential units.

Benefiting from significant sales growth, the segment results of the property development and investment segment reached approximately HK\$40.74 million, representing an increase of 39% over FY2024.

(3) Marine Recreation Services and Hotel

Business Segments	2025	2024	Changes
	HK\$'000	HK\$'000	
Segment revenue	28,836	32,666	(12%)
Marine recreation services	21,714	26,508	(18%)
Hotel operation and others	7,122	6,158	16%
Cost of sales	(9,889)	(15,876)	(38%)
Gross profit	18,947	16,790	13%
Gross profit margin			
– Marine recreation services	70%	56%	14%
– Hotel operation and others	51%	34%	17%
Segment results	(6,424)	(5,856)	10%

The Group is engaged in marine recreation services and hotel operation in Hainan Province, the PRC, and the business mainly consists of: (i) marine recreation services; and (ii) hotel operation. Revenue for the marine recreation services and hotel segment amounted to approximately HK\$28.84 million, representing a decrease of 12% over FY2024. This decline was primarily attributable to challenges faced by the Company in Hainan's increasingly diversified tourism market, coupled with the phased impact of extreme weather conditions on marine recreation operation.

During the year, the Group continued to enhance operational management standards and service quality, driving an improvement in gross profit margin. However, a slight increase in administrative and selling expenses partially offset the impact of gross profit growth. This segment results recorded a loss of approximately HK\$6.42 million, an increase of 10% compared to the previous year.

B. Other Income and Gains, Net

The Group's total other income and gains, net amounted to approximately HK\$15.85 million, representing a decrease of 27% compared to the previous year. This was primarily attributable to reduced interest income from deposits and other financial assets, as well as from loans granted to related parties.

C. Selling and Administrative Expenses

The Group's selling expenses increased by 151% to HK\$25.97 million, primarily due to the reclassification of departmental expenses directly attributable to the marine recreation services and hotel operations into selling expenses.

The Group's administrative expenses decreased by 2% to HK\$96.02 million, mainly attributable to the exclusion of departmental expenses directly attributable to the marine recreation services and hotel operations from administrative expenses, thereby reducing administrative expenses.

D. Finance Costs

Business Segments	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>	Changes
Total interest expense	162,247	210,113	(23%)
Less:			
Amounts included in the cost of sales	<u>(150,588)</u>	<u>(184,519)</u>	(18%)
	<u>11,659</u>	<u>25,594</u>	(54%)

The total interest expense for FY2025 fell to approximately HK\$162.25 million (FY2024: approximately HK\$210.11 million), marking a year-on-year decrease of 23%. This drop was principally attributed to the lower financing rates, thereby leading to a decrease in interest expenses.

In FY2025, the total interest expense primarily consisted of interest on bank borrowings of approximately HK\$88.67 million (FY2024: approximately HK\$131.19 million), interest on ABS of approximately HK\$44.29 million (FY2024: approximately HK\$70.15 million), and interest on loans from related parties of approximately HK\$11.75 million (FY2024: approximately HK\$8.50 million). After deducting the finance costs of approximately HK\$150.59 million (FY2024: approximately HK\$184.52 million) included in the cost of sales, the net finance costs during the year were approximately HK\$11.66 million (FY2024: approximately HK\$25.59 million), representing a year-on-year decrease of 54%. Out of the total interest expense, the interest expenses for bank loans in Hong Kong amounted to approximately HK\$5.85 million (FY2024: approximately HK\$21.54 million), which was mainly attributable to the decline in interest rates in Hong Kong and the decrease of bank loan balances.

III. OUTLOOK

Looking ahead to 2026, China's economic structure will continue to march toward "optimization," development momentum will continue to go toward "innovation," and the overall development trajectory will continue to maintain "positivity". New quality productive forces will develop steadily, with consumption and investment, technology and industry, as well as urban-rural and regional development all unleashing tremendous growth potential. The financial leasing industry possesses the unique advantage of "capital financing + asset financing," with its role in serving the real economy, supporting industrial transformation and development, and cultivating new-quality productive forces becoming increasingly prominent. Simultaneously, as industry regulation continues to tighten, the sector as a whole will focus more intensely on risk management and specialized development. During the 15th Five-Year Plan period, driven by the nation's accelerated cultivation of new-quality productive forces, industrial transformation and upgrading, and the transition to green development models, key sectors such as advanced manufacturing, new infrastructure, green and low-carbon initiatives, and the digital economy will enter a critical strategic opportunity phase. These areas boast broad development prospects and ample growth potential, providing sustained business opportunities for the financial leasing industry. They also create favorable development conditions for leasing enterprises possessing industrial resource advantages and specialized capabilities.

The Group will continue to focus on financial leasing as its core business. Leveraging its role as a state-owned capital operation company, the Group will concentrate on serving key sectors of state-owned enterprises, central state-owned enterprises, and the real economy. It will continuously enhance its specialized operational capabilities and risk management standards, seize business opportunities arising from industrial upgrades, and drive the high-quality development of its operations.

Regarding leasing operations, firstly, the Group will continue to adhere to a prudent, risk-first investment strategy, continuously optimizing its full-process risk management system covering pre-lease, during-lease, and post-lease phases. While ensuring asset security, we will enhance operational efficiency to achieve steady business performance. Secondly, in business expansion, the Group will closely align with national strategic priorities, focusing on core sectors such as major energy, major transportation, new equipment, and new infrastructure. Assets will be scientifically allocated based on industry development and actual demand to enhance asset quality and operational performance. Thirdly, in capital management, the Group will continue to expand diversified financing channels, deepen cooperation with major financial institutions, leverage issuance windows for bonds and asset securitization programs, further optimize financing structures, and effectively reduce funding costs to provide robust support for steady business growth. Simultaneously, the Group will accelerate digital transformation, drive information system upgrades and enhance data application capabilities. We will strengthen technological empowerment for business expansion, customer management, and risk monitoring, continuously elevating the level of informatization and refined management.

Regarding property development and investment operations, the Group will continue to advance sales and inventory clearance for existing projects, accelerate capital recovery, enhance asset turnover efficiency, and optimize resource allocation in a timely manner to support the sustained development of its core leasing business.

Regarding marine recreation services and hotel operations, the Group will continue to optimize the operational management of existing businesses, enrich its product portfolio, expand diversified business models, and further enhance operational efficiency.

As the sole overseas listed platform under CCHG, the controlling shareholder, the Group will further leverage its role as a capital operation platform both domestically and internationally. It will promote the deep integration of industry and finance, continuously enhance its capacity to serve the real economy and create value, and deliver long-term stable returns to shareholders. The Board of Directors is highly confident in the Group's future development.

IV. ASSET STRUCTURE, LIQUIDITY AND FINANCIAL RESOURCES

The total assets and liabilities of the Group as at 31 December 2025 were detailed as follows:

	As at 31 December 2025 HK\$'000	As at 31 December 2024 HK\$'000	Changes
Non-current assets	4,783,073	3,861,767	24%
Current assets	<u>7,602,398</u>	<u>4,515,607</u>	68%
Total assets	<u>12,385,471</u>	<u>8,377,374</u>	48%
Current liabilities	(4,649,903)	(3,515,666)	32%
Non-current liabilities	<u>(4,789,471)</u>	<u>(2,092,198)</u>	129%
Total liabilities	<u>(9,439,374)</u>	<u>(5,607,864)</u>	68%
Total net assets	<u><u>2,946,097</u></u>	<u><u>2,769,510</u></u>	6%

The Group's total net assets increased by 6% from 31 December 2024 to approximately HK\$2,946.10 million which was mainly due to the impact of RMB appreciation against HKD.

As the leasing operation of the Group recorded rapid growth during the year, there was a notable growth in the total assets and liabilities of the Group. Specifically, as at 31 December 2025, the Group's total assets stood at approximately HK\$12,385.47 million, representing a significant increase of 48% from the end of the previous year. Current assets constituted 61% of the total assets, while Leasing Receivables remained the largest component of the assets, constituting 85% of the total assets.

Meanwhile, as at 31 December 2025, the Group's total liabilities amounted to approximately HK\$9,439.37 million, representing an increase of 68% from the end of the previous year. The increase in total liabilities resulted from a rise in total borrowings to support the expansion of leasing operations. Among the total liabilities, the ratios of the current and non-current portion were 49% and 51% respectively.

As at 31 December 2025, the current ratio (calculated as total current assets divided by total current liabilities) was 1.63 times (as at 31 December 2024: 1.28 times), indicating the Group had sufficient liquidity and healthy solvency position. In addition, the Group had ample standby credit facilities in place as at 31 December 2025 to enhance the capital liquidity when needed.

As at 31 December 2025, the Group had cash and deposits (including pledged bank deposits, and bank balances and cash) of approximately HK\$1,057.04 million (as at 31 December 2024: approximately HK\$1,033.80 million), which accounted for 9% of the total assets. The majority of the Group's cash and deposits were denominated in RMB, while the rest were denominated in HKD and United States dollars ("USD").

As at 31 December 2025, the bank borrowings of the Group increased by 102% from the previous year and amounted to approximately HK\$5,243.98 million (as at 31 December 2024: approximately HK\$2,593.11 million). All of the Group's bank borrowings were denominated in RMB with repayment due dates ranging from 2026 to 2030. The effective annual interest rates of the bank borrowings in FY2025 ranged from approximately 2.80% to 4.81%.

As at 31 December 2025, the total outstanding balance of the ABS was approximately HK\$2,326.45 million (as at 31 December 2024: approximately HK\$2,136.28 million). Please refer to note 14 to the consolidated financial statements in this announcement for more details.

V. FINANCIAL LEVERAGE RATIOS

	2025	2024
	<i>Times</i>	<i>Times</i>
Total debts/Total equity	3.07	1.77
Total debts/Total assets	0.73	0.59
Total debts/EBITDA	43	23
Interest coverage	10	4

As the Group's leasing business has grown, the financial structure of the Group has undergone changes.

As at 31 December 2025, the debt-to-equity ratio (as calculated by dividing total interest bearing loans by total equity) and debt-to-asset ratio were 3.07 times and 0.73 times respectively. Due to the increase in the Group's profit before tax for the year and the decrease in finance costs, the interest coverage ratio (as calculated by dividing consolidated profit before tax and finance costs by finance costs) increased significantly to 10 times, suggesting that the Group maintained sufficient funds to meet its interest payment obligation. The change in the above set of ratios showed that the Group's financial position was enhanced and reflected its ability to manage debt levels.

VI. SIGNIFICANT INVESTMENTS

As at 31 December 2025, the Group had no significant investment exceeding 5% of the total asset value of the Group.

Looking forward, the Group is committed to the development of leasing business and will be prudent to invest in other financial assets to maximize shareholders' value.

VII. RISK MANAGEMENT POLICIES

The Group has implemented rigorous risk management policies to monitor Leasing Receivables at every stage of the business cycle, in order to ensure that the Group has robust and prudent standards for credit risk taking, management and monitoring for all Leasing Receivables which involves the following key steps:

Review and Approval of Leasing Arrangements

The respective business departments of Chengtong Financial Leasing conducts thorough due diligence on potential lessees, scrutinizing their backgrounds, business profiles, financial standings, credit ratings, compliance records, and loan repayment histories. Additionally, they assess the intended use of the principal amount by the proposed lessee. Simultaneously, the legal department verifies the titles of the proposed leased assets to ensure their tradability and the proposed lessee's clear ownership rights over them.

Following these assessments, the review and appraisal department of Chengtong Financial Leasing further evaluates each transaction, focusing on risk assessment. Factors such as the proposed lessee's funding sources for repayment, profitability, equity position, and cash flow status are considered. Moreover, the valuation of the proposed leased assets in secondary markets, as well as the proposed lessee's business outlook and prevailing market conditions, are scrutinised before submission for management's approval.

Monitoring and Risk Management

The risk management department of Chengtong Financial Leasing conducts sampling inspections of the leasing arrangements at timely intervals to evaluate the effectiveness of the Group's internal control measures and assess the progress of these transactions. In terms of credit risk assessment for various leasing arrangements, the review department conducts continuous evaluations of credit risk control measures, enhances scrutiny of the financial conditions of the customers, focusing on various critical areas such as asset quality, debt structure, debt repayment capabilities, and financial ratios to ensure a comprehensive assessment of potential risks.

VIII. TREASURY POLICIES

The business activities and operations of the Group were mainly carried out in the Chinese Mainland and Hong Kong, involving transactions denominated in RMB, HKD and USD, which exposed the Group to foreign currency risks. Moreover, as at 31 December 2025, the Group had borrowings denominated in RMB, which bore interest on fixed interest rates and/or floating interest rates, thereby exposed the Group to interest rate risks.

(a) Foreign Currency Risks

During FY2025, the Group's businesses were principally conducted in RMB, while most of the Group's assets and liabilities were denominated in HKD and RMB. Any fluctuation in the exchange rate of HKD against RMB may have an impact on the Group's results. As at 31 December 2025, the net assets of the Group's business in the PRC were approximately RMB3,118.87 million and were converted into HKD at the exchange rate applicable as at the end of the reporting period. As RMB appreciated against HKD during FY2025, the Group's foreign exchange reserve increased by approximately HK\$127.52 million as at 31 December 2025.

(b) Interest Rate Risks

As at 31 December 2025, the Group had RMB-denominated bank borrowings of approximately HK\$5,243.98 million. Among the bank borrowings, approximately HK\$785.97 million were based on floating interest rates and approximately HK\$4,458.01 million were based on fixed interest rates. The floating borrowing rates of the RMB-denominated bank loans in the PRC and Hong Kong varied according to the change in LPRs and the Hong Kong Interbank Offered Rate for RMB ("CNH HIBOR") in Hong Kong respectively.

The Group's ABS have different fixed coupon rates for different classes in the priority tranche. Corporate bonds on fixed coupon rates amounted to HK\$1,124 million (depends on the coupon rate adjustment and the option exercisable by the Group). In addition, as at 31 December 2025, the Group had borrowings from related parties denominated in RMB of HK\$359.83 million which bore interest at fixed interest rates.

Most of the Group's Leasing Receivables were accounted for using floating interest rates which were benchmarked to the prevailing LPR and effectively hedged against the interest rate risks arising from the Group's bank borrowings in the PRC.

Currently, the Group does not take any hedging measures against the aforementioned risks but will closely monitor the movements of interest rates and foreign currency exchange rate, and will use interest rate and foreign currency swaps and forward foreign exchange contracts for risk management and hedging purposes, where appropriate, with a view to managing the Group's exposure to those risks. The Group has adopted a conservative treasury policy and will not enter any derivative financing transactions for speculative purposes. It is also the Group's policy not to invest in financial products with significant underlying leverage or derivative exposure, including hedge funds or similar instruments.

IX. PLEDGE OF ASSETS

As at 31 December 2025, the Group's pledged bank deposits amounted to approximately HK\$2.76 million, while it amounted to approximately HK\$2.63 million as at 31 December 2024. As at 31 December 2025, the pledged bank deposits mainly included approximately HK\$2.58 million (as at 31 December 2024: approximately HK\$2.47 million) pledged as security for banking facilities granted to mortgagors of the CCT-Champs-Elysees project. As at 31 December 2025, no bank deposit was pledged as security for bills payables for leasing business (as at 31 December 2024: nil).

As at 31 December 2025, Leasing Receivables with an aggregate carrying value of approximately HK\$5,671 million (as at 31 December 2024: approximately HK\$2,636.19 million) and trade receivables under operating lease business with carrying amount of approximately HK\$315,713 (as at 31 December 2024: HK\$123,000) were charged as security for the Group's bank borrowings with carrying amount of approximately HK\$5,081.79 million (as at 31 December 2024: approximately HK\$2,286.12 million). Leasing Receivables with an aggregate carrying value of approximately HK\$2,902.47 million (as at 31 December 2024: approximately HK\$2,074.85 million) and trade receivables under operating lease business with carrying amount of approximately HK\$1.71 million (as at 31 December 2024: approximately HK\$1.19 million) were charged as security for the Group's ABS with carrying amount of approximately HK\$2,322.10 million (as at 31 December 2024: approximately HK\$2,136.28 million).

X. CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

As at 31 December 2025, the Group did not have any capital commitment. Please refer to notes 16 and 17 to the consolidated financial statements in this announcement for details of the Group's contingent liabilities and capital commitments, respectively.

XI. FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as disclosed in this announcement, the Group does not have any future plans for other material investments or capital assets in the coming year.

XII. EVENT AFTER REPORTING PERIOD

No significant event has occurred after the end of the year under review.

HUMAN RESOURCES AND EMOLUMENT POLICY

As at 31 December 2025, the Group employed a total of 209 full-time and part-time employees (as at 31 December 2024: 230), of which 7 (as at 31 December 2024: 8) were based in Hong Kong and 202 (as at 31 December 2024: 222) were based in the PRC. During the year, the total staff costs of the Group (including directors' emoluments and provident funds) were approximately HK\$70.65 million. Employees' remunerations are determined in accordance with their experiences, competence, qualifications, nature of duties, and current market trend. Apart from basic salary, discretionary bonus and other incentives may be offered to employees of the Group to reward their performance and contributions. The emoluments of the Directors are determined having regard to the Company's corporate goals, the roles and duties of the Directors in the Group as well as in the group members of the Company's ultimate holding company.

In addition, the Group provides or subsidises various training programmes and courses to its employees according to business needs, to ensure that its employees are kept abreast of the updates in the relevant laws, regulations and guidelines, such as the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("**Listing Rules**"), accounting standards, risk management knowledge, labour regulations and employees' code of conduct.

PURCHASE, SALE AND REDEMPTION OF LISTED SECURITIES

During FY2025, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted its own code of conduct (“**Code of Conduct**”) regarding Directors’ securities transactions on terms no less exacting than the required standards set out in the Model Code for Securities Transactions by Directors of Listed Issuers (“**Model Code**”) as set out in Appendix C3 to the Listing Rules. Having made specific enquiry to each of the Directors, the Company has received confirmations from all Directors that they have complied with the required standards as set out in the Code of Conduct and the Model Code during FY2025.

CORPORATE GOVERNANCE

The Board considers that good corporate governance is vital to the healthy and sustainable development of the Group. In the opinion of the Directors, the Company has complied with all the code provisions of the Corporate Governance Code (“**CG Code**”) set out in Appendix C1 to the Listing Rules throughout FY2025, save for the deviation from Code Provision C.2.1 of the CG Code during the period from 1 January 2025 to 7 November 2025 as disclosed below:

The Company has no individual holding the title of chief executive officer or managing director since 25 December 2024 as the Company has not identified a suitable candidate to take up the role. From 1 January 2025 to 7 November 2025, Mr. Li Qian, the Chairman of the Board, has also been overseeing the day-to-day management of the Group’s business with the support of the management staff. This constituted a deviation from Code Provision C.2.1 of the CG Code which provides that the roles of chairman and chief executive should be separate and should not be performed by the same individual.

Following the resignation of Mr. Li Qian, with effect from 7 November 2025, Ms. Sun Jie was re-designated as a non-executive Director and Chairlady of the Board to lead the Board and to ensure that the Directors receive timely and sufficient information for Board meetings. Thereafter, the functions of chief executive officer or managing director have been carried out by the executive committee, which comprises three executive Directors and serves as a standing body responsible for implementing the Board’s operational and management decisions in accordance with the Company’s internal rules and procedures. The Board believes this arrangement ensures an appropriate balance of power and authority.

REVIEW OF FINANCIAL STATEMENTS

As at 31 December 2025, the audit committee of the Company (“**Audit Committee**”) which comprises three independent non-executive Directors, namely Mr. Lee Man Chun, Tony (chairman of the Audit Committee), Professor He Jia and Mr. Liu Lei, has reviewed the audited consolidated financial statements of the Company for FY2025.

CLOSURE OF REGISTER OF MEMBERS

In order to determine the entitlement to the final dividend for FY2025, the register of members of the Company will be closed on 13 July, 2026 on which day no transfer of shares of the Company will be registered. In order to qualify for the final dividend, all completed share transfer documents, accompanied by the relevant share certificates, must be lodged with the Company's share registrar and transfer office, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on 10 July, 2026.

PUBLICATION OF FINAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This announcement is published on the website of The Stock Exchange of Hong Kong Limited at www.hkexnews.hk and the Company's website at www.hk217.com. The annual report of the Company for FY2025 will be available on both websites in due course.

By order of the Board
China Chengtong Development Group Limited
Chen Jianying
Executive Director

Hong Kong, 13 March 2026

As at the date of this announcement, the non-executive Director is Ms. Sun Jie (Chairlady); the executive Directors are Mr. Chen Jianying, Mr. Zhang Chuanyi and Ms. Bai Chunrui; and the independent non-executive Directors are Mr. Lee Man Chun, Tony, Professor He Jia and Mr. Liu Lei.