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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Shandong International Trust Co., Ltd., you should at once hand this circular and the accompanying proxy form to the purchaser or transferee or to the bank or licensed securities dealer or other agent through whom the sale was effected for transmission to the purchaser or transferee.

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LUCION

Shandong International Trust Co., Ltd.

山東省國際信託股份有限公司

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

(Stock Code: 1697)

**WORK REPORT OF THE BOARD FOR THE YEAR 2025
WORK REPORT OF INDEPENDENT DIRECTORS FOR THE YEAR 2025
FINANCIAL REPORT FOR THE YEAR 2025
PROFIT DISTRIBUTION PLAN FOR THE YEAR 2025
PROPOSED APPOINTMENT OF DOMESTIC AUDITOR AND OVERSEAS
AUDITOR
PROPOSED AMENDMENTS TO THE RECOVERY PLAN AND THE
RECOMMENDATIONS ON DISPOSAL PLAN
PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION
PROPOSED AMENDMENTS TO THE PROCEDURAL RULES
FOR THE BOARD
CONTINUING CONNECTED TRANSACTION
PROPOSED ANNUAL CAPS FOR THE LUCION GROUP TRUST FRAMEWORK
AGREEMENT
AND
NOTICE OF 2025 ANNUAL GENERAL MEETING**

**Independent Financial Adviser to the
Independent Board Committee and Independent Shareholders**



A notice convening the AGM to be held at Tower A, No. 2788 Aoti West Road, Lixia District, Jinan, Shandong Province, the PRC on Tuesday, 30 June 2026 at 3:00 p.m. is set out on pages 134 to 136 of this circular, and the proxy form for use at the AGM is enclosed herewith and also published on both the websites of the Hong Kong Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.sitic.com.cn>). If you intend to appoint a proxy to attend the AGM, you are requested to complete, sign and return the enclosed proxy form in accordance with the instructions printed thereon no less than 24 hours before the time appointed for holding the AGM or any adjournment thereof (i.e. by 3:00 p.m. on Monday, 29 June 2026). Completion, signing and return of the proxy form will not preclude you from attending and voting in person at the AGM.

10 June 2026

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DEFINITIONS

Unless the context otherwise requires, the following expressions in this circular shall have the following meanings:

“AGM”	the annual general meeting for the year 2025 of the Company to be held at Tower A, No. 2788 Aoti West Road, Lixia District, Jinan, Shandong Province, the PRC on Tuesday, 30 June 2026 at 3:00 p.m. and any adjournment thereof (as the case may be)
“Articles of Association”	the articles of association of the Company, as amended, modified or otherwise supplemented from time to time
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“AUM”	asset under management, which refers to the amount of the entrusted assets of the Company’s trust schemes
“Board”	the board of Directors of the Company
“CCT Announcement”	the announcement of the Company dated 29 December 2025 in relation to the continuing connected transactions
“Company” or “SITC”	Shandong International Trust Co., Ltd. (山東省國際信託股份有限公司), a joint stock company established in the PRC with limited liability, whose H Shares are listed on the Hong Kong Stock Exchange (Stock Code: 1697)
“Company Law”	the Company Law of the People’s Republic of China (《中華人民共和國公司法》), as amended, supplemented or otherwise modified from time to time
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“Domestic Share(s)”	ordinary share(s) of the Company with a nominal value of RMB1.00 each, which is/are subscribed for or credited as paid up in Renminbi

DEFINITIONS

“Existing Lucion Group Trust Framework Agreement”	the trust framework agreement dated 30 November 2022 entered into by the Company and Lucion Group, pursuant to which the Company provided trust services to Lucion Group and/or its associates
“Group”	the Company and the trust schemes over which it has control
“H Share(s)”	ordinary share(s) of the Company with a nominal value of RMB1.00 each, traded in Hong Kong dollars and listed on the Hong Kong Stock Exchange
“Hengfeng Bank”	Hengfeng Bank Co., Limited (恆豐銀行股份有限公司), a joint stock company with limited liability established in the PRC, which is indirectly held as to 46.61% by Lucion Group, and therefore an associate of Lucion Group and a connected person of the Company
“HF Wealth”	HF Wealth Management Co., Ltd. (恆豐理財有限責任公司), a limited liability company established in the PRC, a wholly-owned subsidiary of Hengfeng Bank and a connected person of the Company
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Independent Board Committee”	the independent board committee of the Company (comprising all independent non-executive Directors) established to advise the Independent Shareholders in respect of the proposed annual caps for the Lucion Group Trust Framework Agreement
“Independent Financial Adviser” or “Octal Capital”	Octal Capital Limited, a licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance, being the independent financial adviser appointed to provide advice on the proposed annual caps for the Lucion Group Trust Framework Agreement to the Independent Board Committee and the Independent Shareholders

DEFINITIONS

“Independent Shareholder(s)”	Shareholders that are not required to abstain from voting at the AGM to consider and approve the proposed annual caps for the Lucion Group Trust Framework Agreement
“Latest Practicable Date”	5 June 2026, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Lucion Group”	Shandong Lucion Investment Holdings Group Co., Ltd. (山東省魯信投資控股集團有限公司), a limited liability company established in the PRC, the controlling shareholder of the Company
“Lucion Group Trust Framework Agreement”	the trust framework agreement dated 29 December 2025 entered into by the Company and Lucion Group, pursuant to which the Company will provide trust services to Lucion Group and/or its associates
“Lucion Venture Capital”	Lucion Venture Capital Group Co., Ltd. (魯信創業投資集團股份有限公司), a joint stock company established in the PRC with limited liability, a subsidiary of Lucion Group, and the shares of which are listed on the Shanghai Stock Exchange (stock code: 600783)
“NFRA”	the National Financial Regulatory Administration (國家金融監督管理總局)
“PRC” or “China”	the People’s Republic of China but excluding, for the purposes of this circular only, Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Procedural Rules for the Board”	the Procedural Rules for the Board adopted by the Company, as amended from time to time
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“Securities and Futures Ordinance”	Securities and Futures Ordinance (Cap 571 of the Laws of Hong Kong)

DEFINITIONS

“Shandong Credit Enhancement”	Shandong Credit Enhancement Investment Company Limited (山東省信用增進投資股份有限公司), a joint stock company with limited liability established on 30 December 2021 in the PRC, an associate of Lucion Group and therefore a connected person of the Company
“Shandong High-Tech”	Shandong High-Tech Venture Capital Co., Ltd. (山東省高新技術創業投資有限公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of Lucion Venture Capital
“Share(s)”	the share(s) in the share capital of the Company with a nominal value of RMB1.00 each
“Shareholders”	registered holders of the Share(s)
“Supervisor(s)”	the supervisor(s) of the Company
“%”	per cent

The English names of the PRC entities included in this circular are unofficial translations of their Chinese names and are included for identification purposes only. The Articles of Association, the Procedural Rules for the Board, the Recovery Plan and the Recommendations on Disposal Plan are written in Chinese and there is no official English translation. The English translation is for reference only. In case of any discrepancy between the Chinese and English versions, the Chinese version shall prevail.

Unless otherwise specified, the amounts in this circular are expressed in RMB.

LETTER FROM THE BOARD

LUCION

Shandong International Trust Co., Ltd.

山東省國際信託股份有限公司

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

(Stock Code: 1697)

Executive Director:

Mr. Yue Zengguang (*Chairperson*)

Non-executive Directors:

Mr. Chen Liuyi (*Vice-chairperson*)

Mr. Chen Xuebin

Independent Non-executive Directors:

Mr. Zheng Wei

Ms. Zhang Haiyan

Ms. Liu Wanwen

Registered office:

Partial area of 1/F, 2/F and 13/F and
32-35/F, Tower A

No. 2788 Aoti West Road

Lixia District

Jinan, Shandong Province

PRC

Principal place of business in Hong Kong:

31/F, Tower Two, Times Square

1 Matheson Street

Causeway Bay

Hong Kong

10 June 2026

To the Shareholders

Dear Sir or Madam,

WORK REPORT OF THE BOARD FOR THE YEAR 2025
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AND
NOTICE OF 2025 ANNUAL GENERAL MEETING

I. INTRODUCTION

The purpose of this circular is to give you a notice of the AGM, which is set out on pages 134 to 136 of this circular, and to provide you with, among other things, information in respect of the resolutions to be proposed at the AGM to enable you to make informed decisions on voting on the resolutions as described below.

LETTER FROM THE BOARD

At the AGM, ordinary resolutions will be proposed to consider and approve (i) work report of the Board for the year 2025; (ii) work report of independent Directors for the year 2025; (iii) financial report for the year 2025; (iv) profit distribution plan for the year 2025; (v) proposed appointment of domestic auditor and overseas auditor; (vi) the proposed amendments to the Recovery Plan and the Recommendations on Disposal Plan; and (vii) the proposed annual caps for the Lucion Group Trust Framework Agreement; and special resolutions to consider and approve (viii) the proposed amendments to the Articles of Association; and (ix) the proposed amendments to the Procedural Rules for the Board.

II. MATTERS TO BE RESOLVED AT THE AGM

(i) Work Report of the Board for the Year 2025

An ordinary resolution will be proposed at the AGM to approve the work report of the Board for the year 2025. The full text of the work report of the Board for the year 2025 is set out in Appendix I to this circular.

(ii) Work Report of Independent Directors for the Year 2025

An ordinary resolution will be proposed at the AGM to approve the work report of independent Directors for the year 2025. The full text of the work report of independent Directors for the year 2025 is set out in Appendix II to this circular.

(iii) Financial Report for the Year 2025

An ordinary resolution will be proposed at the AGM to approve the financial report for the year 2025. The audited financial statements which were prepared in compliance with China Accounting Standards for Business Enterprises and the full text of the independent auditors' report for the year 2025 are set out in the 2025 annual report of the Company.

(iv) Profit Distribution Plan for the Year 2025

An ordinary resolution will be proposed at the AGM in accordance with the Articles of Association to approve the profit distribution plan of the Company.

In order to enhance the Company's risk resistance capability, support and accelerate its transformation, innovation and development, achieve sustainable, stable and healthy development of the Company and better safeguard the long-term interests of all Shareholders, after taking into account the actual business operations of the Company, it is proposed that no profit distribution will be made for the year 2025.

LETTER FROM THE BOARD

(v) Proposed appointment of Domestic Auditor and Overseas Auditor

An ordinary resolution will be proposed at the AGM to consider and approve to continue to engage ShineWing Certified Public Accountants (Special General Partnership) as the domestic auditor and overseas auditor of the Company to be responsible for the audit of the annual financial statements for the year ending 31 December 2026 and the review of the interim financial statements for the six months ending 30 June 2026. The audit service fees of ShineWing Certified Public Accountants (Special General Partnership) were determined based on such factors as the level of responsibility, level of complexity, work requirements, and working conditions and hours required, as well as expertise and work experience devoted by the personnel at all levels involved in the engagement. Assuming that there is no material change in the scope of the audit and review work for the year 2026, the fees for the audit and review of the financial statements for the year 2026 will be RMB1.47 million (tax inclusive) (of which, the audit fees for the financial report are RMB1.00 million (tax inclusive) and the review fees are RMB0.47 million (tax inclusive)). Unless there is a material change to the above basis or assumptions, the final service fees should not deviate materially from the preliminary estimated auditor's fees for the year 2026.

(vi) Proposed Amendments to the Recovery Plan and the Recommendations on Disposal Plan

The Company formulated the Recovery Plan of Shandong International Trust Co., Ltd. (the “**Recovery Plan**”) and the Recommendations on Disposal Plan of Shandong International Trust Co., Ltd. (the “**Recommendations on Disposal Plan**”) in accordance with regulatory requirements in 2022, which were submitted to the general meeting for consideration and approval.

The Company now proposes to regularly amend the Recovery Plan and the Recommendations on Disposal Plan according to the Interim Measures for the Implementation of the Recovery and Disposal Plan of Banking and Insurance Institutions (《銀行保險機構恢復和處置計劃實施暫行辦法》) (Yin Bao Jian Fa [2021] No. 16) and the new version of the Measures for the Administration of Trust Companies and in consideration of the actual circumstances of the business operations of the Company. The full text of the amended Recovery Plan and the Recommendations on Disposal Plan are set out in Appendix III and Appendix IV to this circular, respectively.

(vii) Proposed Amendments to the Articles of Association

Reference is made to the announcement of the Company dated 22 May 2026, in relation to, among other things, the proposed amendments to the Articles of Association. In order to further regulate corporate governance and implement regulatory requirements, the Board proposed to make amendments to the Articles of Association (the “**Proposed Amendments to the Articles of Association**”) in accordance with the laws, regulations and relevant regulatory provisions such as the Measures for the Administration of Trust Companies and the Model Articles of Association for Shandong Provincial State-owned Enterprises, and after taking into

LETTER FROM THE BOARD

consideration the Company's actual circumstances. The Proposed Amendments to the Articles of Association are set out in Appendix V to this circular. The Proposed Amendments to the Articles of Association are subject to the approval by the Shareholders at the AGM by way of special resolution and the approval by the Shandong Office of the National Financial Regulatory Administration.

At the same time, the Board requests the general meeting to authorise the Board, and authorise the Board to further delegate such authority to the senior management of the Company, to make corresponding amendments to the plan for the amendments to the Articles of Association in accordance with the advice or requirements of regulatory authorities and relevant departments, and to handle relevant matters such as regulatory approvals and filing with the market supervision and administration department with respect to the amendments to the Articles of Association.

(viii) Proposed Amendments to the Procedural Rules for the Board

Reference is made to the announcement of the Company dated 22 May 2026, in relation to, among other things, the proposed amendments to the Procedural Rules for the Board (the "**Proposed Amendments to the Procedural Rules for the Board**"). Details of the Proposed Amendments to the Procedural Rules for the Board are set out in Appendix VI to this circular. The Proposed Amendments to the Procedural Rules for the Board are subject to the approval by the Shareholders at the AGM by way of special resolution, and the approval of proposed amendments to the Articles of Association by the Shareholders at the AGM and by the Shandong Office of the National Financial Regulatory Administration.

At the same time, the Board requests the general meeting to authorise the Board, and authorise the Board to further delegate such authority to the senior management of the Company, to make corresponding amendments to the plan for the amendments to the Procedural Rules for the Board in accordance with the advice or requirements of regulatory authorities and relevant departments.

LETTER FROM THE BOARD

(ix) Continuing Connected Transaction – Proposed Annual Caps for the Lucion Group Trust Framework Agreement

1. Lucion Group Trust Framework Agreement

Reference is made to the CCT Announcement in relation to, among other things, the Lucion Group Trust Framework Agreement entered into between the Company and Lucion Group for a term of three years commencing from 1 January 2026 and ending on 31 December 2028, pursuant to which the Company accepts entrustment of funds and assets from Lucion Group and/or its associates, manages the entrusted funds and assets for Lucion Group and/or its associates during the terms of the trusts, and receives trustee remuneration from such trusts that the Company established for Lucion Group and/or its associates in return.

An ordinary resolution will be proposed at the AGM to consider and approve the proposed annual caps for the Lucion Group Trust Framework Agreement.

The Company entered into the Existing Lucion Group Trust Framework Agreement with Lucion Group on 30 November 2022 for a term of three years commencing on 1 January 2023, which expired on 31 December 2025. The parties entered into the Lucion Group Trust Framework Agreement on 29 December 2025 for a term of three years commencing from 1 January 2026 and ending on 31 December 2028. The summary of the principal terms of the Lucion Group Trust Framework Agreement is set forth below:

Date:	29 December 2025
Parties:	(i) the Company (as the trustee); and (ii) Lucion Group (for itself and on behalf of its associates) (as the trustor client(s)).
Description of the transactions:	In the ordinary course of business, the Company accepts entrustment of funds and property from Lucion Group and its associates. Through establishment of different trusts, the Company manages the entrusted funds and assets for Lucion Group and its associates during the terms of the trusts. In return, the Company receives trustee remuneration from various trusts that the Company established for Lucion Group and its associates. Subject to the terms and conditions of the Lucion Group Trust Framework Agreement, the Company will enter into specific trust contracts separately with relevant trustor clients to set out the specific terms and conditions in respect of trust transactions.

LETTER FROM THE BOARD

Pricing policy:

- the trustee remuneration shall be determined with reference to the AUM and investment return on the trust assets (the trustee remuneration rate (annualised) of the existing trusts managed by the Company ranges from approximately 0.01%-1.5%);
- the level of the trustee remuneration may vary depending on the actual scope of services the Company will provide under the relevant trust as well as the expected return to beneficiaries of the trusts, but in any event shall be in line with market price for similar products;
- in respect of the individual trusts which are based on one-on-one engagement and involve only Lucion Group or any of its associates as the only trustor, the Company shall take into consideration the terms of at least two other individual trusts of similar purpose with similar kind of entrusted assets involving independent third parties as trustor clients before it approves the establishment of the trust for Lucion Group or any of its associates. The terms of any trusts established for Lucion Group or any of its associates, in particular the trustee remuneration rate, shall be comparable to those trusts of which independent third parties are trustors; and
- in respect of the collective trusts which the Company manages and disposes of the assets entrusted by all trustors as a whole irrespective of the identities of the trustors, the Company shall ensure that no preferential treatment will be provided to Lucion Group and its associates in terms of the verification and selection process of the potential trustors for the investment in the collective trusts. The trust contracts to be entered into by Lucion Group and its associates shall be on the terms same as those of trustors who are independent third parties investing in the same collective trusts.

LETTER FROM THE BOARD

2. Historical figures, existing annual caps and proposed annual caps

The following table sets out the historical figures and the existing annual caps for the Existing Lucion Group Trust Framework Agreement and the proposed annual caps for the Lucion Group Trust Framework Agreement (the “**Proposed Annual Caps**”):

	For the year ended/as at 31 December				For the year ending/ as at 31 December				
	2023 Historical amount (RMB'000)	2023 Existing annual cap (RMB'000)	2024 Historical amount (RMB'000)	2024 Existing annual cap (RMB'000)	Historical amount for the 11 months ended/as at 30 November 2025 (RMB'000) <i>(unaudited)</i>	Existing annual cap for the year ending 31 December 2025 (RMB'000)	2026 Proposed annual cap (RMB'000)	2027 Proposed annual cap (RMB'000)	2028 Proposed annual cap (RMB'000)
Trustee remuneration received/to be received from the trusts of which Lucion Group and/or its associates are trustors	4,680	120,000	8,067	120,000	5,654	120,000	49,000	49,000	49,000
Maximum outstanding balance of the assets and funds entrusted/to be entrusted by Lucion Group and/or its associates	7,921,975	12,000,000	7,538,606	12,000,000	8,107,812	12,000,000	49,000,000	49,000,000	49,000,000

As disclosed in the Company’s circular dated 11 October 2023 in relation to (among other things) the revision of the annual caps for the Existing Lucion Group Trust Framework Agreement, it was anticipated at that time that the Company would receive additional funds to be entrusted by Shandong Credit Enhancement, which is an associate of Lucion Group and therefore a connected person of the Company. The total scale of entrusted funds was expected to increase to approximately RMB7.0 billion. During the years 2023 to 2025, the trust contracts under the Existing Lucion Group Trust Framework Agreement primarily involved capital market trusts. Similar to other trustor clients, Lucion Group and/or its associates may from time to time adjust their asset allocation plans based on their financial conditions, liquidity management needs and risk profiles. This could lead to fluctuations in the balance of funds entrusted to the Company for management. As a result, the funds entrusted by Lucion Group and/or its associates during 2023 and 2024 and the 11 months ended 30 November 2025 represented only approximately 60% to 70% of the proposed annual caps for those years. Additionally, due to the nature of the business and fierce market competition, the trustee remuneration rate for capital market trusts was relatively low. When combined with the entrusted fund scale falling below the proposed annual caps, this has resulted in the trustee remuneration received by the Company being lower than those caps.

LETTER FROM THE BOARD

The proposed annual caps under the Lucion Group Trust Framework Agreement have been determined after taking into consideration of the following factors, among other things:

- (i) the current anticipation that the maximum outstanding balance of the funds/assets to be entrusted by Lucion Group and/or its associates may reach approximately RMB45.0 billion, taking into account:
 - (a) the existing outstanding balance of RMB7.1 billion of the trust assets entrusted by Lucion Group and/or its associates which was rolled over from 2025 and the upcoming outstanding balance which will roll over in the next year in accordance with the standard terms of the trust contracts;
 - (b) the expected increase in the scale of funds to be entrusted by Hengfeng Bank. The Company accepts the entrustment of funds from Lucion Group and/or its associates (including Hengfeng Bank, which is indirectly held as to 46.61% by Lucion Group) and provides them with trust services. The Company is currently conducting business cooperation in asset management and family trusts with Hengfeng Bank, which is one of the 12 national joint-stock commercial banks in the PRC. Headquartered in Jinan, Shandong Province, it has over 330 branches and sub-branches across the country. In the “Top 1000 World Banks for 2025” list published by The Banker, a British magazine, Hengfeng Bank ranked 118th. Given that the Company is a state-owned enterprise which shares the same controlling shareholder with Hengfeng Bank and the first and only domestic trust company listed on the Hong Kong Stock Exchange, which possesses the unique trust channel and relevant investment expertise, Hengfeng Bank regards the Company as an ideal business partner in conducting asset management business. The scale of wealth management products issued by HF Wealth, a wholly-owned subsidiary of Hengfeng Bank, and the subsisting scale of wealth management products at the end of each period continue to grow, leading to increasing demand for entrusted asset management. According to the wealth management business report disclosed by HF Wealth, it managed wealth management products totaling approximately RMB233.36 billion as at 31 December 2025, and issued wealth management products of RMB153.275 billion, RMB172.086 billion, RMB216.341 billion and RMB237.26 billion in January to June 2024, July to December 2024, January to June 2025 and July to December 2025, respectively, indicating a significant demand for asset management. According to a confirmation letter provided by Hengfeng Bank to the Company, Hengfeng Bank expects that the transaction amount of trust transactions with the Company for each of the years ending 31 December 2026, 2027 and 2028 will be not less than RMB35.0 billion. As such, the Company is of the view that (1) the business of Lucion Group and/or its associates will continue to grow in the future; and (2) in line with the business growth of Lucion Group and/or its associates, it is expected that the scale of funds/assets to be entrusted for investment by Lucion Group and/or its associates will increase in the future;

LETTER FROM THE BOARD

- (c) other potential business opportunities that are currently under negotiation between the Company and Lucion Group and/or its associates. It is currently anticipated that other associates of Lucion Group, such as Shandong Credit Enhancement, may further entrust its assets and funds to the Company for management during the three years of 2026 to 2028; and
 - (d) the fluctuation in the balances of the funds/assets entrusted by trustor clients to the Company as a result of the Company's management and/or market conditions. As at 30 November 2025, the initial amount of the funds/assets entrusted by trustor clients to the Company (also known as the "paid-up trust amount") was approximately RMB186.14 billion, and the outstanding balance of the funds/assets managed by the Company for its clients (also known as the "trust AUM") reached approximately RMB210.16 billion, representing a growth rate of approximately 12.9%;
- (ii) a buffer to cater for any further increase in the business needs of Lucion Group and/or its associates under the Lucion Group Trust Framework Agreement and any fluctuation in the outstanding balance of the funds/assets entrusted/to be entrusted by Lucion Group and/or its associates as a result of the Company's management and/or market conditions; and
 - (iii) the actual trustee remuneration to be received by the Company as trustee for the management of trust assets shall be determined with reference to the balance of trust assets, the investment return on the trust assets and the trustee remuneration rate. The Company is committed to following regulatory policies as it undergoes business transformation. It focuses on developing core and transformative areas such as capital market trusts, family trusts and service trusts, while progressively reducing its financing-related trust business, which typically offers higher trustee remuneration rates. However, due to the nature of the business and intensifying market competition, remuneration rates for transformative sectors like capital market trusts and family trusts are generally low. Such intensifying competition was evidenced by the latest industry data titled "Major Operating Data of Trust Companies" (信託公司主要業務數據) published by the China Trustee Association (中國信託業協會) which is supervised by the NFRA. The data from China Trustee Association showed that average aggregate trust assets of trust companies in the PRC grew significantly by approximately 48.8% from approximately RMB20,829 billion over the first half of 2022 to approximately RMB30,996 billion over the first half of 2025, whilst aggregate operating revenue decreased by approximately 27.7% from approximately RMB47 billion in the first half of 2022 to approximately RMB34 billion in the first half of 2025. Such industry development resulted in the percentage of annualised aggregate operating revenue over average aggregate trust assets of the trust industry for the same periods declining from approximately 0.45% to approximately 0.22%, reflecting that trust companies are generating less revenue for same amount of assets managed as competition intensifies. In determining the trustee remuneration rate, the Company has reviewed its average historical actual

LETTER FROM THE BOARD

trustee remuneration rate (“**Historical Average Rate**”) for the years ended 31 December 2023 and 2024, and the 11-month period ended 30 November 2025. The Historical Average Rate was approximately 0.1% of the maximum outstanding balance as at the respective year-end/period-end, which is within the range of the trustee remuneration rates charged to Lucion Group under the Lucion Group Trust Framework Agreement. Pursuant to the trust contracts entered into by the Company with Lucion Group and its associates in 2025 and effective as at 31 December 2025 under the Existing Lucion Group Trust Framework Agreement (the “**Lucion Contracts**”), the average remuneration rate charged by the Lucion Contracts was approximately 0.1%, which is in line with the Historical Average Rate. As a result, even though the Proposed Annual Caps for the maximum outstanding balance of the assets and funds to be entrusted by Lucion Group and/or its associates are higher than the existing annual caps for the years of 2023 to 2025, the Proposed Annual Caps for the trustee remuneration to be received from the trusts of which Lucion Group and/or its associates are trustors remain lower than the existing annual caps for the same period. The trustee remuneration to be received from the trusts of which Lucion Group and/or its associates are trustors for the three years ending 31 December 2028 is determined with reference to the average of the historical actual trustee remuneration rates for the years ended 31 December 2023 and 2024 and the 11 months ended 30 November 2025 (i.e. approximately 0.1% of the maximum outstanding balance). Taking into account that the historical actual trustee remuneration rates and the range of trustee remuneration rate (annualised) of the existing trusts managed by the Company (being approximately 0.01% to 1.5%), the Directors considered that the Proposed Annual Caps of trustee remuneration received/to be received by the Company are fair and reasonable.

3. Reasons and benefits for the transactions

Lucion Group is an investment and financing entity and assets management platform in Shandong Province, with total consolidated assets of RMB175.798 billion and net assets of RMB79.995 billion as at the end of 2024. Lucion Group and its associates have strong capital strength and demand for assets and wealth management.

Being a trust company regulated by the NFRA, the Company provides diversified assets management and wealth management products and services to clients to meet their multi-tiered wealth management needs. As such, the Company is able to provide trust management services that cater to Lucion Group’s needs, and at the same time, the Company can earn a certain amount of trustee remuneration at terms no less favourable to the Company than those offered to an independent third party. Therefore, entering into the Lucion Group Trust Framework Agreement is in line with the actual needs for the operation and development of the Company’s principal business.

LETTER FROM THE BOARD

The Company conducts asset management trust business primarily investing in areas such as the capital market, industrial and commercial enterprises, and infrastructure. As at the Latest Practicable Date (being 5 June 2026), the Company has cooperated with Hengfeng Bank to launch several asset management trusts with a total trust AUM of approximately RMB220 million, all of which are capital market trusts. As disclosed above, Hengfeng Bank expects that the transaction amount of trust transactions with the Company for each of the years ending 31 December 2026, 2027 and 2028 will be not less than RMB35.0 billion. It is currently expected that over 80% of the trust transactions between Hengfeng Bank and the Company under the Lucion Group Trust Framework Agreement will be capital market trusts, while the rest primarily comprise financing trusts, where the Company (acting as the trustee) accepts funds and instructions from Hengfeng Bank (as the trustor client) and provides financing to the designated third parties. In terms of family trusts, Hengfeng Bank primarily provides client referral services to the Company and charges financial advisory fees from the trust projects. The trust AUM of such family trusts where Hengfeng Bank acts as referral will not be counted into the Proposed Annual Caps. The Company has not launched any family trusts with Hengfeng Bank as at the Latest Practicable Date. The actual business structure for the cooperation with Hengfeng Bank may change due to regulatory adjustments, capital market conditions, and shifts in the strategies of Hengfeng Bank and the Company.

Capital market business is a key business that the NFRA encourages trust companies to vigorously develop. According to the Annual Review on the Trust Industry in the PRC (年度中國信託業發展評析) for the years ended 31 December 2022, 2023 and 2024 published by China Trustee Association, from 2022 to 2024, the trust AUM managed by trust companies in the PRC amounted to RMB21.14 trillion, RMB23.92 trillion and RMB29.56 trillion, respectively, and the scale of fund trusts invested in the securities market (including stocks, funds and bonds) accounted for 28.99%, 38% and 46.17%, respectively, showing a steady growth trend in the trust AUM and the proportion of the scale of capital market business.

Domestic trust companies, including the Company, are proactively aligning with the regulatory authorities' policy direction and vigorously developing capital market businesses. As at the end of 2024, the scale and percentage of trust assets invested in the securities market (including shares, funds, bonds, etc.) under the management of other major leading trust companies in the PRC are set out as follows:

Name of the trust company	The scale of trust assets invested in the securities market (including shares, funds, bonds, etc.) (RMB'000)	The percentage to the total trust AUM (%)
China Resources SZITIC Trust Co., Ltd. (華潤深國投信託有限公司)	2,319,832,135.3	86.61
China Foreign Economy and Trade Trust Co., Ltd. (中國對外經濟貿易信託有限公司)	1,836,501,134.7	85.25

LETTER FROM THE BOARD

Name of the trust company	The scale of trust assets invested in the securities market (including shares, funds, bonds, etc.) (RMB'000)	The percentage to the total trust AUM (%)
Ping An Trust Co., Ltd. (平安信託有限責任公司)	583,144,606.8	58.73
Hwabao Trust Co., Ltd. (華寶信託有限責任公司)	297,574,734.3	79.57
Jiangsu International Trust Corporation Limited (江蘇省國際信託有限責任公司)	398,565,674.7	65.46
Guangdong Yuecai Trust Co., Ltd. (廣東粵財信託有限公司)	468,619,036.6	67.68
China Credit Trust Co., Ltd. (中誠信託有限責任公司)	531,252,595.2	68.45

By contrast, the trust AUM of the Company invested in the securities market as at 31 December 2024 amounted to approximately RMB67.86 billion, representing approximately 31.74% to the total trust AUM of the Company, which was lower than the industry average of 46.17% and significantly lower than the average level of leading companies in the industry.

As at 28 February 2026, the amount of paid-up trust entrusted by trustor clients to the Company was approximately RMB272.17 billion, and its trust AUM reached approximately RMB327.51 billion. According to the 15th Five-Year Plan of the Company, the Company intends to further increase its investment in capital market business, continuously increase its proportion of the scale of trusts, and enhance its contribution to the Company's operating revenue and profits. The Company and Hengfeng Bank are related parties and have previously collaborated in the financial services segment, fostering mutual familiarity and understanding of each other's businesses and operations. Strengthening cooperation with Hengfeng Bank can enable the Company to fully leverage synergies across trust, banking, and financial licenses while helping it reduce operational risks. Taking into account the significant demand for asset management indicated by the steady growth in HF Wealth's product issuance as mentioned above, the Company considered (and the Directors agreed) that there will be a substantial increase in the business cooperation between the Company and Hengfeng Bank under the Lucion Group Trust Framework Agreement for the financial years ending 31 December 2026, 2027 and 2028 as compared to the previous financial years. Therefore, the Directors considered that the Proposed Annual Caps were fair and reasonable, and in the interest of the Company and its Shareholders as a whole.

Having considered the abovementioned factors, the Directors (including the independent non-executive Directors) are of the view that the transactions contemplated under the Lucion Group Trust Framework Agreement are in the Company's ordinary and usual course of business and are under normal commercial terms, and the Proposed Annual Caps are determined on normal commercial terms, fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

4. Implications under the Listing Rules

As at the Latest Practicable Date, since Lucion Group is the controlling shareholder of the Company holding directly and indirectly approximately 52.96% of the total issued shares of the Company, it is a connected person of the Company and the transactions contemplated under the Lucion Group Trust Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of the Proposed Annual Caps is more than 5%, the transactions contemplated thereunder are subject to the reporting, announcement, annual review, circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, none of the Directors has any material interest in the Lucion Group Trust Framework Agreement. However, Mr. Yue Zengguang (an executive Director) has voluntarily abstained from voting on the relevant resolution approving the Lucion Group Trust Framework Agreement at the Board meeting, for the reason that he was nominated by Lucion Group to serve as a Director of the Company. Except for Mr. Yue, no other Directors abstained from voting on the relevant resolution.

Lucion Group, as the controlling shareholder of the Company, directly holds approximately 48.13% of the issued Shares of the Company and indirectly holds approximately 4.83% through Shandong High-Tech. As Lucion Group has material interests in the Lucion Group Trust Framework Agreement, Lucion Group and its associate, Shandong High-Tech (holding 52.96% of the issued Shares in aggregate) shall abstain from voting on the resolution approving the Proposed Annual Caps at the AGM. Except for Lucion Group and Shandong High-Tech, no other Shareholders are required to abstain from voting on the relevant resolution.

The renewal of continuing connected transactions is managed by the Company's office of the Board, which is responsible for gathering and consolidating business needs from all departments. The office of the Board will then conduct size tests and perform other analyses and assessments required under the Listing Rules. The financial management department compiles and verifies historical data for inclusion in relevant board resolutions. Based on the information collected from various departments, the office of the Board prepares the board resolutions and submits them to the Board for review and consideration. The Company has entered into the trust framework agreement with Lucion Group since its listing in 2017, renewed such trust framework agreement in 2019 and 2022, and amended the annual caps under such trust framework agreement in 2023. The renewal of the trust framework agreement and amendments to the annual caps were conducted in compliance with the Company's relevant corporate governance procedures and the applicable Listing Rule requirements, and the Company has promptly obtained Independent Shareholders' approval, if required.

LETTER FROM THE BOARD

In April 2025, the Company initiated the renewal of continuing connected transactions in accordance with its internal management procedures and successively communicated with counterparties regarding the estimated scale of continuing connected transactions in the first half of 2025. In late September 2025, staff in the institutional securities services department (同業證券服務部) of the Company held discussions with Hengfeng Bank and HF Wealth on promoting cooperation in sectors such as asset management. Following the discussions, the Company continued to exchange views and communicate with Hengfeng Bank and HF Wealth on the scale of business cooperation, cooperation areas, types of asset management business, etc., and both parties simultaneously commenced their respective internal approval procedures. In early November 2025, the staff in the institutional securities services department of the Company initiated the approval process for trust products in preparation for collaboration with HF Wealth and submitted the proposal to the senior management of the Company for consideration and approval. Through further communication between the Company and the relevant personnel of Hengfeng Bank, it was noted that HF Wealth had preliminarily determined the scale of the initial business cooperation with the Company, although the internal approval procedures had not yet been completed. In late November 2025, the Company and Hengfeng Bank engaged in discussions to expedite synergies in sectors such as asset management (including capital market trusts) and family trusts, and the initial scale of the business cooperation was basically determined. In early December 2025, the proposal for enhancing business cooperation with Hengfeng Bank was submitted to the Board for consideration, and the Board initially agreed that three projects in which HF Wealth (on behalf of the bank wealth management schemes managed by it) as the trustor will subscribe for trust products issued by the Company, with a total scale of RMB12.0 billion (the specific implementation shall be subject to the Company's compliance with the Listing Rules and obtaining of Independent Shareholders' approval for the Proposed Annual Caps). Having considered the further business cooperation between the Company and Hengfeng Bank as mentioned above, the Company intended to increase the annual caps for the Lucion Group Trust Framework Agreement on the original basis, and considered that a general meeting would be required to consider and approve the Proposed Annual Caps in accordance with the Listing Rules requirements. Given the circumstances, the Company initiated the relevant procedures to convene the general meeting, allowing the Board time to consider the business opportunity and complete the corporate governance procedures. However, due to the internal decision-making processes of the Company and Hengfeng Bank and the time and procedures required for convening a general meeting under the Listing Rules (including the preparation of a circular and a letter from the Independent Financial Adviser) and the Articles of Association, the Company was unable to timely convene a general meeting by the end of 2025 for the Independent Shareholders to consider and approve the Proposed Annual Caps. As at the Latest Practicable Date (being 5 June 2026), the balances of the assets and funds entrusted/to be entrusted by Lucion Group under the Lucion Group Trust Framework Agreement was approximately RMB7.1 billion.

LETTER FROM THE BOARD

Although the Company has implemented a series of internal control procedures and policies on connected transactions, which have proven effective in prior renewals and amendments of annual caps, the recent incident, specifically the delay in convening a general meeting by the end of 2025 for Independent Shareholders to consider and approve the Proposed Annual Caps, has prompted the Company to reconsider the sufficiency of its existing measures in addressing urgent business opportunities and evolving operational needs. Accordingly, the Company has decided to enhance its internal control measures regarding continuing connected transactions and to extend the coverage of such internal control measures to such exceptional circumstances so as to prevent similar incidents in the future.

The Company will commence the renewal process at an early stage and establish an internal timetable at the initiation stage for continuing connected transactions, allowing sufficient time for Board and/or Independent Shareholder approval. The office of the Board will maintain a comprehensive renewal checklist to track important milestones and review renewal progress on a monthly basis. In early communications with the Company's counterparties, the Company will instruct its business departments to engage counterparties in advance to clarify the scope of transactions and estimated transaction volume as soon as possible, especially for matters that may require Independent Shareholders' approval. The business departments will also increase the frequency of communication with related parties regarding business needs and progress updates.

The Company will strengthen cross-departmental coordination in the renewal process, with the compliance and legal department, the financial management department, and the office of the Board each undertaking specific responsibilities: (1) the compliance and legal department is responsible for formulating and periodically amending the administrative measures for related party transactions, reviewing transaction agreements such as trust contracts related to connected transactions, and approving connected transactions from the perspective of legal and compliance requirements; (2) the financial management department is responsible for approving connected transactions and related fund management, compiling project information, monitoring connected transaction balances, and making disclosures in periodic reports; and (3) the office of the Board is responsible for coordinating the renewal and approval processes of continuing connected transactions, monitoring connected transaction balances, and reviewing and verifying the connected transaction information disclosed in periodic reports, announcements, and circulars. The relevant departments will enhance communication with the business departments. They will regularly liaise with business departments to understand needs, business plans, and the expected transaction volume for conducting business with connected persons. Additional ad hoc meetings will be held when a business department identifies a potential new business opportunity or a material change in an existing continuing connected transaction. The Company will continue to assess and determine as early as possible whether the relevant transactions require approval by the Board and/or the Independent Shareholders, and whether compliance with other relevant procedures is required.

LETTER FROM THE BOARD

In addition, the Company will provide periodic training on the procedures for renewing continuing connected transactions. Such trainings will cover the implications under the Listing Rules, key timelines and milestones, the need for enhanced cross-departmental collaboration, and protocols for ad hoc meeting arrangements, which aim to ensure that all relevant personnel are fully aware of the relevant procedures, thereby helping to prevent future delays.

5. Information of the Company and connected persons

The Company

The Company is a joint stock company established in the PRC with limited liability, the H Shares of which are listed on the Main Board of the Hong Kong Stock Exchange (stock code: 1697). The Company is principally engaged in the provision of comprehensive financial service and wealth management service.

Lucion Group

Lucion Group is a limited liability company established on 31 January 2002 in the PRC, which is an investment holding company and an investment entity and state-owned asset operation agency authorised by the Shandong Provincial Government. Lucion Group is an important entity for the management of state-owned asset investment and financing in Shandong Province, and is mainly engaged in three core business segments, namely natural gas sales and related businesses, financial services and other businesses (including abrasives, printing, water pollution control, etc.). Lucion Group is owned as to 90.75% and 9.25% by the Shandong Province Finance Bureau and Shandong Caixin Assets Operation Co., Ltd., respectively. Shandong Caixin Assets Operation Co., Ltd. is wholly-owned by the Shandong Province Finance Bureau. Lucion Group is the controlling shareholder of the Company.

6. Internal control measures

The Group has implemented internal control procedures and policies on connected transactions to monitor connected transactions and to ensure that all connected transactions are entered into in accordance with the pricing policies, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Company has prepared and implemented the Measures for Management of Related Party Transactions which sets out, among other things, the relevant requirements for and identification of connected transactions, the responsibilities of relevant departments in conducting and managing connected transactions, reporting procedures and ongoing monitoring, with a view to ensuring compliance of the Company with applicable laws and regulations (including the Listing Rules) in relation to connected transactions.

LETTER FROM THE BOARD

The business departments of the Company shall prepare relevant supporting documents for the continuing connected transactions, including trust contracts, loan and financing contracts, investment contracts, etc., and the risk management departments of the Company will conduct a preliminary review on such documents.

After such preliminary review, relevant transaction documents are still subject to business decision and connected transaction approval procedures of the Company. If the relevant trust involved is a collective trust or an individual active management trust, the draft of the contract and terms of such transaction will be reviewed and approved by the trust business review committee and the general manager's office meeting in order and reported to the related party transaction control committee of the Board (the "**Related Party Transaction Control Committee**") for filing, and certain significant matters shall be submitted to the Related Party Transaction Control Committee and the Board for approval; if the relevant trust involved is an individual administrative management trust, it will be reviewed and approved by the risk control department, the legal and compliance department, the chief risk officer and the vice general manager responsible for relevant trust business in order and will be reported to the Related Party Transaction Control Committee for filing. Certain significant matters shall be subject to the approval of the Related Party Transaction Control Committee and the Board. If the relevant trust involved is proprietary business of the Company, it will be reviewed and approved by the risk control department, the legal and compliance department, the finance management department, the chief financial officer, the chief risk officer, the vice general manager in charge and the general manager in order, and will be reported to the Related Party Transaction Control Committee for filing, and certain significant matters shall be submitted to the general manager's office meeting, the Related Party Transaction Control Committee and the Board for approval. The above departments will review relevant due diligence reports, contracts and terms of transactions to ensure they are not more favourable than the terms offered to any independent third parties and the transaction amount does not exceed the relevant annual caps.

The legal and compliance department, finance management department and office of the Board will closely monitor connected transactions to ensure that they are conducted in accordance with the terms of the relevant connected transaction agreements, and will also monitor the transaction amounts under relevant framework agreements from time to time so as to ensure that the transaction amounts will not exceed the proposed annual caps for each financial year. The Company will set an alert amount when the amount is about to reach the annual cap in case that the total transaction amount is expected to exceed such annual caps, so that the Company could timely re-comply with the requirements under Chapter 14A of the Listing Rules.

In connection with the renewal of these continuing connected transactions, the Company has initiated and facilitated the relevant matters in accordance with internal management procedures, and formulated relevant annual caps based on actual business needs. However, as the Company made new progress in promoting cooperation in areas such as asset management with Hengfeng Bank and HF Wealth at the end of 2025, the Company decided to appropriately increase the annual caps under the Lucion Group Trust Framework Agreement based on the

LETTER FROM THE BOARD

latest business needs after internal review procedures. After formulating the Proposed Annual Caps, the Company has initiated the preliminary preparation work for the general meeting approval procedures as soon as possible in accordance with the Listing Rules and internal management procedures, and will convene a general meeting as soon as possible in early 2026 to consider and approve the Proposed Annual Caps.

In addition, the external auditors of the Company will review the transactions contemplated under the framework agreements annually to check and confirm that, among other things, whether the transactions are entered into on the pricing terms and whether the relevant annual caps have been exceeded.

The Directors consider that the Company has established adequate internal control measures to ensure that the transactions under the Lucion Group Trust Framework Agreement are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

7. Independent Board Committee

The Independent Board Committee has been formed by the Company to consider, and to advise the Independent Shareholders of the Company on the Proposed Annual Caps. The Company has appointed Octal Capital to make recommendations to the Independent Board Committee and the Independent Shareholders of the Company on the Proposed Annual Caps. A letter from the Independent Board Committee to the Independent Shareholders is set out on pages 25 to 26 of this circular. The letter from the Independent Board Committee to the Independent Shareholders contains its recommendation on the Proposed Annual Caps.

Having considered the factors mentioned above and the fact that the transactions contemplated under the Lucion Group Trust Framework Agreement will be conducted in the ordinary and usual course of business and on normal commercial terms, the independent non-executive Directors are of the view that the Proposed Annual Caps are determined on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

8. Independent Financial Adviser

The Company has appointed Octal Capital as the Independent Financial Adviser for providing advice to the Independent Board Committee and the Independent Shareholders on whether the Proposed Annual Caps are fair and reasonable, and whether the transactions contemplated under the Lucion Group Trust Framework Agreement are in the interests of the Company and the Shareholders as a whole. A letter from Octal Capital to the Independent Board Committee and the Independent Shareholders is set out on pages 27 to 43 of this circular. The letter from Octal Capital to the Independent Board Committee and the Independent Shareholders contains factors they have considered and their recommendations on the Proposed Annual Caps.

LETTER FROM THE BOARD

IV. OTHERS

In addition, Shareholders will receive the Net Capital Report for the Year 2025, the Report on Repayment upon Maturity for Trust Business and Benefits Realised for Beneficiaries for the Year 2025 and the Report on Management of Related Party Transactions for the Year 2025 at the AGM.

V. AGM

The AGM will be held at Tower A, No. 2788 Aoti West Road, Lixia District, Jinan, Shandong Province, the PRC on Tuesday, 30 June 2026 at 3:00 p.m. The notice of the AGM is set out on pages 134 to 136 of this circular.

The holders of H Shares and Domestic Shares whose names appear on the registers of the members of the Company on Tuesday, 30 June 2026 are entitled to attend and vote at the AGM. The registers of members of the Company will be closed from Thursday, 25 June 2026 to Tuesday, 30 June 2026 (both days inclusive), during which no transfer of Shares can be registered. All transfer documents together with the relevant share certificates must be lodged for registration 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, Wan Chai, Hong Kong (for holders of H Shares) or the Office of the Board of the Company at 35/F, Tower A, No. 2788 Aoti West Road, Lixia District, Jinan, Shandong Province, the PRC (for holders of Domestic Shares) not later than 4:30 p.m. on Wednesday, 24 June 2026.

A proxy form for use at the AGM is enclosed herewith and also published on both the websites of the Hong Kong Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.sitic.com.cn>). If you intend to appoint a proxy to attend the AGM, you are requested to complete, sign and return the enclosed proxy form in accordance with the instructions printed thereon no less than 24 hours before the time appointed for holding the AGM or any adjournment thereof (i.e. by 3:00 p.m. on Monday, 29 June 2026). Completion, signing and return of the proxy form will not preclude you from attending and voting in person at the AGM.

VI. LISTING RULES REQUIREMENTS

According to Rule 13.39(4) of the Listing Rules, apart from certain exceptions, any vote of Shareholders at the AGM must be taken by poll. All resolutions at the AGM will be voted by way of poll. The chairperson of the AGM shall therefore demand voting on the resolutions set out in the notice of the AGM be taken by way of poll pursuant to Article 80 of the Articles of Association. An announcement on the poll results will be published on the websites of the Hong Kong Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.sitic.com.cn>), respectively by the Company after the conclusion of the AGM in the manner prescribed under the Listing Rules.

LETTER FROM THE BOARD

VII. RECOMMENDATION

The Board considers that the transactions contemplated under the Lucion Group Trust Framework Agreement are in the Company's ordinary and usual course of business, and the Proposed Annual Caps are determined on normal commercial terms, fair and reasonable and in the interest of the Company and the Shareholders as a whole.

The Board is of view that all resolutions to be proposed at the AGM for consideration are in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends that all Shareholders vote in favour of all resolutions to be proposed at the AGM as set out in the notice of the AGM.

Yours faithfully
By Order of the Board
Shandong International Trust Co., Ltd.
Yue Zengguang
Chairperson

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

The following is the text of a letter from the Independent Board Committee setting out its recommendation to the Independent Shareholders in relation to the Proposed Annual Caps.

LUCION

Shandong International Trust Co., Ltd.

山東省國際信託股份有限公司

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

(Stock Code: 1697)

10 June 2026

To the Independent Shareholders

Dear Sir or Madam,

**CONTINUING CONNECTED TRANSACTION
PROPOSED ANNUAL CAPS FOR THE
LUCION GROUP TRUST FRAMEWORK AGREEMENT**

We refer to the circular of the Company dated 10 June 2026 (the “**Circular**”), of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as those defined in the Circular, unless the context otherwise requires.

We have been appointed as members of the Independent Board Committee to consider the Proposed Annual Caps, and to give recommendation to the Independent Shareholders as to whether, in our opinion, the Lucion Group Trust Framework Agreement are in the Company’s ordinary and usual course of business, whether the Proposed Annual Caps are determined on normal commercial terms and fair and reasonable so far as the Independent Shareholders are concerned, and whether they are in the interest of the Company and the Shareholders as a whole. Octal Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Proposed Annual Caps.

We wish to draw your attention to the letter from the Board set out in the section of Letter from the Board in the Circular which contains, among other things, information about the Lucion Group Trust Framework Agreement and the Proposed Annual Caps, the letter of advice from Octal Capital set out in the section of Letter from Octal Capital in the Circular which contains its advice in respect of the Proposed Annual Caps, and the information set out in the Appendix VII thereto.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Having considered the Proposed Annual Caps and having taken into account the advice from Octal Capital as stated in its letter, we consider that the transactions contemplated under the Lucion Group Trust Framework Agreement are in the Company's ordinary and usual course of business and on normal commercial terms, and the Proposed Annual Caps are determined on normal commercial terms, fair and reasonable and in the interest of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the resolution to be proposed at the AGM in relation to the Proposed Annual Caps.

Yours faithfully,

For and on behalf of

Independent Board Committee

Ms. Zhang Haiyan

Independent non-executive

Director

Mr. Zheng Wei

Independent non-executive

Director

Ms. Liu Wanwen

Independent non-executive

Director

LETTER FROM OCTAL CAPITAL

The following is the letter of advice from Octal Capital Limited to the Independent Board Committee and the Independent Shareholders, which has been prepared for the purpose of inclusion in this circular.



Octal Capital Limited
504-505, 5th Floor,
308 Des Voeux Road Central,
Hong Kong

10 June 2026

To the Independent Board Committee and the Independent Shareholders

Dear Sir or Madam,

CONTINUING CONNECTED TRANSACTION PROPOSED ANNUAL CAPS FOR THE LUCION GROUP TRUST FRAMEWORK AGREEMENT

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the transactions contemplated under the Lucion Group Trust Framework Agreement (including the proposed annual caps (the “**Proposed Annual Caps**”), details of which are set out in the Letter from the Board (the “**Letter from the Board**”) contained in the circular of the Company dated 10 June 2026 (the “**Circular**”), of which this letter forms a part. Capitalised terms used in this letter shall have the same meaning as those defined in the Circular unless the context otherwise requires.

On 29 December 2025, the Company entered into the Lucion Group Trust Framework Agreement with Lucion Group, pursuant to which the Company accepts entrustment of funds and property from Lucion Group and its associates. Through establishment of different trusts, the Company manages the entrusted funds and assets for Lucion Group and its associates during the terms of the trusts. In return, the Company receives trustee remuneration from various trusts that the Company established for Lucion Group and its associates. The term of the Lucion Group Trust Framework Agreement shall be for a period commencing from 1 January 2026 and ending on 31 December 2028.

LETTER FROM OCTAL CAPITAL

As at the Latest Practicable Date, since Lucion Group is the controlling shareholder of the Company holding directly and indirectly approximately 52.96% of the total issued share capital of the Company. Accordingly, Lucion Group is a connected person of the Company under Chapter 14A of the Listing Rules. Hence, the transactions to be contemplated under the Lucion Group Trust Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratios (as defined in the Listing Rules) in respect of the highest Proposed Annual Caps of the transactions to be contemplated under the Lucion Group Trust Framework Agreement is more than 5%, the transactions to be contemplated thereunder are subject to the reporting, announcement, annual review, circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

INDEPENDENT BOARD COMMITTEE

The Independent Board Committee comprising all the independent non-executive Directors, namely Mr. Zheng Wei, Ms. Zhang Haiyan and Ms. Liu Wanwen, has been established to provide advice to the Independent Shareholders on the Proposed Annual Caps.

We, Octal Capital Limited, have been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in this regard. As at the Latest Practicable Date, we were not connected with the Directors, chief executive and substantial shareholders of the Company or the Lucion Group or any of their respective subsidiaries or associates. During the last two years, there was no previous engagement between us and the Company, the Lucion Group or any of their respective subsidiaries or associates. Apart from normal professional fees payable to us by the Company in connection with this appointment, no arrangement exists whereby we will receive any fees or benefits from the Company or the Lucion Group or a director, subsidiary, holding company or substantial shareholder of the Company or the Lucion Group which would be reasonably considered to affect our independence in performing our duties as set out in the Listing Rules. We are therefore considered suitable to give independent advice to the Independent Board Committee and the Independent Shareholders on the Lucion Group Trust Framework Agreement and the Proposed Annual Caps pursuant to Rule 13.84 of the Listing Rules.

BASIS OF OUR OPINION

In formulating our opinion, we have relied on the accuracy of the information and representations contained in the Circular and have assumed that all information and representations made or referred to in the Circular as provided by the management of the Company (the "**Management**") were true at the time they were made and continue to be true as at the date of the Circular. We have also relied on our discussion with the management of the Company regarding the Lucion Group Trust Framework Agreement including the information and representations contained in the Circular. We have also assumed that all statements of belief, opinion and intention made by the Management respectively in the Circular were reasonably made after due enquiry. We consider that we have reviewed sufficient

LETTER FROM OCTAL CAPITAL

information to reach an informed view, to justify our reliance on the accuracy of the information contained in the Circular and to provide a reasonable basis for our advice, among other things, (i) the Lucion Group Trust Framework Agreement dated 29 December 2025; (ii) the Existing Lucion Group Trust Framework Agreement dated 30 November 2022; (iii) the annual reports for the year ended 31 December 2022, 2023 and 2024 (the “**2022 Annual Report**”, “**2023 Annual Report**” and “**2024 Annual Report**”) and the annual results announcement of the Company for the year ended 31 December 2025 (the “**2025 Annual Results Announcement**”); and (iv) other information as set out in the Circular. We have no reason to suspect that any material facts have been omitted or withheld from the information contained or opinions expressed in the Circular nor to doubt the truth, accuracy and completeness of the information and representations provided to us by the Directors and the Management. We have not, however, conducted an independent in-depth investigation into the business and affairs of the Group, the Lucion Group and their respective subsidiaries or associates nor have we carried out any independent verification of the information supplied to us.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion regarding the transactions to be contemplated under the Lucion Group Trust Framework Agreement and the Proposed Annual Caps, we have considered the following principal factors and reasons:

Information of the Company

The Company is a joint stock company established in the PRC with limited liability and is principally engaged in the provision of comprehensive financial service and wealth management service. As set out in the 2025 Annual Results Announcement, the Company has two business segments, namely the trust business and the proprietary business. The trust business is the Company’s core business whereby the Group acts as the trustee and accepts entrustment of funds or property from its trustor clients and manages such entrusted funds or property to satisfy its trustor clients’ investment and wealth management needs, as well as its counterparty clients’ financing needs. The Company offers a variety of trust products, including actively managed trusts, which have relatively high trust remuneration rates, and administrative management trusts, which have relatively low trust remuneration rates. The Company has financing trusts that provide financing to counterparty clients in different industries and investment trusts that invest the Company’s trustor clients’ assets into different asset classes. Therefore, different types of trust products will have different risk-and-return profiles and will require different means of management from the Company, which will affect the trustee’s remuneration of the Company. The Group’s proprietary business focuses on allocating its proprietary assets into different asset classes and investing in businesses with strategic value to its trust business to maintain and increase the value of its proprietary assets.

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Set out below is the audited financial information of the Group for the three years ended 31 December 2025 as extracted from the 2024 Annual Report of the Company and the 2025 Annual Results Announcement:

	For the years ended		
	31 December		
	2023	2024	2025
	<i>(RMB'000)</i>	<i>(RMB'000)</i>	<i>(RMB'000)</i>
	<i>(audited)</i>	<i>(audited)</i>	<i>(audited)</i>
Trust business			
– Segment/Operating income (A)	766,750	466,473	426,602
Proprietary business			
– Operating income (B)	423,707	438,505	295,811
– Non-operating income	2,935	470	50
Segment income	426,642	438,975	295,861
Total operating income (A + B)	1,190,457	904,978	722,413
Net profit/(loss) attributable to shareholders of the Company	158,634	142,795	55,113

The operating income of the Group decreased by approximately RMB285.5 million from approximately RMB1,190.5 million for the year ended 31 December 2023 to approximately RMB905.0 million for the year ended 31 December 2024, representing a year-on-year decrease of approximately 24.0% which was mainly contributed by the decrease in the segment income by RMB311.0 million from the trust business due to the decrease in the Group's net fee and commission income from RMB766.1 million in 2023 to RMB455.1 million in 2024. The net profit attributable to shareholders of the Company decreased from approximately RMB158.6 million for the year ended 31 December 2023 to approximately RMB142.8 million for the year ended 31 December 2024, representing a year-on-year decrease of approximately 10.0% which was mainly contributed by the decrease in the segment income from the trust business as mentioned above, partially offset by the decrease in credit impairment loss by approximately RMB198.5 million and income tax expenses of approximately RMB60.7 million.

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The operating income of the Group decreased by approximately RMB182.6 million from approximately RMB905.0 million for the year ended 31 December 2024 to approximately RMB722.4 million for the year ended 31 December 2025, representing a year-on-year decrease of approximately 20.2% which was mainly contributed by the significant decrease in segment income from the proprietary business by approximately RMB143.1 million and the mild decrease in net fee and commission income from the trust business by approximately RMB31.9 million. The Group recorded a decrease in net profit attributable to shareholders of the Company by approximately RMB87.7 million from RMB142.8 million for the year ended 31 December 2024 as compared to a net profit of approximately RMB55.1 million for the year ended 31 December 2025, representing a year-on-year decrease of approximately 61.4% which was mainly contributed by the decrease in operating income of the Group as mentioned above partially offset by the decrease in income tax expense of approximately RMB49.2 million and the decrease in the provision for litigation compensation expense of RMB72.1 million.

Information of the Lucion Group

Lucion Group is a limited liability company established on 31 January 2002 in the PRC, which is an investment holding company and an investment entity and state-owned asset operation agency authorized by the Shandong Provincial Government. Lucion Group is an important entity for the management of state-owned asset investment and financing in Shandong Province, and is mainly engaged in three core business segments, namely natural gas sales and related businesses, financial services and other businesses (including abrasives, printing, water pollution control, etc.). Lucion Group is owned as to 90.75% and 9.25% by the Shandong Province Finance Bureau and Shandong Caixin Assets Operation Co., Ltd. (山東財欣資產運營有限公司), respectively. Shandong Caixin Assets Operation Co., Ltd. is wholly-owned by the Shandong Province Finance Bureau. Lucion Group is the controlling shareholder of the Company.

Reasons for and benefits of the entering into of the Lucion Group Trust Framework Agreement

As stated in the Letter from the Board, Lucion Group is an investment and financing entity and assets management platform in Shandong Province, with total consolidated assets of RMB175.798 billion and net assets of RMB79.995 billion as at the end of 2024. Lucion Group and its associates have strong capital strength and demand for assets and wealth management.

Being a trust company regulated by the National Financial Regulatory Administration (the “NFRA”), the Company provides diversified assets management and wealth management products and services to clients to meet their multi-tiered wealth management needs. As such, the Company is able to provide trust management services that cater to Lucion Group’s needs, and at the same time, the Company can earn a certain amount of trustee remuneration at terms no less favourable to the Company than those payable by an independent third party. Therefore, entering into the Lucion Group Trust Framework Agreement is in line with the actual needs for the operation and development of the Company’s principal business.

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As mentioned in the Letter from the Board, capital market business is a key business that the NFRA encourages trust companies to vigorously develop. According to the Annual Review On The Trust Industry in the PRC (年度中國信託業發展評析) for the years ended 31 December 2022, 2023 and 2024 published by China Trustee Association, from 2022 to 2024, trust assets under management (AUM) in China's securities market showed robust growth. Total trust AUM increased from RMB21.14 trillion in 2022 to RMB29.56 trillion in 2024, while the proportion of fund trusts invested in securities (stocks, funds, and bonds) grew from 28.99% to 46.17%, showing a steady growth trend in the trust AUM and the proportion of the scale of capital market business. The growth in scale of capital market business for the trust industry is supported by release of Several Opinions of the State Council on Strengthening Supervision, Preventing Risks, and Promoting High-Quality Development of the Capital Market (國務院關於加強監管防範風險推動資本市場高品質發展的若干意見) in April 2024, which encourages trust funds to actively participate in the capital market and increase their equity investments. Apart from the opinions from the State Council, the regulatory system has been continuously improved to keep pace with the development of trust industry. According to the briefing by Secretary of the CPC Committee (黨委書記) of NFRA in September 2025, NFRA has released high-quality development guidelines for financial industry for the five years from 2021 to 2025, which reduces legal and compliance uncertainty for trust companies and in turn encourages trust companies to develop their capital market businesses. As at the end of 2024, the proportion of the scale of the Company's trust business invested in the securities market was 31.74%, lower than the industry average of 46.17% and significantly lower than the average level of leading companies in the industry (exceeding 70%). According to the 15th Five-Year Plan of the Company currently under preparation, the Company intends to further increase its investment in capital market business, continuously increase its proportion of the scale of trusts, and enhance its contribution to the Company's operating revenue and profits.

The Group has long been accepting entrustment of funds and property from Lucion Group and its associates since its listing in 2017 with the outstanding balance of the funds/assets entrusted by Lucion Group and/or its associates reaching approximately RMB8.1 billion as at 30 November 2025 and the existing outstanding balance of RMB7.1 billion of the trust assets entrusted by Lucion Group and/or its associates would be rolled over from 2025. The trust business has been one of the key revenue drivers of the Group. In view that the State Council has been actively promoting capital market business, with NFRA's effort in improving regulatory environment, leading to the industry's robust growth trajectory with the total trust AUM increased significantly, it is beneficial to the Group to expand its scale of trust business by entering into the Lucion Group Trust Framework Agreement and adopting the Proposed Annual Caps.

The Company is currently engaged in business cooperation with Hengfeng Bank, an associate of Lucion Group. Starting from 2023, the Group has begun to manage trust projects of substantial scale entrusted by Hengfeng Bank including a trust scheme with fund scale of approximately RMB0.1 billion and another trust scheme with fund scale of approximately RMB1 billion was initiated in 2024, both of which matured in 2025. In 2025, Hengfeng Bank entrusted the Group with a fund under an active trust scheme. As at 31 December 2025, the outstanding entrusted fund amounted to approximately RMB10 million. It is anticipated that

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the scale of the entrusted funds will increase in 2026 upon completion of specific account opening procedures by Hengfeng Bank. Additionally, a new trust scheme with a proposed scale of approximately RMB1 billion is currently in the pipeline of the Group, pending final internal approval from Hengfeng Bank. Hengfeng Bank is one of the 12 nationwide joint-stock commercial banks in the PRC. Headquartered in Jinan, Shandong Province, it has over 330 branches and sub-branches across the country. In the “Top 1000 World Banks for 2025” list published by The Banker, a British magazine, Hengfeng Bank ranked 118th. As a financial institution regulated by the NFRA, Hengfeng Bank is qualified to provide trust product agency sales and fund custody services. As mentioned in the Letter from the Board, the scale of wealth management products issued by HF Wealth, a wholly-owned subsidiary of Hengfeng Bank, and the subsisting scale of wealth management products at the end of each period continue to grow, leading to increasing demand for entrusted asset management. According to a confirmation letter provided by Hengfeng Bank to the Company (the “**HF Bank Confirmation Letter**”), Hengfeng Bank expects that the transaction amount of trust transactions with the Company for each of the years ending 31 December 2026, 2027 and 2028 will be not less than RMB35.0 billion. Given the strong background of Hengfeng Bank with total consolidated assets of approximately RMB1,535.3 billion and net assets of approximately RMB109.6 billion as at the end of 2024, we concur with the Company’s view that the business of Hengfeng Bank will continue to grow in the future and the scale of funds/assets to be entrusted for investment by Lucion Group and/or its associates including Hengfeng Bank will increase in the future.

Having considered the above, we are of the view that the entering into of the Lucion Group Trust Framework Agreement aligns with the Company’s strategic initiatives to expand its capital market presence through increased trust operations, and that the transactions contemplated under the Lucion Group Trust Framework Agreement are conducted in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole.

Principal terms of the Lucion Group Trust Framework Agreement

Set out below are the principal terms of the Lucion Group Trust Framework Agreement, details of which are set out in the Letter from the Board:

- Date:** 29 December 2025
- Parties:**
- (i) the Company (as the trustee); and
 - (ii) Lucion Group (for itself and on behalf of its associates and the asset management products issued or managed by it) (as the trustor client(s))

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Description of the transactions:

In the ordinary course of business, the Company accepts entrustment of funds and property from Lucion Group and its associates. Through establishment of different trusts, the Company manages the entrusted funds and assets for Lucion Group and its associates during the terms of the trusts. In return, the Company receives trustee remuneration from various trusts that the Company established for Lucion Group and its associates. Subject to the terms and conditions of the Lucion Group Trust Framework Agreement, the Company will enter into specific trust contracts separately with relevant trustor clients to set out the specific terms and conditions in respect of trust transactions.

Pricing policy:

- the trustee remuneration (the “**Trustee Remuneration**”) shall be determined with reference to the AUM and investment return on the trust assets (the Trustee Remuneration rate (annualised) of the existing trusts managed by the Company ranges from approximately 0.01% to 1.5%);
- the level of the Trustee Remuneration may vary depending on the actual scope of services the Company will provide under the relevant trust as well as the expected return to beneficiaries of the trusts, but in any event shall be in line with market price for similar products;
- in respect of the individual trusts which are based on one-on-one engagement and involve only Lucion Group or any of its associates as the only trustor, the Company shall take into consideration the terms of at least two other individual trusts of similar purpose with similar kind of entrusted assets involving independent third parties as trustor clients before it approves the establishment of the trust for Lucion Group or any of its associates. The terms of any trusts established for Lucion Group or any of its associates, in particular the Trustee Remuneration rate, shall be comparable to those trusts of which independent third parties are trustors; and

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- in respect of the collective trusts which the Company manages and disposes of the assets entrusted by all trustors as a whole irrespective of the identities of the trustors, the Company shall ensure that no preferential treatment will be provided to Lucion Group and its associates in terms of the verification and selection process of the potential trustors for the investment in the collective trusts. The trust contracts to be entered into by Lucion Group and its associates shall be on the terms same as those of trustors who are independent third parties investing in the same collective trusts.

We have reviewed the Lucion Group Trust Framework Agreement and noted that the terms under the Lucion Group Trust Framework Agreement are similar to the terms of the Existing Lucion Group Trust Framework Agreement except that the Trustee Remuneration rate was lowered from a range of 0.1% to 5% to a range of 0.01% to 1.5%. We have discussed with the Management and understood that a range of remuneration rates under the Lucion Group Trust Framework Agreement is necessary to accommodate the diverse trust services provided, as each trust contract under the Lucion Group Trust Framework Agreement involved different scope of services specifically required by each trust client and the Trustee Remuneration rate charged by the Company in different trusts would be different.

The reduction in the range of the Trustee Remuneration rates reflects the intensifying competition of the trust industry where market rates have generally decreased. Such intensifying competition was evidenced by the latest industry data titled “Major Operating Data of Trust Companies” (信託公司主要業務數據) published by the China Trustee Association (中國信託業協會) which is supervised by the National Financial Regulatory Administration (國家金融監督管理總局) in its official website^{Note 1}. The data from China Trustee Association showed that average aggregate trust assets of trust companies in the PRC grew significantly by approximately 48.8% from approximately RMB20,829 billion over the first half of 2022 to approximately RMB30,996 billion over the first half of 2025, whilst aggregate operating revenue decreased by approximately 27.7% from approximately RMB47 billion in the first half of 2022 to approximately RMB34 billion in the first half of 2025. Such industry development resulted in the percentage of annualised aggregate operating revenue over average aggregate trust assets of the trust industry for the same periods declining from approximately 0.45% to approximately 0.22%, reflecting that trust companies are generating less revenue for same amount of assets managed as competition intensifies.

We understood from the Management that the reduction in the range of the Trustee Remuneration rates was negotiated between the Group and Lucion Group with an aim to facilitate larger amount of funds to be entrusted by Lucion Group and its associates, particularly Hengfeng Bank, and the HF Bank Confirmation Letter was provided by Hengfeng Bank as a result which stated that Hengfeng Bank would expect the transaction amount of trust transactions with the Company for each of the years ending 31 December 2026, 2027 and 2028 will be not less than RMB35.0 billion. We noted that the average historical actual Trustee’s Remuneration (“**Historical Average Rate**”) for the years ended 31 December 2023 and 2024 and the 11 months period ended 30 November 2025 represents approximately 0.1% of the maximum outstanding balance as at their respective year end which is within the range of the Trustee Remuneration rates under the Lucion Group Trust Framework Agreement.

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We have obtained a list of trust contracts entered into between the Group and its customers in 2025 and effective as at 31 December 2025 (the “**Contract Portfolio**”). From the Contract Portfolio, we noted that there are two trust contracts entered into by the Group with Lucion Group and its associates under the Existing Lucion Group Trust Framework Agreement (the “**Lucion Contracts**”). One of the Lucion Contracts is categorised as capital market trust contract (the “**Capital Trust Contract(s)**”) and the other one is categorized as financing trust contract (the “**Financing Trust Contract(s)**”). The average remuneration rate charged by the Lucion Contracts is approximately 0.1% which is in line with the Historical Average Rate. As advised by the Management, the capital market trusts focus on providing comprehensive asset and wealth management services to institutional investors and high net-worth individuals, while under financing trusts, the Group acts as an intermediary to facilitate financing arrangements between corporate borrowers and institutional lenders. As a result of the differences in the scope of services under the trust contracts, the trustee remunerations charged by the Company for these two trust categories would be different.

For the purpose of comparing the trustee remuneration charged by the Group under the Lucion Contracts against the trustee remuneration payable by independent third parties to the Group, we reviewed the Contract Portfolio in which there are 190 Capital Trust Contracts and 99 Financing Trust Contracts entered into by the Group with independent third-party customers, and selected 4 samples of Capital Trust Contracts (the “**Sample Capital Contracts**”) and 17 samples of Financing Trust Contracts (the “**Sample Financing Contracts**”) on a random basis. Since the total trust assets value of the 4 Sample Capital Contracts and the 17 Sample Financing Contracts represented approximately 51% and 51% of the outstanding balance of the funds/assets entrusted in the Contract Portfolio as at 31 December 2025, under their respective categories of trust contracts entered into by the Group with independent third-party customers, we consider that our sample sizes to be sufficient for our review.

Upon our review of the Sample Capital Contracts and the Sample Financing Contracts, we noted that all Sample Capital Contracts and Sample Financing Contracts charged the same or lower remuneration rates than the rate payable by Lucion Group under the Lucion Contracts, except for two Sample Financing Contracts under which the Company was required to provide extra service to the trustee client to facilitate financing arrangements by identifying suitable lenders for the trustee clients and this involved due diligence procedures on the lenders that also required significant professional expertise and resources provided by the Group while the Group was not required to perform such type of services to the Lucion Group under the Lucion Contracts. Except for the two aforementioned contracts with boarded scope of service, the Sample Capital Contracts charged remuneration rates ranging from 0.01% to 0.05% as compared to remuneration rate of 0.07% charged by the Lucion Contract categorized as Capital Trust Contract; and the Sample Financing Contracts charged remuneration rates ranging from 0.09% to 0.20% as compared to remuneration rate of 0.20% charged by the Lucion Contract categorized as the Financing Trust Contract. Despite the broader service scope provided by the Group to the trustee clients who are independent third parties, the remuneration rates charged to them under the two aforementioned Sample Financing Contracts are still within the range of the Trustee Remuneration rate charged under the Lucion Group Trust Framework Agreement which is between 0.01% and 1.5%.

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Based on the demonstrated effectiveness of the pricing policy of the Group, we consider that the pricing terms under the Lucion Group Trust Framework Agreement to be charged by the Group to Lucion Group are no less favourable than those charged to trust customers who are independent third parties. Taking into account (i) the intensifying competition in the trust industry; (ii) that the Historical Average Rate is within the range of the Trustee Remuneration rates under the Lucion Group Trust Framework Agreement; (iii) the strategic value of attracting larger amount of fund to be entrusted through negotiation with Lucion Group; and (iv) our review of comparable transactions which demonstrates the track record of independent third parties being charged the same or lower remuneration rates than those payable by Lucion Group under the Lucion Contracts for similar scope of service, and that the proposed Trustee Remuneration rates are in line with those payable by independent third parties to the Group, as evidenced in the Sample Capital Contracts and Sample Financing Contracts, we consider that the lowered range of the Trustee Remuneration rates under the Lucion Group Trust Framework Agreement is on normal commercial term and fair and reasonable.

Note 1: The operating data referred to above is sourced from the Industry Statistics (統計數據) section of the official website of the China Trustee Association (中國信託業協會) at: <http://www.xtxh.net/hyyj/tjsj/index.html>

Proposed Annual Caps under the Lucion Group Trust Framework Agreement

The following table sets out the historical figures and the existing annual caps under the Existing Lucion Group Trust Framework Agreement and the Proposed Annual Caps under the Lucion Group Trust Framework Agreement:

	For the year ended/as at 31 December				Historical	Existing	For the year ended/ as at 31 December		
	2023	2023	2024	2024	the 11 months	for the year	2026	2027	2028
	Historical amount (RMB'000)	Existing annual cap (RMB'000)	Historical amount (RMB'000)	Existing annual cap (RMB'000)	ended/as at 30 November 2025 (RMB'000) (unaudited)	31 December 2025 (RMB'000)	Proposed annual cap (RMB'000)	Proposed annual cap (RMB'000)	Proposed annual cap (RMB'000)
Trustee Remuneration received/to be received from the trusts of which Lucion Group and/ or its associates are trustors	4,680	120,000	8,067	120,000	5,654	120,000	49,000	49,000	49,000
Maximum outstanding balance of the assets and funds entrusted/ to be entrusted by Lucion Group and/or its associates	7,921,975	12,000,000	7,538,606	12,000,000	8,107,812	12,000,000	49,000,000	49,000,000	49,000,000

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As set out in the Letter from the Board, the Proposed Annual Caps have been determined after taking into consideration of the following factors, among other things:

- (i) the current anticipation that the maximum outstanding balance of the funds/assets to be entrusted by Lucion Group and/or its associates (the “**Maximum Balance**”) may reach approximately RMB45.0 billion, taking into account:
 - (a) the existing outstanding balance of RMB7.1 billion of the trust assets entrusted by Lucion Group and/or its associates which was rolled over from 2025 and the upcoming outstanding balance which will roll over in the next year in accordance with the standard terms of the trust contracts;
 - (b) the expected increase in the scale of funds to be entrusted by Hengfeng Bank as the Company would continue to accept the entrustment of funds from Lucion Group and/or its associates (including Hengfeng Bank, which is indirectly held as to 46.61% by Lucion Group) and provide them with trust services. The Company is currently conducting business cooperation in asset management and family trusts with Hengfeng Bank, which is one of the 12 national joint-stock commercial banks in the PRC. Headquartered in Jinan, Shandong Province, it has over 330 branches and sub-branches across the country. In the “Top 1000 World Banks for 2025” list published by The Banker, a British magazine, Hengfeng Bank ranked 118th. Given that the Company is a state-owned enterprise which shares the same controlling shareholder with Hengfeng Bank and the first and only domestic trust company listed on the Hong Kong Stock Exchange, which possesses the unique trust channel and relevant investment expertise, Hengfeng Bank regards the Company as an ideal business partner in conducting asset management business. The scale of wealth management products issued by HF Wealth, a wholly-owned subsidiary of Hengfeng Bank, and the subsisting scale of wealth management products at the end of each period continue to grow, leading to increasing demand for entrusted asset management. According to the wealth management business report disclosed by HF Wealth, it issued wealth management products of RMB153.275 billion, RMB172.086 billion and RMB216.341 billion in January to June 2024, July to December 2024 and January to June 2025, respectively. According to the HF Bank Confirmation Letter, Hengfeng Bank expects that the transaction amount of trust transactions with the Company for each of the years ending 31 December 2026, 2027 and 2028 will be not less than RMB35.0 billion. As such, the Company is of the view that (1) the business of Lucion Group and/or its associates will continue to grow in the future; and (2) in line with the business growth of Lucion Group and/or its associates, it is expected that the scale of funds/assets to be entrusted for investment by Lucion Group and/or its associates will increase in the future;

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- (c) other potential business opportunities that are currently under negotiation between the Company and Lucion Group and/or its associates. It is currently anticipated that other associates of Lucion Group, such as Shandong Credit Enhancement, may further entrust its assets and funds to the Company for management during the three years of 2026 to 2028; and
 - (d) the fluctuation in the balances of the funds/assets entrusted by trustor clients to the Company as a result of the Company's management and/or market conditions. As at 30 November 2025, the initial amount of the funds/assets entrusted by trustor clients to the Company (also known as the "paid-up trust amount") was approximately RMB186.14 billion, and the outstanding balance of the funds/assets managed by the Company for its clients (also known as the "trust assets under management") reached approximately RMB210.16 billion, representing a growth rate of approximately 12.9%;
- (ii) a buffer to cater for any further increase in the business needs of Lucion Group and/or its associates under the Lucion Group Trust Framework Agreement and any fluctuation in the outstanding balance of the funds/assets entrusted/to be entrusted by Lucion Group and/or its associates as a result of the Company's management and/or market conditions; and
 - (iii) the actual Trustee Remuneration rate to be received by the Company as trustee for the management of trust assets shall be determined with reference to the trust assets under management, the investment return on the trust assets and the trustee remuneration rate. The Company is committed to follow regulatory policies as it undergoes business transformation. It focuses on developing core and transformative areas such as capital market trusts, family trusts and service trusts, while progressively reducing its financing-related trust business, which typically offers higher trustee remuneration rates. However, due to the nature of the business and intensifying market competition, remuneration rates for transformative sectors like capital market trusts and family trusts are generally low. From 2022 to 2025, the overall trust remuneration rate for trust companies has declined, and the Company has experienced a significant decrease in the average trustee remuneration rate it can command. As a result, even though the Proposed Annual Caps for the maximum outstanding balance of the assets and funds to be entrusted by Lucion Group and/or its associates are higher than the existing annual caps for the years of 2023 to 2025, the Proposed Annual Caps for the trustee remuneration to be received from the trusts of which Lucion Group and/or its associates are trustors remain lower than the existing annual caps for the same period. The Trustee Remuneration to be received from the trusts of which Lucion Group and/or its associates are trustors for the three years ending 31 December 2028 (the "**Review Period**") will be determined with reference to the average of the historical actual Trustee Remuneration rates for the years ended 31 December 2023 and 2024 and the 11 months ended 30 November 2025 (i.e. approximately 0.1% of the maximum outstanding balance).

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In assessing the fairness and reasonableness of the Proposed Annual Caps, we have taken into consideration the following:

- (i) As discussed with the Management, the Trustee Remuneration to be received for the Review Period were determined with reference to, among others things, the Management's understanding based on the market conditions where there is intensifying competition in the trust industry and negotiation with Lucion Group and/or its associates to attract larger scale of fund to be entrusted, and the Proposed Annual Caps in respect of the Trustee Remuneration were determined based on a remuneration rate of 0.1% of the respective Maximum Balance for each of the three years in the Review Period such that the Proposed Annual Caps for the Trustee Remuneration is RMB49 million for each of the three years in the Review Period while the corresponding Maximum outstanding balance of the assets and funds entrusted/to be entrusted by Lucion Group and/or its associates is RMB49 billion. We noted that the average historical actual Trustee Remuneration rates for the years ended 31 December 2023 and 2024 and the 11 months period ended 30 November 2025 as percentage of the maximum outstanding balance entrusted by Lucion Group as at their respective year end was approximately 0.1%. Upon comparison, we noted that the proposed Trustee Remuneration rate of 0.1% under the Proposed Annual Caps is consistent with the abovementioned average Trustee Remuneration rate. We also noted that the proposed Trustee Remuneration rate under the Proposed Annual Caps is lower than the historical average remuneration rate which is in line with our understanding that (a) the increased competition among the trust industry peers in recent years that brought down the market remuneration rate; and (b) the expectation of the increase in entrusted fund as compared to the historical amount entrusted by Lucion Group upon negotiation which is evidenced by the HF Bank Confirmation Letter committing that the transaction amount of trust transactions with the Company for each of the three years during the Review Period will be not less than RMB35.0 billion, as compared to the maximum outstanding balance of the assets and funds entrusted/to be entrusted by Lucion Group and/or its associates of not more than RMB9 billion for each of the years ended 31 December 2023 and 2024 and the period ended 30 November 2025.
- (ii) We noted that the Maximum Balance were determined with reference to, among other things, the historical amount of the maximum outstanding balance of the assets and funds entrusted by Lucion Group and/or its associates as at 30 November 2025 of approximately RMB8.1 billion (in which approximately RMB7.1 billion of the trust assets entrusted by Lucion Group and/or its associates was already rolled over) and Hengfeng Bank provided the HF Bank Confirmation Letter to the Company that the transaction amount of trust transactions with the Company for each of the three years during the Review Period will be not less than RMB35.0 billion, with Hengfeng Bank being a major commercial bank in the PRC with increasing demands to entrust asset management, as mentioned in the section "Reasons for and benefits of the entering into of the Lucion Group Trust Framework Agreement" in this letter. We obtained 15 trust contracts entered into by the Company with associates of

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Lucion Group, to verify the roll-over amount of approximately RMB7.1 billion for trust assets entrusted by Lucion Group and/or its associates. We also reviewed the HF Bank Confirmation Letter, which stated that, based on its asset management business requirements, the expected transaction amounts between Hengfeng Bank (and/or its associates) and the Company would be not less than RMB35 billion for each of the three years in the Review Period. Given the Lucion Group's substantial and increasing asset scale, and the anticipated increase in assets to be entrusted by Lucion Group as evidenced by the roll-over trust assets and the commitment in its confirmation letter, it is reasonable for the Directors to form the views that (i) the business of Lucion Group will continue to grow in the future; and (ii) in line with the business growth of Lucion Group, it is expected that the scale of assets to be entrusted by Lucion Group will increase in the future.

In light of the above, we are of the view that the Proposed Annual Caps for the three years ending 31 December 2028 are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned.

Internal control measures

The Management confirmed that the Company has implemented internal control procedures and policies on connected transactions to monitor connection transactions and to ensure that all connected transactions are entered into in accordance with the pricing policies, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Further details of the internal control measures are set out in the Letter from the Board. In order to assess the internal control measures associated with the continuing connected transactions contemplated under the Lucion Group Trust Framework Agreement, we have carried out the following procedures:

- (i) we have reviewed (a) the Measures for Management of Related Party Transactions which sets out, among other things, the relevant requirements for and identification of connected transactions, the responsibilities of relevant departments in conducting and managing connected transactions, reporting procedures and ongoing monitoring, with a view to ensuring compliance of the Company with applicable laws and regulations (including the Listing Rules) in relation to connected transactions; and (b) eight samples of past internal approval records in aggregate, selected on a random basis, for trust contracts entered into by the Company under the Existing Lucion Group Trust Framework Agreement, comprising three samples for each of the years ended 31 December 2023 and 2024 and two samples for the year ended 31 December 2025. We consider the sample size to be sufficient as these samples represented over 50% of the aggregate value of the entrusted funds under the trust contracts entered into with Lucion Group in each of the respective years and it also covered not less than 50% of the total number of trust contracts entered into with Lucion Group for each of the respective years. In addition, the Company has such internal control measures in place since the listings of its shares on the

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Hong Kong Stock Exchange and we relied on confirmations from the auditors of the Company and the independent non-executive Directors. Based on our review and as advised by the Management, past transactions entered into between the Company and Lucion Group and its associates under the Lucion Group Trust Framework Agreement were generally in compliance with the Measures for Management of Related Party Transactions which, as advised by the Management, were set to ensure that the Company conformed to the pricing policies of the Lucion Group Trust Framework Agreement in entering into the connected transaction;

- (ii) we noted from the 2022 Annual Report, 2023 Annual Report and 2024 Annual Report that the independent non-executive Directors have reviewed the continuing connected transactions contemplated under the Lucion Group Trust Framework Agreement and confirmed that such transactions had been (a) entered into in the ordinary course of business of the Company; (b) entered into on normal or better commercial terms; and (c) conducted in accordance with the relevant agreement whose terms are fair and reasonable and in the interests of the Shareholders as a whole; and
- (iii) we noted from the 2022 Annual Report, 2023 Annual Report and 2024 Annual Report that the auditors of the Company had performed certain planned audit procedures for the continuing connected transactions entered into by the Company for the years ended 31 December 2022, 2023 and 2024, and concluded that such transactions (a) had been approved by the Board; (b) had followed the pricing policies of the Company in all material respects; (c) were conducted in accordance with the relevant agreements for such transactions in all material aspects; and (d) had an aggregate amount not exceeding the relevant cap disclosed in the annual report. We had reviewed the three letters issued by the auditors of the Company to the Board dated 28 March 2023, 26 March 2024 and 27 March 2025 and noted that the auditors of the Company had performed procedures in accordance with Hong Kong Standard on Assurance Engagements 3000 and with reference to Practice Note 740 and confirmed that they had performed sample checks on the continuing connected transactions entered into between the Company and Lucion Group during the years ended 31 December 2022, 2023 and 2024 and nothing had come to their attention that led them to believe that such continuing connected transactions do not comply in all material respects with the Group's pricing policies.

Based on the above, we are of the view that the principal terms of the Lucion Group Trust Framework Agreement and the Proposed Annual Caps are on normal commercial terms or better and are fair and reasonable so far as the Independent Shareholders are concerned and the Group has adequate internal control policies and procedures in place to ensure that the transactions under the Lucion Group Trust Framework Agreement would be conducted in accordance with the respective pricing policy and the Proposed Annual Caps would not be exceeded.

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Shareholders should note that the Proposed Annual Caps are relating to future events and were estimated based on assumptions which may or may not remain valid for the entire period up to 31 December 2028, and they do not represent forecasts of operating income to be generated from the transactions contemplated under the Lucion Group Trust Framework Agreement.

RECOMMENDATION

Having considered the above, we are of the opinion that (i) the continuing connected transactions under the Lucion Group Trust Framework Agreement are in the ordinary and usual course of business of the Group; and (ii) the terms of the Lucion Group Trust Framework Agreement and the Proposed Annual Caps are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders, and we advise the Independent Shareholders, to vote in favour of the ordinary resolutions to be proposed at the EGM for approving the Proposed Annual Caps.

Yours faithfully,
For and on behalf of
Octal Capital Limited

Louis Chan
Director

Ben Chui
Associate Director

Note:

Mr. Louis Chan is a licensed person registered with the Securities and Futures Commission of Hong Kong and a responsible officer of Octal Capital Limited to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO. He has over 20 years of experience in corporate finance and investment banking.

Mr. Ben Chui is a licensed person registered with the Securities and Futures Commission of Hong Kong and a responsible officer of Octal Capital Limited to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO. He has over 16 years of experience in accounting and corporate finance.

**WORK REPORT OF THE BOARD FOR THE YEAR 2025 OF SHANDONG
INTERNATIONAL TRUST CO., LTD.**

2025 was a crucial year for the comprehensive implementation of the “1+N” regulatory system in the trust industry, and also a pivotal year for the industry to undergo cyclical tests and accelerate its transformation. In the face of multiple challenges such as increasing uncertainties in the external environment, intensified market competition, and overall pressure on the industry’s development, the Board of SITC adhered to the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, thoroughly implemented the spirit of the 20th National Congress of the Communist Party of China and its subsequent plenary sessions, comprehensively grasped macroeconomic policy trends and regulatory guidance, and implemented the resolutions of the general meeting. Focusing closely on the goals of “reform and risk reduction, as well as business transformation”, the Company strengthened its foundation, adjusted its structure, and resolved risks, and maintained a stable development and a good trend of steady improvement. The major work of the Board in 2025 is reported as follows:

I. COMPOSITION OF THE BOARD

The Board of the Company comprises six Directors, including three shareholder representatives and three independent Directors, with Mr. Yue Zengguang serving as the chairperson. In July 2025, due to the expiry of his term of office, the former Director Mr. Wang Zengye left. In January 2026, due to work arrangement, the former Director Ms. Duan Xiaoxu resigned. Upon consideration and approval by the general meeting and approval by the regulatory department, Mr. Chen Liuyi was appointed as the vice-chairperson and a non-executive Director of the Company with effect from July 2025, and Mr. Chen Xuebin was appointed as a non-executive Director of the Company with effect from July 2025. Based on the changes of Directors, the Board has adjusted the composition of the relevant special committees accordingly.

II. MAJOR WORK OF THE BOARD IN 2025

In 2025, the Board of the Company performed its duties diligently and faithfully and conducted its work in a solid and effective manner to proactively advance the continuous and stable development of SITC. Three general meetings were convened by the Board in accordance with the law, where 13 topics were considered and reports on three topics were heard. A total of eight board meetings were held, where 73 topics were considered and report on one topic was heard. In consideration of the actual situation of the Company’s operation and management, in terms of organisational structure optimisation, financial management, strategic planning, risk mitigation, protection of the rights and interests of consumers, and related party transactions, all of the Directors actively offered advice and suggestions, practically performed their duties empowered by the Company Law and the Articles of Association, effectively promoted the scientific decision-making of the Board, and ensured the regulated operation of corporate governance.

(I) Firmly committed to returning to the origin, deepened reform and transformation

Firstly, we firmly advanced the pace of transformation and reshaped the business layout. We adapted to the deepening of the “three categories” reform, resolutely broke away from traditional path dependence, and focused on a dual-engine structure of asset management trusts and asset service trusts. We continued to cultivate family trusts and premium trusts, effectively meeting the wealth inheritance needs of high-net-worth clients. As at the end of 2025, the existing scale of family trusts exceeded RMB68 billion, representing a year-on-year increase of over 30%, winning the prestigious Golden Bull Award for Family Trusts. Fully embracing the capital market, we focused on improving our active management capabilities, and achieved stability in business volume and improvement in business quality in our standard product business. Achieving a major breakthrough in risk disposal service trusts, we successfully won the benchmark bankruptcy reorganisation project in the province, effectively improving our regional risk mitigation capabilities. Anchoring on Lucion Group’s strategy of a “comprehensive financial services integrator” and a “systematic financial solutions provider”, we deepened cooperation with financial peers, integrated internal and external resources to jointly build a collaborative ecosystem, and injected strong momentum into the transformation. Secondly, we leveraged local advantages to focus on the “five major areas” of finance. Sparing no efforts in implementing the mission of “gathering capital to develop Shandong”, the Company’s scale of existing trusts invested in Shandong Province and the business of “attracting capital to invest in Shandong” realised a relatively significant growth. Our green trusts also continued to grow. As at the end of 2025, the scale of existing trusts reached RMB8.2 billion, representing a growth of over RMB3 billion as compared with the beginning of the year. Our first nationally certified CCER carbon asset revenue rights trust was selected as one of the “Top Ten Green Trust Cases of 2025” in the industry. Focusing on concerns of people’s livelihood, we empowered social governance through trust mechanisms. Our first prepayment-type businesses in areas such as property management and elderly care were launched successively, demonstrating our trust responsibility in serving the overall situation of local development.

(II) Continuously tackled risk mitigation and fortified the defence line of compliance management

Firstly, we prioritised risk prevention and mitigation, and consolidated the primary responsibilities at all levels. By making comprehensive use of various disposal methods such as judicial litigation, revitalisation and development, and debt repayment with properties, we promoted risk mitigation, with positive progress made in the disposal of multiple risk projects in areas such as government platforms and real estate. Secondly, we strengthened pre-approval processes, optimised risk management tools, and strictly controlled concentration risks, thereby effectively enhancing the forward-looking and proactive nature of risk management. Thirdly, we upheld the business philosophy of “compliance creates value”, firmly adhered to the bottom line of compliance, fully aligned with regulatory requirements, continuously improved the institutional system that was comprehensive both horizontally and vertically, and ensured that “compliance is survival” became a consensus among all employees, thereby constantly consolidating the cornerstone of compliant development. We faithfully safeguarded the interests of trustors and earnestly fulfilled our fiduciary duties.

(III) Adhered to the guidance of Party building to improve support and protection capabilities

Firstly, we insisted on integrating Party leadership into all aspects of corporate governance. We continuously deepened the organic integration of Party building with business operations, striving to build a synergistic and mutually reinforcing working pattern, and using high-quality Party building to lead and safeguard the steady development of the Company. Optimising the organisational structure, we established the service trust department and the industrial finance department, and set up the Beijing business centre, striving to build an agile and efficient organisational system. Improving the incentive mechanism, we revised the remuneration and rank management methods to streamline the channels of “promotion and demotion” and stimulate team vitality. Secondly, we meticulously formulated the “15th Five-Year Plan”. Actively adapting to regulatory guidance and the new requirements of the Company’s reform and transformation, we meticulously organised and formulated the “15th Five-Year Plan” with high standards. We scientifically set development goals that were both forward-looking and feasible, and systematically planned implementation paths to comprehensively lead the direction of transformational development. We visited peer benchmark institutions such as China Foreign Economy and Trade Trust (FOTIC), China Resources Trust, and Shanghai Trust to conduct benchmarking studies, systematically learning from their advanced experiences, comprehensively identifying our own shortcomings, and clarifying directions for improvement, thereby continuously promoting the translation of research results into the enhancement of management and core capabilities. Thirdly, we empowered wealth management with digital intelligence and led business transformation with technology. We continuously iterated information systems for family trusts, wealth management, asset valuation, and accounting, significantly improving data processing efficiency and service reliability. We also strengthened AI empowerment in business transformation, focusing on the centralised development of high-value scenarios, and continuously promoted the application of “AI+”.

(IV) Enhanced governance and control mechanisms to consolidate the foundation for high-quality development

Firstly, we improved corporate governance and consolidated the institutional foundation. In 2025, we successfully completed the additional election of two new Directors and adjusted the composition of the special committees. In accordance with the Company Law and regulatory guiding opinions, we properly completed the reform of the Board of Supervisors, with the audit committee of the Board taking over the functions of the former Board of Supervisors. We orderly completed two rounds of amendments to the Articles of Association and updates to the relevant rules of procedure for governance, while dynamically updating the recovery and disposal plans. Secondly, we enhanced the efficiency of duty performance and strengthened closed-loop execution. We strengthened the capacity building of Directors and senior management through regulatory training, thematic seminars, and case studies, translating governance effectiveness into the execution capability for compliant operations and scientific decision-making. We fully supported the work of various special committees, guided and supervised the management to conduct business in accordance with laws and compliance, and ensured that corporate governance and operations consistently aligned with regulatory

directives. Thirdly, we deeply cultivated the underlying corporate culture and built consensus for development. We deeply rooted the financial culture with Chinese characteristics and forged the dual core of trust culture and compliance culture. Through cultural immersion, we strengthened employees' self-awareness, making cultural "soft power" a "hard support" for standardising duty performance and preventing risks.

(V) Continuously managed equity interests properly, disclosed information in accordance with laws and compliance

Firstly, we strengthened the management of shareholders' equity. The Company solidly carried out annual evaluations of substantial shareholders, regularly updated the corporate governance supervision system, continued to track the condition of substantial shareholders, strengthened communication and interactions with substantial shareholders, and promptly conveyed regulatory requirements. Secondly, we comprehensively managed related party transactions. In accordance with the latest regulatory requirements and reform of the Board of Supervisors, we timely updated and improved the related party information of substantial shareholders, Directors and senior management, and reported the same to the regulatory system and China TRC platform on a quarterly basis. Thirdly, we carried out information disclosure in accordance with laws and compliance to improve the level of investor relations management. Adhering strictly to regulatory requirements and the Listing Rules of the Hong Kong Stock Exchange, the Company fulfilled its information disclosure obligation. In 2025, the Company released a total of 48 announcements on the websites of the Hong Kong Stock Exchange and the Company, including 17 periodic reports and 31 ad-hoc announcements, delivering high-quality information disclosure. The Company maintained close communication with the capital market and investors through email, telephone calls and on-site communication at the general meeting, improving its investor relations management capabilities.

(VI) Full support to annual performance evaluation of Directors and senior management by the audit committee

The Board fully supported the audit committee to take over and carry out the evaluation of annual performance of Directors and senior management for the year 2025, continuing to strengthen performance supervision. The Board believes that the Directors and senior management of the Company are able to fulfill their obligations of loyalty and diligence, have the professionalism, independence and ethical standards required for the performance of their duties, and serve the best interests of the Company and the shareholders. Among the 13 individuals evaluated who met the regulatory requirements, comprising five Directors and eight senior executives, the Board recommended that all of them as competent. At the same time, the Board evaluated the performance of the operation team for the year 2024 and considered the assessment method for the year 2025.

III. 2026 ANNUAL WORK PLAN

2026 is a year to anchor a good start of the “15th Five-Year Plan”. SITC will take the spirit of the 20th National Congress of the Communist Party of China and its subsequent plenary sessions as the fundamental guideline, follow regulatory guidance, adhere to Lucion Group’s strategy of “comprehensive financial services integrator” and “systematic financial solutions provider”, take the Company’s “15th Five-Year Plan” as its overall planning, insist on pursuing progress while ensuring stability, and promoting stability through progress, paying more attention to the overall coordination of development and security. We will hone our asset management capabilities with craftsmanship, expand the boundaries of service trusts with innovative thinking, and resolve and manage risks with the courage to take decisive action, striving to become a leading professional trustee institution in its niche market with significant regional influence.

(I) Strengthening strategic guidance and consolidating the foundation for transformational development

Firstly, we will adhere to regulatory guidance and firmly grasp the development direction. We will deeply implement the “Several Opinions on Strengthening Supervision and Preventing Risks to Promote High-Quality Development of the Trust Industry”, utilise the “15th Five-Year Plan” to oversee the overall situation, strictly abide by our trustee positioning, anchor our original aspiration of serving the real economy and the people’s pursuit of a better life, and comprehensively integrate into the overarching trend of reform and development of the industry. Secondly, we will accelerate the pace of transformation and forge core capabilities, fully building the “dual trust engines” of asset management and asset services. For family trusts, we will strive to create the premier brand in Shandong Province, enhance asset allocation and profitability, and stabilise our industry ranking. For capital market businesses, we will accelerate the layout of actively managed products, improve the sales system, construct a closed business loop, and strengthen support for transformation through professional capabilities. Thirdly, we will strengthen collaborative empowerment and pool synergies for transformation. Leveraging the advantages of Lucion Group’s construction of “comprehensive financial services integrator” and “systematic financial solutions provider”, we will integrate internal and external resources to build an integrated “synchronised” marketing system. Centring on financial peer clients, we will promote the upgrade of channel cooperation towards resource empowerment, achieve business linkage and joint value creation, and inject strong collaborative momentum into our transformational development.

(II) Focusing on intensive regional cultivation and basing on our core business to enhance quality and efficiency

Firstly, we will deeply cultivate regional development and consolidate the foundation of our existence. We will bravely shoulder the original mission of “gathering capital to develop Shandong”, firmly adhere to the strategy of intensive regional cultivation, and strengthen the synergy of internal and external resources. By focusing on core enterprises and key industrial chains within the province, we will precisely align with local resource endowments to create a sustainable and iterative business model with regional characteristics, thereby demonstrating the fundamental value of trust in serving the local real economy. Secondly, we will perform well in the “five major areas” of finance to serve major strategies. Anchoring on regional strategic layouts such as the cultivation of new productive forces and green and low-carbon transformation, we will keep introducing financial resources and optimise the supply of trust finance. We will also advance the bankruptcy reorganisation service trust project of Zhongrong Xinda with high quality, formulating replicable experiences for active and systematic expansion within the province, thereby utilising our professional capabilities to empower regional risk mitigation and optimisation of economic structure. Thirdly, we will expand service trust scenarios and practise finance for the benefit of the people. We will consolidate the innovative achievements of service trusts, systematically broaden application scenarios in areas such as public affairs management and livelihood security, and deeply participate in social governance to assist the government in resolving conflicts and enhancing governance effectiveness. We will vigorously develop public welfare charitable trusts, burnish our foundational commitment to “finance for the benefit of the people”, and continuously demonstrate a warmer and more robust sense of responsibility as a trust company while serving the broader landscape of local economic and social development.

(III) Firmly defending the bottom line of risk and deeply cultivating the trust compliance culture

Firstly, we will deepen comprehensive risk management and build a solid security foundation. We will strictly control project onboarding, prudently select counterparties, strengthen concentration control, and perfect the full-lifecycle risk control mechanism. We will also enhance dynamic post-loan and post-investment monitoring as well as near-term management to curb new risks from emerging, improve public opinion early warning and stress testing, strictly hold individuals accountable for dereliction of duty, and ensure the closed-loop operation of risk control. Secondly, we will focus efforts on risk disposal and accelerate the clearing of existing risks. By comprehensively utilising diversified means such as asset revitalisation and bankruptcy reorganisation, we aim to achieve precise defusing of risk assets. We will consolidate primary responsibilities, strengthen cross-departmental collaboration, and earnestly eliminate historical burdens to free up space for reform and transformation. Thirdly, we will firmly establish the concept of compliant operations and build a digitally intelligent line of defence. We will deeply cultivate the business philosophy of “compliance creates value” and strictly adhere to the bottom line of “zero tolerance” for compliance risks. We will enhance the application of AI technology in areas such as contract review and anti-money laundering monitoring, constructing a multi-dimensional defence line combining “defence by human +

defence by technology”. We will also conduct compliance training on a regular basis to internalise regulatory requirements into employees’ conscious actions. Fourthly, we will deeply cultivate the financial culture with Chinese characteristics and forge a hard support for development. We will promote the deep rooting of the financial culture with Chinese characteristics, the trust culture, and the Lucion corporate culture, transforming cultural “soft power” into a “hard support” for high-quality development.

(IV) Further improving institutional mechanisms to empower transformational development

Firstly, we will promote the deep integration of the Party’s leadership and corporate governance. We will fully leverage the core role of the Party Committee in “charting the course, managing the overall situation, and ensuring implementation”, and improve the leadership system of “two-way entry and cross-appointment”, thereby integrating the Party’s political and organisational advantages throughout the entire process of reform, development, and operation management. Secondly, we will promote the efficient and collaborative performance of duties by governance bodies. We will strengthen the professional capacity building of Directors and senior management to elevate the level of management decision-making and duty performance capabilities. We will also perfect the linkage mechanism among the Board, the management, and regulatory authorities. Using the rectification of issues identified in regulatory inspections, disciplinary patrols and audits as a focal point, we will consolidate the closed loop of responsibilities to ensure that governance requirements are fully penetrated, implemented, and executed in place. Thirdly, we will closely align with transformation needs to enhance organisational efficiency. Adhering to strategic guidance and dynamic adaptation, we will optimise our organisational structure and coordinate resources to tilt towards core businesses and transformational areas. Following the principle of “streamlining the back office and reinforcing the front office”, we will improve the multi-channel career development mechanism for talents and strengthen the construction of professional talent echelons. We will leverage the leading role of strategic planning and the guiding role of assessment and incentives to foster a sound ecosystem for entrepreneurship and joint value creation. Fourthly, we will strengthen digital and intelligent empowerment to build a “smart trust” platform. We will actively explore the deep application of AI technology in scenarios such as business expansion, risk control, and operational decision-making, so as to construct an integrated “smart trust” platform. By utilising technological means to empower business innovation, fortify risk control barriers, and facilitate employee growth, we will inject strong digital and intelligent momentum into the Company’s transformational development.

**WORK REPORT OF INDEPENDENT DIRECTORS FOR THE YEAR 2025 OF
SHANDONG INTERNATIONAL TRUST CO., LTD.**

In 2025, Mr. Zheng Wei, Ms. Zhang Haiyan and Ms. Liu Wanwen served as independent Directors of SITC. In strict accordance with the provisions of the Company Law, the Administrative Measures on Trust Companies, the Guidelines for Governance of Trust Companies, and the Listing Rules of the Stock Exchange, the independent Directors actively participated in study and training, performed their duties diligently, exercised their powers in a rigorous and prudent manner, and attended on time general meetings, meetings of the Board and the special committees thereunder. They expressed professional opinions independently, objectively and impartially, giving full play to the role of supervision, checks and balances, and professional support of independent Directors, so as to effectively safeguard the overall interests of the Company and the legitimate rights and interests of all shareholders and stakeholders. The fulfilment of duties for the year 2025 and the work plan for the year 2026 are reported as follows.

I. FULFILMENT OF DUTIES FOR THE YEAR 2025

In 2025, the independent Directors diligently performed their duties, attended, either on-site or by means of communication, all the eight meetings of the Board and the three general meetings on time, which considered and received a total of 90 proposals, and attended their respective special committees on time. The time they spent on performing their duties at the Company complied with the relevant regulatory requirements, all exceeding 15 working days. Among them, Mr. Zheng Wei, as the chairperson of both the audit committee and the related party transaction control committee, spent over 20 working days on performing his duties at the Company. The independent Directors effectively and appropriately played their roles in ensuring the standardised operation of the Board and improving the quality and effectiveness of corporate governance.

The current independent Directors of the Company have professional backgrounds and rich experience in financial management, wealth management, accounting, and financial investment. They strengthened communication and exchanges with the management in daily operations, and gained a detailed understanding of the Company's operation and management by reviewing information, conducting discussions and interviews, and carrying out routine tracking and analysis, thereby providing sufficient guarantee for their fulfilment of duties and responsibilities. In 2025, based on their professional judgment, the independent Directors provided numerous objective and scientific professional opinions on important issues and work matters such as related party transactions, financial management, internal control, risk disposal, and organisational structure adjustments, thereby empowering the high-quality development of the Company.

Firstly, they promoted the standardised conduct of related party transactions. In 2025, a total of 11 proposals regarding related party transactions were considered, primarily involving areas such as product issuance and debt disposal. Thorough deliberations were conducted on

matters including the annual caps for investment by related parties in the Company's trust products, the subscription of individual collective fund trust schemes, and the transfer of creditor's rights under trust schemes to related parties. This effectively ensured the standardisation and fairness of business cooperation between the Company and related parties, providing strong support for business expansion and risk mitigation. By comprehensively considering the Company's actual and future business needs, the independent Directors offered independent and professional opinions on the annual caps for continuing connected transactions for 2026-2028, providing a robust guarantee for the standardised conduct of the Company's connected transactions over the next three years.

Secondly, they strictly managed information disclosure. By verifying the truthfulness, accuracy, and completeness of financial and accounting information, they urged the audit institutions to diligently perform their duties. The independent Directors carefully reviewed the annual and interim financial reports, focusing on key matters such as the application of accounting policies, significant accounting judgments, and the provision for asset impairment. Moreover, they fully communicated with the audit institutions and continuously urged them to strictly adhere to professional standards in order to ensure the true, accurate, and complete disclosure of financial information. This effectively enhanced the Company's information disclosure quality and financial transparency, earnestly safeguarding the legitimate rights and interests of the Company and all shareholders, especially minority shareholders.

Thirdly, they earnestly enhanced the level of corporate governance and the quality and efficiency of operation and management. Focusing on matters such as the construction of internal control, compliant operations, major investments and financing, and asset disposal of the Company, the independent Directors considered 16 proposals related to the internal control evaluation report, the compliance risk management assessment report, case risk prevention and control, etc. They actively participated in discussions on matters including the optimisation of organisational structure and the transfer of LP interests. Furthermore, they provided professional opinions on reasonably setting assessment indicators for the management team and promoting business transformation, and urged the Company to strictly fulfil its information disclosure obligations.

II. STUDY AND TRAINING FOR THE YEAR 2025

In order to adapt to the new situation in financial regulation and the new requirements of trust industry development, the independent Directors attach great importance to enhancing their professional capabilities, focus on strengthening the tracking and research on domestic and overseas regulatory policies, and actively participate in study, training, and policy discussion activities. In 2025, they participated in the special training on latest regulatory development of listed companies in Hong Kong organised by the Company. The training content covered amendments to the Listing Rules of the Stock Exchange and new policy requirements, as well as recent regulatory actions taken against listed companies and directors. The independent Directors also attended the prudent meeting of the Shandong Office of the National Financial Regulatory Administration as observers, listening to reports on the

Company's operation and management for 2024 and the work plan for 2025, as well as the regulatory evaluation and regulatory work requirements by the Shandong Office of the National Financial Regulatory Administration regarding the Company's operation and management. Through the aforementioned training and study, the independent Directors gained a more comprehensive and profound understanding of domestic and overseas regulatory rules and directives. This enhanced their ability to evaluate complex issues and promoted scientific decision-making and efficient performance of duties by the independent Directors.

III. WORK PLAN FOR THE YEAR 2026

In 2026, the independent Directors will continue to uphold the independent, objective and professional principles. Focusing on regulatory guidance and development needs of the Company, they will be accountable to all shareholders, especially the minority shareholders, discharge their duties according to the laws and regulations in a prudent and objective way, and continuously improve the efficiency of duty performance. Their key tasks are as follows:

Firstly, they will strengthen the performance of supervisory duties. They will continuously monitor the standardised operation of the Company's "three boards and one management", focusing on the supervision of matters such as related party transactions, major investments and financing, and risk disposal. They will also urge the Company to strictly adhere to the bottom line of compliant operations. By closely tracking the rectification of issues identified in internal control audits and maintaining close communication with the Board and the senior management of the Company, they aim to better safeguard the interests of the Company and the shareholders.

Secondly, they will further enhance their professional support capabilities. They will proactively study and master new financial regulations, cutting-edge industry knowledge, and practical performance of duties by the independent Directors, while actively participating in training organised by regulatory authorities to continuously improve their professional competence and duty performance capabilities. By conducting in-depth research on the direction of trust business transformation, they aim to provide more forward-looking and actionable professional advice on topics such as optimisation of corporate governance, business structure adjustments, and strategic development, thereby contributing to the high-quality development of the Company.

RECOVERY PLAN OF SHANDONG INTERNATIONAL TRUST CO., LTD.

Note: Pursuant to the Interim Measures for the Implementation of the Recovery and Disposal Plan of Banking and Insurance Institutions (《銀行保險機構恢復和處置計劃實施暫行辦法》) (Yin Bao Jian Ban Fa [2021] No. 16) and relevant regulatory requirements, Shandong International Trust Co., Ltd. (hereinafter referred to as the “Company”) revised the Recovery Plan of Shandong International Trust Co., Ltd. (hereinafter referred to as the “Recovery Plan” or the “Plan”, approved at the 2022 first extraordinary general meeting of SITC) and the Recommendations on the Disposal Plan of Shandong International Trust Co., Ltd. (approved at the 2022 first extraordinary general meeting of SITC) on the basis of the Recovery and Disposal Plan of SITC (approved at the 2018 second extraordinary general meeting of SITC). The Recovery Plan is formulated in advance by the Company and approved by the National Financial Regulatory Administration and its local office. When the Recovery Plan is triggered, the Company mainly addresses the shortage of capital and liquidity through market-oriented channels such as its own and shareholders’ subsidies, so as to restore its sustainable operating capacity in accordance with the relevant arrangements of this plan. The Recovery Plan is the Company’s action guidance in crisis scenarios, but does not rule out the possibility of the implementation of other recovery measures in crisis scenarios.

Unless otherwise specified, the currency unit mentioned herein is RMB.

I. SUMMARY**(I) Institutional Condition****1. Business condition**

Shandong International Trust Co., Ltd. (hereinafter referred to as “SITC” or the “Company”) was established as a non-banking financial institution in 1987, with the approval of the People’s Bank of China and the People’s Government of Shandong Province, and is currently the only provincial state-owned trust company in Shandong Province and a director of China Trustee Association. In December 2017, SITC was listed on the H-share main board (Stock Code: 1697.HK). Currently, the registered capital of the Company is RMB4.659 billion.

The Company has established the development pattern of “taking root in Shandong and spreading to the whole country”, and is a pioneer in the domestic family trust business, with its relevant scale firmly ranking first in Shandong and among the top in the country. In accordance with the requirements of the three categories of trust business, the Company has built a comprehensive business system covering asset service trusts, asset management trusts and public welfare and charity trusts. In the field of asset service trusts, with family trust as the core, the Company focuses on wealth inheritance and protection, while providing professional services such as securities operation, bankruptcy isolation and prepaid funds supervision. In the field of asset management, the Company provides diversified products covering fixed income, equity and mixed categories to help customers achieve steady asset appreciation, and effectively supports the development of the real economy through comprehensive investment and financing businesses such as trust loans and equity investment. In the field of public welfare and charity trusts, the Company guides social resources to flow into charitable undertakings such as rural revitalization, education assistance and medical rescue, highlighting its professional value in assisting common prosperity and the third distribution.

As at the end of 2025, consolidated assets of the Company amounted to RMB13.679 billion with total liabilities of RMB2.436 billion. In 2025, the operating income of the year amounted to RMB722 million with a total consolidated profit of RMB76.7070 million.

2. Organisational Structure

(1) Corporate governance structure

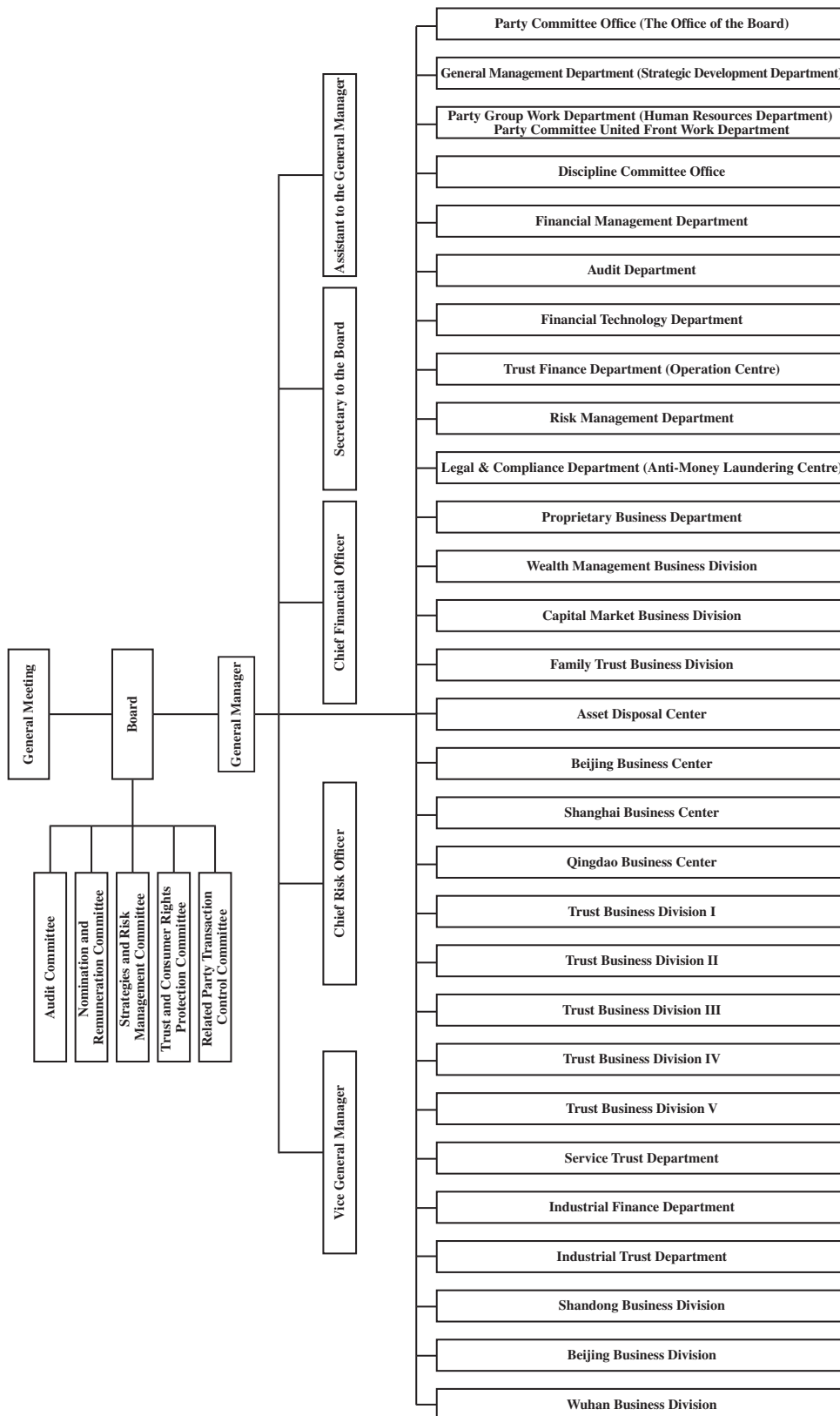
In accordance with the requirements of domestic and overseas regulations, the Company continues to strengthen corporate governance, establishing a corporate governance structure with clear powers and responsibilities, including the general meeting, the Board and senior management, without excess or insufficiency or inaccuracy at all management levels to ensure professional and balanced corporate governance, and scientific and efficient decision-making.

The Company clearly classifies the responsibilities among the general meeting, the Board and the senior management. The general meeting consisting of all Shareholders is the organ of authority of the Company. The Board is accountable to the general meeting, and is an operating decision-making authority of the Company. The Board is currently comprised of six Directors, which meets the requirements on corporate governance under domestic and overseas regulations. The Directors have a diversity of professional backgrounds and offers greater complementarity. Five special committees including the strategies and risk management committee, trust and consumer rights protection committee, nomination and remuneration committee, audit committee and related party transaction control committee are established under the Board. The special committees operate under the leadership of the Board and provide professional advice on the scientific decision-making of the Board. The Company does not have a Board of Supervisors or Supervisors, and the audit committee of the Board exercises the authority of the Board of Supervisors as stipulated in laws and regulations. The senior management of the Company shall be responsible for implementing the resolutions of the Board and the daily operation and management of the Company, and reporting to the Board regularly.

The shareholding structure of SITC is as follows:

Name of Shareholder	Number of Shares (share)	Shareholding	Nature of Shares
Shandong Lucion Investment Holdings Group Co., Ltd.	2,242,202,580	48.13%	
CNPC Assets Management Co., Ltd.	873,528,750	18.75%	
Shandong High-Tech Venture Capital Co., Ltd.	225,000,000	4.83%	Domestic shares (non-circulating share)
Shandong Gold Group Co., Ltd.	80,073,468	1.72%	
Weifang Investment Group Co., Ltd.	60,055,101	1.29%	
Jinan Energy Investment Co., Ltd.	13,255,101	0.28%	
Jinan Finance Investment Holding Group Co., Ltd.	252,765,000	5.43%	H shares (circulating share)
Other H Share public Shareholders	911,970,000	19.57%	
Total	4,658,850,000	100.00%	

(2) Organisational structure



(3) Long-term equity investments

As at 31 December 2025, the Company's long-term equity investments were as follows:

No.	Name of investment enterprise	Shareholding	Book value (RMB)
1	Sinotruk Automobile Finance Co., Ltd.	6.52%	238,588,503.45
2	Taishan Property & Casualty Insurance Co., Ltd.	7.40%	165,872,170.73
3	Anhui Luxin Equity Investment Fund Management Co., Ltd.	25.00%	6,271,109.33
4	Huangshi Liangsheng Real Estate Development Co., Ltd.	28.00%	117,800,000.00
5	Nanyang Zhongliang Chengtong Real Estate Co., Ltd.	20.00%	49,315,124.00
6	Weifang Hengru Real Estate Co., Ltd.	15.00%	15,000,000.00
7	Nanyang Liangheng Real Estate Co., Ltd.	49.00%	82,320,000.00
Total			<u>675,166,907.51</u>

(II) Updates to the Recovery Plan

The Company updated the Company's operation and organisational structure for 2025, long-term equity investment at the end of 2025, trust business data and description of business types in 2025 in the Recovery Plan in 2026. The division of responsibilities in the governance structure was updated according to the latest regulatory policies. Measures such as the dividend reversal mechanism, liquidity support loans from substantial shareholders, and private bond issuance were added to the recovery measures, and public opinion monitoring and investor reassurance measures were improved. Based on the financial situation in 2025, the effect of dividend restriction measures was updated, the assets held at the end of 2025 and the balance of borrowings of the trust fund were updated, the financial infrastructure services and consumer protection programme were further improved, the stress test scenarios and the results of the stress test at the end of 2026 were updated, and the performance hurdles and suggestions for improvement were refined.

II. RECOVERY PLAN GOVERNANCE STRUCTURE**(I) Division of responsibility**

1. The formulation of the Recovery Plan shall be subject to the approval of the general meeting, and substantial shareholders shall assume the responsibilities of substantial shareholders in accordance with the laws and regulations, the Articles of Association and the Recovery Plan.
2. The Board of the Company is the highest corporate organ for formulating, approving, updating and implementing the Recovery Plan, and shall assume the ultimate responsibility for the effectiveness of the Recovery Plan of the Company and the formulation and updating of the recommendations on the Recovery Plan. The Board is responsible for planning, examining and approving the recovery plan mechanism; assessing, confirming and announcing risks whose alert levels reach a certain threshold; decision-making in relation to the recovery measures and specific proposals adopted, and authorising the Company's task force for execution. The strategies and risk management committee of the Board is responsible for the specific management of the Company's Recovery Plan. The Company's Recovery Plan shall be updated once a year or in accordance with regulatory requirements, and the updated Recovery Plan shall be considered and passed by the Board. If the updated content involves the trigger conditions for restricting shareholder dividends and dividend reversal, as well as the subject, scope and method of dividend reversal, it shall also be submitted to the general meeting for approval.
3. The audit committee of the Board is responsible for supervising the performance of their respective duties by the Board and the senior management, and reporting to the general meeting and regulatory authorities on the diligence and due diligence of the Board and the senior management.
4. The senior management shall be responsible for formulating, maintaining and, if necessary, implementing the Recovery Plan. The senior management shall be responsible for evaluating the continuing applicability of the Recovery Plan annually, regularly updating the Recovery Plan based on the actual operations and risk exposure of the Company and submitting it to the regulatory authorities. The Recovery Plan shall be updated at least once a year. If the regulatory authorities consider that the Company's Recovery Plan cannot adapt to development needs or regulatory requirements, the Company shall also update it in a timely manner in accordance with the requirements of the regulatory authorities.
5. The Company's human resources department, the office of the Board, the financial management department, the risk management department, the customer relationship department, the financial technology department and other relevant

departments shall be responsible for drafting the corresponding content of the Recovery Plan according to their designated responsibilities, and shall regularly put forward revisions according to the actual circumstances of the Company.

6. The formulation and revision of the Recovery Plan shall be submitted in sequence to the general manager office, the Party Committee and the Board for review and deliberation, and shall take effect after being submitted to and approved by the general meeting.
7. The People's Government of Shandong Province is the de facto controller of SITC, and the Shandong Provincial Department of Finance performs the duties of investor to Shandong Lucion Investment Holdings Group Co., Ltd. (hereinafter referred to as Lucion Group), the controlling shareholder of SITC. Three directors of the Board of SITC are nominated by Lucion Group and/or its parties acting in concert. Lucion Group exercises the rights of Shareholders through the general meeting, the Board and relevant requirements of state-owned enterprise management. The formulation and implementation of the Recovery Plan shall be reported to and communicated with the Shandong Office of the National Financial Regulatory Administration, Shandong Provincial Department of Finance and other relevant competent authorities via Lucion Group as needed.

(II) Management Mechanism

1. Target of the Recovery Plan

The Company focuses on the disposal plan for business risks and capital losses in order to ensure that when crisis comes, the Company can, in accordance with the established Recovery Plan, rely on its own and shareholder subsidies and other channels to ensure that all parties involved in the Recovery Plan fulfil their respective responsibilities and respond swiftly, alleviate the negative spillovers of disorderly response, reduce rescue costs, and minimise the adverse impact on investors and financial stability so as to restore the normal operations of the Company in a relatively short period of time.

2. Activation and execution of mechanism

- (1) The Company has set up a task force for emergency response to risk incidents; it is responsible for the concrete organisation and implementation of the Company's Recovery Plan. The team is led by the chairman of the Company who is then in charge of the Recovery Plan; the general manager of the Company acts as the deputy leader, being the specific person-in-charge of the Recovery Plan; the members comprise senior management members and the heads of the relevant departments of the Company responsible for the implementation of the Recovery Plan. The team has set up an office, carrying out its daily office work at the risk management department. The chief risk officer concurrently serves as the director of the office of the team.

- (2) When the circumstances that trigger the Recovery Plan take place, the risk management department of the Company and the relevant departments shall immediately report the relevant circumstances to the task force for emergency response.
- (3) The task force for emergency response will review the risk incident submitted by the risk management department and report to the strategies and risk management committee of the Board to consider to implement the Recovery Plan, and shall then report to the Board for deliberation.
- (4) The regulatory authorities may also recommend or require the Company to implement the Recovery Plan based on the actual risk situation or out of prudential regulatory considerations. Under such circumstances, the strategies and risk management committee of the Board shall, as soon as possible, apply for the activation of the implementation of the Recovery Plan according to the requirements of the regulatory authorities, and report to the regulatory authorities for filing after the consideration of the Board.
- (5) After the activation of the Recovery Plan, the implementation will be carried out in an orderly manner in accordance with the recovery measures listed in the plan.

3. *Termination mechanism*

After 90 days after the early warning of the Recovery Plan is lifted, the Recovery Plan shall be terminated with the application of the task force for emergency response and the approval of the strategies and risk management committee of the Board, and having reported to the Board and regulatory authorities.

(III) Accountability Mechanism

If the Company activates the Recovery Plan due to the ineffective performance of duties by the relevant personnel of the Company, and if the relevant personnel fails to implement the Recovery Plan, the Company shall hold the relevant responsible personnel accountable in accordance with the relevant provisions, and the specific accountability mechanism is as follows:

1. Accountability objects. Responsibilities shall be assigned to relevant personnel whose actions led to the activation of the Recovery Plan or who failed to effectively implement it. Personnel whose duties fall directly within the scope of such work shall bear direct responsibility; the responsible person in charge of the department shall bear the management responsibility; business directors or leaders in charge who fail to perform or fail to effectively perform their managerial duties, resulting in internal control failures in relevant areas shall bear the responsibility of leadership; personnel who fail to perform or effectively perform the duties of supervision and inspection shall bear the responsibility of supervision if they should have found but fail to find and report mistakes in a timely manner.

2. Accountability methods. These include organisational personnel actions (criticism and education, written self-criticism, public reprimand, suspension, reassignment, demotion, ordered resignation, dismissal, etc.), economic actions (recovery or reduction of performance-based compensation or term incentive income, ordered repayment of improperly obtained benefits, downgrade of salary grade, and seeking financial compensation in accordance with laws and regulations, etc.), administrative actions (warning, demerit, major demerit, demotion, dismissal, retaining for examination of actions, dismissal, etc.), and other disciplinary measures (ordering rectification, cancellation of the qualification for the year's evaluation, etc.), the above accountability methods can be used alone or in combination.
3. Accountability degree. If it causes the Company to activate the Recovery Plan, the circumstance is severe or particularly severe.
4. Accountability procedure. The Company shall form an accountability work leading group, with the chairman as the group leader and the general manager as the deputy leader. The secretary of the discipline committee office, the chief risk officer and the heads of party group work department (human resources department), the discipline committee office, the audit department, the legal and compliance department (anti-money laundering centre), risk management department and financial management department are members of the group.

In the stage of recovery of the Company, the accountability work leading group confirms the start of accountability. The discipline committee office shall take the lead in organising the investigation and collection of evidence in accordance with the opinions of the Proposal Letter on Activating the Accountability Process, and all departments shall coordinate with the group in the process of investigation and collection. Among them, the leader of the general internal accountability investigation and evidence collection team is the head of the discipline committee office, and the leader of the case accountability investigation and evidence collection team is the main responsible person of the Company. The investigation and evidence collection team shall submit the preliminary conclusions and investigation and evidence collection materials to the accountability work leading group for consideration on the basis of responsibility identification, and after their consideration and approval, further submit them for the consideration and approval of the general manager office and the Party Committee of the Company. Accountability plan involving Directors and senior management members shall also be submitted to the Board for approval. If the accountability decision involves the departure of directors that shall be considered and determined by the general meeting or the employee representative meeting, such decision shall also be submitted to the general meeting or the employee representative meeting of the Company for approval in accordance with the requirements of the Articles of Association. Meanwhile, if other procedures need to be performed pursuant to cadre management authority, such decision shall be implemented in accordance with the relevant regulations of the higher-level authorities. The accountability

work leading group shall make a written notification on the penalty decision to the relevant responsible persons and their departments, and the relevant departments shall cooperate to complete the implementation of the penalty decision.

III. KEY FUNCTIONS, CORE BUSINESS AND IMPORTANT ENTITY IDENTIFICATION

Identifying key functions, key shared services, core business lines and important entities plays an important role in defining the key businesses of the Company, formulating appropriate recovery measures and disposal strategies, ensuring operational continuity, reducing the impact of recovery or disposal measures on the market, and effectively protecting the legitimate rights and interests of financial consumers.

(I) Key Functions

The key functions of the Company are trust business and proprietary business. Trust business refers to the business behaviour of the Company to undertake trust and deal with trust matters as trustee for the purpose of business and remuneration in accordance with the laws and regulations including the Trust Law of the People's Republic of China and the Measures for the Administration of Trust Companies. Proprietary business refers to the business activities conducted by the Company using its own capital. In the event of activating the Recovery Plan, the key function of the proprietary business is to maintain the Company's liquidity.

(II) Key Shared Services

The key shared services of the Company are services related to trust business and proprietary business and services related to operation. Trust business related services include risk management and valuation, transaction and assets management, accounting treatment, etc.; operation related services include human resources support, information technology, transaction processing, legal and compliance services, etc.

(III) Core Business Lines

The core business lines of the Company are proprietary business and trust business.

The Company may engage in activities under its proprietary business such as deposits at banks and other financial institutions, interbank borrowing, loans, and investment, etc. Investment business is limited to equity investments in financial institutions, investments in financial products and investments in fixed assets for self-use. In the event of activating the Recovery Plan, the proprietary core business is the utilisation of the capital, loans to external parties, etc., to deal with all kinds of risk events, and to maintain the Company's continuous operation and reasonable liquidity.

The trust business carried out by the Company mainly includes three categories: asset service trusts, asset management trusts and public welfare and charity trusts.

1. **Asset Service Trusts.** Asset service trust refers to the professional trust services such as wealth planning, intergenerational inheritance, custody, bankruptcy isolation and risk disposal which are entrusted by the trustors according to the legal relationships and are tailored by the Company to meet the needs of trustors.

(1) Family Trusts, Family Service Trusts, and Premium Trusts

Family trust refers to the trust business in which the Company accepts the entrustment of a single natural person or a single natural person and his/her family, with the protection, inheritance and management of family wealth as the main trust purpose, and provides customised affairs management and financial services such as property planning, risk isolation, asset allocation, children's education, family governance, public welfare charity undertakings, etc. SITC is one of the earliest entrants into the family trust business in China, and family trust is a strategic business that SITC has adhered to and focused on for a long time. The Company has continued to promote business model innovation, established product lines including family trust, family service trust, premium trust, and special need trust, developed and formed mature business models for innovative services such as equity family trust, family charity trust and foreign beneficiary family trust, and continuously met the personalised, diversified and customised service needs of customers.

(2) Other Individual Wealth Management Trusts, Legal Entities and Unincorporated Organisations Wealth Management Trusts

Other individual wealth management trusts cover the trust business in which the Company accepts the trust of a single natural person to provide property protection and management services. Wealth management trusts for legal persons and unincorporated organisations cover the type of business in which a trust company is entrusted by a single legal person or unincorporated organisation to provide trust services such as comprehensive financial planning, specific asset management and remuneration and benefit management.

(3) Asset Product Service Trusts

Entrusted by the asset management product managers, the Company provides administrative services such as operation custody, account management, transaction execution, share registration, accounting and valuation, fund clearing, risk management, execution supervision and information disclosure, etc. for individual asset management products, and is not involved in asset management activities such as fund-raising for asset management products, investment advice, investment decision-making, selection of investment cooperation institutions, etc.

(4) Risk Disposal Service Trusts

The Company, as trustee, provides entrusted services for the risk disposal of enterprises, establishing trusts for the purpose of repaying debts to creditors to improve the efficiency of risk disposal. By the method of risk disposal, it can be classified into two business types: 1. Corporate market-oriented restructuring service trusts. Trust companies, as trustees, provide entrusted services for the risk disposal of enterprises facing debt crises and intending to undergo debt restructuring or equity restructuring, establishing trusts for the purpose of repaying debts to corporate creditors. 2. Corporate bankruptcy service trusts. Trust companies, as trustees, provide entrusted services for the risk disposal of enterprises implementing bankruptcy reorganisation, settlement or liquidation in accordance with the Enterprise Bankruptcy Law of the People's Republic of China, establishing trusts for the purpose of repaying debts to corporate creditors.

(5) Pre-paid Fund Service Trusts

The Company provides administrative management services such as trust property custody, equity registration, payment and settlement, execution supervision, information disclosure, liquidation and distribution of pre-paid funds, so as to achieve the trust purpose of property independence, risk isolation and fund security of pre-paid funds.

- 2. Asset Management Trusts.** Asset management trust is a self-benefiting trust in which the Company sells trust products pursuant to a trust legal relationship and provides investment and management financial services to the investors of the trust products.

(1) Securities Investment Trusts

The Company invests funds pooled under a fund trust program in such securities as are publicly issued and publicly traded on such trading venues as are in conformity with the law. The investment usually covers stocks listed and traded on stock exchanges, public securities investment funds, private securities investment funds, financial derivatives, corporate bonds, treasury bonds, convertible bonds, exchangeable bonds, asset-backed securities, government bonds purchased under agreements to resell, bank deposits, and other types of investments permitted by the regulator. Securities investment trust business can be categorised in ways from different dimensions. By the nature of investment, it can be classified into four business types: fixed income, equity, commodities and financial derivatives, and hybrid.

(2) Real Estate Trusts

Real estate trust refers to the business in which the trustor entrusts his/her legally owned funds to the Company based on his/her trust in the Company, and the Company invests the funds in real estate enterprises or real estate projects and carries out management, application and disposal in its own name according to the wishes of the trustor. The models of real estate trust business mainly include loan financing, equity investment and innovative business models, such as real estate investment trusts (REITs).

(3) *Industrial and Commercial Enterprises Trusts*

Industrial and commercial enterprises trust refers to the business that the Company, as the trustee, accepts the trust property of the trustor in the form of single or collective trust, and applies the trust capitals to industrial and commercial enterprises such as production, service and trade enterprises according to the wishes of the trustor to manage, apply and dispose of the trust property. Industrial and commercial enterprises trust can solve the capital needs of enterprises in the process of operation, such as liquidity capital needs, merger and acquisition capital needs, etc. Industrial and commercial enterprises trust is an important business for the Company to comply with the guidance of national policies and guide social funds to invest in the real economy. It can meet the capital needs of enterprises through various methods, such as equity, creditor's rights, stock debt linkage, industrial funds.

(4) *Infrastructure Trusts*

Infrastructure trust refers to a business in which the Company, as a trustee, accepts the trustor's funds in the form of single or collective trust, and uses the trust funds for infrastructure projects such as transportation, communication, energy, municipal administration and environmental protection, and carries out management, application or disposal. The industries involved in infrastructure trust mainly include electric power, water conservancy, road traffic, municipal engineering, etc. The Company can provide financial support for infrastructure projects through loans, account receivables and asset securitisation. Infrastructure trust usually takes business operation income and government financial investment as repayment sources.

- 3. Public Welfare Charitable Trusts.** Public welfare charitable trust comes as a business in which the trustor entrusts its property to the Company in accordance with the law for the purpose of public welfare, and the Company manages and disposes of the said property and carries out public welfare charitable activities in the name of the trust company as the wishes of the trustor. The service areas of public welfare charitable trust mainly include poverty alleviation, poverty relief; supporting the elderly, rescuing orphans, medical care, disability assistance, preferential treatment; rescuing from natural disasters, accidents, public health events, and other emergencies; promoting the development of education, science, culture, health, sports, etc.; prevention and control of pollution and other public hazards, protecting and improving the ecological environment, etc.

In addition to the above-mentioned businesses, the Company needs to obtain prior approval from the regulatory authorities to carry out some special businesses. The Company will carry out relevant businesses in a timely manner based on the opinions of the regulatory authorities.

As at the end of 2025, according to the classification of financing business, investment business and administrative management business, the structure of corporate trust business and the income structure of trust business are shown in the following table:

Trust business type	Trust business scale		Trust business income	
	Amount (RMB100 million)	Percentage (%)	Amount (RMB100 million)	Percentage (%)
Financing	342.94	16.3	1.84	42.8
Investment	1,142.12	54.3	1.35	31.5
Administrative management	620.19	29.5	1.11	25.7
Total	2,105.25	100.00	4.30	100.00

Note: The disclosed “trust business scale” in the above table does not include the scale of the insurance trusts (basic insurance amount basis) managed by the Company as at the corresponding date, which amounted to RMB35.866 billion. As at 31 December 2025, the assets under management of the Company (including insurance trust assets) amounted to RMB246.391 billion.

(IV) Important Entity

The important entity of the Company is the Company itself. The Company has no branches or holding subsidiaries, and the trust business is operated by the Company headquarters, so the important entity is the Company itself. As at 31 December 2025, the Company held a total of seven long-term equity investment enterprises, with a total book value of RMB675,166,907.51 (please refer to I. SUMMARY – Long-term equity investments for details).

IV. TRIGGER MECHANISM OF THE RECOVERY PLAN

(I) Trigger Indicators

The Company’s Recovery Plan sets early-warning indicators and trigger indicators, and the Recovery Plan will be activated when the following circumstances reach the trigger value:

1. Circumstance 1

Early-warning value: the results of the mild liquidity stress tests (Under the circumstance of mild pressure, consider the cash flow gap after mitigating risks of the first-tier assets) reach *30% of the Company’s net capital on the test base date;

Trigger value: the results of the mild liquidity stress tests (Under the circumstance of mild pressure, consider the cash flow gap after mitigating risks of the first-tier assets) reach *50% of the Company’s net capital on the test base date.

2. *Circumstance 2*

Early-warning value: the ratio of net capital to total risk-based capital at less than 110%, or the ratio of net capital to net asset at less than 50%;

Trigger value: the ratio of net capital to total risk-based capital at less than 100%, or the ratio of net capital to net asset at less than 40%.

(II) **Trigger Mechanism**

The Company conducts liquidity stress tests quarterly, formulates and gradually improves risk appetite and risk monitoring indicators system, and monitors relevant capital indicators and liquidity indicators on a monthly/quarterly basis. The stress tests shall include the inflow/outflow of cash within six months, and measure the net capital. If the above early-warning value is triggered, the Company's financial management department and risk management department will report to the Company's task force for emergency response to risk incidents. If the monitoring indicators reach the trigger value, the Company's financial management department and risk management department shall, on the basis of the report, formulate the liquidity risk emergency plan in accordance with the requirements of the Recovery Plan, and report to the Company's task force for emergency response to risk incidents for consideration, timely report the relevant situation to the strategies and risk management committee of the Board for study, and report to the Board for consideration. The Company shall report to the National Financial Regulatory Administration and its local offices within 24 hours after the approval and implementation in accordance with relevant regulations.

V. **RECOVERY MEASURES**

(I) **Summary of Recovery Measures**

1. *Incentive remuneration deferral system*

(1) *Remuneration structure of employees: basic remuneration + incentive remuneration (performance remuneration).*

a) Basic remuneration

Basic remuneration is the basic salary paid to guarantee the employee's basic living standard, the amount of which shall be determined by the employee's job responsibilities, level of contribution, years of work experience, etc.

b) Incentive remuneration

Incentive remuneration is an incentive income that is linked with the Company's operational performance and is distributed in the form of performance remuneration. The distribution and assessment of employees' incentive remuneration shall be implemented in strict compliance with the assessment method of remuneration distribution of the Company and shall always adhere to the principle of "the more efforts are given, the more results are obtained, and the better the performance, the higher the reward".

(2) *Assessment method for the distribution of incentive remuneration in the recovery stage*

a) Increase the proportion of incentive remuneration deferred payment

In the recovery stage, the Company will increase the proportion of incentive remuneration deferred payment. In general, the proportion of the performance remuneration deferred payment of the main senior management should be higher than 50%, and for employees who have a significant influence over risks, more than 40% of their performance remuneration shall be subject to deferred payment. In the recovery stage, the proportion of deferred payment of incentive remuneration for senior management will increase to no less than 60%, and the proportion of deferred payment for performance remuneration in the business department that has a significant influence on risks will be increased to no less than 50%.

Before the deferred remuneration is paid, in the event of an improper performance of duties or other misconduct, any distribution of deferred payment to the relevant personnel shall cease immediately. If it is necessary to recourse and deduction, the performance remuneration can be retroactively deducted.

b) Other events

The Company shall have the right to adjust and update the description of deferred payment system (such as time and proportion of payment) in accordance with the requirements of regulatory authorities.

(3) *Life-long Accountability for Projects*

Where risks arise in execution of projects or violations of rules and regulations arise, causing losses to the Company, the Company shall, depending on the degree of losses or negative impacts caused, impose penalties on the responsible person of such risk-taking projects in accordance with the relevant requirements of the Company.

(4) The Board and the senior management shall perform their respective duties according to their terms of reference. The Board shall determine the remuneration proposal and the performance assessment proposal of senior management of the Company. The senior management shall arrange for assessment and evaluation of employees in accordance with the laws and regulations as well as the management system of the Company, and shall determine remuneration, rewards and penalties, etc.

2. *Profit distribution restriction and dividend reversal mechanism*

(1) The Company's profits after tax shall be distributed in the following order of priority:

- a) offsetting the losses in the preceding year;
- b) allocating 10% of such profits to the statutory reserve fund; no further contribution to the Company's statutory reserve fund is required when the aggregate balance in the statutory reserve fund has exceeded 50% of the Company's registered capital;
- c) allocating 5% (or higher as approved by the Board) of such profits to the trust compensation reserve fund; no further contribution to the trust compensation reserve fund is required when the aggregate balance in the trust compensation reserve fund has reached 20% of the Company's registered capital;
- d) allocating such profits to the discretionary reserve fund in accordance with the resolutions of the general meeting;

After recovery of losses and allocation of profits to the reserve fund, the Company may distribute its profits after tax to the shareholders in proportion to their shareholdings, except for those which shall not be distributed in such manner as provided by the Articles of Association.

Any distribution of the Company's profits to any shareholder before recovery of losses and appropriation of the statutory reserve fund by the general meeting in violation of the above requirements shall forthwith be returned by the shareholders to the Company.

No profit shall be distributed in respect of the shares which are held by the Company.

For more information on the principle of profit distribution of the Company, please refer to Article 171 to Article 173 under the Articles of Association.

(2) The Shareholders applicable to profit distribution restriction and dividend reversal mechanism are the substantial shareholders defined in the Interim Measures of the Equity Management of Trust Companies (《信託公司股權管理暫行辦法》), namely, those shareholders holding or controlling over 5% of the shares or voting rights of the trust companies, or holding less than 5% of the total capital or the total shares but have a significant influence on the operation and management of the trust companies. The term "significant influence" referred to in the preceding paragraph includes but is not limited to delegating directors or senior management to the trust companies, affecting the financial and operational management decisions of the trust companies by entering into agreements or by other means, and other circumstances identified by the banking regulatory and administrative authorities under the State Council or their local offices.

- (3) When there are critical risks and the trigger indicators reach the early-warning value, the Company shall suspend the profit distribution in order to enhance the Company's ability to withstand risks. The Company may also take into account the business operation and the actual situation of transformation development, propose to reduce or suspend the profit distribution for the purpose of safeguarding the long-term interests of all Shareholders. When the Company faces critical risks that cannot be mitigated through conventional capital replenishment methods and endanger the Company's ability to continue as a going concern, it may submit a resolution to the general meeting to use the dividends of substantial shareholders from previous years for capital replenishment or risk resolution. The regulatory authorities may also recommend or require the Company to reduce or suspend the profit distribution, or initiate the dividend reversal procedure according to the actual risk situation or based on prudential regulatory considerations.
- (4) The scope of dividend reversal includes all cash dividends, stock dividends and other forms of dividend income actually received by substantial shareholders from the Company before the initiation of dividend reversal. The specific reversal years shall be determined based on the severity of the risk. According to the actual needs of the Company's risk resolution, dividend reversal can be implemented through cash recovery, disposal of assets or other means.
- (5) After the initiation of dividend reversal, the Company shall communicate and negotiate with substantial shareholders to formulate a feasible dividend reversal plan, which shall specify the names of substantial shareholders required to perform the obligations, the amount and method of dividend reversal, and other relevant matters. The relevant substantial shareholders shall complete the internal approval procedures and, where applicable, state-owned assets supervision and administration approval procedures. The Company shall submit the specific plan to the Board and general meeting of the Company for consideration and to the regulatory authorities for approval in a timely manner, and shall implement the plan upon obtaining such approvals.

3. Liquidity support and capital replenishment provided by substantial shareholders

When the Company faces liquidity risk, the substantial shareholders of the Company shall undertake not to withdraw their investments and shall provide liquidity support whenever possible. The Company may apply for liquidity support loans and issue private bond to its substantial shareholders and their related parties. Substantial shareholders may also provide guarantees and other credit enhancement measures for the Company's application to the credit insurance fund for liquidity support loans.

If the Company's operating losses erode its capital, such losses shall be deducted in full from its net capital, and the business scale shall be reduced accordingly. When circumstances of a shortage of capital or affecting the sound operation of the Company occur, the substantial shareholders shall fulfil their commitments made at the time of shareholding and the Commitments Made by Substantial Shareholders of SITC signed at a later stage, and replenish capital to the Company through capital increase. If the undertaking cannot be fulfilled, other shareholders or qualified investors shall be allowed to adopt reasonable plans to increase capital.

4. *Business carve-out and recovery*

- (1) The business risks faced by the Company are divided into inherent business risks and trust business risks, including but not limited to: credit risk, market risk, operational risk, liquidity risk, fiduciary liability risk, reputation risk, etc. For the above possible risks, the Company establishes a comprehensive risk management system and a comprehensive risk management process, and formulates corresponding risk management strategies according to the nature and characteristics of various risks on the basis of the identification, assessment and monitoring of various risks.
- (2) In case of risks in the trust project, the Company shall, based on the principle of maximizing the interests of the beneficiaries, carry out risk disposal according to the specific conditions of the project, including but not limited to the following measures:

- a) Communication with counterparties

Specific measures: To urge counterparties to formulate repayment plans; to declare advance maturity of the debt and take measures, such as litigation and preservation, so as to dispose of collaterals and pledge in a timely manner, and request the guarantor to undertake the guarantee obligations.

Implementation approaches: The Company monitors the operating performance of the counterparties by way of physical and non-physical presence on a daily basis. When the repayment capabilities of the counterparties decline, the Company urges the counterparties to formulate repayment plans in the first instance, including requiring the counterparties to sell assets, refinance or provision of liquidity support by related parties, and the Company deploys personnel for on-site supervision if necessary; If the business of the counterparties continues to deteriorate, the Company will declare advance maturity of the debt in the first instance and send full-time professional personnel to settle and collect the creditors' rights, and at the same time take measures, such as litigation and preservation, to dispose of value of collaterals and/or pledges in a timely manner and request the guarantor to undertake its guarantee obligation, etc.

- b) Introduction of external funds

Specific measures: Credit insurance fund support, shareholders' support, etc.

Implementation approaches: On the basis of strengthening the risk identification, the Company arranges the trust projects that are not expected to be paid normally upon maturity in advance, formulates plans, and actively gains the external financial support to ensure that no liquidity risk occurs.

c) Transfer of assets to third parties

Specific measures: Actively dispose of the property under the trust plan through market-oriented methods, and actively accelerate the disposal progress of non-performing assets by means of overall transfer of debts.

Implementation approaches: The Company will actively coordinate the third-party institutions to promote the transfer of creditor's rights after the trust projects encounter substantial risks. On the one hand, the Company will do better in the management and control of collateral assets under the trust projects in the first instance through the preliminary communication with counterparties, so as to provide effective ways for the transfer of creditor's rights. On the other hand, the Company simultaneously strengthened risk identification, timely summarised and reported, maintained communication with shareholders, regulatory authorities and relevant government departments, and gained external supports for the transfer of creditor's rights.

d) Effective public opinion monitoring and investors reassurance

Specific measures: Establish a working mechanism and define clear lines of responsibility. Closely monitor public opinion, conduct accurate assessment and analysis, promptly address issues by level and category, strengthen public opinion guidance and positive messaging, coordinate efforts to maintain stability in public sentiment, and enhance security measures and investor reassurance efforts.

Implementation approaches: The Company's public opinion monitoring team uses public opinion monitoring tools to conduct "7*24-hour" surveillance of relevant public opinion. Upon detecting relevant public opinion, the Company immediately activates the relevant working mechanism in accordance with established contingency plans, ensuring "immediate detection, immediate assessment, immediate reporting, and immediate response." In accordance with the Company's reputation risk and public opinion management policies, it implements tiered and categorized responses. Based on multiple factors such as the cause of the public opinion, its intensity, speed of spread, channels, and potential impact, the Company deploys a combination of whistle-blowing and complaints, public opinion guidance, positive messaging, and public announcements and statements to achieve effective resolution. At the same time, the Company centralizes communication channels and response messaging, and strictly enforces public opinion discipline. It also monitors the transmission from "online" to "offline", tracks investors' offline behavior, provides proper reception and reassurance to visitors, and establishes clear communication mechanisms. Furthermore, the Company fully mobilises resources and strengthens security presence to ensure that no stability-related or mass risk incident occurs.

- e) Task force system to control key risk disposal and resolution work

Specific measures: Establish a task force for risk disposal and resolution, refine the division of labour and manage the responsibilities, and control key risk disposal and resolution work.

Implementation approaches: The Company will hold a task force meeting on risk disposal and resolution, focusing on the task of key risk disposal and resolution work and the division of labour, keeping an eye on the time node, refining the division of labour and managing the responsibilities. According to the “timetable” and “roadmap” formulated by the task force meeting, the Company will spare no effort to carry them out, promote the risk disposal and resolution work with quality and quantity, and control the key risk disposal and resolution work throughout the whole process.

- (3) If the Company’s proprietary business investment has significant risks or significant losses, or if the risk of default occurs in a concentration of trust projects and may cause the Company to assume significant fiduciary liability, and the Company’s own risk mitigation means fail to effectively mitigate the risks, and the accumulated risks are sufficient to affect the Company’s continuous operations, in order to restore the Company’s overall operating capacity as soon as possible, the Company may take a combination of recovery measures including but not limited to the following:

- a) Maintain high liquidity of inherent funds

Specific measures: Adhere to the core of safety and liquidity, and the inherent funds are mainly invested in high liquidity assets in principle.

Implementation approaches: Prior to the resolution of the Company’s major risk projects, in order to deal with liquidity risk, the Company invested its inherent funds in highly liquid assets in strict accordance with the requirements.

- b) Sale or disposal of assets

Specific measures: Transfer of high-quality assets, transfer of trust beneficiary rights, transfer of trust creditor’s rights, etc.

Implementation approaches: To effectively respond to liquidity risk, the Company will, based on a comprehensive risk identification, initiate the approval procedure for disposing of the relevant assets at an appropriate time.

- c) Business carve-out

Specific measures: Strict separation of trust property from proprietary assets.

Implementation approaches: After the payment risk of risk projects occurs, according to the requirements of the New Asset Management Regulations, the risk control shall be strictly implemented, the trust property shall be strictly separated from the proprietary assets, the fiduciary duties shall be performed in accordance with the contract, and the transmission path of off-balance-sheet risks to on-balance-sheet risks shall be blocked.

(II) Analysis of the Recovery Measures

1. Analysis of the incentive remuneration deferral system

The Company has established the incentive remuneration deferral system and the performance pay recourse and deduction mechanism. In the recovery stage, the proportion of the incentive remuneration deferral was appropriately increased to align remuneration incentives with the Company's operations and changes in risk. By increasing the proportion of the incentive remuneration deferral, the Company is able to use remuneration as a guide for our staff to develop an awareness of risk prevention and control in the daily work.

2. Analysis of the profit distribution restriction and dividend reversal mechanism

The application of the profit distribution restriction and dividend reversal mechanism will effectively achieve capital replenishment when the Company faces serious risks. Depending on the stage of the risk of the Company, the proportion of dividends should be correspondingly reduced until dividends are stopped, or dividends of substantial shareholders from previous years should be reversed, which can obtain the support and help of shareholders and replenish capital in a timely and effective manner. The implementation of this measure requires good communication and explanation with substantial shareholders. According to the calculation of the Company's profit realisation in 2025, the capital appropriation can be reduced by approximately RMB19.8651 million by taking profit distribution restriction measures.

The Board of the Company shall propose a profit distribution or reversal plan on taking the profit distribution restriction and dividend reversal measures and submit it to the general meeting for approval. The adoption of the above measures requires good communication and explanation with substantial shareholders in advance to obtain the support and understanding of substantial shareholders.

3. Analysis of liquidity support and capital supplement from the substantial shareholders

The six existing substantial shareholders of the Company are all state-owned enterprises/central enterprises with stable operation. When the Company has liquidity risk, the substantial shareholders will give necessary liquidity support and perform their shareholder obligations, which will effectively help the Company mitigate or even resolve the short-term liquidity risk and enhance the Company's ability to resist and resolve risk. When the Company has insufficient capital or other circumstances affecting stable operation, the substantial shareholders perform their commitment to replenish capital to SITC by means of capital increase, which will effectively enhance the capital strength of the Company. The

aforementioned shareholder rescue obligations have been incorporated into the Articles of Association and are stated in a written commitment letter executed by the substantial shareholders. As a listed company, the implementation of equity refinancing of the Company may exist certain obstacles, as it requires approvals from regulatory authorities both domestically and overseas, and may be restricted by the share price, market conditions, public float ratio requirements and requirements relating to the management of state-owned assets.

4. Analysis of the business carve-out and recovery mechanism

(1) Communication with counterparties

The Company can fundamentally safeguard the liquidity safety of the Company by urging the implementation of the counterparties' repayment options, and can effectively safeguard the creditor's rights and interests of the Company by initiating litigation procedures. However, affected by the real economy, there are large uncertainties in the refinancing ability of the counterparties. There are certain cycles in the sale of assets, the revitalisation of value of collaterals and pledges and the project litigation of counterparties, and the corresponding liquidity management of the Company is significantly affected.

(2) Introduction of funds

The introduction of external funding support will be instrumental in easing the liquidity pressure of the Company and buying time for substantial resolution of risk projects. The trust industry protection fund is established for the purpose of resolving and disposing the risks of the trust industry, which provides a certain possibility for the Company's financing. Considering the concentration of market risk projects, the support of trust industry protection fund to the Company may be affected to some extent. As at 31 December 2025, the Company raised RMB700 million through credit insurance funds companies. The Company will plan to continue before the borrowings expire, and at the same time, the Company will, subject to compliance with relevant laws and regulations and the securities regulatory requirements of the place where the Company's shares are listed, apply for financial support from shareholders as needed, so as to further enhance the Company's capital strength.

(3) Transfer of assets to third parties

The Company's transfer of creditor's rights to a third party is one of the effective ways to mitigate risk projects. The value of collaterals and pledges of the Company's trust projects is relatively sufficient, which also provides effective ways for the transfer of creditor's rights. Most of the risk projects are transferred at discount, which has a certain adverse impact on the operation of the Company. In addition, considering the concentration of risk projects, the timeliness of the transfer of third-party creditor's rights also has a significant impact on the company's liquidity management. Under the support and guidance of the regulatory authorities, the Company has established stable cooperation relationship with the four major asset management companies and credit insurance funds companies, and can implement the transfer of creditor's rights in a timely and market-oriented manner according to the risk disposal needs of the Company.

(4) Business segregation

The Company implements business segregation, which can directly and effectively block the transmission path of off-balance-sheet risks to on-balance sheet risks. If the risk projects cannot be substantially resolved and the external financing is insufficient, the business segregation may trigger payment risk, which will lead to substantial damages to the legitimate rights and interests of financial consumers. Over the years of its operation, the Company has strictly performed its fiduciary duties, actively disposed of the payment risk of the trust business, and earned high recognition from customers. Once the Company initiates the implementation of the recovery plan, it will implement business segregation measures. For the trust business exposed to liquidity risk, it will negotiate with the settlors to dispose of the trust property, so as to realise the interests of the settlors through the disposal of the trust property and cut off the transmission path of trust risk to inherent risk.

(5) Disposal of asset and maintaining high liquidity of inherent funds

The Company holds the equity investments with large book value are as follows:

Investees	Percentage of Shareholdings	Capital Contribution (RMB100 million)	Book Value (RMB100 million)
Sinotruk Automobile Finance Co., Ltd. (重汽汽車金融有限公司)	6.52%	1.51	2.39
Taishan Property & Casualty Insurance Co., Ltd.* (泰山財產保險股份有限公司)	7.40%	<u>2.00</u>	<u>1.66</u>
Total		<u>3.51</u>	<u>4.05</u>

Note: Data as at 31 December 2025.

From the perspective of book value, the Company's equity interests in Sinotruk Automobile Finance Co., Ltd., Taishan Property & Casualty Insurance Co., Ltd. and other equities are valued at approximately RMB405 million in aggregate. The safety and high liquidity of the inherent capital is maintained, which is conducive to dealing with the Company's liquidity risk.

5. Financial infrastructure services and consumers' rights and interests protection scheme

The fundamental purpose of the implementation of the Recovery Plan is to fully safeguard the legitimate rights and interests of all parties and the public interest of society, and to achieve an orderly recovery, which is consistent with the principles and purposes of financial consumer rights and interests protection.

The Recovery Plan is implemented in the event that a significant risk does occur. Since the risk conditions are directly related to the vital interests of investors, investors' focus and behavioural response will be closely related to the Company's risk conditions and disposal measures. Due to the extensive penetration of financial relations, we must do particularly well in the protection of consumers' rights and interests at this stage, so as to effectively avoid the transmission and spread of the impact of significant risks outside the enterprise and among consumers, resulting in social impact and even regional risk under the linkage and self-enhanced propagation characteristics of financial risks.

- (1) The Company has established the Consumer Rights Protection Committee of SITC, with the General Manager of the Company serving as its chairman. The Consumer Rights Protection Office under the Wealth Management Division coordinates all relevant departments to properly handle consumer complaints and maintain stability, to formulate specific emergency response plans for consumer rights protection during the implementation of the recovery plan in accordance with the Company's Administrative Measures for the Protection of Consumers' Rights and Interests, Management Measures for Consumption Complaint Handling, Emergency Response Mechanism for Customer Service Emergencies, Detailed Rules for the Diversified Resolution of Consumption Disputes, etc; The Company has established the emergency and material event reporting leading group and the reputational risk management leading group in accordance with the Company's Management Measures for Emergency and Major Event Reporting, Work Rules for Public Opinion Management and Management Measures for Reputation Risk. Led by each of the special working groups, with the relevant departments taking responsibility for each item, integrated leadership, multi-level accountability and collaborative response to do well in comprehensive consumer opinion management and the disposal of emergencies in the implementation of the Recovery Plan.
- (2) Each of the special working groups should be familiar with the emergency handling process, timely be aware of the Company's risk conditions and recovery plan measures and target, the scope of impact of business services, sort out the concerns of investors, and make specific analysis and plan preparation. Ensure consistent messaging and clear explanations in consumer rights and interests protection. Enhance consumer confidence, maintain stable financial order, prevent and resolve the Company's business operation risks, prevent or minimise the loss or impact of risk emergencies on the Company, trustor and beneficiaries, and mitigate the risk of self-operated business.
- (3) Establish the risk management awareness among all employees, practice the risk management culture among all employees, achieve the identification, monitoring, control and resolution of the risks in the implementation stage of the recovery plan by establishing a positive, reasonable and effective risk management mechanism, and enable the Company to recover the normal operation and development and maintain the Company's image by taking relevant measures in case of major risks in accordance with the principle of self-rescue.

- (4) Each of the special working groups is the executive agency involved in the management and disposal of consumer rights and interests emergencies, and should accurately publish the information on risk events to the public and do well in the daily management work related to risk events according to the Company's decisions and deployments during the implementation stage of the recovery plan; coordinate and organise the unified external publicity and explanation standard for financial consumers during the risk disposal process.

VI. STRESS TEST

(I) Scenario setting and scenario indicators

The Company conducts liquidity stress tests under three stress indicators: light, medium and severe, of which the main scenarios and indicators under light stress are included in the Recovery Plan, and the details are as follows:

1. Cash outflows

Main scenario	Light stress indicator	Medium stress indicator	Severe stress indicator	Remarks on relevant indicators
1. Debt repayment outflows	100%	100%	100%	Scale of debt repayment during the test period
2. Financing and Investment business outflows	100%	100%	100%	Scale of loan of financing and investment business during the test period
3. Contingencies outflows	3.1+3.2+3.3	3.1+3.2+3.3	3.1+3.2+3.3	-
Where: 3.1 outflow of liquidity support of trust products, mainly refers to expenditures in liquidity support for actively managed trust risk projects maturing during the period	Maturity actively managed asset scale during the period * Liquidity support rate * Default rate of 10%	Maturity actively managed asset scale during the period * Liquidity support rate * Default rate of 14%	Maturity actively managed asset scale during the period * Liquidity support rate * Default rate of 20%	Liquidity support rate = the Company's liquidity support for actively managed trust products maturing in the past 24 months/Total actively managed trust risk assets balance maturing in the past 24 months

Main scenario	Light stress indicator	Medium stress indicator	Severe stress indicator	Remarks on relevant indicators
3.2 Liquidity support outflow for open-ended product	Actively managed open-ended product scale during the period * Single-month redemption rate reference value * Single-month liquidity support rate of 0%	Actively managed open-ended product scale during the period * (Single-month redemption rate reference value + 80%)/2 * (Single-month liquidity support rate 50% + 100%)/2	Actively managed open-ended product scale during the period * 80% * Single-month liquidity support rate of 100%	Single-month redemption rate = single-month redemption amount/Trust balance paid at the beginning of the month for trust products with redemptions; Single-month redemption rate reference value = arithmetic average of single-month redemption rates in the past 24 months; Single-month liquidity support rate = liquidity support provided to open-ended actively managed trust products in a single month/single-month redemption amount of open-ended actively managed trust products
3.3 Probable outflow of default guarantee	Off-balance sheet guaranteed balance * Single-month default rate	Off-balance sheet guaranteed balance *(Single-month default rate + 10%)	Off-balance sheet guaranteed balance * (Single-month default rate + 20%)	Single-month default rate = Monthly average amount of default in the past 24 months/Average of off-balance sheet guarantee balances at the beginning of the month in the past 24 months
4. Other cash outflows	100%	100%	100%	Including employee remuneration payables, dividends payable, other payables, etc.

2. Cash inflows

Main scenario	Light stress indicator	Medium stress indicator	Severe stress indicator	Remarks on relevant indicators
1. Borrowings during the period	1.1+1.2	1.1+1.2	1.1+1.2	–
Where: 1.1 Interbank borrowing	80%	50%	0%	Interbank borrowing balance at the test base date

Main scenario	Light stress indicator	Medium stress indicator	Severe stress indicator	Remarks on relevant indicators
1.2 Trust Industry Protection Fund Corporation Liquidity Support	100%	100%	100%	Liquidity support from the Trust Industry Protection Fund Corporation determined to arrive during the test period
2. Normal performance non-standard creditor's rights	2.1+2.2+2.3	2.1+2.2+2.3	2.1+2.2+2.3	–
Where: 2.1 Financial institutions	100%	100%	100%	Recoverable principal and interest during the test period
2.2 Industrial and commercial enterprises	50%	45%	40%	Recoverable principal and interest during the test period
2.3 Natural person	45%	40%	35%	Recoverable principal and interest during the test period
3. Normal maturity bonds within the period	3.1+3.2	3.1+3.2	3.1+3.2	–
Where: 3.1 Enterprise or corporate bonds with maturity within the test period and rating above AA- (inclusive)	85%	80%	75%	Recoverable principal or earnings during the test period
3.2 Enterprise or corporate bonds with maturity within 6 months and rating below AA-	75%	70%	65%	Recoverable principal or earnings during the test period
4. The underlying asset of normal performance is SPV of non-standard creditor's rights	4.1+4.2+4.3	4.1+4.2+4.3	4.1+4.2+4.3	–

Main scenario	Light stress indicator	Medium stress indicator	Severe stress indicator	Remarks on relevant indicators
Where: 4.1 Financial institutions	100%	100%	100%	Recoverable principal and interest during the test period
4.2 Industrial and commercial enterprises	50%	45%	40%	Recoverable principal and interest during the test period
4.3 Natural person	45%	40%	35%	Recoverable principal and interest during the test period
5. Due within the period, the underlying asset of normal performance is securities SPV	70%	65%	60%	Recoverable principal or earnings during the test period
6. Due within the period, normal performance of other types of SPV	50%	45%	40%	Recoverable principal or earnings during the test period
7. Fees and commissions received during the period	90%	80%	70%	Fee and commission income during the test period
8. Other cash inflows received during the period	50%	45%	40%	–

3. Mitigation assets

Main scenario	Light stress indicator	Medium stress indicator	Severe stress indicator	Remarks on relevant indicators
1. Tier-one assets	100%	100%	100%	Cash and bank deposits, bonds issued or guaranteed by the state and bonds issued or guaranteed by the central bank
2. Tier-two assets	2.1+2.2+2.3	2.1+2.2+2.3	2.1+2.2+2.3	–
Where: 2.1 Money markets funds and tradable interbank deposits	95%	90%	85%	Test base date scale

Main scenario	Light stress indicator	Medium stress indicator	Severe stress indicator	Remarks on relevant indicators
2.2 Normal maturity bonds after the period	2.2.1+2.2.2	2.2.1+2.2.2	2.2.1+2.2.2	–
Where: 2.2.1 Enterprise or corporate bonds maturing after the test period and rated above AA- (inclusive)	85%	80%	75%	Enterprise or corporate bonds that perform normally do not include enterprise or corporate bonds that default
2.2.2 Enterprise or corporate bonds maturing after the test period and rated below AA-	75%	70%	65%	Enterprise or corporate bonds that perform normally do not include enterprise or corporate bonds that default
2.3 Stocks normally traded at the test time point	2.3.1+2.3.2	2.3.1+2.3.2	2.3.1+2.3.2	–
Where: 2.3.1 Shares whose shareholding ratio is less than 5% of the total market value of the shares	2.3.1.1+2.3.1.2 +2.1.3.3	2.3.1.1+2.3.1.2 +2.1.3.3	2.3.1.1+2.3.1.2 +2.1.3.3	–
Where: 2.3.1.1 CSI 300 Index constituent stocks	50%	30%	10%	Test base date scale
2.3.1.2 Other Main Board and SME Board stocks	45%	25%	5%	Test base date scale
2.3.1.3 GEM stocks	40%	20%	0%	Test base date scale
2.3.2 Shares with shareholding ratio higher than 5% (inclusive) of the total market value of the shares	2.3.2.1+2.3.2.2 +2.3.2.3	2.3.2.1+2.3.2.2 +2.3.2.3	2.3.2.1+2.3.2.2 +2.3.2.3	–
2.3.2.1 CSI 300 Index constituent stocks	40%	20%	0%	Test base date scale

Main scenario	Light stress indicator	Medium stress indicator	Severe stress indicator	Remarks on relevant indicators
2.3.2.2 Other Main Board and SME Board stocks	35%	15%	0%	Test base date scale
2.3.2.3 GEM stocks	30%	10%	0%	Test base date scale
3. Redemption of open-ended securities investment SPV	45%	25%	0%	SPV investment balance of open-ended securities investment open for redemption during the test period
4. Equity transfer of unlisted enterprises	40%	30%	20%	Balance of equity assets of unlisted enterprises available for transfer on the test base date

(II) Stress test results

In combination with the requirements of the regulatory authorities and the actual conditions of the Company, the liquidity stress test results of the Company at the end of 2026 is as follows:

Stress test results at the end of 2026

Unit: RMB100 million

Stress scenario	Light stress	Medium stress	Severe stress
Cash outflows	21.40	36.35	67.42
Cash inflows	7.24	6.48	5.72
Net gap	14.16	29.87	61.70
Mitigation assets	23.46	16.13	8.22
Delayed gap	-9.30	13.73	53.48

According to the above stress test results, the Company has no liquidity gap under light stress after implementing the risk mitigation of Tier-one assets (a negative value indicates no liquidity gap), which does not touch the early warning value for activating the Recovery Plan. Following the risk mitigation of Tier-one assets, the Company has certain liquidity gaps under medium stress and severe stress. The Company will focus on enhancing the quality and efficiency of proprietary asset allocation, with a view to preventing liquidity risk in an effective manner.

(III) Effectiveness test of recovery measures

By taking the above recovery measures, it is expected to enrich the Company's capital and capital scale and replenish the Company's liquidity, and the Company will discontinue the Recovery Plan after all monitoring indicators reach above the warning value. When the early warning of the recovery plan is released for 90 days, the Recovery Plan is terminated upon the application of the emergency disposal leading group and the approval of the Strategies and Risk Management Committee of the Board. The matter shall be reported to the Board and regulatory authorities.

VII. COMMUNICATION STRATEGIES

During the implementation of the Recovery Plan, the Company shall, in accordance with the actual circumstances, communicate effectively with the regulatory authorities, local governments, shareholders, customers, employees and the public in a timely manner and formulate special communication plans to improve the feasibility of recovery and reduce the impact on the outside.

Reporting procedures: In the event that the Company has significant risks, after the trigger value of the Recovery Plan is reached and the Board decides to initiate the Recovery Plan, the Company shall comprehensively assess the risk event and its internal and external impacts, and shall promptly report the risk circumstances and specific response plan to the corresponding supervisory office of Shandong Office of the National Financial Regulatory Administration and the relevant departments of Lucion Group, the controlling shareholder, in a timely manner. Depending on the specific circumstances of the risk, Lucion Group will continue to report to the superior competent unit – the Shandong Provincial Department of Finance.

The Company shall also make timely reports to the Company's substantial shareholders, the Jinan Branch of People's Bank of China, the Shandong Office of the National Financial Regulatory Administration and other authorities in accordance with the actual circumstances, and make proper disclosure of information in accordance with regulatory laws and regulations and the listing rules of the place of listing.

For the major risks that may cause negative external public opinion, the Company's public opinion management department shall make adequate plans in a timely manner to avoid, minimise and eliminate various negative impacts caused by public opinion emergencies to the greatest extent.

VIII. PERFORMANCE HURDLE AND SUGGESTIONS FOR IMPROVEMENT**(I) Performance hurdle**

The Company may encounter hurdles from the internal and external environment in the implementation of the recovery plan, mainly as follows:

1. Macroeconomic and regulatory environment is under relatively greater pressure. The slowdown in the pace of recovery of the global economy and the rise in economic and financial uncertainties, coupled with the impact of the continuation of the trend of strong financial regulation and other factors, have increased the test on the Company's business development and risk management.
2. Trust industry infrastructure construction still needs further improvement. In recent years, the industry has achieved remarkable results in infrastructure construction, but there is much to do and a long way to go. The "one body, three wings" framework supporting the development of trust industry has been fully completed, and the new "three-category" trust regulation and the new version of the Measures for the Administration of Trust Companies clarify the business boundaries and service essence of trust operations, but the Trust Act is in urgent need of revision and improvement, and the lack of trust tax and registration systems restricts business development.
3. The means to resolve the Company's non-performing assets need to be urgently enriched. The Company, as a state-owned enterprise and a listed company, can adopt most of the conventional disposal measures, with individual disposal means, difficult asset disposal, long cycle and difficulties in risk resolution, resulting in hidden dangers and uncertainties in the Company's asset quality and results of operations.
4. Financial technology capability needs to be improved. The construction of the Company's information system started late and the investment is low. It mainly depends on external procurement and lacks the necessary independent research and development ability, resulting in the unreasonable structure of some systems and cannot be effectively resolved in the long term.
5. The Company is subject to dual regulation by domestic and foreign laws, regulations and regulatory provisions. Some recovery measures (such as asset disposal) need to be submitted to the general meeting for approval, which involves a lengthy approval process and uncertain outcomes. In the case of disposal of financial assets, it may also involve the approval of industry regulatory authorities such as the National Financial Regulatory Administration, the China Securities Regulatory Commission. In the case of capital increase by shareholders, pursuant to the provisions under the Listing Rules of the Hong Kong Stock Exchange that the percentage of public shareholding in a listed company shall not be less than 25%, the issuance of

additional shares outside PRC may be subject to restrictions on share prices, market conditions and requirements relating to the management of state-owned assets, which may hinder the progress in the capital increase process. The above factors may affect the timeliness and even the effectiveness of the implementation of the recovery and disposal measures. If necessary, the local government, competent departments and regulatory authorities shall be consulted and coordinated to resolve hurdles in the execution stage of the recovery measures, including but not limited to restrictions on capital increase, dividend reversal, progress of approval, etc.

(II) Suggestions for improvement

1. The Company should continue to carry out “trust culture construction”, return to the trustee’s position, integrate good trust culture into corporate governance, operation and development, internal control and other aspects, and form a corporate culture system with “trust culture as the core” to fundamentally change the way of development and achieve sustainable and healthy development.
2. Further strengthen the analysis and judgement of the macroeconomy, regulatory environment and industry situation, strengthen the construction of risk control capabilities, standardise the post-investment and post-lending management of projects, and perform the fiduciary obligations prudently and effectively.
3. It is recommended that the regulatory authorities should speed up the top-level design of the trust industry, strengthen the industry’s front-line investigation and research, and enhance the leadership and guidance in industry planning, supporting policies and market coordination, so as to nurture the healthy growth of the industry.
4. Continuously improve risk management level, strengthen the construction of a closed-loop system for the whole process of risk management and control, gradually improve the multi-dimensional and multi-level risk management mechanism. Fully implement the disposal responsibility of risk projects, actively connect with counterparties and their peers and specialised asset disposal institutions, and promote the resolution of risk projects as soon as possible through legal litigation, pledges disposal and third-party acceptance.
5. The Company comprehensively strengthens information construction and empower risk control by relying on information technology. The Company has upgraded its systems related to risk management with financial technology to restructure business processes and improve management efficiency; it has integrated its data system to integrate internal information with external data to gradually realise intelligent management.
6. The Company further strengthens communication with shareholders and improves the quality of information disclosure, so that shareholders can fully understand the necessity of recovery measures and improve decision-making efficiency.

**RECOMMENDATIONS ON DISPOSAL PLAN OF
SHANDONG INTERNATIONAL TRUST CO., LTD.**

Note: Pursuant to the Interim Measures for the Implementation of the Recovery and Disposal Plan of Banking and Insurance Institutions (Yin Bao Jian Ban Fa [2021] No. 16) (《銀行保險機構恢復和處置計劃實施暫行辦法》) and relevant regulatory requirements, Shandong International Trust Co., Ltd. (hereinafter referred to as the “Company” or “SITC”) revised the Recovery Plan of Shandong International Trust Co., Ltd. and the Recommendations on the Disposal Plan of Shandong International Trust Co., Ltd. (hereinafter referred to as the “Disposal Plan” or the “Plan”) on the basis of the Recovery and Disposal Plan of SITC (approved at the 2018 second extraordinary general meeting of SITC). The recommendations on the Disposal Plan are the proposal of the Disposal Plan put forward by the Company in advance in accordance with the actual situation, which shall be submitted to the National Financial Regulatory Administration and its local office. When the Company fails to continue operating, the Recovery Plan fails to effectively resolve major risks of the Company, or may trigger regional and systemic risks, the Company will achieve rapid and orderly disposal in accordance with the relevant contents of the Disposal Plan, and keep key business and services uninterrupted in the disposal process to maintain financial stability. The Disposal Plan formed by the regulatory authorities in accordance with the recommendations of the Disposal Plan is the Company’s action guidance in crisis scenarios, but does not rule out the possibility of the implementation of other disposal measures in crisis scenarios.

Unless otherwise specified, the currency unit mentioned herein is RMB.

I. SUMMARY**(I) Institutional Condition****1. Business condition**

Shandong International Trust Co., Ltd. (hereinafter referred to as “SITC” or the “Company”) was established as a non-banking financial institution in 1987, with the approval of the People’s Bank of China and the People’s Government of Shandong Province, and is currently the only provincial state-owned trust company in Shandong Province and a director unit of China Trustee Association. In December 2017, SITC was listed on the H-share main board (Stock Code: 1697.HK). Currently, the registered capital of the Company is RMB4.659 billion.

The Company has established the development pattern of “taking root in Shandong and spreading to the whole country”, and is a pioneer in the domestic family trust business, with its relevant scale firmly ranking first in Shandong and among the top in the country. In accordance with the requirements of the three categories of trust business, the Company has built a comprehensive business system covering asset service trusts, asset management trusts and public welfare and charity trusts. In the field of asset service trusts, with family trust as the core, the Company focuses on wealth inheritance and protection, while providing

professional services such as securities operation, bankruptcy isolation and prepaid funds supervision. In the field of asset management, the Company provides diversified products covering fixed income, equity and mixed categories to help customers achieve steady asset appreciation, and effectively supports the development of the real economy through comprehensive investment and financing businesses such as trust loans and equity investment. In the field of public welfare and charity trusts, the Company guides social resources to flow into charitable undertakings such as rural revitalization, education assistance and medical rescue, highlighting its professional value in assisting common prosperity and the third distribution.

As at the end of 2025, consolidated assets of the Company amounted to RMB13.679 billion with total liabilities of RMB2.436 billion. In 2025, the operating income of the year amounted to RMB722 million with a total consolidated profit of RMB76.7070 million.

2. *Organisational Structure*

(1) Corporate governance structure

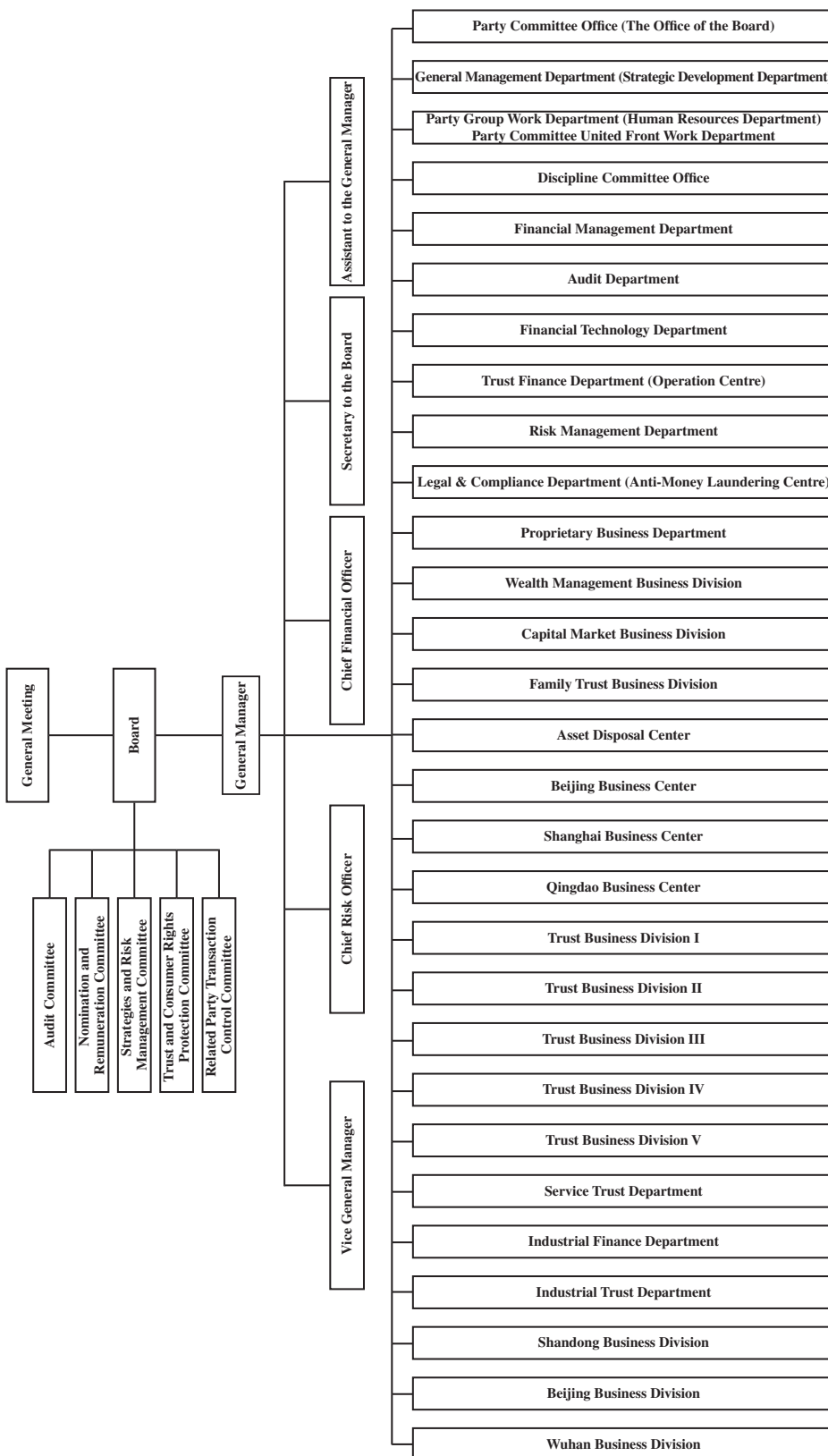
In accordance with the requirements of domestic and overseas regulations, the Company continues to strengthen corporate governance, establishing a corporate governance structure with clear powers and responsibilities, including the general meeting, the Board and senior management, without excess or insufficiency or inaccuracy at all management levels to ensure professional and balanced corporate governance, and scientific and efficient decision-making.

The Company clearly classifies the responsibilities among the general meeting, the Board and the senior management. The general meeting consisting of all Shareholders is the organ of authority of the Company. The Board is accountable to the general meeting, and is an operating decision-making authority of the Company. The Board is currently comprised of six Directors, which meets the requirements on corporate governance under domestic and overseas regulations. The Directors have a diversity of professional backgrounds and offers greater complementarity. Five special committees including the strategies and risk management committee, trust and consumer rights protection committee, nomination and remuneration committee, audit committee and related party transaction control committee are established under the Board. The special committees operate under the leadership of the Board and provide professional advice on the scientific decision-making of the Board. The Company does not have a Board of Supervisors or Supervisors, and the audit committee of the Board exercises the authority of the Board of Supervisors as stipulated in laws and regulations. The senior management of the Company shall be responsible for implementing the resolutions of the Board and the daily operation and management of the Company, and reporting to the Board regularly.

The shareholding structure of SITC is as follows:

Name of Shareholder	Number of Shares (share)	Shareholding	Nature of Shares
Shandong Lucion Investment Holdings Group Co., Ltd.	2,242,202,580	48.13%	
CNPC Assets Management Co., Ltd.	873,528,750	18.75%	
Shandong High-Tech Venture Capital Co., Ltd.	225,000,000	4.83%	Domestic shares (non-circulating share)
Shandong Gold Group Co., Ltd.	80,073,468	1.72%	
Weifang Investment Group Co., Ltd.	60,055,101	1.29%	
Jinan Energy Investment Co., Ltd.	13,255,101	0.28%	
Jinan Finance Investment Holding Group Co., Ltd.	252,765,000	5.43%	H shares (circulating share)
Other H Share public Shareholders	911,970,000	19.57%	
Total	<u>4,658,850,000</u>	<u>100.00%</u>	

(2) Organisational structure



(3) *Long-term equity investments*

As at 31 December 2025, the Company's long-term equity investments were as follows:

No.	Name of investment enterprise	Shareholding	Book value (RMB)
1	Sinotruk Automobile Finance Co., Ltd.	6.52%	238,588,503.45
2	Taishan Property & Casualty Insurance Co., Ltd.	7.40%	165,872,170.73
3	Anhui Luxin Equity Investment Fund Management Co., Ltd.	25.00%	6,271,109.33
4	Huangshi Liangsheng Real Estate Development Co., Ltd.	28.00%	117,800,000.00
5	Nanyang Zhongliang Chengtong Real Estate Co., Ltd.	20.00%	49,315,124.00
6	Weifang Hengru Real Estate Co., Ltd.	15.00%	15,000,000.00
7	Nanyang Liangheng Real Estate Co., Ltd.	49.00%	82,320,000.00
Total			<u>675,166,907.51</u>

(II) Updates to the Recommendations on the Disposal Plan

The Company updated the Company's operation and organisational structure for 2025, long-term equity investment at the end of 2025, trust business data and description of business types in 2025, and information and data required for the implementation of the Disposal Plan in the recommendations on the Disposal Plan in 2026. The division of responsibilities in the governance structure was updated according to the latest regulatory policies. The assets held at the end of 2025, the balance of borrowings of the trust fund, and the source of fund for the Disposal Plan were updated, the financial infrastructure services and consumer protection programme were further improved, and the performance hurdles and suggestions for improvement were refined.

II. DISPOSAL PLAN GOVERNANCE STRUCTURE**(I) Division of Responsibility**

1. The formulation of the recommendations on the Disposal Plan shall be subject to the approval of the general meeting, and the substantial shareholders shall assume responsibilities of the substantial shareholders in accordance with the laws and regulations, the Articles of Association and the Disposal Plan.
2. The Board of the Company is the highest leading body in formulating, approving, updating and implementing the Recovery Plan, and shall assume the ultimate responsibility for the effectiveness of the Disposal Plan of the Company and the

formulation and updating of the recommendations on the Disposal Plan. The Board is responsible for planning, examining and approving the recommendations on the Disposal Plan mechanism. The strategies and risk management committee of the Board is responsible for the specific management of the Company's Disposal Plan. The Disposal Plan of the Company shall be updated every two years or in accordance with regulatory requirements, and the updated Disposal Plan shall be considered and passed by the Board. If the updated content involves the trigger conditions for restricting shareholder dividends and dividend reversal, as well as the subject, scope and method of dividend reversal, it shall also be submitted to the general meeting for approval.

3. The audit committee of the Board is responsible for supervising the performance of their respective duties by the Board and the senior management, and reporting to the general meeting and regulatory authorities on the diligence and due diligence of the Board and the senior management.
4. The senior management shall be responsible for formulating, maintaining and, if necessary, implementing the Disposal Plan. The senior management shall be responsible for regularly evaluating the continuing applicability of the Disposal Plan, updating the recommendations on the Disposal Plan based on the actual operations and risk exposure of the Company and reported to the regulatory authorities for approval. The Disposal Plan shall be updated at least every two years. If the regulatory authorities consider that the Company's Disposal Plan fails to adapt to the development needs or regulatory requirements, the Company shall also update the same in a timely manner in accordance with the requirements of the regulatory authorities.
5. The Company's human resources department, the office of the Board, the financial management department, the risk management department, the customer relationship department, the financial technology department and other relevant departments shall be responsible for drafting the corresponding content of the recommendations on the Disposal Plan in accordance with the division of responsibilities, and regularly put forward revisions in accordance with the actual situation of the Company.
6. The formulation and revision of the recommendations on the Disposal Plan shall be submitted in sequence to the general manager office, the Party Committee and the Board for review and deliberation, and shall take effect after being submitted to the general meeting for approval. The Disposal Plan shall be examined and approved by the National Financial Regulatory Administration and its local office.
7. The People's Government of Shandong Province is the de facto controller of SITC, and the Shandong Provincial Department of Finance performs the duties of investor to Shandong Lucion Investment Holdings Group Co., Ltd. (hereinafter referred to as Lucion Group), the controlling shareholder of SITC. Three directors of the Board of

SITC are nominated by Lucion Group and/or its parties acting in concert. Lucion Group exercises shareholders power through the general meeting, the Board and relevant requirements of state-owned enterprise management. The formulation and implementation of the recommendations on the Disposal Plan shall be reported to and communicated with the Shandong Office of the National Financial Regulatory Administration, Shandong Provincial Department of Finance and other relevant competent authorities via Lucion Group as needed in a timely manner.

(II) Management Mechanism

1. Application and purpose of the Disposal Plan

In the event that the risks borne by the Company cannot be resolved after the implementation of the Recovery Plan, the risks of the Company have not been mitigated, the relevant early warning indicators continued to deteriorate, and/or a credit crisis may take place or have taken place, the disposal measures can be adopted on the Company to avoid any material adverse effect to the interests of creditors and investors, and to avoid any material impact on the overall sound operation of the trust industry, or to avoid triggering off systematic financial risk.

The purpose of the Disposal Plan is to reinforce the validity of the disposal rights owned by the regulatory authorities, so as to facilitate the feasibility of the disposal without obstacle and to alleviate risks arising from the process of disposal and rescue, so as to protect the interests of creditors and investors and restore the normal operations of the Company.

2. Organisational Structure of Disposal Mechanism

In the stage of bail-in of the institution, the Company forms a corporate disposal task force that comprises representative(s) of controlling shareholders, representative(s) of directors and the senior management to actively coordinate with the competent and regulatory authorities to ensure effective implementation of the corporate Disposal Plan.

In the event that disposal measures have to be implemented for the Company, the regulatory authorities can designate a “disposal agency” to take over the Company.

3. Implementation Procedure of Disposal Mechanism

The senior management of the Company is responsible for drafting the implementation plan for disposal, subject to the consideration and approval at Board meetings and general meetings of the Company. Before drafting the plan for disposal, the Company shall report to the “disposal agency” in accordance with the specific disposal measures to be adopted.

4. Shareholders' Support for Disposal Plan

During the disposal, shareholders shall collaborate with the disposal agency so that the disposal agency can promptly adopt various measures, such as merger, acquisition, disposal of important assets, re-injection of capital or organisational restructuring.

(III) Accountability Mechanism

If the Company activates the Disposal Plan due to the ineffective performance of the relevant personnel of the Company, and if the relevant personnel fail to implement the Disposal Plan, the Company shall hold the relevant responsible personnel accountable in accordance with the relevant provisions, and the specific accountability mechanism is as follows:

1. **Accountability objects.** Responsibilities shall be assigned to relevant personnel whose actions led to the activation of the Disposal Plan or who failed to effectively implement it. Personnel whose duties fall directly within the scope of such work shall bear direct responsibility; the responsible person in charge of the department shall bear the management responsibility; business directors or leaders in charge who fail to perform or fail to effectively perform their managerial duties, resulting in internal control failures in relevant areas shall bear the responsibility of leadership; personnel who fail to perform or effectively perform the duties of supervision and inspection shall bear the responsibility of supervision if they should have found but fail to find and report mistakes in a timely manner.
2. **Accountability methods.** The accountability of the accountability objects include organisational personnel actions (criticism and education, written self-criticism, public reprimand, suspension, reassignment, demotion, ordered resignation, dismissal, etc.), economic actions (recovery or reduction of performance-based compensation or term incentive income, ordered repayment of improperly obtained benefits, downgrade of salary grade, and seeking financial compensation in accordance with laws and regulations, etc.), administrative actions (warning, demerit, major demerit, demotion, dismissal, retaining for examination of actions, dismissal, etc.), and other disciplinary measures (ordering rectification, cancellation of the qualification for the year's evaluation, etc.), the above accountability methods can be used alone or in combination.
3. **Accountability degree.** If it causes the Company to activate the Disposal Plan, the circumstance is particularly severe.
4. **Accountability procedure.** The Company shall form an accountability work leading group, with the chairman as the group leader and the general manager as the deputy leader. The secretary of the discipline committee office, the chief risk officer and the heads of party group work department (human resources department), the discipline

committee office, the audit department, the legal and compliance department (anti-money laundering centre), risk management department and financial management department are members of the group.

In the stage of bail-in of the Company, the accountability work leading group confirms the launch of accountability. The discipline committee office shall take the lead in organizing the investigation and collection of evidence in accordance with the opinions of the Proposal Letter on the Launch of Accountability Process, and all departments shall coordinate with the group in the process of investigation and collection. Among them, the leader of the general internal accountability investigation and evidence collection team is the head of the discipline committee office, and the leader of the case accountability investigation and evidence collection team is the main responsible person of the Company. The investigation and evidence collection team shall submit the preliminary conclusions and investigation and evidence collection materials to the accountability work leading group for consideration on the basis of responsibility identification, and after the examination and approval, submit to the general manager office and the Party committee for consideration and approval. The accountability plan involving Directors and senior management shall also be submitted to the Board for approval; if the accountability decision involves the departure of a Director which should be considered and decided by the general meeting or the employee representative meeting, it shall also be submitted to the general meeting or the employee representative meeting of the Company for approval in accordance with the requirements of the Articles of Association. At the same time, if other procedures need to be performed according to the cadre management authority, they shall be implemented in accordance with the relevant regulations of the superior departments. The accountability work leading group shall make a written notice to the responsible person and his department. Relevant departments shall coordinate together to complete the execution of the penalty decision.

If the regulatory authorities designate a “disposal agency” to take over the Company, the “disposal agency” shall have the right to organise the accountability of the relevant responsible personnel.

III. KEY FUNCTIONS, CORE BUSINESS AND IMPORTANT ENTITY IDENTIFICATION

Identifying key functions, key shared services, core business lines and important entities plays an important role in defining the key businesses of the Company, formulating appropriate recovery measures and disposal strategies, ensuring operational continuity, reducing the impact of recovery or disposal measures on the market, and effectively protecting the legitimate rights and interests of financial consumers.

(I) Key Functions

The key functions of the Company are trust business and proprietary business. Trust business refers to the business behaviour of the Company to undertake trust and deal with trust matters as trustee for the purpose of business and remuneration in accordance with the laws and regulations including the Trust Law of the People's Republic of China and the Measures for the Administration of Trust Companies. The proprietary business is the business in which the Company utilises the capital, such as activating the Disposal Plan, and the key function of the proprietary business is to maintain the Company's liquidity.

(II) Key Shared Services

The key shared services of the Company are services related to trust business and proprietary business and services related to operation. Trust business related services include risk management and valuation, transaction and assets management, accounting treatment, etc.; operation related services include human resources support, information technology, transaction processing, legal and compliance services, etc.

(III) Core Business Lines

The core business lines of the Company are proprietary business and trust business.

The Company may engage in activities under its proprietary business such as deposits at banks and other financial institutions, interbank borrowing, loans, and investment, etc. Investment business is limited to equity investments in financial institutions, investments in financial products and investments in fixed assets for self-use. In the event of activating the Disposal Plan, the proprietary core business is the utilisation of the capital, loans to external parties, etc., to deal with all kinds of risk events, and to maintain the Company's continuous operation and reasonable liquidity.

The trust business carried out by the Company mainly includes three categories: asset service trusts, asset management trusts and public welfare and charity trusts.

- 4. Asset Service Trusts.** Asset service trust refers to the professional trust services such as wealth planning, intergenerational inheritance, custody, bankruptcy isolation and risk disposal which are entrusted by the trustors according to the legal relationships and are tailored by the Company to meet the needs of trustors.

(1) Family Trusts, Family Service Trusts, and Premium Trusts

Family trust refers to the trust business in which the Company accepts the entrustment of a single natural person or a single natural person and his/her family, with the protection, inheritance and management of family wealth as the main trust purpose, and provides customised affairs management and financial services such as property planning, risk isolation, asset allocation, children's education, family governance, public welfare charity undertakings,

etc. SITC is one of the earliest entrants into the family trust business in China, and family trust is a strategic business that SITC has adhered to and focused on for a long time. The Company has continued to promote business model innovation, established product lines including family trust, family service trust, premium trust, and special need trust, developed and formed mature business models for innovative services such as equity family trust, family charity trust and foreign beneficiary family trust, and continuously met the personalised, diversified and customised service needs of customers.

(2) Other Individual Wealth Management Trusts, Legal Entities and Unincorporated Organisations Wealth Management Trusts

Other individual wealth management trusts cover the trust business in which the Company accepts the trust of a single natural person to provide property protection and management services. Wealth management trusts for legal persons and unincorporated organisations cover the type of business in which a trust company is entrusted by a single legal person or unincorporated organisation to provide trust services such as comprehensive financial planning, specific asset management and remuneration and benefit management.

(3) Asset Product Service Trusts

Entrusted by the asset management product managers, the Company provides administrative services such as operation custody, account management, transaction execution, share registration, accounting and valuation, fund clearing, risk management, execution supervision and information disclosure, etc. for individual asset management products, and is not involved in asset management activities such as fund-raising for asset management products, investment advice, investment decision-making, selection of investment cooperation institutions, etc.

(4) Risk Disposal Service Trusts

The Company, as trustee, provides entrusted services for the risk disposal of enterprises, establishing trusts for the purpose of repaying debts to creditors to improve the efficiency of risk disposal. By the method of risk disposal, it can be classified into two business types: 1. Corporate market-oriented restructuring service trusts. Trust companies, as trustees, provide entrusted services for the risk disposal of enterprises facing debt crises and intending to undergo debt restructuring or equity restructuring, establishing trusts for the purpose of repaying debts to corporate creditors. 2. Corporate bankruptcy service trusts. Trust companies, as trustees, provide entrusted services for the risk disposal of enterprises implementing bankruptcy reorganisation, settlement or liquidation in accordance with the Enterprise Bankruptcy Law of the People's Republic of China, establishing trusts for the purpose of repaying debts to corporate creditors.

(5) *Pre-paid Fund Service Trusts*

The Company provides administrative management services such as trust property custody, equity registration, payment and settlement, execution supervision, information disclosure, liquidation and distribution of pre-paid funds, so as to achieve the trust purpose of property independence, risk isolation and fund security of pre-paid funds.

5. Asset Management Trusts. Asset management trust is a self-benefiting trust in which the Company sells trust products pursuant to a trust legal relationship and provides investment and management financial services to the investors of the trust products.

(1) *Securities Investment Trusts*

The Company invests funds pooled under a fund trust program in such securities as are publicly issued and publicly traded on such trading venues as are in conformity with the law. The investment usually covers stocks listed and traded on stock exchanges, public securities investment funds, private securities investment funds, financial derivatives, corporate bonds, treasury bonds, convertible bonds, exchangeable bonds, asset-backed securities, government bonds purchased under agreements to resell, bank deposits, and other types of investments permitted by the regulator. Securities investment trust business can be categorised in ways from different dimensions. By the nature of investment, it can be classified into four business types: fixed income, equity, commodities and financial derivatives, and hybrid.

(2) *Real Estate Trusts*

Real estate trust refers to the business in which the trustor entrusts his/her legally owned funds to the Company based on his/her trust in the Company, and the Company invests the funds in real estate enterprises or real estate projects and carries out management, application and disposal in its own name according to the wishes of the trustor. The models of real estate trust business mainly include loan financing, equity investment and innovative business models, such as real estate investment trusts (REITs).

(3) *Industrial and Commercial Enterprises Trusts*

Industrial and commercial enterprises trust refers to the business that the Company, as the trustee, accepts the trust property of the trustor in the form of single or collective trust, and applies the trust capitals to industrial and commercial enterprises such as production, service and trade enterprises according to the wishes of the trustor to manage, apply and dispose of the trust property. Industrial and commercial enterprises trust can solve the capital needs of enterprises in the process of operation, such as liquidity capital needs, merger and acquisition capital needs, etc. Industrial and commercial enterprises trust is an important business for the Company to comply with the guidance of national policies and guide social funds to invest in the real economy. It can meet the capital needs of enterprises through various methods, such as equity, creditor's rights, stock debt linkage, industrial funds.

(4) Infrastructure Trusts

Infrastructure trust refers to a business in which the Company, as a trustee, accepts the trustor's funds in the form of single or collective trust, and uses the trust funds for infrastructure projects such as transportation, communication, energy, municipal administration and environmental protection, and carries out management, application or disposal. The industries involved in infrastructure trust mainly include electric power, water conservancy, road traffic, municipal engineering, etc. The Company can provide financial support for infrastructure projects through loans, account receivables and asset securitisation. Infrastructure trust usually takes business operation income and government financial investment as repayment sources.

- 6. Public Welfare Charitable Trusts.** Public welfare charitable trust comes as a business in which the trustor entrusts its property to the Company in accordance with the law for the purpose of public welfare, and the Company manages and disposes of the said property and carries out public welfare charitable activities in the name of the trust company as the wishes of the trustor. The service areas of public welfare charitable trust mainly include poverty alleviation, poverty relief; supporting the elderly, rescuing orphans, medical care, disability assistance, preferential treatment; rescuing from natural disasters, accidents, public health events, and other emergencies; promoting the development of education, science, culture, health, sports, etc.; prevention and control of pollution and other public hazards, protecting and improving the ecological environment, etc.

In addition to the above-mentioned businesses, the Company needs to obtain prior approval from the regulatory authorities to carry out some special businesses. The Company will carry out relevant businesses in a timely manner based on the opinions of the regulatory authorities.

As at the end of 2025, according to the classification of financing business, investment business and administrative management business, the structure of corporate trust business and the income structure of trust business are shown in the following table:

Trust business type	Trust business scale		Trust business income	
	Amount (RMB100 million)	Percentage (%)	Amount (RMB100 million)	Percentage (%)
Financing	342.94	16.3	1.84	42.8
Investment	1,142.12	54.3	1.35	31.5
Administrative management	620.19	29.5	1.11	25.7
Total	2,105.25	100.00	4.30	100.00

Note: The disclosed “trust business scale” in the above table does not include the scale of the insurance trusts (basic insurance amount basis) managed by the Company as at the corresponding date, which amounted to RMB35.866 billion. As at 31 December 2025, the AUM of the Company (including insurance trust assets) amounted to RMB246.391 billion.

(IV) Important Entity

The important entity of the Company is the Company itself. The Company has no branches or holding subsidiaries, and the trust business is operated by the Company headquarters, so the important entity is the Company itself. As at 31 December 2025, the Company held a total of 7 long-term equity investment enterprises, with a total book value of RMB675,166,907.51 (please refer to I. SUMMARY – Long-term equity investments for details).

IV. INFORMATION AND DATA REQUIRED FOR THE IMPLEMENTATION OF THE DISPOSAL PLAN

When the Company cannot continue to operate or the Recovery Plan cannot effectively resolve major risks of the Company, the Company will achieve rapid and orderly disposal in accordance with the relevant contents of the Disposal Plan, and maintain key business and services uninterrupted in the disposal process.

(I) Assets Quality

The Company insists on taking security and liquidity as the core and giving consideration to profitability in asset allocation. As at the end of December 2025, assets were mainly allocated to monetary funds, financial assets purchased under resale agreements, debt investments, loans and equity investments, etc.

1. Credit risk assets

According to the relevant provisions of Accounting Standards for Enterprises No. 22 – Recognition and Measurement of Financial Instruments, the Company has divided the process of credit impairment of financial instruments into three stages: (1) credit risks have not increased significantly since the initial recognition, and the Group monitors its credit risk on a continuous basis (the first stage); (2) credit risks have increased significantly after the initial recognition, but the financial instrument is not deemed to have incurred a credit impairment (the second stage); (3) credit impairment occurs after the initial recognition (the third stage).

As at the end of December 2025, the book value of customer loans and debt investments amounted to RMB9.018 billion, of which RMB1.000 billion was for the first stage and RMB8.018 billion for the third stage. The impairment provision balance of RMB2.849 billion has been calculated, of which the impairment provision balance of the third stage was RMB2.795 billion.

2. Substantial risk assets

The third stage of financial instruments was RMB8.018 billion. In view of the relevant risk assets, the Company made an impairment provision in accordance with accounting standards considering the future cash flow of realization of the collaterals.

(II) Shareholders' Equity and Related Party Transactions**1. Shareholders' equity**

The substantial shareholders and shareholding structure of the Company are shown in I. SUMMARY – Organisational Structure, in which Lucion Group and Shandong High-Tech Venture Capital Co., Ltd. have the relationship of parties acting in concert, and the shareholding percentage is 52.96%.

Assignment of key positions:

Substantial shareholders	Assignment of key positions
Shandong Lucion Investment Holdings Group Co., Ltd./Shandong High-Tech Venture Capital Co., Ltd.	3 directors (including 1 chairperson)
CNPC Assets Management Co., Ltd.	1 director (including 1 vice chairperson)
Jinan Finance Investment Holding Group Co., Ltd.	1 director

2. Related party transactions

As at 31 December 2025, there were no continuing related party transactions between the Company and CNPC Assets Management Co., Ltd. and Jinan Finance Investment Holding Group Co., Ltd. In terms of the proprietary business, there was no such situation such as lent borrowings from shareholders, carrying out investment activities through shareholders, paying debts on behalf of shareholders, paying expenses for shareholders, bearing other costs for shareholders and occupation of other shareholders' funds.

According to the Hong Kong Listing Rules, the relevant annual caps and actual amounts of the Company's non-exempt continuing connected transactions are as follows:

Continuing connected transaction	Annual cap on transactions for the year ended 31 December 2025 (RMB'000)	Actual amount for the year ended 31 December 2025 (RMB'000)
I. Continuing connected transactions subject to the annual reporting and announcement requirements		
1. Management of Assets Entrusted by CNPC Assets Management and/or its associates		
Trustee's remuneration received from trusts of CNPC Assets Management and/or its associates as trustors	60,000	–

Continuing connected transaction	Annual cap on transactions for the year ended 31 December 2025 (RMB'000)	Actual amount for the year ended 31 December 2025 (RMB'000)
The maximum outstanding balance of assets and funds to be entrusted by CNPC Assets Management and/or its associates	6,000,000	–
2. Provision of Loans or Financing to Lucion Group and/or its associates by Trusts Managed by our Company Trustee's remuneration received from the trust for financing to Lucion Group and/or its associates	45,000	26
The aggregate outstanding balance (including interests accrued thereon) of financing extended to Lucion Group and/or its associates by the trusts	4,500,000	428,000
3. Framework Information Technology Service Agreement with Luxin Science and Technology Co., Ltd. Amount of consulting fees paid to Luxin Science and Technology Co., Ltd.	9,000	6,264
4. Provision of financial services by Lucion Group and/or its associates to the Company Amount of financial services to be paid to Lucion Group and/or its associates for the provision of financial services	60,000	3,500
II. Continuing Connected Transactions subject to the Annual Reporting, Announcement, Circular and Independent Shareholders' Approval Requirements		
1. Management of Assets Entrusted by Lucion Group and/or its associates Trustee's remuneration received from trusts of Lucion Group and/or its associates as trustors	120,000	11,336
The maximum outstanding balance of assets and funds to be entrusted by Lucion Group and/or its associates	12,000,000	7,168,912

3. Internal Transactions

In accordance with the relevant provisions of Accounting Standards for Enterprises No. 33 – Consolidated Financial Statements and Accounting Standards for Enterprises No. 8, the Company has consolidated the qualified trust schemes for subscription of its proprietary funds. The consolidation of the trust schemes would increase the Company's assets and liabilities. As at the end of December 2025, a total of 32 trust schemes had been consolidated, with total assets amounting to RMB5.518 billion.

4. Collection of Funds of Inter-bank Counterparties

As of the end of December 2025, there was no situation for the Company to have inter-bank borrowings. As of the end of December 2025, the outstanding balance of the borrowings of the Company from China Trust Protection Fund Co., Ltd. reached RMB700 million.

5. Off Balance-sheet Business

(1) Trust assets management (As at 31 December 2025)

Unit: RMB10 thousand

Trust assets	The opening balance	The closing balance
Collective	14,949,076.15	12,723,703.32
Individual	5,025,783.74	5,852,218.37
Property rights	1,407,392.98	2,476,543.14
Total	21,382,252.87	21,052,464.83

(2) Distribution of Trust Assets (As at 31 December 2025)

Unit: RMB10 thousand

Assets Deployment	Amount	Percentage	Distribution of		
			Asset	Amount	Percentage
Monetary assets	186,747.75	0.89%	Infrastructure	862,858.65	4.10%
Loans	4,509,900.28	21.42%	Properties	1,016,392.71	4.83%
Trading financial assets investment	13,119,027.97	62.32%	Stock market	6,704,631.56	31.85%
Debt investment	2,844,759.71	13.51%	Industries	5,608,109.51	26.64%
Long-term equity investment	56,494.19	0.27%	Financial institutions	5,450,341.45	25.89%
Others	335,534.93	1.59%	Others	1,410,130.95	6.69%
Total trust assets	21,052,464.83	100.00%	Total trust assets	21,052,464.83	100.00%

6. *Management Information System*

(1) *Management Information System*

The core system of trust business management is developed by Hundsun Technologies Inc. and is responsible for the full-cycle management of trust business. The system includes the following function modules: Comprehensive Management Platform (TCMP), Sales Registration System (TA), Asset Management System (AIMS), Valuation Accounting System (FA), Capital Clearing System (CC), Supervision and Submission System (TUSP, URP), Securities Asset Management and Transaction System, anti-money laundering system, smart risk control system, etc. The system achieves the centralised management and application of trust business data, and meets the core functions of trust project management, product management, trust agreements management, trust plans issuance management, trustor/beneficiary accounts management, trustor fund management, beneficiary rights management, revenue distribution management, share management, trust plans termination settlement, investment and financing agreement and investment project management, accounting, fund settlement, regulatory filing, blacklist monitoring, suspicious transactions monitoring and projects rating, etc.

The information system of the integrated wealth management platform, developed by Hundsun Technologies Inc., provides trust company with uniform sales management platform for a full range of financial products. The system connects various system and channels inside and outside the company, achieving the full process from portal website, initial customer acquisition, to product purchase and after-sales services, covering the full cycle of customer service; in accordance with the standard requirements, improving the functional requirements of risk tolerance assessment, investment suitability, the dual record system, the call centre system, WeChat group marketing and services, etc. The system follows the construction principle “small core, large extension” and is designed as a multi-level and componentised structure, including portal website, customer relationship management, call center, mobile CRM, CRM data centers, online trust, WeChat official accounts, SITC APP, SMS and email platform and other modules, covering the whole life cycle from target population promotion, product sales to after-sales services.

(2) *Data provision capacity*

The company has built an enterprise-level data center to extract and integrate the system data such as project management, registration transfer, investment transactions, estimates, customer relationship, and achieve global domain data integration; to continuously promote data governance and improve structure and standardization level of internal data such as business data, customer data and transaction data; build BI statements platform based on data centre and continuously improve data analytical capabilities, to meet the needs of all-around monitoring, data application and analysis, unified regulatory filing of the Company’s operation, and to support the collection and analysis of various data in the Disposal.

V. IMPLEMENTATION OF DISPOSAL PLAN**(I) Implementation Plans*****1. Disposal strategies******(1) Initiating conditions of Disposal Plan***

The Company's disposal plan will initiate when any of the following conditions are triggered:

- a) The Company's continuous implementation of the recovery plan has not recovered above the trigger values of the recovery plan, and has had a material impact on the overall sound operation of the trust industry, or to avoid triggering off systematic financial risk;
 - b) Other circumstances as required by regulatory bodies.
- (2) The Company initiates the Disposal Plan, using a combination of the following tools for disposal:
- a) Communication with counterparties

Specific measures: To urge counterparties to formulate repayment options, including asset disposal, refinancing or provision of liquidity support by related parties. To declare advance maturity of the debt and take measures, such as litigation and preservation, so as to dispose of collaterals and pledge in a timely manner, and request the guarantor to undertake the guarantee obligations.

Measures analysis: The company can fundamentally safeguard the liquidity safety of the Company by urging the implementation of the counterparties' repayment options, and can effectively safeguard the creditor's rights and interests of the Company by initiating litigation procedures. However, affected by the real economy, there are large uncertainties in the refinancing ability of the counterparties. There are certain cycles in the sale of assets, the revitalization of value of collaterals and pledges and the project litigation of counterparties, and the corresponding liquidity management of the Company is significantly affected.

Implementation approaches: The Company monitors the operating performance of the counterparties by way of physical and non-physical presence on a daily basis. When the repayment capabilities of the counterparties decline, the Company urges the counterparties to formulate repayment options in the first instance, including requiring the counterparties to sell assets, refinance or provision of liquidity support by related parties, and the Company deploys personnel for on-site supervision if necessary; If the business of the counterparties continues to deteriorate, the Company will declare advance maturity of the debt in the first instance and

send full-time professional personnel to settle and collect the creditors' rights, and at the same time take measures, such as litigation and preservation, to dispose of value of collaterals and/or pledges in a timely manner and request the guarantor to undertake its guarantee obligation, etc.

b) Market-oriented disposal

Specific measures: Transfer of creditor's rights to a third party, including but not limited to transfer of non-performing assets or other assets to asset management companies, etc.

Measures analysis: The Company's transfer of creditor's rights to a third party is one of the effective ways to mitigate risk projects. The value of collaterals and pledges of the Company's trust projects is relatively sufficient, which also provides effective ways for the transfer of creditor's rights. Most of the risk projects are transferred at discount, which has a certain adverse impact on the operation of the Company. In addition, considering the concentration of risk projects, the timeliness of the transfer of third-party creditor's rights also has a significant impact on the Company's liquidity management. Under the support and guidance of the regulatory authorities, the Company has established stable cooperation with the four major asset management companies and credit insurance funds companies, and can implement the transfer of creditor's rights in a timely and market-oriented manner according to the risk disposal needs of the Company.

Implementation approaches: The Company will actively connect the third-party institutions to promote the transfer of creditor's rights after the trust projects has substantial risks. On the one hand, the Company will do better in the management and control of collateral assets under the trust projects in the first instance through the preliminary communication with counterparties, so as to provide effective ways for the transfer of creditor's rights. On the other hand, the Company simultaneously strengthened risk identification, timely summarized and reported, maintained communication with shareholders, regulatory authorities and relevant government departments, and gained external supports for the transfer of creditor's rights.

c) Financing

Specific measures: capital injection from shareholders, dividend reversal, trust industry protection fund and other external financing.

Measures analysis: The capital injection from shareholders and the introduction of external funds support will be instrumental in easing the liquidity pressure of the Company. In view of the need for the sustainable operation of the Company, substantial shareholders have certain willingness to inject capital and have committed in writing to replenish capital to the Company when necessary. If necessary, a resolution may also be submitted to the general meeting to use the dividends of substantial shareholders from previous years for capital replenishment or risk resolution. The trust industry protection fund is established for the purpose of resolving and disposing of the risks of the trust industry, which provides a certain

possibility for the Company's financing. Considering the concentration of market risk projects, the support of trust industry protection fund to the Company may be affected to some extent. As at 31 December 2025, the Company raised RMB700 million through credit insurance funds companies.

Implementation approaches: In terms of capital injection from shareholders and dividend reversal, the Company continues to strengthen shareholder equity management, maintains a good communication mechanism with substantial shareholders, and continues to transmit regulatory policy requirements to substantial shareholders to ensure that substantial shareholders are clear about their shareholder obligations, and reports the capital replenishment capability of substantial shareholders to the National Financial Regulatory Administration annually. After entering the disposal stage, the Company's disposal task force or designated disposal agency shall communicate and negotiate with the Company's substantial shareholders to formulate a feasible capital replenishment and dividend reversal plan, which shall specify the names of substantial shareholders required to perform the obligations, the method of capital replenishment, the amount of capital replenishment, the amount of dividend reversal, and other relevant matters. The relevant substantial shareholders shall complete the internal approval procedures and, where applicable, state-owned assets supervision and administration approval procedures. The Company shall submit the specific plan to the Board and general meeting of the Company for consideration and to the regulatory authorities for approval in a timely manner, and shall implement the plan upon obtaining such approvals.

In terms of trust industry protection fund financing, the Company maintains a long-term and sound cooperative relationship with the credit insurance funds companies to ensure the stability of its credit facilities, and will adjust the financing amount from the credit insurance funds companies in a timely manner based on the Company's liquidity position.

d) Business segregation

Specific measures: Strict separation of trust property from proprietary assets, etc.

Measures analysis: The Company implements business segregation, which can directly and effectively block the transmission path of off-balance-sheet risks to on-balance-sheet risks. If the risk projects cannot be substantially resolved and the external financing is insufficient, the business segregation may trigger payment risk, which will lead to substantial damages to the legitimate rights and interests of financial consumers. Over the years of its operation, the Company has strictly performed its fiduciary duties, actively disposed of the payment risk of the trust business, and received high recognition from customers. Once the Company initiates the implementation of the disposal plan, it will implement business segregation measures. For the trust business exposed to liquidity risk, it will negotiate with the settlors to dispose of the trust property, so as to realise the interests of the settlors through the disposal of the trust property and cut off the transmission path of trust risk to inherent risk.

Implementation approaches: After the payment risk of risk projects occurs, the risk control shall be strictly implemented, the trust property shall be strictly separated from the proprietary assets, the fiduciary duties shall be performed in accordance with the contract, and the transmission path of off-balance-sheet risks to on-balance-sheet risks shall be blocked.

e) Disposal of asset

Specific measures: Disposal of current assets portfolio, transfer of core or non-core assets, etc.

Measures analysis: The equity investments with large book value held by the Company are as follows:

Investees	Percentage of Shareholdings	Capital Contribution (RMB100 million)	Book Value (RMB100 million)
Sinotruk Automobile Finance Co., Ltd.	6.52%	1.51	2.39
Taishan Property & Casualty Insurance Co., Ltd.	7.40%	<u>2.00</u>	<u>1.66</u>
Total		<u>3.51</u>	<u>4.05</u>

From the perspective of book value, the Company's equity interests in Sinotruk Automobile Finance Co., Ltd., Taishan Property & Casualty and other equities are valued at approximately RMB405 million in aggregate.

Implementation approaches: Promote asset transfer through diversified channels such as public listing and agreement transfer, standardise transaction procedures, strictly control disposal risks, and steadily generate cash proceeds.

f) Suspension of incentive remuneration payment

In the event of a material risk that triggers a disposal plan, the Company will suspend the payment of incentive remuneration of all employees and reduce the labor costs of the current year to a certain extent.

- (3) If the regulatory authority designates a disposal agency to take over the Company, during the takeover, the disposal agency is entitled to:
- a) For relevant risks related to significant capital loss and inadequacy, the following disposal measures are adopted to:
 - a. Sell risky assets to financial institutions and other asset management companies, retrieve funding and replenish capital as soon as possible. This measure needs to be initiated according to the market conditions at appropriate time. Due to the general discount in the transfer of risky assets, the disposal agency needs to look for the market transferee in many ways and find a certain point of time for the disposal of risk assets, and focus on solving the problem of risky asset pricing during the promotion, so as to maximize the supplementary effect of the disposal of the risky assets on the capital.
 - b. Convene general meetings to formulate plans for capital increase and share allotment, and replenish capital within a certain period of time. Request the local financial department to support the controlling shareholders to inject capital or introduce strategic investors. The disposal agency needs to connect with shareholders and the local financial department as soon as possible, clarify the capital supplement strength of shareholders and the local financial department support, contact and negotiate with appropriate strategic investors, and formulate capital replenishment/support plan, clarify the promotion timetables in all steps in the plan, and focus on solving the problem of the efficiency of review and approval of capital injection during the promotion to ensure the effective availability of funds.
 - c. Make adjustment to the business layout and asset structure. The disposal agency should understand the business layout and asset structure of the Company as soon as possible, hire professionals if necessary. During the promotion, focus on ensuring the high liquidity and safety of the Company's funds during the takeover period, protect the interests of creditors and continuously improve its operations.
 - d. Procure refinancing of the Company by reliance on the platform of listed companies under the supervision of competent and regulatory authorities to replenish capital. The disposal agency shall continue to communicate with the competent departments and regulatory authorities to ensure the legality and compliance of financing. At the same time, focus on public sentiment monitoring to create a good market environment for refinancing through the platform of listed companies.
 - e. Adopt other measures conducive to reducing capital loss.

- b) For risks related to liquidity crisis, the following disposal measures are adopted to:
- a. Negotiate with creditors, terminate contracts early or call back loans, investments or lending to banks that meet the requirements. The disposal agency can cooperate with the relevant business handling departments to connect with the debtor, which should focus on obtaining the debtor's agreement. The disposal agency can integrate the regulatory authorities or financial institutions to grant certain concessionary policy/support to relevant debtors to avoid losses to the debtors caused by our early termination of the contract and recovery of loans.
 - b. Coordinate with peer institutions within the financial market and assist the Company in obtaining interbank lending. This measure needs to focus on obtaining the agreement of peer institutions, and the disposal agency can cooperate with the regulatory authorities and competent taxation authority to grant certain policy or tax support to peer institutions.
 - c. Apply for industry stability fund (e.g. Trust Protection Fund) or request for provision of liquidity support by the regulatory authorities, substantial shareholders of the Company or other parties. In view of the quota administration and regulatory policy of the industry stability fund, the disposal agency needs to focus on solving the financing size of the industry stability fund. The disposal agency should maintain close communication with the industry stability fund, access the status of its guarantee amounts at any time, and communicate closely with the regulatory authorities to obtain certain policy support.
 - d. Negotiate with creditors/investors, enter into agreements or reach resolutions with major creditors/investors in terms of deferred payment/distribution or instalment payment/distribution. The disposal institution can cooperate with the relevant business handling departments to connect with creditors/investors, which should focus on obtaining the agreement of creditors/investors. The disposal agency can integrate the regulatory authorities or financial institutions to grant certain concessionary policy/support to relevant creditors/investors to avoid losses to the creditors/investors caused by our early deferred payment/distribution, etc.
 - e. Adopt other measures conducive to mitigating liquidity crisis.
- c) Request the government to which the Company is registered to adopt contingency measures to maintain financial order and social stability. The disposal agency may request corresponding support from the public security, Ministry of Transport and the Complaints and Proposals Department of the place of registration to information on the intention of possible petitions or processions, provide security experience and force support, obtain traffic information of foreign investors coming to Jinan, and establish a joint mechanism with the Complaints and Proposals Department to improve the efficiency of organisation and response.

- d) Coordinate with the regulatory authorities to allow the Company, without satisfying the conditions of the relevant indicators regarding stable supervision, to continue its operation or develop some of its businesses, adopt remedial measures to reduce risks and rectify deficiencies during the transition period. During the takeover, the disposal agency shall clarify the business development plan, demonstrate its feasibility and availability, and closely communicate with the regulatory authorities to focus on solving the problem of policy support during the takeover and transition period.
- e) During the takeover, the disposal agency may carry out restructuring for the Company in accordance with the statutory procedures.
- f) During the takeover, the Company will proceed to insolvency proceedings in accordance with the relevant laws if the operation conditions and asset conditions of the Company continue to deteriorate.

(4) Exit of Disposal Plan

- a) During the takeover, the takeover will come to an end as long as the Company has restored its normal operations.
- b) When the Company has recovered above the trigger values of the recovery plan after implementing the disposal plan, the company can exit the disposal plan with the approval of the regulatory authorities.
- c) Other circumstances identified by the regulatory authorities.

2. *Impact on critical operational continuity*

After the Company initiates the disposal plan, important departments and key positions shall ensure normal operations. Some trust business of the Company, including standardized trust business and trust schemes of targeted issuance to institutional clients, can continue to be normally carried out if they have operation conditions; Based on prudent consideration, non-standardized financing trust schemes issued to the public will be suspended in the disposal plan to avoid greater payment risk exposure.

3. *Responsibility for Implementation*

In the implementation of the disposal plan, The Board assumes leadership responsibility for the execution of the disposal plan, and the senior management shall be responsible for the execution and specific implementation of the disposal plan, and substantial shareholders shall cooperate with the “disposal agency” designated by the corporate disposal task force and regulatory authorities to perform the shareholder undertakings, and implement the rescue liability through capital replenishment, profit distribution clawback and other means.

(II) Source of fund**1. Proprietary funds of the Company**

The Company currently holds approximately RMB2.760 billion of highly liquid assets such as stocks, public mutual funds and private equity fund, which can be realised at any time to supplement the Company's liquidity.

2. Disposal of high-quality assets of the Company

The Company holds the equity interests of a number of financial companies, and the equity investments with large book value are as follows:

Investees	Percentage of shareholdings	Capital contribution (RMB100 million)	Book value (RMB100 million)
Sinotruk Automobile Finance Co., Ltd.	6.52%	1.51	2.39
Taishan Property & Casualty Insurance Co., Ltd.	7.40%	<u>2.00</u>	<u>1.66</u>
Total		<u>3.51</u>	<u>4.05</u>

Note 1: Data as at 31 December 2025.

From the perspective of book value, the Company's equity interests in Sinotruk Automobile Finance Co., Ltd., Taishan Property & Casualty and other equities are valued at approximately RMB405 million in aggregate.

3. Liquidity support from substantial shareholders

According to Article 37 of Chapter II shareholders' liabilities of trust companies of the Interim Measures for Equity Management of Trust Companies (《信託公司股權管理暫行辦法》) implemented by the former China Banking and Insurance Regulatory Commission on March 1, 2020: "In the event of insufficient capital or other circumstances affecting the stable operation of the trust company, the substantial shareholders of the trust company shall perform the undertakings made at the time of subscription and provide capital to the trust company by means of the capital increase."

Lucion Group, the controlling shareholder of the Company, is the investor authorised by the Shandong provincial government and the operating institution of state-owned assets, and the important entity of the state-owned asset investment and financing management in

Shandong Province, with a registered capital of RMB36 billion and the controlling shareholder being the Shandong Province Finance Bureau. As at the end of December 2025, the total consolidated assets of Lucion Group were RMB185.735 billion, and the total owner's equity was RMB82.058 billion (of which the total owner's equity attributable to the parent company was RMB63.824 billion). In 2025, Lucion Group achieved an operating revenue of RMB7.959 billion and a net profit of RMB1.643 billion on the basis of the consolidation. According to the 2025 Credit Rating Report of Shandong Lucion Investment Holdings Group Co., Ltd. issued by China Cheng Xin International Credit Rating Co. Ltd. on 26 December 2025, the main credit rating to Lucion Group remains AAA and the rating is expected to remain stable. As at the end of March 2025, the unused bank credit quota of Lucion Group headquarters was RMB36.818 billion. Lucion Group has overall comprehensive strength, keeps good long-term cooperation relationship with banks and other financial institutions, and has strong ability in indirect debt financing and can provide liquidity support for the Company when necessary.

4. *Use of Industry Protection Fund funds to provide liquidity support or assistance to the Company*

If the risk cannot be mitigated by using the Company's own capital, the Company may apply for the use of trust industry protection fund in accordance with the Measures for the Administration of Trust Industry Protection Fund.

5. *Government contributions*

The Shandong Provincial Finance Bureau performs the duties of investor to Lucion Group according to the authorisation of the Shandong Provincial Party Committee and the Provincial Government. It is proposed in the Implementation Opinions of the General Office of the People's Government of Shandong Province on Strengthening Fiscal and Financial Synergy to Support the High-quality Development of Its Provincial Economy (Lu Zheng Ban Fa〔2023〕 No. 16) that "Lucion Group would receive support to build a provincial financial holding group, and give full play to the synergistic advantages of financial licenses such as banking, trust, asset management, and public funds to provide comprehensive financial services for the real economy". At the same time, as stipulated under Article 18 of the Interim Provisions on the Duties of Investors of State-owned Financial Capital in Shandong Province (Lu Zheng Ban Fa〔2021〕 No. 14), "the financial department shall report to the government at the same level on major matters such as merger, division, restructuring, listing, dissolution, application for bankruptcy, as well as increase or decrease of registered capital, transfer of state-owned equity, etc., which lead to the transfer of the actual control of state-owned financial institutions at the same level and relevant key subsidiaries performing investor duties. According to relevant laws and regulations, major matters performing investor duties for entrusted management of state-owned financial institutions that must be approved by the government at the same level shall be submitted to the government at the same level for approval after being approved by the financial department".

Therefore, in the event that the Company encounters major risks and substantial financial distress, it may request the Shandong Provincial Finance Bureau and/or the Shandong Provincial Government to support the controlling shareholder Lucion Group to inject a certain amount of capital to the Company, or coordinate and promote the introduction of strategic investors, market-oriented introduction of funds and other paths to restore the Company's normal operating capacity.

(III) Impact of Implementing the Disposal Plan and the Protection Scheme for the Rights and Interests of Financial Consumers

During the implementation stage of the disposal plan, we should continue to adhere to the customer-centric philosophy, providing all-round services to customers according to their needs, and gradually implement the protection of consumer rights and interests.

1. Subject to the approval of the National Financial Regulatory Administration and its local office, formulate specific emergency response plans for consumer rights protection during the implementation of the disposal plan in accordance with the Company's Administrative Measures on Risk Management Plans, Management Measures for Major Event Reporting, Emergency Response Mechanism for Customer Service Emergencies, Administrative Measures for the Protection of Consumers' Rights and Interests, Management Measures for Consumption Complaint Handling, Management Measures for Reputation Risk, Work Rules for Public Opinion Management, etc.
2. In the implementation stage of the Disposal Plan, the division of responsibilities for the protection of the legitimate interests of financial consumers will be strictly implemented. According to the unified deployment of the disposal group/institution, the Consumer Rights Protection Committee of Shandong International Trust Co., Ltd. (the "Consumer Rights Protection Committee") will be established, with the general manager of the Company serving as the leader; the Consumer Rights Protection Office under the Wealth Management Department (the "Consumer Rights Protection Office") will lead a special working group with the relevant departments taking responsibility for each item, integrated leadership, multi-level accountability and collaborative response to do well in the comprehensive consumer opinion management and the disposal of emergencies in the implementation of the Disposal Plan. In the stage of implementing the Disposal Plan, all relevant departments shall strengthen overall coordination, strictly implement legal responsibilities, establish an information management system suitable for the Disposal Plan to ensure that the information processing work in the implementation stage of the Disposal Plan can be collected and submitted in time.
3. The special working group shall be responsible for the emergency disposal of relevant types of risk events in the implementation stage of the Disposal Plan in accordance with its designated work; supervise and implement the relevant decisions of the Company; collect and respond to relevant information on risk

disposal; coordinate and cooperate with various departments to do better in the investigation, handling, feeding back and following up of risk events; responsible for implementing the aftermath and summary of risk disposal work; perform duties such as duty in risk disposal; supervise and ensure that the mobile phones of all team members must be kept unblocked for 24 hours, report any problems to the special working group in a timely manner, and handle them in accordance with the decisions of the special working group.

4. Under the integrated leadership and promotion of the special working group, all employees of the company shall maintain the sensitivity to various risk events in the implementation stage of the Disposal Plan, continuously monitor the change trend of the social environment, collect, collate and timely report the important consumer rights and interests protection information in the implementation stage of the Company's Disposal Plan, and the report content shall be timely, objective, true and comprehensive.
5. For the complaints of consumers' rights and interests protection, make appropriate response and reply according to the specific emergency response plans at the implementation stage of the disposal plan. If it needs the cooperation of relevant departments, the special working group can coordinate and notify relevant departments to investigate, deal with, follow up and response, and do better in the reply and treatment of consumers' rights and interests protection.
6. In view of the potential security and stability risks caused by risk projects, the company formulates and implements relevant response plans, establishes a stability maintenance leading group, defines the relevant responsibilities of various departments, establishes a real-time monitoring mechanism, collects dynamic information from investors through multiple channels, and establishes a "zero report" system for stability maintenance events in accordance with relevant regulations and the requirements of the company's petition stability maintenance and commercial dispute disposal plan. In the work of security and stability maintenance, the company, as the first responsible person, establishes a linkage mechanism with investors, commissioned banks and other parties, is in possession of the dynamic information of customers through various channels, and uses all efforts to nip the security risks and stability in the bud. For large number of investors, and their wide geographical distribution, the uncertainty in security and stability maintenance has increased. In order to handle it more steadily and to maintain the general environment of financial stability in the province, and gather the support of local governments and superior units in key aspects such as public security, transportation, letters and visits.

First, active communication, good explanation. (1) Disclose the project progress to investors in a timely manner and maintain communication. Taking the completion of key tasks of disposal work as the node, the risk project undertaking department shall regularly disclose information such as risk disposal and legal litigation progress to

investors, so that investors can have a positive and intuitive understanding of the company's responsibility and positive attitude towards disposal and enhance investor confidence. (2) Understand the doubts of investors in a timely manner and actively comfort them. The wealth management department shall train the financial manager on the relevant explanation skills, and arrange for designated persons who are specially responsible for this to answer 400 hotline calls, requiring them to "listen more and comfort" during the calls to understand investors' concerns and resolve their doubts, so as to dispel the thoughts of some investors to act in an uncool manner.

Second, strengthen security and do well in receiving visitors. (1) Understand the visiting information in a timely manner and do a good job in persuading customers. The risk project undertaking department shall make a comprehensive study and judgment on the information obtained from various channels, understand the plans of investors coming to Jinan and the Company, and report to the Stability Maintenance Leading Work Group in a timely manner; at the same time, designated persons shall be arranged to communicate with investors in advance and try to dissuade them from visiting; if it is impossible to persuade them to return, arrange personnel at key locations such as high-speed railway stations and airports to communicate and persuade them to return. The Stability Maintenance Leading Work Group follows the principle of "giving benefit a doubt" and does well in receiving visits according to the division of responsibilities of each department. (2) Be patient and meticulous and do well in receiving visits. Set up a special reception room to receive visiting investors, with the risk project undertaking department, the wealth management department and the office as the reception departments responsible for receiving relevant investors and the media, understanding relevant needs and providing relevant materials in accordance with laws and regulations and the company system; relevant departments shall answer the questions of investors or the media with enthusiasm and patience and do well in explaining and communicating in accordance with the Company's unified standard. (3) Fully mobilise resources and increase security forces. The office shall work with the property company to register visitors and carefully identify their identities. The property company shall increase the number of security guards in a timely manner, and train security guards on duty on security measures to protect the important parts of the Company's building when investors visit, so as to prevent impulsive investors from acting in an aggressive manner. At the same time, report to the Company's resident police station and subdistrict office in time to strive for more security force guarantee. Focus on communication and take gentle measures to prevent possible impulsive behavior of visitors to ensure that no major safety and stability events occur. (4) Establish communication mechanism to relieve the pressure of letter writing. Establish a communication mechanism with letter-writing departments at all levels to understand the information of letter writing related to risk projects in a timely manner. In case of possible petition events, the risk project undertaking department

shall make a special explanation and report to the petition department after the approval of the Stability Maintenance Leading Work Group, as a response to the petition and the support basis for making the decision of “not accepting”.

VI. COMMUNICATION STRATEGIES

During the implementation of the disposal plan, the Company shall, in accordance with the actual circumstances, communicate effectively with the regulatory authorities, local governments, shareholders, customers, employees and the public in a timely manner and formulate special communication plans to improve the feasibility of recovery and reduce the impact on the outside.

Reporting procedures: In the event that the Company has significant risks and the recovery plan cannot be effectively resolved, after initiating the disposal plan, the Company shall comprehensively assess the risk event and its internal and external impacts, and shall promptly report the risk circumstances and specific response plan to the corresponding supervisory office of Shandong Office of the National Financial Regulatory Administration and the relevant departments of Lucion Group, the controlling shareholder, in a timely manner. Depending on the specific circumstances of the risk, Lucion Group will continue to report to the superior competent unit-Shandong Provincial Department of Finance.

The Company shall also make timely reports to the Company’s substantial shareholders, the Jinan Branch of PBOC, the Shandong Office of the National Financial Regulatory Administration and other authorities in accordance with the actual circumstances. At the same time, the Company shall ensure effective information disclosure to investors and minority shareholders in accordance with domestic laws and regulations and the listing rules of the place where the Company’s shares are listed.

Where the initiation and implementation of the Disposal Plan requires the Company to comply with Rule 6.01 or Rule 6.02 of Chapter 6 “TRADING HALT, SUSPENSION, CANCELLATION AND WITHDRAWAL OF LISTING” of the Main Board Listing Rules of the Hong Kong Stock Exchange, or results in the inability to issue announcements in a timely manner involving inside information or the Company’s inability to release annual financial reports on time, the Company will submit an application to the Hong Kong Stock Exchange for trading halt or suspension. After the factors triggering the suspension of shares, such as the exit of the Disposal Plan, are eliminated, the Company will apply to the Hong Kong Stock Exchange for resumption of trading and re-trading in accordance with the requirements of the Main Board Listing Rules of the Hong Kong Stock Exchange; where the relevant provisions of Rule 6.01 or Rule 6.11 of Chapter 6 “TRADING HALT, SUSPENSION, CANCELLATION AND WITHDRAWAL OF LISTING” of the Main Board Listing Rules of the Hong Kong Stock Exchange regarding the Company’s withdrawal of listing status or being delisted (compulsory delisting) by the Hong Kong Stock Exchange are triggered, the Company will steadily implement the delisting procedure after performing all necessary internal and external approval procedures such as approval by the Board, approval by the general meeting and regulatory

approval, and ensure proper information disclosure during the delisting process, and report important progress or major matters to the regulatory authorities and the disposal agency designated by the regulatory authorities in a timely manner.

In addition, as the Disposal Plan is being implemented, if the regulatory authorities or the disposal agency designated by the regulatory authorities require the Company not to disclose relevant information according to working requirements, the Company will actively apply to the Hong Kong Stock Exchange and/or the Hong Kong Securities and Futures Commission for exemption from disclosing relevant information in accordance with the relevant provisions of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and the “Safe Harbours that allow non-disclosure of inside information” in the Guidelines on Disclosure of Inside Information of the Hong Kong Securities and Futures Commission (if applicable).

For the major risks that may cause negative external public opinion, the Company’s public opinion management department shall make adequate plans in a timely manner to avoid, minimise and eliminate various negative impacts caused by public opinion emergencies to the greatest extent.

VII. PERFORMANCE HURDLE AND SUGGESTIONS FOR IMPROVEMENT

(I) Performance hurdle

The Company may encounter hurdles from the internal and external environment in the implementation of the disposal plan, mainly as follows:

1. Macroeconomic and regulatory environment under greater pressure. The pace of global economic recovery has slowed down further, economic and financial uncertainties have increased and the aggregated continuation of the trend of strong financial regulation has increased the test on the Company’s business development and risk management.
2. Trust industry infrastructure construction still needs further improvement. In recent years, the industry has achieved remarkable results in infrastructure construction, but there is much to do and a long way to go. The “one Body, three wings” framework supporting the development of trust industry has been fully completed, and the new “three-category” trust regulation and the new version of the Measures for the Administration of Trust Companies clarify the business boundaries and services of trust operations, but the Trust Act is in urgent need of revision and improvement, and the lack of trust tax and registration systems restricts business development.

3. The means to resolve the Company's non-performing assets need to be urgently enriched. The Company, as a state-owned enterprise and a listed company, can adopt most of the conventional disposal measures, with individual disposal means, difficult asset disposal, long cycle and difficult risk resolution, resulting in hidden dangers and uncertainties in the company's asset quality and results of operations.
4. Financial technology capability needs to be improved. The construction of the company's information system started late and the investment is low. It mainly depends on external procurement and lacks the necessary independent research and development ability, resulting in the unreasonable structure of some systems and cannot be effectively resolved in the long term.
5. The Company is subject to dual regulation by domestic and foreign laws, regulations and regulatory provisions. If the decision implementation of some disposal measures (such as asset disposal) needs to be submitted to the general meeting for approval, the approval cycle will be long and the results are uncertain. In the case of disposal of financial assets, it may also involve the approval of industry regulatory authorities such as the National Financial Regulatory Administration, the China Securities Regulatory Commission. The above factors may affect the timeliness and even the effectiveness of the implementation of the disposal measures. In the case of capital increase by shareholders, pursuant to the provisions under the Listing Rules of the Hong Kong Stock Exchange that the percentage of public shareholding in a listed company shall not be less than 25%, the issuance of additional shares outside PRC may be subject to restrictions on share prices, market conditions and requirements relating to the management of state-owned assets, which may hinder the progress in the capital increase process. If necessary, the local government, competent departments and regulatory authorities shall be consulted and coordinated to resolve hurdles in the execution stage of the disposal measures, including but not limited to restrictions on capital increase, dividend reversal, progress of approval, etc.

(II) Suggestions for improvement

1. The Company should continue to carry out "trust culture construction", return to the trustee's position, integrate good trust culture into corporate governance, operation and development, internal control and other aspects, and form a corporate culture system with "trust culture as the core" to fundamentally change the way of development and achieve sustainable and healthy development.
2. To further strengthen the analysis and judgment of the macroeconomic, regulatory environment and industry situation, strengthen the construction of risk control capabilities, standardise the post-investment and post-lending management of projects, and perform the fiduciary obligations prudently and effectively.

3. It is recommended that the regulatory authorities speed up the top-level design of the trust industry, strengthen the industry's front-line investigation and research, and enhance the leadership and guidance in industry planning, supporting policies and market coordination, so as to care for the healthy growth of the industry.
4. Gradually improve the multi-dimensional and multi-level risk management mechanism in accordance with the overall risk management principle of "measurable, controllable and tolerable". Fully implement the disposal responsibility of risk projects, actively connect with counterparties and their peers and specialised asset disposal institutions, and promote the resolution of risk projects as soon as possible through legal litigation, pledges disposal and third-party acceptance.
5. The Company comprehensively strengthens information construction and empower risk control by relying on information technology. The Company has upgraded its systems related to risk management with financial technology to restructure business processes and improve management efficiency; it has integrated its data system to integrate internal information with external data to gradually realise intelligent management.
6. The Company further strengthens communication with shareholders and improves the quality of information disclosure so that shareholders can fully understand the necessity of recovery measures and improve decision-making efficiency.

The Proposed Amendments to the Articles of Association are as follows:

Article 4. Address of the Company: Partial area of 1/F, 2/F and 13/F, ~~and~~ 32-35/F ~~and~~ 40/F, Tower A, No. 2788 Aoti West Road, Lixia District, Jinan, Shandong Province

Article 12.

The Company may, with the approval by the former ~~China Banking and Insurance Regulatory Commission~~ Shandong Office of the National Financial Regulatory Administration, engage in the following businesses in ~~Renminbi or foreign currencies~~:

- (i) ~~fund trusts;~~
- (ii) ~~trusts of movable property;~~
- (iii) ~~real estate trusts;~~
- (iv) ~~trusts of marketable securities;~~
- (v) ~~trusts of other properties or property rights;~~
- (vi) ~~engaging in fund investment business as the promoter of an investment fund or a fund management company;~~
- (vii) ~~engaging in business including enterprise asset restructuring, mergers and acquisitions, project financing, corporate finance, financial consulting and others;~~
- (viii) ~~entrusted securities underwriting business as approved by relevant departments of the State Council;~~
- (ix) ~~mediation, advising, credit investigation business and others;~~
- (x) ~~bailment and safe deposit locker facility business;~~
- (xi) ~~utilisation of proprietary assets by way of deposits at banks and other financial institutions, lending to banks and other financial institutions, loans, leasing and investments;~~
- (xii) ~~provision of guarantees for other parties with proprietary assets;~~
- (xiii) ~~engaging in interbank lending business;~~
- (xiv) ~~engaging in equity investment business with proprietary assets;~~
- (xv) ~~trustee for trusts designated for special purposes;~~

- ~~(xvi) other business stipulated by laws and regulations or approved by the National Financial Regulatory Administration or its local office.~~
- (i) trust business, including asset service trust business, asset management trust business and charitable trust business;**
 - (ii) proprietary asset and liability business, including deposits at banks and other financial institutions, interbank borrowings, loans, investments, sale of bonds under repurchase agreements, applying for liquidity support borrowings from shareholders and their related parties, issue targeted bonds, and applying for liquidity support borrowings from CTFE, etc.;**
 - (iii) providing investment advisory, consultancy, custody and other technical services for financial institutions and their managed asset management products, asset service trusts, charitable trusts, etc.;**
 - (iv) providing services such as financial advisor and trustee manager for enterprises issuing direct financing instruments;**
 - (v) providing agency sales services for asset management products;**
 - (vi) trustee institution for trusts designated for special purposes;**
 - (vii) engaging in equity investment business with proprietary assets;**
 - (viii) other business approved by the National Financial Regulatory Administration.**

Article 49. Shareholders of the Company shall assume the following obligations:

- (i) to abide by laws, regulations and, the Articles of Association and relevant regulatory requirements;**
-
- (iv) to use their proprietary funds from legitimate sources to invest in the Company, and not to use entrusted funds, debt funds or other non proprietary funds to invest in the Company; ~~unless otherwise provided by the laws and regulations;~~**
- (v) comply with the regulatory provisions in respect of the shareholding ratio and the number of institutions holding the shares and, undertake not to entrust others or accept entrustment from others to hold or manage the shares in the Company; shall not entrust others to exercise various rights enjoyed by the shareholders including the management right, the right to request for convening a general meeting, voting right, nomination right, motion right and disposal right;**

- (vi) ~~truthfully inform~~ **substantial shareholders shall provide** the Company **with information on their operating conditions,** ~~of their financial information, shareholding structure, sources of funds to invest, controlling shareholders, de facto controllers, related parties, parties acting in concert, ultimate beneficiaries and investments in other financial institutions, etc. in accordance with the laws and regulations~~ **in a timely, accurate and complete manner;**

.....

- (xi) ~~shareholders~~ **to safeguard the independent legal person status and operational and management autonomy of the Company. Shareholders of the Company,** their controlling shareholders and de facto controllers shall not abuse their shareholders' rights or use their affiliation to impair the legitimate interests of the Company, other shareholders and stakeholders; not interfere with the decision-making and management rights of the Board **of the Company** and senior management members in accordance with the Articles of Association; not bypass the Board and senior management members to directly interfere with the operation and management of the Company; **not conduct transfer of benefits or otherwise impair the legitimate interests of the trust parties, the Company, other shareholders, etc.;** and not abuse the independent legal person status of the Company and the limited liability of shareholders to impair the interests of any creditor of the Company; shareholders of the Company shall be jointly and severally liable for the debts of the Company if such shareholders abuse the independent legal person status of the Company and the limited liability of shareholders and evade the repayment of debts, resulting in material damages to the interests of any creditor of the Company;

If a shareholder of the Company abuses its shareholder's rights and thereby causes losses to the Company or other shareholders, such shareholder shall be liable for indemnity in accordance with the law.

- (xii) Any shareholder who should obtain approval from the regulatory authority but did not do so, or who ~~fails to~~ **should** report to the regulatory authority **but fails to do so,** shall be forbidden to exercise, inter alia, the right to request for convening a general meeting, voting right, nomination right, motion right and disposal right;

.....

- (xiv) **shareholders of the Company shall cooperate with the regulatory authorities in their daily investigations;** in the event of a risk event or material non-compliance by the Company, shareholders shall cooperate with the regulatory authorities, **local party committees and governments, etc.** in investigation and risk disposal **in accordance with the law;**

- (xv) to assume such other obligations as required by the laws, regulations and the Articles of Association.

Shareholders shall not be liable to make any further contributions to the share capital other than the conditions agreed by the subscribers at the time of share subscription.

The Company shall establish a corresponding loss absorption and risk prevention mechanism in case of major risks by formulating recommendations on the recovery plan and the disposal plan.

In the event of circumstances endangering the continuous operation or harming the financial order of the Company, the substantial shareholders shall undertake to implement rescue measures within a certain time limit by means of capital replenishment, dividend clawback, liquidity support loans, etc. In the event that the Company encounters difficulties in its operation and requests for support from substantial shareholders, the substantial shareholders shall be obligated to provide the Company with necessary liquidity support. In the event of insufficient capital or other circumstances affecting the stable operation of the Company, the substantial shareholders shall perform the undertakings made at the time of subscription and provide capital to the Company by means of capital increase. Any substantial shareholder who fails to fulfil his/her commitments or is unable to fulfil his/her commitments due to shareholder qualification, he/she shall agree with other shareholders or qualified investors to adopt a reasonable plan to increase capital. The substantial shareholders shall also comply with other relevant requirements and regulations of the National Financial Regulatory Administration regarding the obligations of substantial shareholders.

Article 50. Shareholders of the Company shall be prohibited from engaging in the following acts:

- (i) false investment, ~~overstated~~**circular** contribution ~~and~~, withdrawal of capital or withdrawal of capital in disguised form;

.....

- (vii) ~~misappropriation~~**embezzlement** of proprietary assets or trust assets of the Company;

.....

Article 54. Shareholders ~~shall~~**undertake** not ~~to~~ pledge their holding of equity interests of the Company or establish trust and other financial products with the equity and their rights to receive benefits (income), except under special circumstances such as risk disposal ~~or takeover measures taken by the National Financial Regulatory Administration or its local office~~**measures recognised by the regulatory authorities**. ~~Investors~~**Contributors** and their related parties or parties acting in concert who, individually or jointly, hold the listed and circulating shares of the Company and whose total shareholding does not reach 5% of the total shares of the Company shall not be subject to the provisions of the preceding paragraph of this Article.

Article 118. Special committees including strategies and risk management committee, audit committee, trust~~ors~~ and ~~consumer~~**beneficiaries** rights protection committee, nomination and remuneration committee and related party transaction control committee are established under the Board. The members of the special committee shall be composed of directors who possess professional knowledge or work experience appropriate to the duties of the special committee.

Article 120. ~~An audit committee is established under~~**The Company shall not have a board of supervisors or supervisors, and the audit committee of** the Board of the Company ~~to~~**shall** exercise the functions and powers of the board of supervisors prescribed by laws and regulations including the Company Law.

Article 122. The trust~~ors~~ and ~~consumer~~**beneficiaries** rights protection committee shall be comprised of at least three members. The committee is responsible for **urging the Company to perform its fiduciary duties in accordance with the law, urging the Company to prioritize serving the legitimate interests of the beneficiaries when there is a conflict of interest between the Company or its shareholders and the beneficiaries,** guiding the development of the Company's trust business, protection of consumer rights, investor education and other aspects of work, as well as providing opinions and recommendations.

.....

Article 125. The specific duties of the strategies and risk management committee, audit committee, trust~~ors~~ and ~~consumer~~**beneficiaries** rights protection committee, nomination and remuneration committee and related party transaction control committee are stipulated in accordance with the procedural rules for the special committees established by the Board.

Article 134. The Party Committee of the Company shall play a core leadership role by ensuring the correct direction, managing the overall situation, ensuring the implementation of works and discussing and deciding on significant matters of the Company in accordance with the regulations. Major operational and management issues of the Company must undergo pre-review and discussion by the Party Committee of the Company before the Board makes decisions according to its authority and prescribed procedure. The main responsibilities of the Party Committee of the Company are:

.....

- (v) to perform the primary responsibility of upholding the Party's conduct, integrity, and anti-corruption efforts within the ~~enterprise~~**Company**, lead and support the discipline inspection and supervision institutions to perform supervision, discipline enforcement and accountability responsibilities, strictly clarify political discipline and political rules, and promote the extension of comprehensive and strict Party governance to the grassroots level;

- (vi) to strengthen the Party work style of the Company, strictly implement the central Party leadership's eight-point decision on improving work conduct, and resolutely oppose formalism, bureaucracism, hedonism, and extravagance, especially formalism and bureaucracism;
- (vii) to strengthen the construction of grassroots Party organisations and Party members, unite and lead the employees to actively participate in the reform and development of the Company;
- (viii) to lead the ideological work, ideological and political work, spiritual civilisation construction work, unified front line work of the Company, and lead the Company's labour union, the Communist Youth League, women's organisations and other mass organisations;
- (ix) to discuss and decide on other material matters within the scope of the Party Committee's duties.

Article 137. The Company shall have one general manager for a term of office of three years. The general manager shall be appointed or removed by the Board and shall be eligible for re-appointment. The vice general manager, chief financial officer, chief risk officer, **chief compliance officer**, assistant to general manager and other senior management members shall be nominated by the general manager, and appointed or removed by the Board. The directors may act concurrently as general manager or other senior management member, but the general manager and the chairman of the Board shall not be the same person.

Chapter 15 Trade Union Organizations and Democratic Management

Article 182. The Company's employees may, in accordance with the Trade Union Law of the People's Republic of China, organize a trade union to carry out the trade union activities and protect the lawful rights and interests of the employees.

The Company shall provide the trade union with the conditions necessary for the trade union to carry out its activities.

Article 183. The Company shall implement democratic management through the employee representative meeting, transparency in factory affairs and other forms in accordance with the provisions of laws and regulations.

The Company shall listen to the opinions and suggestions of the Company's labour union and employees when the Company considers major matters such as merger, division, restructuring, dissolution or application for bankruptcy, and when the Company studies and decides on major issues regarding operation or formulates important rules and regulations.

If the restructuring of the Company involves the resettlement of employees, an employee resettlement plan shall be formulated and approved by the employee representative meeting upon consideration.

Article 184. The Company shall enter into labour contracts with its employees in accordance with the The Labour Contract Law of the PRC. The performance, amendment, rescission and termination of the labour contracts entered into with the employees by the Company must comply with laws and regulations.

The Company shall formulate rules and regulations on labour employment, income distribution, personnel management, etc. in accordance with the provisions of laws and regulations and in light of the actual circumstances of the Company.

Article 185. The Company shall actively protect the legitimate rights and interests of its employees, participate in social insurance according to law, strengthen labour protection and achieve safe production. The Company shall adopt various forms to strengthen professional education and on-the-job training for employees to improve their quality.

Article 21006. In the Articles of Association, the following expressions have the following meanings unless the context otherwise requires:

.....

The term “senior management member” referred to herein means the general manager, vice general manager, chief financial officer, chief risk management officer, **chief compliance officer**, secretary to the Board and other management members taking important positions of the Company as recognised by regulatory authority and determined through resolutions of the Board of the Company.

Note: For changes in the numbering of referred articles resulting from the addition or deletion of articles, if the articles of association do not involve other content amendments, they are not listed in this comparison table.

**APPENDIX VI PROPOSED AMENDMENTS TO THE PROCEDURAL
RULES FOR THE BOARD**

The Proposed Amendments to the Procedural Rules for the Board are as follows:

Article 18 Special committees including strategies and risk management committee, audit committee, trustors and ~~consumer~~beneficiaries rights protection committee, nomination and remuneration committee and related party transaction control committee are established under the Board as required. Each of the special committees are accountable to the Board. Directors who are the chairperson of the strategy and risk management committee and the audit committee shall work in the company for at least 25 working days each year.

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

INTERESTS OF DIRECTORS

As at the Latest Practicable Date, none of the Directors, senior management or their respective associates had any interests or short positions in any Shares, underlying Shares or debentures of the Company or any of its associated corporations (as defined in Part XV of the Securities and Futures Ordinance) which were required (i) to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the Securities and Futures Ordinance (including the interests or short positions which they were taken or deemed to have under such provisions of the Securities and Futures Ordinance); (ii) to be entered into the register kept by the Company pursuant to section 352 of the Securities and Futures Ordinance; or (iii) to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules.

INTERESTS OF SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, according to the register kept by the Company pursuant to section 336 of the Securities and Futures Ordinance, and to the best of the Company's knowledge, the following persons had interests or short positions in the shares or underlying shares of the Company which are discloseable pursuant to Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance, or directly or indirectly owned any class of share capital of the Company of 5% or above:

Name of Shareholder	Class of shares	Nature of interests⁽¹⁾	Number of underlying shares held⁽²⁾	Approximate percentage of the class of underlying shares⁽²⁾	Approximate percentage of total share capital⁽²⁾
Shandong High-Tech ⁽³⁾	Domestic Shares	Beneficial owner	225,000,000	6.44%	4.83%
Lucion Venture Capital ⁽³⁾	Domestic Shares	Interest in a controlled corporation	225,000,000	6.44%	4.83%

Name of Shareholder	Class of shares	Nature of interests ⁽¹⁾	Number of underlying shares held ⁽²⁾	Approximate percentage of the class of underlying shares ⁽²⁾	Approximate percentage of total share capital ⁽²⁾
Lucion Group ⁽³⁾	Domestic Shares	Beneficial owner	2,242,202,580	64.17%	48.13%
	Domestic Shares	Interest in a controlled corporation	225,000,000	6.44%	4.83%
Shandong Provincial Finance Bureau ⁽⁴⁾	Domestic Shares	Interest in a controlled corporation	2,467,202,580	70.61%	52.96%
CNPC Assets Management Co., Ltd. ⁽⁵⁾	Domestic Shares	Beneficial owner	873,528,750	25.00%	18.75%
CNPC Capital Company Limited ⁽⁵⁾	Domestic Shares	Interest in a controlled corporation	873,528,750	25.00%	18.75%
CNPC Capital Joint Stock Company with Limited Liability ⁽⁵⁾	Domestic Shares	Interest in a controlled corporation	873,528,750	25.00%	18.75%
China National Petroleum Corporation ⁽⁵⁾	Domestic Shares	Interest in a controlled corporation	873,528,750	25.00%	18.75%
State-owned Assets Supervision and Administration Commission of Jinan Municipal People's Government ⁽⁶⁾	H Shares	Interest in a controlled corporation	252,765,000	21.70%	5.43%
Jinan Finance Holding Group Co., Ltd. ⁽⁶⁾	H Shares	Beneficial owner	252,765,000	21.70%	5.43%
Qingdao Global Wealth Centre Development and Construction Co., Ltd. ⁽⁷⁾	H Shares	Beneficial owner	232,920,000	19.99%	4.99%
Qingdao Laoshan District Finance Bureau ⁽⁷⁾	H Shares	Interest in a controlled corporation	232,920,000	19.99%	4.99%
China Create Capital Limited	H Shares	Beneficial owner	64,737,000	10.00%	2.50%

Name of Shareholder	Class of shares	Nature of interests ⁽¹⁾	Number of underlying shares held ⁽²⁾	Approximate percentage of the class of underlying shares ⁽²⁾	Approximate percentage of total share capital ⁽²⁾
Chang Xin Asset Management Co., Ltd. ⁽⁸⁾	H Shares	Trustee	113,263,200	9.72%	2.43%
Shandong Development & Investment Holding Group Co., Ltd.	H Shares	Beneficial owner	51,272,000	7.92%	1.98%
HWABAO TRUST CO., LTD	H Shares	Trustee	35,974,000	5.59%	1.39%

Notes:

- (1) All of the interests refer to long positions.
- (2) The Company completed the issue of new Shares by way of the transfer of capital reserve to share capital in January 2019. Since the change in number of Shares arising from the capitalisation issue did not constitute reporting obligation pursuant to the Securities and Futures Ordinance, the forms of disclosure of interests of certain Shareholders disclosed on the website of the Hong Kong Stock Exchange do not reflect the impact of the capitalisation issue.
- (3) Shandong High-Tech is a direct wholly-owned subsidiary of Lucion Venture Capital. Lucion Venture Capital is a non-wholly owned subsidiary owned as to 67.37% by Lucion Group and therefore is deemed to be interested in all of the Shares held by Shandong High-Tech, and Lucion Group is deemed to be interested in all of the Shares held indirectly by Lucion Venture Capital.
- (4) Lucion Group is owned as to 90.75% by Shandong Provincial Finance Bureau and as to 9.25% by Shandong Caixin Assets Operation Co., Ltd. (“**Shandong Caixin**”), and Shandong Caixin is wholly-owned by the Shandong Provincial Finance Bureau. Shandong Provincial Finance Bureau is therefore deemed to be interested in all of the Shares directly and indirectly held by Lucion Group.
- (5) CNPC Assets Management is a direct wholly-owned subsidiary of CNPC Capital Company Limited (“**CNPC Capital**”) and CNPC Capital is wholly-owned by CNPC Capital Joint Stock Company with Limited Liability (“**CNPC Capital Joint Stock**”). CNPC Capital Joint Stock, which is an A share listed company, is held as to 77.35% by China National Petroleum Corporation (中國石油天然氣集團公司) (“**CNPC**”). Each of CNPC Capital, CNPC Capital Joint Stock and CNPC are therefore deemed to be interested in all of the Shares held by CNPC Assets Management. Mr. Chen Liuyi, a non-executive Director, currently serves as supervisor and the deputy chief economist of CNPC Capital Joint Stock.
- (6) To the knowledge of the Company, Jinan Finance Holding Group Co., Ltd. has been renamed as Jinan Finance Investment Holding Group Co., Ltd., and is indirectly wholly-owned by Jinan Finance Bureau.
- (7) To the knowledge of the Company, Qingdao Global Wealth Centre Development and Construction Co., Ltd., which has been renamed as Qingdao Jinjialing Holding Group Co., Ltd., is wholly owned by Qingdao Laoshan District Finance Bureau and Qingdao Laoshan District Finance Bureau is therefore deemed to be interested in all of the Shares held by Qingdao Global Wealth Centre Development and Construction Co., Ltd.
- (8) Chang Xin Asset Management Co., Ltd. holds the equity of the Shares as a trustee of the trust for the Chang Xin Fund – Dongfang No. 1 Single Asset Management Plan.

DIRECTORS' INTEREST IN COMPETING BUSINESS

As at the Latest Practicable Date, each of the controlling shareholders and the Directors confirms that he, she or it does not have any interest in a business, apart from the business of the Company, which competes or is likely to compete, directly or indirectly, with the Group's businesses, which would require disclosure under Rule 8.10 of the Listing Rules.

MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors confirmed that they are not aware of any material adverse change in the financial or trading position of the Group since 31 December 2025, being the date to which the latest published audited consolidated financial statements of the Company were made up.

SERVICE CONTRACTS OF DIRECTORS

According to the articles of association of the Company, the terms of service of the Directors are for three years, and all Directors are subject to re-appointment or re-election upon the expiry of their term. Each of the executive Directors, non-executive Directors, and independent non-executive Directors has entered into a service contract with the Company for a term of three years. As at the Latest Practicable Date, none of the Directors have entered into, or have proposed to enter into, a service contract with the Company (other than contracts determinable by the Company within one year without the payment of compensation (other than statutory compensation)).

INTERESTS IN CONTRACTS/ARRANGEMENTS OF DIRECTORS

Since 31 December 2025 (being the date to which the latest published audited consolidated financial statements of the Company were made up) and up to the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which had been acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

None of the Directors was materially interested in any contract or arrangement subsisting at the Latest Practicable Date which was significant in relation to the business of the Group taken as a whole.

EXPERT AND CONSENT

The qualification of the expert who has given opinions or advice contained in this circular is as follows:

Name	Qualification
Octal Capital Limited	a licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance

Octal Capital has given and has not withdrawn its written consent to the issue of this circular with the inclusion of, where applicable, its letter(s) and/or references to its name in the form and context in which it respectively appear.

Octal Capital was not beneficially interested in the share capital of any member of the Group and did not have any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group as at the Latest Practicable Date.

Since 31 December 2025 (being the date to which the latest published audited consolidated financial statements of the Company were made up) and up to the Latest Practicable Date, Octal Capital had no direct or indirect interest in any assets which had been acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

DOCUMENT ON DISPLAY

A copy of the Lucion Group Trust Framework Agreement will be published on the websites of the Hong Kong Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.sitic.com.cn>) for 14 days from the date of this circular.

LUCION

Shandong International Trust Co., Ltd.

山東省國際信託股份有限公司

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

(Stock Code: 1697)

NOTICE OF 2025 ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting of Shandong International Trust Co., Ltd. (the “**Company**”) for the year 2025 (the “**AGM**”) will be held at Tower A, No. 2788 Aoti West Road, Lixia District, Jinan, Shandong Province, the PRC on Tuesday, 30 June 2026 at 3:00 p.m. to consider and, if thought fit, to pass the following resolutions. Unless the context otherwise requires, capitalised terms used herein shall have the same meanings as those defined in the circular of the Company dated 10 June 2026.

ORDINARY RESOLUTIONS

- (1) To consider and approve the work report of the Board for the year 2025;
- (2) To consider and approve the work report of the independent Directors for the year 2025;
- (3) To consider and approve the financial report for the year 2025;
- (4) To consider and approve the profit distribution plan for the year 2025;
- (5) To consider and approve the appointment of ShineWing Certified Public Accountants (Special General Partnership) as the Company’s domestic auditor and overseas auditor;
- (6) To consider and approve the Proposed Amendments to:
 - (a) the Recovery Plan;
 - (b) the Recommendations on Disposal Plan; and
- (7) To consider and approve the Proposed Annual Caps for the Lucion Group Trust Framework Agreement.

NOTICE OF 2025 ANNUAL GENERAL MEETING

SPECIAL RESOLUTIONS

- (8) To consider and approve the Proposed Amendments to the Articles of Association, and to authorise the Board, and for the Board to further delegate such authority to the senior management of the Company, to make corresponding adjustments to the Articles of Association in accordance with the comments or requirements of the regulatory authorities and the relevant departments, and to handle matters related to the supervision and approval of amendments to the Articles of Association and filing with the market supervision and administration department; and
- (9) To consider and approve the Proposed Amendments to the Procedural Rules for the Board, and to authorise the Board, and for the Board to further delegate such authority to the senior management of the Company, to make corresponding adjustments to the Procedural Rules for the Board in accordance with the comments or requirements of regulatory authorities and relevant departments.

OTHER MATTERS

- (10) To receive the net capital report for the year 2025;
- (11) To receive the report on repayment upon maturity for trust business and benefits realised for beneficiaries for the year 2025; and
- (12) To receive the report on management of related party transactions for the year 2025.

By Order of the Board
Shandong International Trust Co., Ltd.
Yue Zengguang
Chairperson

Jinan, the People's Republic of China
10 June 2026

NOTICE OF 2025 ANNUAL GENERAL MEETING

Notes:

1. The holders of H Shares and Domestic Shares whose names appear on the registers of the members of the Company on Tuesday, 30 June 2026 are entitled to attend and vote at the AGM. The registers of members of the Company will be closed from Thursday, 25 June 2026 to Tuesday, 30 June 2026, both days inclusive, during which no transfer of Shares can be registered. All transfer documents together with the relevant share certificates must be lodged for registration with the Company's H Shares registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong (for holders of H Shares) or the Office of the Board (for holders of Domestic Shares) not later than 4:30 p.m. on Wednesday, 24 June 2026.
2. Any Shareholder entitled to attend and vote at the AGM is entitled to appoint one or more proxies to attend and vote at the meeting on his/her behalf. A proxy need not be a Shareholder.
3. A proxy shall be appointed by an instrument in writing (including the proxy form). Such instrument shall be signed by the appointer or his/her attorney duly authorised in writing. If the appointer is a legal person, then the instrument shall be signed under a legal person's seal or signed by its director or an attorney duly authorised in writing. The instrument appointing the proxy shall be deposited at the Company's H Shares registrar (for holders of H Shares) or at the address of the Office of the Board (for holders of Domestic Shares) not less than 24 hours before the time appointed for holding the AGM or any adjourned meeting (i.e. by 3:00 p.m. on Monday, 29 June 2026). If the instrument appointing the proxy is signed by a person authorised by the appointer, the power of attorney or other document of authority under which the instrument is signed shall be notarised. The notarised power of attorney or other document of authority shall be deposited together and at the same time with the instrument appointing the proxy at the Company's H Shares registrar or the address of the Office of the Board (as may be applicable).
4. Shareholders or their proxies are required to produce their identification documents when attending the AGM.
5. Miscellaneous
 - i. It is expected that the AGM will last for half a day. All attending Shareholders shall arrange for their transportation and accommodation and shall bear all their own expenses in connection with their attendance.
 - ii. Details on the abovementioned resolutions to be considered and approved at the AGM are set out in the circular of the Company in respect of the AGM dated 10 June 2026.
 - iii. The address of Computershare Hong Kong Investor Services Limited is:

17M Floor, Hopewell Centre
183 Queen's Road East
Wan Chai, Hong Kong
Tel: (852) 2862 8555
Fax: (852) 2865 0990
 - iv. The address of the Office of the Board is:

35/F, Tower A, No. 2788 Aoti West Road
Lixia District, Jinan
Shandong Province, the PRC
Tel.: +86 (531) 5175 7480
Fax: +86 (531) 5175 7480

As at the date of this notice, the Board comprises Mr. Yue Zengguang as executive Director; Mr. Chen Liuyi and Mr. Chen Xuebin as non-executive Directors; and Mr. Zheng Wei, Ms. Zhang Haiyan and Ms. Liu Wanwen as independent non-executive Directors.