THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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)

MATTERS IN RELATION TO CANCELLATION OF THE BOARD OF SUPERVISORS
PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION
PROPOSED AMENDMENTS TO THE PROCEDURAL RULES FOR THE GENERAL MEETING
PROPOSED AMENDMENTS TO THE PROCEDURAL RULES FOR THE BOARD OF DIRECTORS
PROPOSED AMENDMENTS TO THE RECOVERY PLAN
AND
NOTICE OF 2025 FIRST EXTRAORDINARY GENERAL MEETING

The notice of the EGM to be held at Tower A, No. 2788 Aoti West Road, Lixia District, Jinan, Shandong Province, the PRC on Wednesday, 27 August 2025 at 3:40 p.m. are set out on pages 53 to 55 of this circular, and the proxy form for use 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 EGM, 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 EGM or any adjournment thereof (i.e. Tuesday, 26 August 2025 at 3:40 p.m.). Completion, signing and return of the proxy form will not preclude you from attending and voting in person at the EGM.

12 August 2025

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

"Articles of Association"	the articles of association of the Company, as amended, modified or otherwise supplemented from time to time
"Audit Committee"	the audit committee under the Board of Directors
"Board of Directors"	the board of Directors of the Company
"Board of Supervisors"	the board of Supervisors of the Company
"Company"	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
"Director(s)"	director(s) of the Company
"Domestic Share(s)"	ordinary share(s) of the Company with a nominal value of RMB1.00 each, subscribed for or credited as paid up in Renminbi
"EGM"	the 2025 first extraordinary general meeting of the Company to be held at Tower A, No. 2788 Aoti West Road, Lixia District, Jinan, Shandong Province, the PRC on Wednesday, 27 August 2025 at 3:40 p.m. and any adjournment thereof (as the case may be)
"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
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited

"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 of Directors"	the Procedural Rules for the Board of Directors adopted by the Company, as amended from time to time
"Procedural Rules for the Board of Supervisors"	the Procedural Rules for the Board of Supervisors adopted by the Company, as amended from time to time
"Procedural Rules for the General Meeting"	the Procedural Rules for the General Meeting adopted by the Company, as amended from time to time
"RMB" or "Renminbi"	Renminbi, the lawful currency of the PRC
"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 Articles of Association, the Procedural Rules for the General Meeting, the Procedural Rules for the Board of Directors and the Recovery Plan are written in Chinese. There is no official English translation and the English translation is for reference only. Where there is any inconsistency between the Chinese version and the English version of this circular, the Chinese version shall prevail.

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)*
Ms. Duan Xiaoxu
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,
32-35/F and 40/F, Tower A
No. 2788 Aoti West Road, Lixia District
Jinan, Shandong Province, the PRC

Principal place of business in Hong Kong:
31/F, Tower Two, Times Square
1 Matheson Street
Causeway Bay
Hong Kong

12 August 2025

To the Shareholders

Dear Sir or Madam,

MATTERS IN RELATION TO CANCELLATION OF THE BOARD OF SUPERVISORS
PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION
PROPOSED AMENDMENTS TO THE PROCEDURAL RULES FOR THE GENERAL MEETING
PROPOSED AMENDMENTS TO THE PROCEDURAL RULES FOR THE BOARD OF DIRECTORS
PROPOSED AMENDMENTS TO THE RECOVERY PLAN
AND
NOTICE OF 2025 FIRST EXTRAORDINARY GENERAL MEETING

I. INTRODUCTION

The purpose of this circular is to provide you with the notice of the EGM, which is set out on pages 53 to 55 of this circular and to provide you with information in respect of the resolutions to be proposed at the EGM to enable you to make informed decision on voting on those resolutions as described below. At the EGM, an ordinary resolution will be proposed to consider and approve (i) the proposed amendments to the Recovery Plan; and special resolutions will be proposed to consider and approve (ii) the matters in relation to cancellation of the Board of Supervisors; (iii) proposed amendments to the Articles of Association; (iv) the proposed amendments to the Procedural Rules for the General Meeting; and (v) the proposed amendments to the Procedural Rules for the Board of Directors.

II. MATTERS IN RELATION TO CANCELLATION OF THE BOARD OF SUPERVISORS

Reference is made to the announcement of the Company dated 25 June 2025 in relation to the cancellation of the Board of Supervisors and Supervisors.

In accordance with the Company Law and the relevant provisions of the National Financial Regulatory Administration regarding the cancellation of the board of supervisors, and in consideration of the Company's actual circumstances, the Company will no longer establish the Board of Supervisors nor have Supervisors. The Audit Committee shall exercise the functions and powers of the Board of Supervisors as stipulated by laws and regulations, and the Articles of Association and other relevant rules will be amended accordingly. The Procedural Rules for the Board of Supervisors and other corporate governance policies in relation to the Board of Supervisors will be simultaneously abolished, and the current Supervisors will no longer serve as Supervisors (the "**Matters in Relation to Cancellation of the Board of Supervisors**").

The above adjustments shall take effect from the date on which the resolutions on the Matters in Relation to Cancellation of the Board of Supervisors and the amendments to the Articles of Association are considered and approved by Shareholders through a special resolution at the EGM, and the approval from the Shandong Office of the National Financial Regulatory Administration for the amendments to the Articles of Association is obtained. At the same time, The Board of Directors proposed to authorise the general meeting to grant authorisation to the Board of Directors, and for the Board of Directors to further delegate such authority to the senior management of the Company, to handle matters on the registration and filing of changes for the Matters in Relation to Cancellation of the Board of Supervisors.

III. PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Reference is made to the announcement of the Company dated 25 June 2025, in relation to, among other things, the proposed amendments to the Articles of Association. Based on the Matters in Relation to Cancellation of the Board of Supervisors and in consideration of the Company's actual circumstances, the Board of Directors proposed to make further amendments to the Articles of Associations (the "**Proposed Amendments to the Articles of Association**"). The Proposed Amendments to the Articles of Association are set out in Appendix I to this circular. In accordance with the Articles of Association and relevant laws and regulations, the Proposed Amendments to the Articles of Association are subject to the approval by the Shareholders at the EGM by way of special resolution and the approval by the Shandong Office of the National Financial Regulatory Administration.

At the same time, the Board of Directors requests the general meeting to authorise the Board of Directors, and authorise the Board of Directors to further delegate such authority to the senior management of the Company, to make corresponding 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.

IV. PROPOSED AMENDMENTS TO THE PROCEDURAL RULES FOR THE GENERAL MEETING

In view of the Matters in Relation to Cancellation of the Board of Supervisors and the proposed amendments to the Articles of Association, the Board of Directors proposes to amend the Procedural Rules for the General Meeting accordingly (the "**Proposed Amendments to the Procedural Rules for the General Meeting**"). Details of the Proposed Amendments to the Procedural Rules for the General Meeting are set out in Appendix II to this circular. The Proposed Amendments to the Procedural Rules for the General Meeting are subject to the approval by the Shareholders by way of special resolution at the EGM and the approval of the Proposed Amendments to the Articles of Association by the EGM and by the Shandong Office of the National Financial Regulatory Administration.

V. PROPOSED AMENDMENTS TO THE PROCEDURAL RULES FOR THE BOARD OF DIRECTORS

In view of the Matters in Relation to Cancellation of the Board of Supervisors and the proposed amendments to the Articles of Association, the Board of Directors proposed to amend the Procedural Rules for the Board of Directors accordingly (the "**Proposed Amendments to the Procedural Rules for the Board of Directors**"). Details of the Proposed Amendments to the Procedural Rules for the Board of Directors are set out in Appendix III to this circular. The Proposed Amendments to the Procedural Rules for the Board of Directors are subject to the approval by the Shareholders by way of special resolution at the EGM and the approval of the Proposed Amendments to the Articles of Association by the EGM and by the Shandong Office of the National Financial Regulatory Administration.

VI. PROPOSED AMENDMENTS TO THE RECOVERY PLAN

In 2022, 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 the regulatory requirements, which were submitted to the general meeting for consideration and approval. According to the regulatory requirements and in consideration of the actual circumstances of the corporate governance of the Company, updates are made to the Recovery Plan. The full text of the amended Recovery Plan is set out in Appendix IV to this circular.

VII. EGM

The EGM will be held at Tower A, No. 2788 Aoti West Road, Lixia District, Jinan, Shandong Province, the PRC on Wednesday, 27 August 2025 at 3:40 p.m. The notice of the EGM is set out on pages 53 to 55 of this circular.

The holders of H Shares and Domestic Shares whose names appear on the registers of members of the Company on Wednesday, 27 August 2025 are entitled to attend and vote at the EGM. The registers of members of the Company will be closed from Friday, 22 August 2025 to Wednesday, 27 August 2025 (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 Directors 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 Thursday, 21 August 2025.

The proxy form applicable for the EGM 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 EGM, 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 EGM or any adjournment thereof (i.e. Tuesday, 26 August 2025 at 3:40 p.m.). Completion, signing and return of the proxy form will not preclude you from attending and voting in person at the EGM.

VIII. LISTING RULES REQUIREMENTS

According to Rule 13.39(4) of the Listing Rules, apart from certain exceptions, any vote of Shareholders at the general meeting must be taken by poll. All resolutions at the EGM will be voted by way of poll. Therefore, the chairperson of the EGM shall demand voting on the resolutions set out in the notice of the EGM be taken by way of poll as required under 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 EGM in the manner prescribed under the Listing Rules.

IX. RECOMMENDATION

The Board of Directors is of view that all resolutions to be proposed respectively at the EGM are in the interests of the Company and the Shareholders as a whole. Accordingly, the Board of Directors recommends that all Shareholders vote in favor of all resolutions mentioned above.

X. 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.

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

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

Article 8. The Articles of Association shall be legally binding on the Company and its shareholders, directors, ~~supervisors,~~ general manager and other senior management members, all of whom are entitled to claim rights in relation to the affairs of the Company in accordance with the Articles of Association.

In accordance with the Articles of Association, shareholders of the Company may bring actions against the Company; the Company may bring actions against the shareholders, directors, ~~supervisors,~~ general manager and other senior management members; and shareholders may bring actions against each other, the directors, ~~supervisors,~~ general manager and other senior management members of the Company.

The "actions" in the preceding paragraph shall refer to and include proceedings before the People's Court and arbitration proceedings.

Article 46. Shareholders of the Company shall be entitled to the following rights:

(i) the right to dividends and other forms of distribution in proportion to their shareholdings;

(ii) the right to propose, convene, preside over or attend or appoint a proxy to attend general meetings, to speak at the general meeting and to exercise the corresponding voting right;

(iii) the right to supervise and manage the Company's operations, and to put forward proposals or raise queries;

(iv) the right to transfer, gift or pledge the shares held in accordance with laws, regulations and provisions of the Articles of Association;

(v) the right to inspect and reproduce the Articles of Association, register of members, minutes of general meetings, resolutions of Board of Directors meetings~~, resolutions of meetings of the Board of Supervisors~~ and financial and accounting reports;

……

Article 58. The general meeting shall exercise the following functions and powers:

(i) to elect and replace Directors and decide on matters relating to the remuneration of Directors;

~~(ii) to elect and replace Supervisors who are representatives of the Shareholders and external Supervisors and decide on remuneration matters relating to the remuneration of Supervisors;~~

(~~iii~~**ii**) to consider and approve reports of the Board of Directors;

~~(iv) to consider and approve reports of the Board of Supervisors;~~

...

(~~x~~**iii**) to consider and approve the Procedural Rules for the General Meeting, the Procedural Rules for the Board of Directors ~~and the Procedural Rules for the Board of Supervisors~~;

.....

Article 61. Under any of the following circumstances, the Company shall convene an extraordinary general meeting within two months from the date on which the relevant facts arise:

(i) the number of directors falls below the required number under the Company Law or two-thirds of the number prescribed in the Articles of Association;

(ii) the unrecovered losses of the Company reach one-third of its total share capital;

(iii) upon request by Shareholders individually or jointly holding 10% or more (inclusive of 10%) of the shares of the Company;

(iv) when considered necessary by the Board of Directors;

(v) when proposed to be convened by the ~~Board of Supervisors~~ **audit committee of the Board** of Directors;

.....

Article 62. The general meetings shall be convened by the Board of Directors. The ~~Board of Supervisors~~ **audit committee of the Board** of Directors or Shareholders may convene the general meetings on their own, in the event that the Board fails to perform or is unable to perform the duty of convening the general meetings.

The general meetings convened by the Board of Directors shall be presided over by the chairman of the Board of Directors, who shall act as the chairperson of the meeting. If the chairman of the Board of Directors is unable or fails to perform his duty, the vice chairman of the Board of Directors shall act as the chairperson of the meeting and preside over the meeting. If both the chairman of the Board of Directors and the vice chairman of the Board of Directors are unable or fail to perform their duties, the general meeting shall be presided over by a Director elected by more than one half of the Directors, and such Director shall act as the chairperson of the meeting.

The general meetings convened by the ~~Board of Supervisors~~ **audit committee of the Board** of Directors on its own shall be presided over by the chairman of the ~~Board of Supervisors~~ **audit committee of the Board** of Directors. If the chairperson of the ~~Board of~~

~~Supervisors~~ **audit committee of the Board** is unable or fails to perform his duty, the general meeting shall be presided over by a ~~Supervisor~~ **member** elected by more than one half of the ~~Supervisors~~ **members of the audit committee of the Board** of Directors.

……

Article 81. For election of Directors ~~or Supervisors who are not staff representatives~~ at general meetings, the list of candidates for Directors ~~and Supervisors~~ shall be submitted to the general meeting by proposal for voting.

Article 95. Subject to the restrictions under Article 1~~49~~**37** of the Articles of Association, a Director may concurrently serve as the general manager, deputy general manager, Board of Directors secretary or other senior management members of the Company but may not concurrently serve as ~~a Supervisor or~~ the chief financial officer.

Article 120. **An audit committee is established under the Board of Directors of the Company to exercise the functions and powers of the board of supervisors prescribed by laws and regulations including the Company Law.** The audit committee shall be comprised of at least three members, all of whom shall be non-executive Directors, and the majority of who shall be independent Directors. At least one of the independent Directors shall be a professional accountant, which means he/she shall be equipped with appropriate professional qualifications, or appropriate accounting or related financial management expertise, as required under the Listing Rules. The committee is responsible for guiding the Company's internal audit, financial reporting, internal control and other aspects of work, as well as providing opinions and recommendations accordingly.

The members of the committee shall be elected by the Board of Directors. There shall be a chairman for the committee and such position shall be held by an independent Director**, who has appropriate professional qualifications or appropriate expertise in accounting or relevant expertise in financial management,** appointed by the Board of Directors. The chairman shall be responsible for presiding over the work of the committee.

Article 121. The audit committee shall exercise the following functions and powers:

(i) to inspect the financial affairs of the Company;

(ii) to supervise the conduct of the Directors and senior management members in the performance of their duties, and to make recommendations for the removal of any director or senior management member who has violated laws, administrative regulations, the Articles of Association or resolutions of the general meeting;

(iii) to demand rectifications by a Director or senior management member if such Director or senior management member has conducted an act that is detrimental to the interests of the Company;

(iv) to propose the convening of an extraordinary general meeting, and to convene and preside over such general meeting when the Board of Directors fails to perform its duty of convening and presiding over the general meetings as required by laws, regulations or the Articles of Association;

(v) to submit proposals to general meetings;

(vi) to sue Directors or senior management members in accordance with the relevant provisions of the Company Law; and

(vii) other matters as provided by laws, regulations and the Articles of Association or as authorised by the Board of Directors.

~~Chapter 11 Supervisors and Board of Supervisors~~

Article 13~~0~~**1**. According to the Constitution of the Communist Party of China **and the Working Rules for Grassroots Organisations of State-owned Enterprises of the Communist Party of China (Trial)**.....

Article 13~~1~~**2**. The leadership team of the Party Committee of the Company shall be formed based on the level of management authority in accordance with the Constitution of the Communist Party of China and the Working Rules for Grassroots Organisations of State-owned Enterprises of the Communist Party of China (Trial) and other regulations. **The leadership team of the Party Committee shall consist of 5 to 9 members, including one secretary of the Party Committee and one to two deputy secretaries of the Party Committee, with one secretary of the discipline inspection commission. In accordance with level of cadre management authority, the Company's Party Committee shall standardise procedures for nomination proposals, organisational review, and decision-making discussions to ensure the Party's leadership over cadre and personnel affairs and its management authority over key cadres.**

Article 13~~2~~**3**. Pursuant to relevant requirements, the Party Committee of the Company shall set up grassroots party committees and branch committees to establish and optimise work of the Party as well as assign personnel to handle party affairs~~.~~; **at the same time, a discipline inspection department shall be established along with full-time discipline inspection staff.**

Article 13~~3~~**4**. The Party Committee of the Company shall play a core leadership role by providing direction, managing the overall situation, ensuring implementation and discussing and deciding on material matters of the Company in accordance with regulations. The Party Committee of the Company shall, in accordance with the Constitution of the Communist Party of China and other internal laws and regulations of the Party, perform the following duties:

.....

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

……

(ix) to discuss and decide on other material matters within the scope of the Party Committee's duties.

Article 13~~4~~**5**. ~~Research and discussion within the Party Committee of the Company is a pre-procedure for the decision-making of the Board of Directors on material matters. Material matters in relation to operation and management must be researched and discussed by the Party Committee before decisions are made by the Board of Directors. The Company shall set up a discussion and decision-making mechanism of the Party Committee to clarify the decisions made by the Party Committee of the Company and the scope of and procedures for participating in the decision-making on material matters of the Party Committee of the Company; and to define the roles and responsibilities of the Party Committee of the Company, the Board of Directors, the Board of Supervisors, the management and other governance bodies.~~ The Party Committee strictly controls decision-making proposals authorised by the Board of Directors to prevent illegal authorisation and excessive authorisation. The Party Committee generally does not conduct any research and discussion in advance on the decision-making matters authorised by the Board of Directors to the chairman of the Board of Directors and the management.

Article 13~~5~~**6.** ……

The Party secretary and the chairman of the Board of Directors are generally served by one person, and the chairman of the Board of Directors and the general manager are separated. The Party member general manager generally serves as deputy secretary of the Party Committee**; the general manager, who is a Party member, generally serves as deputy secretary of the Party committee. The Company's Party Committee implements a system combining collective leadership with individual responsibility based on division of labour. Party Committee members serving on the Board of Directors or in the management must implement Party Committee decisions in their respective positions**.

Notes:

1. The background for the proposed amendments to the Articles of Association is the cancellation of the Board of Supervisors and Supervisors, with the Audit Committee assuming the authority previously held by the Board of Supervisors. For provisions where the amendments solely involve deleting "Board of Supervisors" or "Supervisor(s)", or replacing "Board of Supervisors" with "Audit Committee of the Board" without any other changes, the comparative table will not list the relevant provisions before and after the proposed amendments individually.

2. In view of that the proposed amendments to the Articles of Association involve the deletion of Chapter XI "Supervisors and Board of Supervisors", the numbering of the chapters and articles in the Articles of Association shall be adjusted accordingly, including the numbering of other articles quoted in the relevant articles. Provisions that only involve numbering changes without other substantive modifications will not be individually listed in the comparative table.

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

Article 2. These Rules are applicable to the general meetings of the Company and shall be binding on the Company, shareholders of the Company, authorised proxies of shareholders, directors, ~~supervisors,~~ the general manager, other senior management members and other relevant persons attending or present at the general meeting.

Article 4. The preparation and organisation works of the general meetings shall be carried out by the secretary to the Board of Directors of the Company and the office of the Board of Directors ~~and board of supervisors~~.

Article 8. The general meeting shall exercise the following functions and powers:

(i) to elect and replace the directors and decide on remuneration matters of directors;

~~(ii) to elect and replace supervisors who are representatives of shareholders and external Supervisors and decide on remuneration matters of supervisors;~~

(~~iii~~**ii**) to consider and approve reports of the Board of Directors;

~~(iv) to consider and approve reports of the board of supervisors;~~

……

(xi) to adopt a resolution on the Company repurchasing its own shares under the circumstances prescribed in items (i) and (ii) of Article 30 of the Articles of Association;

(~~xi~~~~v~~**iii**) to consider and approve the Procedural Rules for the General Meeting **and** the Procedural Rules for the Board of Directors ~~and the Procedural Rules for the Board of Supervisors~~;

……

Article 11. Under any of the following circumstances, the Company shall convene an extraordinary general meeting within two months from the date on which the relevant facts arise:

(i) the number of directors falls below the required number under the Company Law or two-thirds of the number prescribed in the Articles of Association;

(ii) the unrecovered losses of the Company reach one-third of its total share capital;

(iii) upon request by shareholders individually or jointly holding 10% or more (inclusive of 10%) of the shares of the Company;

(iv) when considered necessary by the Board of Directors;

(v) when proposed to be convened by the ~~board of supervisors~~ **audit committee of the Board** of Directors;

……

Article 12. The general meetings shall be convened by the Board of Directors. The ~~board of supervisors~~ **audit committee of the Board** of Directors or shareholders may convene the general meetings on their own under circumstances as prescribed in the Articles of Association and these Rules.

The general meetings convened by the Board of Directors shall be presided over by the chairman of the Board of Directors, who shall act as the chairperson of the meeting. If the chairman of the Board of Directors is unable or fails to perform his duties, the vice chairman of the Board of Directors shall act as the chairperson of the meeting and preside over the meeting. If both the chairman of the Board of Directors and the vice chairman of the Board of Directors are unable or fail to perform their duties, the general meeting shall be presided over by a Director elected by more than one half of the Directors, and such Director shall act as the chairperson of the meeting.

The general meetings convened by the ~~board of supervisors~~ **audit committee of the Board of Directors** on its own shall be presided over by the chairperson of the ~~board of supervisors~~ **audit committee of the Board of Directors**. If the chairperson of the ~~board of supervisors~~ **audit committee of the Board of Directors** is unable or fails to perform his duty, the general meeting shall be presided over by a ~~supervisor~~ **member** elected by more than one half of the ~~supervisors~~ **members of the audit committee of the Board of Directors**.

……

Article 14. The ~~board of supervisors~~ **audit committee of the Board of Directors** shall have the right to propose to the Board of Directors the convening of extraordinary general meetings and such proposal shall be made in writing. The Board of Directors shall reply in writing regarding the approval or disapproval of convening an extraordinary general meeting within 10 days upon the receipt of such proposal in accordance with the requirements of laws, regulations and the Articles of Association. ~~External supervisors, upon unanimous agreement between all of them, shall have the right to propose to the board of supervisors for proposing to the Board of Directors the convening of extraordinary general meetings. The board of supervisors shall reply in writing regarding the approval or disapproval of such proposal.~~

If the Board of Directors approves to convene an extraordinary general meeting, a notice in relation to the convening of the general meeting shall be issued within five days after the Board resolves to do so. Any changes in such notice to the original proposal may only be made with the consent of the ~~board of supervisors~~ **audit committee of the Board of Directors**.

If the Board of Directors disapproves the convening of such extraordinary general meeting or fails to reply within 10 days upon the receipt of such proposal, it shall be deemed unable or having failed to perform its duty of convening general meetings. In such case, the ~~board of supervisors~~ **audit committee of the Board of Directors** may convene and preside over such general meeting on their own.

Article 15. Requests for convening an extraordinary general meeting by Shareholders individually or jointly holding 10% or more of the shares of the Company (the "Proposing Shareholders") shall be handled as follows:

.....

(iii) If the Board of Directors disapproves the convening of such extraordinary general meeting or fails to reply within 10 days upon the receipt of such proposal, the Proposing Shareholders shall have the right to propose to the ~~board of supervisors~~ **audit committee of the Board of Directors** for proposing to the Board of Directors the convening of such extraordinary general meeting, and such proposal shall be made in writing.

(iv) If the ~~board of supervisors~~ **audit committee of the Board of Directors** approves to convene an extraordinary general meeting, a notice in relation to the convening of the general meeting shall be issued within five days upon receipt of such proposal. Any changes in such notice to the original proposal may only be made with the consent of the Proposing Shareholders.

(v) If the ~~board of supervisors~~ **audit committee of the Board of Directors** fails to issue such notice of general meeting within the prescribed period, **it shall be deemed that the audit committee of the Board of Directors will not convene and preside over such general meeting.** In such case, shareholders individually or jointly holding 10% or more of the shares of the Company for the past 90 consecutive days (the "Convening Shareholders") convene such general meeting on their own.

Article 33. The Board of Directors, the ~~board of supervisors~~ **audit committee of the Board of Directors** and the shareholders individually or jointly holding ~~3~~**1**% or more of the total number of shares carrying voting rights of the Company shall have the right to put forward proposals to the Company in writing. In such event, the Company shall include in the agenda of the general meeting matters set out in such proposals and within the scope of authority of general meetings.

Shareholders individually or jointly holding ~~3~~1% or more of the shares of the Company may put forward interim proposals in writing to the convenor of a general meeting 10 days before the convening of such general meeting.

Article 47. Before voting on a proposal at a general meeting, two representatives shall be elected from amongst the shareholders to participate in vote counting and scrutiny. Shareholders who have a connected relationship in the matter being considered may not, whether in person or by proxy, participate in the relevant vote counting and scrutiny.

When a proposal is voted on at a general meeting, the votes shall be jointly counted and scrutinized by a lawyer and a representative of the shareholders ~~together with a representative of the Supervisors~~.

Notes:

1. The background for the proposed amendments to the Articles of Association is the cancellation of the Board of Supervisors and supervisors, with the Audit Committee assuming the authority previously held by the Board of Supervisors. For provisions where the amendments solely involve deleting "Board of Supervisors" or "Supervisor(s)", or replacing "Board of Supervisors" with "Audit Committee of the Board" without any other changes, the comparative table will not list the relevant provisions before and after the proposed amendments individually.

2. In view of that the proposed amendments to the Procedural Rules for the General Meeting involve certain provisions related to the "Supervisors" and "Board of Supervisors", the numbering of the chapters and articles in the Procedural Rules for the General Meeting shall be adjusted accordingly, including the numbering of other articles quoted in the relevant articles. Provisions that only involve numbering changes without other substantive modifications will not be individually listed in the comparative table.

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

Article 3. The Company shall have a Board of Directors comprised of all directors. The Board of Directors is an operating decision-making authority of the Company. The Board of Directors shall be comprised of nine directors, among which independent directors shall account for more than one-third of all the directors~~, and the directors shall be elected by the general meeting~~. There shall be one director who is representative of employees, who shall be democratically elected in the employee representative meeting. There shall be eight other directors**, who**~~. All directors~~ shall be elected by the general meeting.

Article 9. The day-to-day administrative office of the Board of Directors~~ (Supervisors)~~ of the Company is the office of the Board of Directors, which is responsible for the preparation of general meetings and Board of Directors meetings, keeping of meeting minutes and documents, information disclosure and other routine matters.

Article 11. ……The chairman of the Board shall convene an extraordinary Board of Directors meeting within 10 days from the date of receipt of such request under the following circumstances:

(i) upon joint request by more than one-third of the directors;

(ii) upon request by the **audit committee of the Board of Directors**~~ board of supervisors~~;

(iii) upon request by more than **two**~~one half of the~~ independent directors;…

Article 12. To convene a Board of Directors meeting, a notice shall be given by the Board of Directors to the directors at least seven days before the date of meeting by telephone, facsimile, e-mail or through personal delivery (except as otherwise stipulated in applicable laws, regulations, securities regulatory rules, the Articles of Association and Article 10 above in respect of regular Board of Directors meetings). …

A Board of Directors meeting may be held in the form of an on-site meeting or by circulation of meeting documents (except as otherwise prescribed in Article 10 **and the exceptional circumstances prescribed under Article 4** of these Rules). ……

Note:

The background for the proposed amendments to the Procedural Rules for the Board of Directors is the cancellation of the Board of Supervisors and Supervisors, with the Audit Committee assuming the authority previously held by the Board of Supervisors. For provisions where the amendments solely involve deleting "Board of Supervisors" or "Supervisor(s)", or replacing "Board of Supervisors" with "Audit Committee of the Board" without any other changes, the comparative table will not list the relevant provisions before and after the proposed amendments individually.

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 and Disposal Plan of SITC (approved at the 2018 second extraordinary general meeting of SITC), formulated 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). 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.

1. SUMMARY

1.1 Institutional Condition

1.1.1 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 a director of China Trustee Association. The de facto controller of SITC is the People's Government of Shandong Province, and Shandong Lucion Investment Holdings Group Co., Ltd. (hereinafter referred to as "Lucion Group"), the controlling shareholder, is an important main body of investment and financing and assets management platform in Shandong Province. In December 2017, SITC was listed on the H-share main board in Hong Kong (Stock Code: 1697.HK), being the first domestic trust company listed on the international capital market.

Since establishment, SITC has always adhered to the position of trustee, adhering to the general work tone of "making progress and improving quality while maintaining stability", constantly optimising its structure of modern corporate governance, serving economic and social development by utilising various financial instruments, promoting effective interconnection between the monetary market, the capital market and the industrial market, having established three business divisions, namely the capital market business division, wealth management business division, and family trust business division, and having developed the endowment-based and characteristic asset service trusts, asset management trusts and public welfare and charity trust, thus creating a "stable and sound" and "specialised and refined" business system. SITC has set up business and wealth teams in multiple key cities across the country, and established the development pattern of "taking root in Shandong, spreading to the whole country and establishing presence across the globe". As at the end of 2024, consolidated assets of the Company amounted to RMB14.279 billion with total liabilities of RMB3.043 billion. In 2024, the operating income of the year amounted to RMB905 million with a total consolidated profit of RMB214 million.

1.1.2 Organisational Structure

1.1.2.1 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 of Directors, the Board of Supervisors and management, without overstepping, neglecting or misplacing of authority at all management levels to ensure professional corporate governance, and scientific and efficient decision-making.

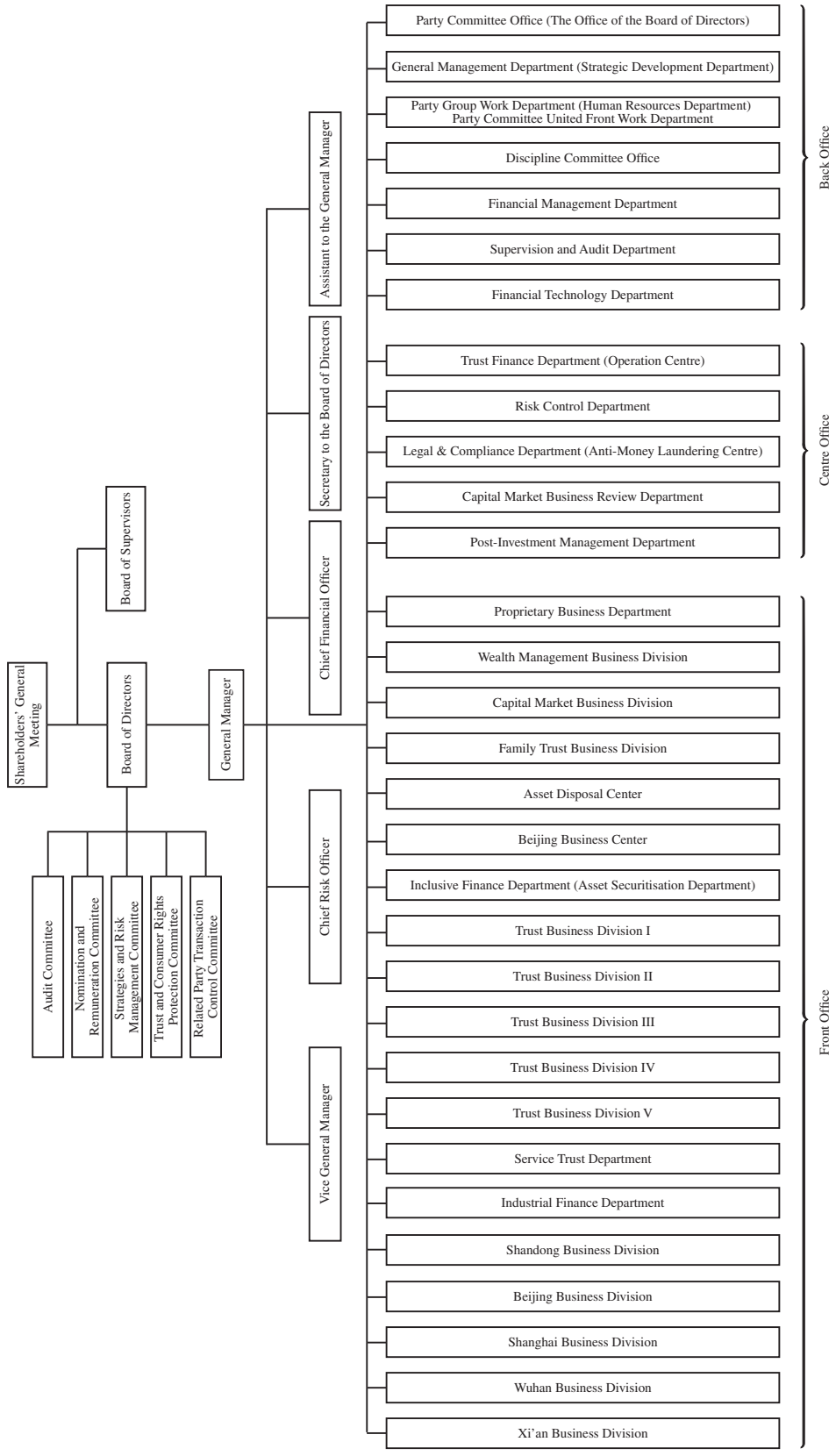
The Company clearly classifies the responsibilities among the general meeting, the Board of Directors, the Board of Supervisors and the senior management. The general meeting of the Company consisting of all Shareholders is the organ of authority of the Company. The Board of Directors is accountable to the general meeting, and is an operating decision-making authority of the Company. The Board of Directors is currently comprised of seven 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 protection committee, nomination and remuneration committee, audit committee and related party transaction control committee are established under the Board of Directors. The special committees operate under the leadership of the Board of Directors and provide professional advice on the scientific decision-making of the Board of Directors. The Board of Supervisors shall be comprised of nine supervisors, accountable to the general meeting, and responsible for supervising the financial and operating situation of the Company in accordance with the laws, and supervising the performance of the duties of the Directors, Supervisors and senior management personnel. The senior management of the Company shall be responsible for implementing the resolutions of the Board of Directors and the daily operation and management of the Company, and reporting to the Board of Directors and the Board of Supervisors regularly.

According to the Company Law which came into effect on 1 July 2024, the Company intends to abolish the Board of Supervisors and the establishment of Supervisors, and the audit committee of the Board of Directors will take over the authority of the Board of Supervisors as stipulated in laws and regulations. The above adjustments shall take effect after the relevant resolutions are considered and passed by the general meeting of the Company and the Company obtains the approval of the Shandong Office of the National Financial Regulatory Administration for the revised Articles of Association. Before the adjustment takes effect, the Board of Supervisors will continue to perform its duties in accordance with the laws and regulations and the relevant provisions of the Articles of Association.

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%	Domestic shares (non-circulating share)
CNPC Assets Management Co., Ltd.	873,528,750	18.75%	
Shandong High-Tech Venture Capital Co., Ltd.	225,000,000	4.83%	
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%	

1.1.2.2 Organisational structure



1.1.2.3 Major branches and subsidiaries

As at 31 December 2024, the Company's long-term equity investments were as follows:

No.	Name of investment enterprise	Shareholding	Book value (RMB)
1	Sinotruk Auto Finance Co., Ltd.	6.52%	230,065,215.78
2	Taishan Property & Casualty Insurance Co., Ltd.	7.40%	167,709,840.96
3	Anhui Luxin Equity Investment Fund Management Co., Ltd.	25.00%	5,968,442.18
4	Huangshi Liangsheng Real Estate Development Co., Ltd.	28.00%	152,320,000.00
5	Nanyang Zhongliang Chengtong Real Estate Co., Ltd.	20.00%	57,885,546.35
6	Weifang Hengru Real Estate Co., Ltd.	15.00%	15,000,000.00
7	Nanyang Liangheng Real Estate Co., Ltd.	49.00%	94,433,141.00
	Total		723,382,186.27

1.2 Updates to the Recovery Plan

The Company updated the Company's operation and organisational structure for 2024, long-term equity investment at the end of 2024, trust business data and description of business types in 2024, updated the effect of dividend restriction measures based on the financial situation in 2024, updated the assets held at the end of 2024 and the balance of borrowings of the trust fund in the Recovery Plan in June 2025, and added a description of the discontinuation of the Board of Supervisors and the related arrangement for the articulation of powers, further improvement of financial infrastructure services and the consumer protection programme, and an update of the stress test scenarios and the results of the stress test at the end of 2025 to the section on corporate governance structure.

2. RECOVERY PLAN GOVERNANCE STRUCTURE

2.1 Division of responsibility

(1) 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 Directors of the Company is the highest leading body in formulating, approving, updating and implementing the Recovery Plan, and shall bear the ultimate responsibility for the effectiveness of the Recovery Plan and the formulation and updating of the recommendations on the Recovery Plan. The Board of Directors 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 of Directors is responsible for the specific management of the Company's Recovery Plan.

(3) The Board of Supervisors is responsible for supervising the performance of their respective duties by the Board of Directors and the senior management, and reporting to the general meeting and regulatory authorities on the diligence and due diligence of the Board of Directors 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 of Directors, the financial management department, the risk control department, the compliance and legal 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 meeting of the Company, the Party Committee and the Board of Directors 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 Lucion Group, the controlling shareholder of SITC. Two directors of the Board of Directors 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 of Directors 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 in a timely manner.

2.2 Management Mechanism

2.2.1 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.

2.2.2 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 control department. The chief risk officer of the risk control department concurrently serves as the director of the office of the team.

(2) When the circumstances that trigger the Recovery Plan take place, the risk control department of the Company and the relevant departments shall immediately report the relevant circumstances to the task force for emergency response.

(3) The team will review the risk incident submitted by the risk control department and report to the strategies and risk management committee of the Board of Directors to consider to implement the Recovery Plan, and shall then report to the Board of Directors 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 of Directors 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 of Directors.

(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.

2.2.3 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 of Directors, and having reported to the Board of Directors and regulatory authorities.

2.3 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 leading group, with the chairman as the group leader and the general manager as the deputy leader. The chairman of the Board of Supervisors, deputy secretary of the party committee, the secretary of the commission for discipline inspection, the chief risk officer and party group work department (human resources department), the head of the discipline committee office, the supervision and audit department, the legal and compliance department, risk control 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 office of the commission for discipline inspection 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 office of the commission for discipline inspection, 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 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 of Directors for approval. Accountability plans involving Supervisors shall also be submitted to the Board of Supervisors for approval. If the accountability decision involves the departure of directors and supervisors 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.

3. 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.

3.1 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.

3.2 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.

3.3 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, placements with and loans to banks and other financial institutions, loans, leasing, 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.

Trust business is divided into financing business, investment business and administrative management business. As at the end of 2024, 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	392.76	18.37	2.08	45.32
Investment	1,269.61	59.38	1.54	33.55
Administrative management	475.86	22.25	0.97	21.13
Total	**2,138.23**	**100.00**	**4.59**	**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 RMB26.35 billion. As at 31 December 2024, the assets under management of the Company (including insurance trust assets) amounted to RMB240.173 billion.

Specifically, the trust business of the Company includes the following types:

(1) **Asset service trusts.** Asset service trusts refer to a company that accepts the entrustment of a client based on the trust legal relationship and provides professional trust services such as wealth planning, intergenerational inheritance, custody, bankruptcy isolation and risk management tailored to the client's needs.

- **Family trusts, family service trusts and insurance trusts**

Family trusts refer to the trust business in which the Company accepts the entrustment of a single person or 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 trust companies in China to engage in family trust business. Family trust is a strategic business that SITC has long adhered to and focused on. The Company continues to promote business model innovation, and has developed and formed a mature business model including innovative services such as family service trust, insurance trust, equity family trust, family charitable trust, and foreign beneficiary trust, constantly meeting customers' personalised, diversified, and customised service needs.

- **Other personal wealth management trusts, legal person and non-legal person organisation wealth management trusts**

Other personal wealth management trusts refer to trust businesses where a company accepts entrustment from a single natural person to provide property protection and management services. Legal person and non-legal person organisation wealth

management trusts refer to business types where a trust company accepts entrustment from a single legal person or non-legal person organisation to provide comprehensive financial planning, specific asset management, salary and welfare management and other trust services.

- **Asset management products and services trust**

The Company accepts the entrustment of the asset management product manager and provides administrative management services such as operation custody, account management, transaction execution, share registration, accounting valuation, fund settlement, risk management, execution supervision, and information disclosure for individual asset management products. It does not participate in asset management activities such as fund raising, investment advice, investment decision-making, and selection of investment cooperation institutions for asset management products.

- **Asset securitization service trust**

As a trustee, the Company establishes a special purpose vehicle with the underlying assets of asset securitization to provide underlying asset trust services for asset securitization business carried out in accordance with the relevant regulations of the financial regulatory authorities. According to the type of underlying assets and service targets, it is divided into four business types: credit asset securitization service trust, enterprise asset securitization service trust, non-financial enterprise asset-backed note service trust, and other asset securitization service trust.

- **Prepaid funds service trusts**

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

(2) **Asset management trusts.** Asset management trusts refer to a self-benefit trust in which a company sells trust products based on the trust legal relationship and provides investment and management financial services to trust product investors.

- **Securities investment trusts**

The Company invests the funds under the collective fund trust plan in securities that are publicly issued in accordance with the law and publicly traded in trading venues that comply with legal regulations. The investment scope usually includes: stocks listed on the stock exchange, public securities investment funds, private securities investment funds, financial derivatives, corporate bonds, treasury bonds, convertible bonds, exchangeable bonds, asset-backed securities, treasury bond reverse repurchases, bank deposits, and other types of investment permitted by regulatory authorities. Securities investment trust

business can be classified in many ways from different dimensions. According to the nature of investment, it can be divided into four business types: fixed income, equity, commodities and financial derivatives, and mixed.

- **Real estate trusts**

Real estate trusts refer to the business in which the trustor entrusts his legally owned funds to the Company based on his 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 his own name according to the will 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), etc.

- **Industrial and commercial enterprise trusts**

Industrial and commercial enterprises trusts refer 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 will 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, M&A 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 and to meet the capital needs of enterprises through equity, creditor's rights, stock debt linkage, industrial funds and other ways.

- **Infrastructure trusts**

Infrastructure trusts refer 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 infrastructure trusts 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) **Charitable and charities trusts.** Charitable and charities trusts refer to the business of entrusting the trustee's property to a company in accordance with the law for the purpose of public interest, and the Company manages and disposes of the property in the name of the trust company in accordance with the will of the trustee to carry out public welfare and charitable activities. The service areas of public welfare and charitable trust mainly include poverty alleviation, poverty relief, elderly care, orphan relief, natural disaster relief, accidental calamities relief and public health

incident relief. The state has always encouraged and supported the development of charitable trusts, and has provided many policy supports in terms of risk capital provision and trust industry guarantee fund subscription.

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.

3.4 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 2024, the Company held a total of seven long-term equity investment enterprises, with a total book value of RMB723,382,186.27 (please refer to 1.1.2.3 Major branches and subsidiaries for details).

4. TRIGGER MECHANISM OF THE RECOVERY PLAN

4.1 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%.

4.2 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 control department will report to the Company's task force for emergency response. If the monitoring indicators reach the trigger value, the Company's financial management department and risk control 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 of Directors for study, and report to the Board of Directors 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.

5. RECOVERY MEASURES

5.1 Summary of Recovery Measures

5.1.1 Incentive remuneration deferral system

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

a) Basis 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 be ceased 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 of Directors and the senior management shall perform their respective duties according to their terms of reference. The Board of Directors 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.

5.1.2 Profit distribution restriction 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 Directors) 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 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 183 to Article 185 under the Articles of Association.

(2) The Shareholders applicable to profit distribution restriction 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, supervisors 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 may hold off 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 hold off the profit distribution for the purpose of safeguarding the long-term interests of all Shareholders. The regulatory authorities may also recommend or require the Company to reduce or hold off the profit distribution according to the actual risk situation or subject to prudent regulatory consideration.

5.1.3 Liquidity support and capital replenishment provided by substantial shareholders

When the Company faces liquidity risk, the substantial shareholders of the Company are required to undertake not to divest and to provide liquidity support whenever possible. The substantial shareholders of the Company may provide guarantees and other credit enhancement initiatives for the Company's inherent financing business.

If the Company's operating losses erode its capital, it shall be deducted in full in 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.

5.1.4 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 secure 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: Setting up a task force, paying close attention to public opinion, unifying the response messaging, strengthening positive guidance, and strengthening security and reassurance efforts.

Implementation approaches: After the emergence of public opinion on counterparties, the Company set up a task force for public opinion and stability maintenance at the first time, clarified the division of responsibilities, conduct "7 * 24-hour" monitoring of relevant public opinion through a combination of self-organisation and hiring professional institutions, and reported the monitored public opinion to the supervisory and superior units in a timely manner. Clearly establish that the press spokesperson is the sole authorised channel for external communication. All employees shall not be interviewed by the media without authorisation, and shall not publish information related to the Company's projects on Weibo, WeChat or other platforms without authorisation. Pay close attention to the trend of investors, do well in reception and communication for visitors, fully mobilise resources, enhance security forces, and establish communication mechanisms to ease the pressure of letters and visits.

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 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, dispose of the relevant assets and seek approval 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.

5.2 Analysis of the Recovery Measures

5.2.1 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.

5.2.2 Analysis of the profit distribution restriction mechanism

The application of the profit distribution restriction mechanism will effectively achieve capital replenishment when the Company faces serious risk. According to the stage of the risk of the Company, the proportion of dividends should be reduced until dividends are stopped, 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 2024, the capital appropriation can be reduced by about RMB43 million by taking profit distribution restriction measures.

The Board of Directors of the Company shall make suggestions of profit distribution on taking the profit distribution restriction measures and submit them to the general meeting for approval. After the resolution on the profit distribution plan is made at the general meeting, the Board of Directors of the Company shall implement the specific plan as soon as possible within two months after the general meeting. The adoption of such measures requires good communication and explanation with substantial shareholders in advance to obtain the support and understanding of substantial shareholders.

5.2.3 Analysis of liquidity support and capital supplement from the substantial shareholders

The six substantial shareholders of the Company are all 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.

5.2.4 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/or 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 2024, the Company raised RMB980 million through credit insurance funds companies. The Company will plan to continue before the borrowings expire and strive to appropriately expand the scale of borrowings, 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/or 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 lead to payment risk, which will lead to substantial damages to the legitimate rights and interests of financial consumers. Breaking the rigid payment is both a requirement of the New Asset Management Regulations and a development trend in the trust industry. At present, some trust companies have gradually broken the rigid repayment. Over the years of operation, the Company has strictly performed for its fiduciary duties, actively disposed of the payment risk of the trust business, and received high recognition from customers. However, once the Company initiates the recovery and implementation plan, it will implement business segregation measures. For the trust business with liquidity risk, it will negotiate with the appointor to dispose of the trust property, so as to realise the interests of the appointor 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 Auto Finance Co., Ltd. (重汽汽車金融有限公司)	6.52%	1.51	2.31
Taishan Property & Casualty Insurance Co., Ltd.* (泰山財產保險股份有限公司)	7.40%	2.00	1.68
Shandong Luxin Xinjiu Kinetic Energy Conversion Venture Capital Parent Fund (魯信新舊動能轉換母基金)	18.2%	1.16	1.97
Total		4.67	5.96

Note 1: Data as at 31 December 2024.

Note 2: Since it no longer has a significant impact, the Company adjusted Shandong Luxin Xinjiu Kinetic Energy Conversion Venture Capital Parent Fund from equity method accounting to financial assets held for trading at the end of 2021.

From the perspective of book value, the Company's equity interests in Sinotruk Auto Finance Co., Ltd., Taishan Property & Casualty Insurance Co., Ltd., Shandong Luxin Xinjiu Kinetic Energy Conversion Venture Capital Parent Fund and other equities are valued at approximately RMB596 million in aggregate. Following the disposal of the equity interests in Fullgoal Fund and Shandong Financial Assets during 2022 and 2023, the Company's liquidity has significantly improved. The safety and high liquidity of the inherent capital is maintained, which is conducive to dealing with the Company's liquidity risk.

5.2.5 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, Customer Service Management Approach, Management Measures for Consumption Complaint Handling, 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.

6. STRESS TEST

6.1 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:

6.1.1 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 * Single-month liquidity support rate of 0%	Actively managed open-ended product scale during the period * (Single-month redemption rate + 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 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.

6.1.2 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
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

Main scenario	Light stress indicator	Medium stress indicator	Severe stress indicator	Remarks on relevant indicators
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	–
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

Main scenario	Light stress indicator	Medium stress indicator	Severe stress indicator	Remarks on relevant indicators
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%	–

6.1.3 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
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	–

Main scenario	Light stress indicator	Medium stress indicator	Severe stress indicator	Remarks on relevant indicators
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
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

Main scenario	Light stress indicator	Medium stress indicator	Severe stress indicator	Remarks on relevant indicators
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

6.2 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 2025 is as follows:

Stress test results at the end of 2025

Unit: RMB100 million

Stress scenario	Light stress	Medium stress	Severe stress
Cash outflows	12.97	22.93	37.23
Cash inflows	4.64	4.14	3.16
Net gap	1.11	11.08	25.94
Mitigation assets	10.49	10.22	9.95
Delayed gap	-2.16	8.57	23.65

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 of the start-up 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.

6.3 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 of Directors. The matter shall be reported to the Board of Directors and regulatory authorities.

7. 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 of Directors 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.

8 PERFORMANCE HURDLE AND SUGGESTIONS FOR IMPROVEMENT

8.1 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 are 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 clarifies 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 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. 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 of the recovery and disposal measures, including but not limited to restrictions on capital increase, dividend reversal, progress of approval, etc.

8.2 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 risk management system 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 investment research, intelligent approval and intelligent early warning.

(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.

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 FIRST EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2025 first extraordinary general meeting (the "**EGM**") of Shandong International Trust Co., Ltd. (the "**Company**") will be held at 3:40 p.m. on Wednesday, 27 August 2025 at Tower A, No. 2788 Aoti West Road, Lixia District, Jinan, Shandong Province, the PRC to consider and, if thought fit, to pass the following resolutions. Unless the context otherwise requires, capitalized terms used herein shall have the same meanings as those defined in the circular of the Company dated 12 August 2025.

ORDINARY RESOLUTION

(1) To consider and approve the Proposed Amendments to the Recovery Plan;

SPECIAL RESOLUTIONS

(2) To consider and approve the Matters in Relation to Cancellation of the Board of Supervisors;

(3) To consider and approve the Proposed Amendments to the Articles of Association, and authorise the Board of Directors, which shall delegate to the senior management of the Company, to make corresponding adjustments to the Articles of Association in accordance with comments or requirements of the regulatory authorities and the relevant departments, handle matters related to the supervision and approval of amendments to the Articles of Association and filing with the market supervision and administration department;

(4) To consider and approve the Proposed Amendments to the Procedural Rules for the General Meeting, and to authorise the Board of Directors to further delegate such authority to the senior management of the Company to make corresponding amendments to the Procedural Rules for the General Meeting based on the Proposed Amendments to the Articles of Association ultimately adopted by the Company;

(5) To consider and approve the Proposed Amendments to the Procedural Rules for the Board of Directors, and to authorise the Board of Directors to further delegate such authority to the senior management of the Company to make corresponding amendments to the Procedural Rules for the Board of Directors based on the Proposed Amendments to the Articles of Association ultimately adopted by the Company.

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

Jinan, the People's Republic of China
12 August 2025

Notes:

1. The holders of H Shares and Domestic Shares whose names appear on the registers of the members of the Company on Wednesday, 27 August 2025 are entitled to attend and vote at the EGM. The registers of members of the Company will be closed from Friday, 22 August 2025 to Wednesday, 27 August 2025 (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 in Hong Kong, 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 Directors of the Company (for holders of Domestic Shares) not later than 4:30 p.m. on Thursday, 21 August 2025.

2. Any Shareholder entitled to attend and vote at the EGM is entitled to appoint one or more proxies to attend and vote at the meeting on his/her behalf. A proxy needs not be a Shareholder.

3. A proxy shall be appointed by an instrument in writing (including the proxy form) by the Shareholders. 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 share registrar for holders of H Shares or at the address of the Office of the Board of Directors of the Company for holders of Domestic Shares not less than 24 hours before the time appointed for holding the EGM or any adjourned meeting (i.e. Tuesday, 26 August 2025 at 3:40 p.m.). 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 notarized. The notarized 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 share registrar or the address of the Office of the Board of Directors of the Company (as may be applicable).

4. Shareholders or their proxies are required to produce their identification documents when attending the EGM.

5. Miscellaneous

   i. It is expected that the EGM 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 EGM are set out in the circular of the Company in respect of the EGM dated 12 August 2025.

   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 of Directors of the Company 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 of Directors comprises Mr. Yue Zengguang as executive Director; Mr. Chen Liuyi, Ms. Duan Xiaoxu and Mr. Chen Xuebin as non-executive Directors; Mr. Zheng Wei, Ms. Zhang Haiyan and Ms. Liu Wanwen as independent non-executive Directors.