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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)**

## **ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2025**

The board of directors (the “**Board**” or “**Board of Directors**”) of Shandong International Trust Co., Ltd. (the “**Company**” or the “**SITC**”) is pleased to announce the audited consolidated annual results of the Company for the year ended 31 December 2025 (the “**Reporting Period**”). The content of this annual results announcement has been prepared in accordance with applicable disclosure requirements under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) in relation to preliminary announcements of annual results and the PRC Accounting Standards for Business Enterprises (“**CASBE**”). Such annual results have also been reviewed and confirmed by the Board and the audit committee of the Board (the “**Audit Committee**”). Unless otherwise stated, financial data of the Company are presented in Renminbi (“**RMB**”).

*In this annual results announcement, the “Group” refers to the Company and the trust schemes included in the consolidated financial statements of the Company (i.e. the trust schemes controlled by the Company). Where there is any inconsistency between the Chinese version and the English version of this annual results announcement, the Chinese version shall prevail.*

## 1. BASIC CORPORATE INFORMATION

### 1.1 Basic Information

<b>Legal name in Chinese Abbreviation</b>	山東省國際信託股份有限公司 山東國信
<b>Legal name in English Abbreviation</b>	Shandong International Trust Co., Ltd. SITC
<b>Legal representative</b>	Yue Zengguang (岳增光)
<b>Authorised representatives</b>	Yue Zengguang (岳增光) He Chuangye (賀創業)
<b>Listing exchange of H shares Stock name Stock code</b>	The Stock Exchange of Hong Kong Limited SDITC 1697

### 1.2 Contact Person and Contact Details

<b>Secretary to the Board</b>	He Chuangye (賀創業)
<b>Company Secretary</b>	He Chuangye (賀創業)
<b>Registered office</b>	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
<b>Postal code</b>	250101
<b>E-mail address</b>	ir1697@luxin.cn
<b>Internet website</b>	<a href="http://www.sitic.com.cn">http://www.sitic.com.cn</a>
<b>Principal place of business in Hong Kong</b>	31/F, Tower Two, Times Square 1 Matheson Street Causeway Bay, Hong Kong

## 2. SUMMARY OF FINANCIAL DATA

### 2.1 Summary of Consolidated Income Statement

Item	Note	Year ended 31 December	
		2025	2024
		<i>(RMB in thousands)</i>	
<b>I. Total operating income</b>		<b>722,413</b>	904,977
Net Interest Income	12	<b>-9,735</b>	-56,270
Including: Interest income	12	<b>42,776</b>	-3,639
Interest expense	12	<b>52,511</b>	52,631
Net fee and commission income	13	<b>423,206</b>	455,105
Including: Fee and commission income	13	<b>429,650</b>	459,426
Fee and commission expenses	13	<b>6,444</b>	4,321
Investment income	14	<b>205,648</b>	67,155
Including: Income from investment in associates and joint ventures		<b>8,905</b>	8,073
Gains from changes in fair value	15	<b>69,042</b>	414,594
Gains from changes in net assets attributable to third-party investors in consolidated structured entities		<b>22,979</b>	5,906
Other operating income		<b>11,273</b>	18,612
Gains on disposal of assets			-125
<b>II. Total operating costs</b>		<b>636,864</b>	610,809
<b>III. Operating profit</b>		<b>85,549</b>	294,168
Add: Non-operating income		<b>50</b>	470
Less: Non-operating expenses	19	<b>8,892</b>	81,044
<b>IV. Total profit</b>		<b>76,707</b>	213,594
Less: Income tax expenses	20	<b>21,594</b>	70,799
<b>V. Net profit</b>		<b>55,113</b>	142,795
<b>VI. Total comprehensive income</b>		<b>5,473</b>	147,348
Total comprehensive income attributable to shareholders of the parent company		<b>5,473</b>	147,348

*Note:* In this results announcement, losses are indicated in “-” unless otherwise stated.

## 2.2 Summary of Consolidated Balance Sheet

Item	31 December	
	2025	2024
	<i>(RMB in thousands)</i>	
<b>Total assets</b>	<b>13,678,647</b>	14,279,338
Total liabilities	<b>2,436,448</b>	3,042,612
Total shareholders' equity	<b>11,242,199</b>	11,236,726
<b>Total liabilities and shareholders' equity</b>	<b>13,678,647</b>	14,279,338

## 2.3 Summary of Consolidated Statement of Cash Flows

Item	Year ended 31 December	
	2025	2024
	<i>(RMB in thousands)</i>	
Net cash flows from operating activities	<b>-221,032</b>	152,383
Net cash flows from investing activities	<b>252,390</b>	217,885
Net cash flows from financing activities	<b>-347,285</b>	-62,497
Net increase in cash and cash equivalents	<b>-315,927</b>	307,771
Add: Balance of cash and cash equivalents at the beginning of the period	<b>476,668</b>	168,897
Balance of cash and cash equivalents at the end of the period	<b>160,741</b>	476,668

### **3. MANAGEMENT DISCUSSION AND ANALYSIS**

#### **3.1 Environment Review**

In 2025, in the process of recovery, the global economy demonstrated characteristics of intensified divergence and rising uncertainties. The escalation of regional conflicts and trade protectionism has posed significant challenges to international trade and investment. Despite the complex and severe external environment, China's economy forged ahead under pressure towards new and high-quality development, demonstrating strong resilience and huge development potential. The GDP exceeded RMB140 trillion for the first time, representing year-on-year growth of 5.0%. Its contribution to global economic growth remained stable at around 30%, continuing to serve as the most stable driving force for global economic growth. The Chinese government implemented more proactive macro policies to expand domestic demand in all aspects, and steadily mitigate risks in key areas such as the real estate and local government debt. It also advanced the construction of a unified national market in depth, and promoted the effective improvement in quality and reasonable growth in quantity of the economy, achieving the successful conclusion of the "14th Five-Year Plan".

The Third Plenary Session of the 20th Central Committee of the Communist Party of China and previous plenary sessions have attached great importance to financial work, requiring the nation to unswervingly follow the path of financial development with Chinese characteristics, clarifying the direction and injecting impetus into accelerating the construction of a financial power. Under the guidance of a series of policies, China's financial industry has comprehensively deepened the reform of financial system. With serving the real economy as its fundamental purpose, the financial industry continued to exert efforts around the "five major areas" of finance, promoted the profound integration of finance, technology, and industry, and continuously optimised the allocation of financial resources. It has stepped up support for major national strategies, as well as key areas and weak links in economic and social development, and improved the quality and efficiency of financial services for technological innovation, green development, and inclusiveness of people's livelihood, thus building a solid financial support for the high-quality development of China's economy.

In 2025, under the guidance of regulatory policies, the trust industry deepened its transformation, and the quality and efficiency of its development continued to improve. The balance of trust assets managed by the trust industry achieved steady growth. As at the end of June 2025, the balance of trust assets managed by the trust industry exceeded RMB32 trillion for the first time. The effectiveness of the reform on the “three categories” of trust business became further evident, with asset management trusts and asset service trusts becoming the dual engines of industry growth. The proportion of securities investment trusts exceeded 50%, and investments in standardised products became the dominant direction of the asset management business. The scale of asset service trusts exceeded RMB8 trillion, and the pilot programme for real estate and equity trust registration was gradually rolled out. Original businesses such as family trusts and charitable trusts achieved innovative development. Trust companies continuously optimised their business structures, innovated service models, and deepened the integration of industry and finance. Their functional value in serving the real economy, assisting in wealth management of residents, and practising social responsibility was further highlighted, building a more solid foundation for the high-quality development of the industry.

### **3.2 Business Overview**

In 2025, in the face of multiple challenges such as increasing uncertainties in the external environment, intensified market competition, and overall pressure on the industry’s development, the Company has always closely followed the regulatory orientation. Focusing closely on the strategic goals of “reform and risk reduction, as well as business transformation”, the Company maintained its resolve and implemented precise strategies. It has steadily advanced the strengthening of its foundation, structural adjustments, and risk resolution, and maintained a stable development and a good trend of steady improvement.

Firstly, the Company accelerated its return to the origin of trust, with its transformational business hitting new highs. Focusing on the subdivided tracks of family trusts and risk disposal service trusts, it spared no effort to propel these two businesses to the top in Shandong Province and the top ten nationwide. As at the end of 2025, the existing size of family trusts under management exceeded RMB68 billion, representing a year-on-year increase of over 30%, and the Company was awarded the Golden Bull Award for Family Trusts, an authoritative award in the trust industry. The Company continued to expand interbank channels by signing cooperation agreements with leading securities firms and insurance companies, and continuously broadened the source of high-net-worth client base and premium trust businesses. The Company also successfully won the bid for the bankruptcy reorganisation service trust project of Zhongrong Xinda, achieving a major breakthrough in the risk disposal service trust business and helping to enhance the regional risk mitigation capabilities. The Company continuously improved the quality and efficiency of its capital market business, explored multiple new channels with leading financial institutions, and achieved a newly implemented scale of nearly RMB30 billion. As at the end of 2025, the scale of the Company's standardised product trust assets exceeded RMB90 billion. Deepening wealth management services, the Company vigorously promoted the account management service trust, and provided financial services tailored to the entire life cycle of enterprises by leveraging the "trust wallet" model. Further breakthroughs were made in serving social governance, with the successful implementation of the first pre-paid fund service trust for property management services. As at the end of 2025, the cumulative delivery amount of charitable trusts exceeded RMB197 million, representing a year-on-year increase of 18.6%, with 20 new contracts signed during the year. The Company closely coordinated with Shandong Lucion Investment Holdings Group Co., Ltd. ("**Lucion Group**") to build a "comprehensive financial service integrator" and a "systematic financial solution provider", actively integrating into Lucion Group's collaborative and cooperative ecosystem.

Secondly, the Company built on its local advantages and deeply focused on the “five major areas” of finance, actively fulfilling the duty and mission of “deeply cultivating the local market” and “attracting capital to invest in Shandong”. As at the end of 2025, the existing trust invested by the Company in Shandong Province exceeded RMB44 billion, and the existing trust scale of “attracting capital to invest in Shandong” reached RMB21 billion, providing strong financial support for the development of regional real economy. The Company continued to step up efforts in green trusts. As at the end of 2025, the existing scale of green trusts amounted to RMB8.2 billion, representing an increase of over RMB3 billion from the beginning of the year. The first green-certified CCER carbon asset income rights trust in China was selected as one of the “Top Ten Cases of Green Trusts in 2025” by the China Trustee Association. The Company systematically planned its pension trusts, jointly established the “Public Welfare Pension Service Trust” with Lucion Public Welfare Foundation to support inclusive pension services such as elderly canteens, and implemented Shandong Province’s first pension consumption pre-paid fund service trust.

Thirdly, the Company further improved its risk control system and actively practised the financial culture with Chinese characteristics. Starting with strict concentration control and other measures, the Company strengthened pre-approval procedures and improved approval quality. By optimising risk management tools such as risk appetite monitoring and stress testing, the foresight and proactiveness of risk management were effectively enhanced. The Company comprehensively utilised disposal means such as judicial litigations, revitalisation and development, and settlement of debts with assets, and implemented precise strategies by classification to steadily advance risk mitigation. By actively practising the financial culture with Chinese characteristics, the Company highlighted the true nature of trust and compliance culture, and made cultural consciousness the working guideline for its employees.

Fourthly, the Company strengthened digital and intelligent empowerment, and comprehensively promoted organisational and management renewal. It comprehensively reviewed the “three meetings” system of the Company, amended and formulated a number of procedural rules for operational governance, and further streamlined the boundaries of authority and responsibility for each governance entity. It promoted the completion of reform of the board of supervisors of the Company (the “**Board of Supervisors**”), with the Audit Committee exercising the functions and powers of the former Board of Supervisors. Optimising the organisational structure, the Company established the service trust department and the industrial finance department, and set up the Beijing business centre, striving to build an agile and efficient organisational system. Reforming the incentive mechanism, the Company revised the remuneration and rank management methods to streamline the channels of “promotion and demotion” and stimulate team vitality. The Company also deeply carried out benchmarking learning against industry standards, systematically summarised the advanced experience of peers, and meticulously organised the preparation of the “15th Five-Year Plan”. Strengthening AI-empowered business innovation, the Company launched a new generation of asset valuation and accounting system, and improved the family trust and wealth management systems, significantly enhancing data processing efficiency and service reliability. Moreover, it extensively solicited cross-domain AI application needs, focusing on high-value scenarios to carry out centralised development, and continuously promoted the implementation of “AI+”.

In 2025, the Group achieved total operating income with an amount of RMB722.4 million, representing a year-on-year decrease of 20.2%; total profit with an amount of RMB76.7 million; and net profit with an amount of RMB55.1 million, representing a year-on-year decrease of 61.4%, mainly due to the year-on-year decrease in income from certain securities investment held by the Group as a result of capital market fluctuation during the Reporting Period.

The Group’s business segments can be divided into (i) trust business and (ii) proprietary business. Trust business is the Group’s main business. As the trustee, the Group accepts entrustment of funds and/or property from its trustor clients and manages such entrusted funds and/or property to satisfy its trustor clients’ investment and wealth management needs, as well as its counterparty clients’ financing needs. The Group’s proprietary business focuses on allocating its proprietary assets into different asset classes and investing in businesses with strategic value to its trust business to maintain and increase the value of its proprietary assets.

The following table sets forth the Group's segment income and its main components for the periods indicated:

	<b>For the year ended 31 December</b>			
	<b>2025</b>		<b>2024</b>	
	<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
	<i>(RMB in thousands, except for %)</i>			
<b>Trust business</b>				
Operating income	<b>426,602</b>	<b>59.0%</b>	466,473	51.5%
Segment income	<b>426,602</b>	<b>59.0%</b>	466,473	51.5%
<b>Proprietary business</b>				
Operating income	<b>295,811</b>	<b>40.9%</b>	438,505	48.4%
Non-operating income	<b>50</b>	<b>0.1%</b>	470	0.1%
Segment income	<b>295,861</b>	<b>41.0%</b>	438,975	48.5%
<b>Total</b>	<b>722,463</b>	<b>100%</b>	905,448	100.0%

In 2025, the income from the trust business and proprietary business of the Company accounted for 59.0% and 41.0% of the total revenue of the Company, respectively.

### 3.2.1 Trust Business

#### Classification of Trusts

With the flexible trust arrangements under laws of the PRC, advantages of mixed operations under the Company's trust license and strong active management capabilities, the Company has been continuously developing trust products with new structures and new investment channels in order to capture market opportunities emerging at any time and satisfy the changing needs of its clients. The Company offers and manages a range of trusts to satisfy the financing, investment services and wealth management needs of its various types of clients.

The Company's right to manage and use trust assets comes from the trustors' entrustment. While the rights granted to the Company by the trustors vary from one trust to another, the Company has based on the differences of the Company's roles and responsibilities regarding the management and use of trust assets, classified its trusts into administrative management trusts and actively managed trusts. The actively managed trusts can be further subdivided into financing trusts and investment trusts.

- (1) **Financing trusts:** Through financing trusts, the Company mainly provides private equity investment banking services to various types of enterprises and institutions in China, and offers flexible and diversified financing plans.
- (2) **Investment trusts:** With investment trusts, the Company provides asset and wealth management services to institutional investors and high-net-worth individuals (“HNWIs”) to satisfy their investment needs. The rapid accumulation of wealth in the PRC has resulted in diversified demands for various forms of investment. As the traditional asset management industry in the PRC is dominated by securities investment fund companies and securities firms, which mainly invest in standardised financial products in capital markets, such as the money market, publicly traded stocks and bonds, the Company believes the flexibility of trusts and the business scope of the trust license enables the Company to offer financial products with unique value to institutional investors and HNWIs.
- (3) **Administrative management trusts:** Through the administrative management trusts, the Company provides administrative services to the trustors, whilst aiming at satisfying the investment needs of trustor clients on the one hand and the financing needs of the clients' counterparties on the other hand. The Company established administrative management trusts pursuant to the instructions of trustors, and uses such trust assets to provide financing for or invest in the projects or enterprises designated by the trustors. For these types of trusts, the Company merely provides trust administration-related services.

The following table sets forth the Company’s total numbers of trusts and assets under management (“AUM”) of each type of our trusts as at the dates indicated:

	<b>31 December</b>			
	<b>2025</b>		<b>2024</b>	
	<b>Number</b>	<b>AUM</b>	Number	AUM
	<i>(AUM: RMB in millions)</i>			
Financing trusts	<b>194</b>	<b>34,294</b>	227	39,276
Investment trusts	<b>1,876</b>	<b>114,212</b>	1,838	126,961
Administrative management trusts	<b>1,156</b>	<b>62,019</b>	847	47,586
<b>Total</b>	<b>3,226</b>	<b>210,525</b>	2,912	213,823

*Note:*

The AUM as disclosed in the above table do not include the size of the premium trusts (in terms of basic insurance amount) managed by the Company as at the corresponding dates, being RMB35,866 million (31 December 2025) and RMB15,869 million (31 December 2024). As at 31 December 2025 and 31 December 2024, the AUM of the Company (including premium trusts) amounted to RMB246,391 million and RMB240,173 million, respectively.

The following table sets forth the revenue generated from each type of the Company’s trusts as at the periods indicated (in absolute amount and as percentage of the fee and commission income accounted for in the total income from trust business):

	<b>For the year ended 31 December</b>			
	<b>2025</b>		<b>2024</b>	
	<b>Revenue</b>	<b>%</b>	Revenue	%
	<i>(Revenue: RMB in millions)</i>			
Financing trusts	<b>184</b>	<b>42.8</b>	208	45.3
Investment trusts	<b>135</b>	<b>31.5</b>	154	33.6
Administrative management trusts	<b>111</b>	<b>25.7</b>	97	21.1
<b>Total</b>	<b>430</b>	<b>100.0</b>	459	100.0

## **Trust Business Segmentation**

Combined with the actual business and development plan, the trust business carried out by the Company can be further divided into the following types:

### ***Asset Service Trusts***

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

### ***Family Trusts, Family Service Trusts, and Premium Trusts***

Family trust refers to the trust business in which the trust company accepts the entrustment of a single natural person or a single natural person and his/her family, with the protection, inheritance and management of family wealth as the main trust purpose, and provides customised affairs management and financial services such as property planning, risk isolation, asset allocation, children's education, family governance, public welfare charity undertakings, etc. The initial establishment of a family trust shall have a paid-in trust of not less than RMB10 million, and the trustor shall not be the sole beneficiary. A trust business with the main purpose of pursuing the preservation and appreciation of the value of the trust property and the nature of special-purpose account management shall not be considered as a family trust. Family service trust refers to the trust business in which a trust company meeting the relevant conditions accepts the entrustment of a single natural person, or accepts the joint entrustment of a single natural person and his/her family, to provide services such as risk isolation, wealth protection and distribution. The initial establishment of a family service trust shall have a paid-in trust of not less than RMB1 million, a term of not less than five years, and the scope of investment is limited to trust plans, bank wealth management products, and other public asset management products with interbank deposits,

standardised creditor's rights assets, and listed and traded stocks as the ultimate investment targets. A premium trust is established by a trust company on behalf of a single natural person, or on behalf of a single natural person and his/her family, with the rights and benefits associated with a life insurance contract as well as the funds required for the subsequent payment of premiums as trust property. When the benefit conditions stipulated in the insurance contract are met, the insurance company shall transfer the corresponding funds to the corresponding trust account under the insurance contract, which shall be managed by the trust company pursuant to the trust documents.

In 2025, the domestic localisation of family trusts has gone on for more than ten years, and the industry has ushered in prosperous development. SITC is one of the earliest entrants into the family trust business in China, and family trust is a strategic business that SITC has adhered to and focused on for a long time. In recent years, the Company has continued to promote business model innovation, established product lines including family trust, family service trust, premium trust, and special need trust, developed and formed mature business models for innovative services such as equity family trust, family charity trust and foreign beneficiary family trust, and continuously met the personalised, diversified and customised service needs of customers. The Company actively works to expand financial industry cooperation, internal and external linkage, improve customer service ability, and construct a service ecosystem. At present, the Company has established strategic cooperation with large state-owned commercial banks and national joint-stock commercial banks, and worked to grow cooperation with leading securities companies and insurance companies. At the same time, the Company attaches great importance to the application of financial technology in the field of family trust business. The Company developed and launched the new family trust comprehensive management system, and implemented online, automated, and batch management of the full process of family trust projects in terms of due diligence, contract generation, audio and video recording during contract signing, investment allocation, trust interest distribution and information disclosure.

As at 31 December 2025, the Company had established approximately 6,300 family trusts, family service trusts and premium trusts, with an existing scale of approximately RMB68 billion, which has always been in the forefront of the industry in recent years. The Company always insists on leading the business with faithful culture and service thinking, taking into account model innovation and industry expansion, and is committed to building the family trust brand of “De Shan Qi Jia”, which has been widely recognised by customers, experts, authoritative institutions and partners.

*Other Individual Wealth Management Trusts, Legal Entities and Unincorporated Organisations Wealth Management Trusts*

Other individual wealth management trusts cover the trust business in which the trust company accepts the trust of a single natural person to provide property protection and management services. The trust beneficiary rights of other individual wealth management trusts shall not be split and transferred, and the initial paid-in trust shall not be less than RMB6.0 million.

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

*Asset Product Service Trusts*

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

### *Risk Disposal Service Trusts*

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

In 2025, the Company successfully won the bid for the bankruptcy reorganisation service trust project of Zhongrong Xinda, achieving a major breakthrough in the risk disposal service trust business and helping to enhance the regional risk mitigation capabilities.

### *Pre-paid Fund Service Trusts*

Trust companies provide administrative management services such as trust property custody, equity registration, payment and settlement, execution supervision, information disclosure, liquidation and distribution of pre-paid funds, so as to achieve the trust purpose of property independence, risk isolation and fund security of pre-paid funds. The trust business scenarios set up by the Company cover property management, pension services and other industries. The Company utilises the advantages of property independence and risk isolation of the trust system to actively assist the government in solving the problem of regulating prepaid funds and enhancing residents' confidence in consumption. In the future, the Company will explore and continuously grow its business scenarios in an orderly manner.

### *Assets Management Trusts*

Assets management trust is a self-benefiting trust and falls into a private asset management business in which the trust company sells trust products pursuant to a trust legal relationship and provides investment and management financial services to the investors of the trust products, which is subject to the Guiding Opinions on Regulating the Assets Management Business of Financial Institutions (Yin Fa [2018] No. 106), and divided into four business types including fixed income trust schemes, equity trust schemes, commodities and financial derivatives trust schemes, and hybrid trust schemes. The trust company shall raise funds through non-public offering of a pooled fund trust scheme and manage the investment of the entrusted funds in accordance with the investment methods and ratios as agreed in the trust document. Investors of the trust schemes are required to meet the standards of qualified investors and are both trustors and beneficiaries at the time of the establishment of the trust.

SITC conducts asset management trust business mainly in the fields of capital markets, industrial and commercial enterprises, and infrastructure.

### *Securities Investment Trusts*

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

80% of the funds are invested in debt assets such as deposits and bonds; equity refers to trust schemes in which more than 80% of the funds are invested in equity assets such as equities; commodities and financial derivatives refers to trust schemes in which the proportion of investment in commodities and financial derivatives is not less than 80%; and hybrid refers to trust schemes that invest in multiple types of assets and where the proportion of investment in any one type of asset does not meet the aforementioned criteria. By the service contents and business models of trust companies, securities investment trusts can also be categorised into two types of business: self-managed and external advisor. The self-managed category refers to trust schemes in which the trust company, as the manager, independently selects securities products and investment strategies, independently conducts portfolio allocation, and directly makes investment decisions, while the external advisor category refers to trust schemes in which the trust company selects and hires an investment advisor to offer investment advice.

SITC set up a capital market business department to carry out capital market business, which consists of fixed income department, asset allocation department, securities service trust department, interbank securities service department, private securities service department, comprehensive operation department and other professional departments, providing investors with different risk preferences and different maturities with various assets including fixed income, mixed income, equity and financial derivatives to meet their diversified investment and asset allocation needs. The Company continued to increase its investment in information technology in capital market business. At present, the Company has established an integrated information system covering the whole process of the project, including project management system, trust beneficial right management system, standard product investment management system and asset securitisation system, which can be used to conduct comprehensive management of the project, assets, customers, products, beneficial rights, business process, business account and risk control, and can provide commercial banks, bank financial subsidiaries, securities companies, private securities fund management companies and other interbank institutions with whole process trust services such as custody, trading, valuation and settlement of securities such as stocks, bonds and funds.

### *Real Estate Trusts*

Real estate trust refers to the business in which the trustor entrusts his/her legally owned funds to the trust company based on his/her trust in the trust company, and the trust company invests the funds in real estate enterprises or real estate projects and carries out management, application and disposal in his/her own name according to the wishes of the trustor.

The models of real estate trust business mainly include loan financing, equity investment and innovative business models, such as real estate investment trusts (REITs). The Company selects national enterprises with high industry ranking and high credit rating and high-quality enterprises deeply developed in the region as its counterparties, and provides financial support for residential real estate and non-residential real estate (such as commercial real estate, logistics real estate, etc.) mainly through debt financing and equity investment. Over recent years, affected by the real estate market, the Company has witnessed a dip in its real estate trust business. Going forward, the Company will follow the national macro policy by complying with the regulatory orientation and reasonably judging the market landscape. This aims to support the construction of long-term rental and affordable housing and carry on our efforts in serving the needs of residents for reasonably rigid and improved housing.

### *Industrial and Commercial Enterprises Trusts*

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

various methods, such as equity, creditor's rights, stock debt linkage, industrial funds. The counterparties of the Company's industrial and commercial enterprises trusts were mainly central enterprises, state-owned enterprises and listed companies with strong strengths and high credit ratings. Against the backdrop of the sluggish effective demand, lower-than-expected social expectations, growing risks, and severe and complex big picture, SITC will actively respond to the national call, flexibly use trust instruments, and increase its support to the real economy, especially small and medium-sized and micro enterprises, scientific and technological innovation, green development, "specialised and innovative" enterprises, industries with regional characteristics and advantages, and ecological protection in the Yellow River Basin, so as to help enhance the core competitiveness of the manufacturing industry and regional economic development.

### *Infrastructure Trusts*

Infrastructure trust refers to a business in which a trust company, as a trustee, accepts the trustor's funds in the form of single or collective trust, and uses the trust funds for infrastructure projects such as transportation, communication, energy, municipal administration and environmental protection, and carries out management, application or disposal. The industries involved in infrastructure trust mainly include electric power, water conservancy, road traffic, municipal engineering, etc. Trust companies 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. The counterparties of the Company's infrastructure trusts were mainly state-owned enterprises.

SITC will seize the opportunity of the country to invest in infrastructure moderately in advance. While serving the traditional infrastructure construction, it will increase its support for new infrastructure represented by artificial intelligence and green and environmental protection, so as to better serve the high-quality development of the real economy.

## ***Public Welfare Charitable Trusts***

Public welfare charitable trust comes as a trust business in which the trustor entrusts its property to a trust company in accordance with the law for the purpose of public welfare, and the trust company manages and disposes of the said property and carries out public welfare charitable activities in the name of the trust company as the wishes of the trustor. The trust property of a charitable trust and its income shall not be used for purposes other than public welfare. Public welfare charitable trusts come under the two types of business of charitable trusts and other public welfare trusts in accordance with the purpose of the trust as follows: (1) charitable trusts: where the trustor entrusts its property to the trust company for charitable purposes in accordance with the law, and the trust company manages and disposes of it and carries out the charitable activities in the name of the trustee as the wishes of the trustor; and (2) other public welfare trusts: apart from charitable trusts, other public welfare trusts authorised by the regulator are carried out by trust companies in accordance with the Trust Law of the People's Republic of China. The service areas of public welfare charitable trust mainly include poverty alleviation, poverty relief; supporting the elderly, rescuing orphans, medical care, disability assistance, preferential treatment; rescuing from natural disasters, accidents, public health events, and other emergencies; promoting the development of education, science, culture, health, sports, etc.; prevention and control of pollution and other public hazards, protecting and improving the ecological environment, etc. The state has always encouraged and supported the development of public welfare charitable trusts, and has provided many policy supports in venture capital withdrawal, Trust Industry Protection Fund subscription, etc.

As at 31 December 2025, the Company has established 76 charitable trusts with a cumulative delivery scale of about RMB197 million, and has used trust funds of about RMB43.97 million according to the wishes of the clients. The charitable projects spread all over Shandong, Shanxi, Shaanxi, Anhui, Fujian, Jiangsu, Yunnan and other provinces and cities, which strongly promoted the development of public welfare undertakings such as providing financial aid to students, offering financial help to the poor, alleviating poverty and helping the disabled. The development of poverty alleviation and other public welfare undertakings have effectively met the needs of individuals, enterprises and social organisations in public welfare and charity and social responsibility.

As one of the earliest institutions in China to carry out charitable trust business, SITC has always adhered to the philosophy of giving equal importance to business development and model upgrading. Accumulating rich business experience, SITC has cultivated industry-leading professional capabilities, and continuously broadened the participating entities and business connotations of charitable trusts, leading the new trend of industry development. In 2025, the Company successively implemented multiple asset management product income charitable trusts and green charitable trusts that met the standards of the China Trustee Association. In February 2025, the China Association of Public Companies, jointly with the China Foundation for Rural Development, announced the Best Practice Cases of Rural Revitalisation by Listed Companies. SITC's "Rural Revitalisation Series Charitable Trusts" was selected as an outstanding practice case, making the Company the first trust company in China to receive this honour. SITC will continue to deepen its roots in the field of charitable trusts, continuously improve its customised services and professional standards, use charitable trusts as a link to drive more forces to participate in public welfare and charity, so as to jointly promote common prosperity, and contribute more positive energy to the harmony and development of society.

### **3.2.2 Proprietary Business**

In 2025, in order to reasonably optimise the allocation of its own funds and improve the operational standard of its own funds, the Company insisted on the strategy of combining long-term, mid-term and short-term assets, and made reliable investments with its own funds. Firstly, the Company fully utilised the synergy between the proprietary business and the trust business, and provided great support for standardised products and other transformative and innovative products so as to assist the transformation and development of the Company's business. Secondly, the Company further optimised the asset structure, actively dealt with idle and inefficient assets, and improved the quality of proprietary assets. Thirdly, with safety and liquidity being assured, the Company actively carried out diversified investment and reasonably planned for the overall asset allocation to improve capital utilisation efficiency. The Company recorded

segment income of RMB295.9 million from its proprietary business in 2025, representing a year-on-year decrease of 32.6%, mainly due to (1) the decrease in gains from changes in fair value from RMB414.6 million in 2024 to RMB69.0 million in 2025; and (2) the increase in investment income from RMB67.2 million in 2024 to RMB205.6 million in 2025.

### **Allocation of Proprietary Assets**

Pursuant to the Administrative Measures on Trust Companies (《信託公司管理辦法》) issued by the National Financial Regulatory Administration (the “NFRA”, replacing the former China Banking and Insurance Regulatory Commission (the “former CBIRC”) since May 2023) on 11 September 2025 (effective from 1 January 2026), trust companies may engage in businesses such as deposits at banks and other financial institutions, interbank borrowings, loans and investments under their proprietary businesses. Investment business is limited to equity investments in financial institutions, investments in financial products, and investments in fixed assets for self-use. Where the NFRA stipulates otherwise, such stipulations shall prevail.

In conducting the Company’s proprietary business, the Company allocates its proprietary assets into different asset classes and invests in businesses with strategic value for the Company’s trust business in order to maintain and increase the value of its proprietary assets. The Company manages and invests its proprietary assets according to its annual assets allocation plans, which are formulated by the management of the Company and approved by the Board. The Company makes strategic long-term investments in a number of financial institutions, which helps to establish stronger business relationships with these financial institutions and create synergies for its operations. The Company also invests its proprietary assets in various types of equity products, such as listed stock and public funds, as well as wealth management products. The Company keeps a reasonable amount of its proprietary assets in highly liquid form, such as deposits at banks and other financial institutions and government bonds in order to maintain the Company’s liquidity and satisfy capital requirement for the expansion of its trust business.

The following table sets forth the allocation of our proprietary assets managed by the Company as our proprietary business as at the dates indicated:

	<b>31 December</b>	
	<b>2025</b>	2024
	<i>(RMB in thousands)</i>	
<b>Investments in monetary assets</b>	<b>653,207</b>	921,998
Cash at banks	<b>22,508</b>	208,142
Other monetary assets	<b>87,846</b>	323,856
Government bonds purchased under agreements to resell	<b>542,853</b>	390,000
<b>Securities Investments</b>	<b>9,937,055</b>	9,737,676
<i>Investment in equity products</i>	<b>1,896,462</b>	2,185,513
Listed stock investment classified as:		
– Financial assets held for trading	<b>1,801,404</b>	1,722,931
Subtotal	<b>1,801,404</b>	1,722,931
Public fund investments classified as:		
– Financial assets held for trading	<b>95,058</b>	462,582
Subtotal	<b>95,058</b>	462,582
<i>Investment in wealth management products</i>		
Investments in consolidated trust schemes	<b>4,555,803</b>	3,716,558
Investment in unconsolidated trust schemes classified as financial assets held for trading	<b>156,326</b>	153,935
Investment in unconsolidated trust schemes classified as debt investments	<b>174,577</b>	277,280
Other financial investment classified as debt investments	<b>2,290,475</b>	2,510,136
Bond investments	<b>2</b>	10,659
Asset management products	<b>863,410</b>	867,889
Bank wealth management		15,706

	<b>31 December</b>	
	<b>2025</b>	2024
	<i>(RMB in thousands)</i>	
<b>Long-Term Equity Investments</b>	<b>625,119</b>	1,259,477
Investment accounted for using the equity method	<b>410,732</b>	403,743
Investment classified as financial assets held for trading	<b>214,387</b>	855,734
<b>Proprietary Loans</b>	<b>58,593</b>	70,188
<b>Trust Industry Protection Fund</b>	<b>115,498</b>	113,962
<b>Other equity instrument investment</b>	<b>314,742</b>	
<b>Total</b>	<b><u>11,704,214</u></b>	<b><u>12,103,301</u></b>

### ***Monetary Assets***

This is the safest and most liquid type of proprietary investment of the Company. The balance of the Company's investment in monetary assets and the Company's investment return (in terms of interest income generated) at the indicated periods are summarised below:

	<b>31 December</b>	
	<b>2025</b>	2024
	<i>(RMB in thousands)</i>	
<b>Investment in monetary assets</b>		
– Cash at banks	<b>22,508</b>	208,142
– Other monetary assets	<b>87,846</b>	323,856
– Government bonds purchased under agreements to resell	<b>542,853</b>	390,000
<b>Total</b>	<b><u>653,207</u></b>	<b><u>921,998</u></b>

**For the year ended 31 December**

**2025**

2024

*(RMB in thousands)*

**Interest income generated from:**

– Cash at banks	<b>778</b>	1,150
– Government bonds purchased under agreements to resell	<b>6,929</b>	6,302

**Total**

**7,707**

7,452

Average investment return of the Company's monetary assets (calculated as the total of investment income (in terms of interest income received), annualised as a percentage of average investment balance in such monetary assets, where appropriate) was 1.0% for both the year ended 31 December 2024 and the year ended 31 December 2025.

***Securities Investments***

Under the annual assets allocation plan of the Company, a certain percentage of the Company's proprietary assets would be allocated to securities investments including listed stock investments and public fund investments, as well as wealth management products, including investments in the consolidated and unconsolidated trust schemes and asset management products.

The following table sets forth the risk category of the underlying investments and average investment balance of the Company's securities investments for the periods indicated:

**For the year ended 31 December**  
**2025**                      **2024**

*(RMB in millions,  
except risk category)*

**Risk category of underlying investments**

– Equity products	<b>High</b>	High
– Trust schemes	<b>Medium</b>	Medium
– Debt investments	<b>Medium</b>	Medium
– Bond investments	<b>Medium</b>	Medium
– Asset management products	<b>Medium</b>	Medium
– Bank wealth management	<b>Medium</b>	Medium

**Average investment balance<sup>(1)</sup>**

– Equity products	<b>2,041.0</b>	2,225.2
– Trust schemes	<b>4,517.2</b>	3,744.4
– Debt investments	<b>2,400.3</b>	2,987.3
– Bond investments	<b>5.3</b>	11.1
– Asset management products	<b>865.7</b>	902.6
– Bank wealth management	<b>7.9</b>	7.9

*Note:*

- (1) Average of the opening balance and the closing balance of each category of investments held by the Company for the year indicated, before consolidation of the consolidated structured entities.

The Company contemporaneously adjusted the allocation of its proprietary assets in securities investment according to market conditions. During the Reporting Period, the average balance of the Company's investments in equity products decreased by 8.3% from RMB2,225.2 million in 2024 to RMB2,041.0 million in 2025; the average balance of investments in trust schemes increased by 20.6% from RMB3,744.4 million in 2024 to RMB4,517.2 million in 2025; the average balance of the debt investments decreased by 19.6% from RMB2,987.3 million in 2024 to RMB2,400.3 million in 2025; the average balance of bond investments decreased by 52.3% from RMB11.1 million in 2024 to RMB5.3 million in 2025; the average balance of investments in asset management products decreased by 4.1% from RMB902.6 million in 2024 to RMB865.7 million in 2025; and the average balance of investments in bank wealth management products in 2025 amounted to RMB7.9 million, basically the same as that in 2024.

### ***Long-Term Equity Investments***

The Company made strategic long-term investments in a number of financial institutions, which helped the Company establish stronger business relationships with these financial institutions and created synergies for its business operations.

The following table sets forth the major equity investments of the Company in financial institutions as at 31 December 2025, including their main businesses, the Company's proportionate equity interests in them, whether the Company held any board seats, the date of the Company's first investment, and the relevant accounting treatment of each investment.

Name	Main business	Equity interest as at 31 December 2025	Board seat	First investment date	Accounting treatment
Sinotruk Automobile Finance Co., Ltd.	Automobile finance	6.52%	Yes	September 2015	Investments accounted for using the equity method
Taishan Property & Casualty Insurance Co., Ltd.	Insurance products and services	7.40%	Yes	December 2010	Investments accounted for using the equity method
Dezhou Bank Co., Ltd.	Commercial banking services	2.37%	No	December 2010	Financial assets held for trading

The Company uses the equity method to account for its long-term equity interests in companies that constituted associates of the Company under CASBE, and account for the Company's long-term equity investments in other companies as financial assets held for trading under the requirements of CASBE No. 22 "Recognition and Measurement of Financial Instruments" since 1 January 2018.

The balance of the Company's long-term equity investments (including those accounted for as associates using the equity method, financial assets held for trading) together with their investment return (in terms of dividend income generated) for the periods indicated below are summarised as follows:

	<b>31 December</b>	
	<b>2025</b>	2024
	<i>(RMB in thousands)</i>	
<b>Long-term equity investments, accounted for:</b>		
– As associate using the equity method	<b>410,732</b>	403,743
– Investment categorised as financial assets held for trading	<b>214,387</b>	855,734
<b>Total</b>	<b><u>625,119</u></b>	<b><u>1,259,477</u></b>

**For the year ended**  
**31 December**  
**2025**                      2024  
*(RMB in thousands)*

**Dividend income generated from:**

– As associate using the equity method	–		–
– Investment categorised as financial assets held for trading	–		4,728

<b>Total</b>	<b>–</b>		<b>4,728</b>
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The average investment returns of the Company’s long-term equity investments (calculated as the total of the investment income (in terms of the dividend income received), annualised as a percentage of average investment balance in such long-term equity investments, where appropriate) were 0.4% and 0.0% for the year ended 31 December 2024 and for the year ended 31 December 2025, respectively.

***Proprietary Loans***

While the Company is allowed to grant proprietary loans to its customers, it does not engage in such business on a regular basis. As at 31 December 2024 and 31 December 2025, the outstanding balance of the Company’s proprietary loans was RMB70.2 million and RMB58.6 million, respectively.

***Trust Industry Protection Fund***

According to the Administrative Measures on Trust Industry Protection Fund (《信託業保障基金管理辦法》) issued by the former CBIRC in December 2014, trust companies are required to subscribe for a certain amount of the protection fund when conducting business. The Company’s interests in the Trust Industry Protection Fund increased by 1.3% from RMB114.0 million as at 31 December 2024 to RMB115.5 million as at 31 December 2025.

### 3.3 Financial Overview

#### 3.3.1 Analysis of Consolidated Income Statement

In 2025, the Company achieved a net profit of RMB55.1 million, representing a decrease of RMB87.7 million, or 61.4%, as compared to the corresponding period of last year.

#### Results of Operations

The following table summarises the Group's results of operations for the periods indicated:

Item	For the year ended	
	31 December	
	2025	2024
	<i>(RMB in thousands)</i>	
<b>I. Total operating income</b>	<b>722,413</b>	904,977
Net interest income	<b>-9,735</b>	-56,270
Including: Interest income	<b>42,776</b>	-3,639
Interest expense	<b>52,511</b>	52,631
Net fee and commission income	<b>423,206</b>	455,105
Including: Fee and commission income	<b>429,650</b>	459,426
Fee and commission expenses	<b>6,444</b>	4,321
Investment income	<b>205,648</b>	67,155
Including: Income from investment in		
associates and joint ventures	<b>8,905</b>	8,073
Gains from changes in fair value	<b>69,042</b>	414,594
Gains from changes in net assets attributable		
to third-party investors in consolidated		
structured entities	<b>22,979</b>	5,906
Other operating income	<b>11,273</b>	18,612
Gains on disposal of assets	<b>-</b>	-125
<b>II. Total operating costs</b>	<b>636,864</b>	610,809
Tax and surcharges	<b>7,080</b>	5,953
Business and administrative expenses	<b>289,863</b>	294,938
Credit impairment losses	<b>325,408</b>	301,959
Impairment losses on other assets	<b>-</b>	2,064
Other operating costs	<b>14,513</b>	5,895

Item	For the year ended	
	31 December	
	2025	2024
	<i>(RMB in thousands)</i>	
<b>III. Operating profit</b>	<b>85,549</b>	294,168
Add: Non-operating income	<b>50</b>	470
Less: Non-operating expenses	<b>8,892</b>	81,044
<b>IV. Total profit</b>	<b>76,707</b>	213,594
Less: Income tax expenses	<b>21,594</b>	70,799
<b>V. Net profit</b>	<b>55,113</b>	142,795

### **Total Operating Income**

### ***Net Interest Income***

The following table summarises the breakdown of the Group's net interest income for the periods indicated:

Item	For the year ended	
	31 December	
	2025	2024
	<i>(RMB in thousands)</i>	
<b>Interest income</b>	<b>42,776</b>	-3,639
Including: Cash and bank deposits	<b>1,039</b>	1,460
Loans and advances to customers	<b>22,193</b>	2,971
Debt investments	<b>12,502</b>	-14,539
Financial assets purchased under resale agreements	<b>6,929</b>	6,302
Others	<b>113</b>	167
<b>Interest expense</b>	<b>52,511</b>	52,631
Including: Borrowings	<b>41,867</b>	46,722
Income attributable to third-party trust beneficiaries of consolidated structured entities	<b>9,889</b>	3,607
Others	<b>755</b>	2,302
<b>Net interest income</b>	<b>-9,735</b>	-56,270

The Group's net interest expense in 2025 amounted to RMB9.7 million, as compared to net interest expense of RMB56.3 million in the corresponding period of last year, mainly due to the change in interest income from RMB-3.6 million in 2024 to RMB42.8 million in 2025, of which the interest income of the loans granted by the Group increased from RMB3.0 million in 2024 to RMB22.2 million in 2025, and the interest income from debt investments changed from RMB-14.5 million in 2024 to RMB12.5 million in 2025. The interest expense in 2025 amounted to RMB52.5 million, basically the same as compared to the corresponding period of last year.

The interest income from loans granted by the Group increased, which was mainly due to the increase in interest income from loans granted by the consolidated trust schemes. The increase in the Group's interest income from debt investments was mainly due to the reversal of interest income provided for overdue debt investments during the corresponding period of last year, and the interest income from recovery of debt investments in 2025.

#### ***Net Fee and Commission Income***

The following table summarises the breakdown of the Group's net fee and commission income for the periods indicated:

<b>Item</b>	<b>For the year ended 31 December</b>	
	<b>2025</b>	<b>2024</b>
	<i>(RMB in thousands)</i>	
<b>Fee and commission income</b>	<b>429,650</b>	459,426
Including: Trustee's remuneration	<b>368,870</b>	406,970
Others	<b>60,780</b>	52,456
<b>Fee and commission expenses</b>	<b>6,444</b>	4,321
Including: Guarantee fee	<b>5,900</b>	4,036
Others	<b>544</b>	285
<b>Net fee and commission income</b>	<b>423,206</b>	455,105

The Group's net fee and commission income in 2025 was RMB423.2 million, representing a decrease of 7.0% as compared to RMB455.1 million in 2024, which was mainly due to the decrease of 6.5% in fee and commission income from RMB459.4 million in 2024 to RMB429.6 million in 2025.

### ***Investment Income***

The following table summarises the breakdown of the Group's investment income for the periods indicated:

<b>Item</b>	<b>For the year ended 31 December</b>	
	<b>2025</b>	<b>2024</b>
	<i>(RMB in thousands)</i>	
Income from long-term equity investments accounted for using equity method	<b>8,905</b>	8,073
Investment income from holding financial assets	<b>103,624</b>	52,216
Investment income from disposal of long-term equity investments	–	6,819
Investment income from disposal of financial assets	<b>93,119</b>	47
<b>Total</b>	<b><u>205,648</u></b>	<b><u>67,155</u></b>

The Group's investment income in 2025 was RMB205.6 million, representing an increase of RMB138.4 million as compared to RMB67.2 million in 2024, which was due to the year-on-year increase of RMB51.4 million in investment income from holding financial assets of the Group in 2025, and the year-on-year increase of RMB93.1 million in investment income from disposal of financial assets.

### ***Gains from Changes in Fair Value***

	<b>For the year ended 31 December</b>	
	<b>2025</b>	<b>2024</b>
	<i>(RMB in thousands)</i>	
<b>Source of gains from changes in fair value</b>		
Financial assets held for trading	<b>124,246</b>	417,434
Enterprises invested by the consolidated structured entities	<b>-55,204</b>	-2,840
<b>Total</b>	<b>69,042</b>	<b>414,594</b>

The Group's gains from changes in fair value decreased from RMB414.6 million in 2024 to RMB69.0 million in 2025, mainly due to the decrease in gains from changes in fair value of the Group's financial assets held for trading such as stock investment in 2025.

### **Total Operating Costs**

#### ***Business and Administrative Expenses***

The following table summarises the breakdown of the Group's business and administrative expenses for the periods indicated:

<b>Item</b>	<b>For the year ended 31 December</b>	
	<b>2025</b>	<b>2024</b>
	<i>(RMB in thousands)</i>	
Employee benefits	<b>171,673</b>	162,218
Depreciation and amortisation	<b>55,608</b>	60,327
Legal and professional fees	<b>10,044</b>	14,750
Network expenses	<b>16,350</b>	18,514
Promotional expenses	<b>3,508</b>	4,847
Lease charges	<b>4,578</b>	6,252
Business hospitality expenses	<b>1,724</b>	3,310
Travel expenses	<b>3,336</b>	3,945
Office expenses	<b>1,186</b>	1,004
Others	<b>21,856</b>	19,771
<b>Total</b>	<b>289,863</b>	<b>294,938</b>

The Group's business and administrative expenses in 2025 were RMB289.9 million, representing a decrease of 1.7% as compared with RMB294.9 million in 2024.

### ***Credit Impairment Losses***

The following table summarises the breakdown of the Group's credit impairment losses for the periods indicated:

<b>Item</b>	<b>For the year ended 31 December</b>	
	<b>2025</b>	<b>2024</b>
	<i>(RMB in thousands)</i>	
Losses on bad debts of accounts receivable	<b>3,293</b>	-8,681
Losses on bad debts of other receivables	<b>3,962</b>	6,667
Impairment losses on loans and advances to customers	<b>48,107</b>	67,124
Impairment losses on debt investments	<b>258,311</b>	218,966
Impairment losses on art investments	<b>11,735</b>	17,883
<b>Total</b>	<b><u>325,408</u></b>	<b><u>301,959</u></b>

The Group's credit impairment losses increased by 7.8% from RMB302.0 million in 2024 to RMB325.4 million in 2025, mainly due to a year-on-year increase in provisions made in 2025 as a result of the actual credit risk profile and previous provisions made.

### ***Non-operating Expenses***

<b>Item</b>	<b>For the year ended 31 December</b>	
	<b>2025</b>	<b>2024</b>
	<i>(RMB in thousands)</i>	
Compensation expenses	<b>8,864</b>	81,009
Losses on retirement of non-current assets	<b>23</b>	35
Others	<b>5</b>	–
<b>Total</b>	<b><u>8,892</u></b>	<b><u>81,044</u></b>

The Group's non-operating expenses decreased from RMB81.0 million in 2024 to RMB8.9 million in 2025, mainly due to the significant decrease in provision for litigation compensation expenses. Compensation expenses of RMB8.6 million were provided for lawsuit(s) involving the Company (details of which are set out in the note on "Provisions").

### **Total Profit and Operating Margin**

The following table summarises the total profit and operating margin for the periods indicated:

	<b>For the year ended 31 December</b>	
	<b>2025</b>	<b>2024</b>
	<i>(RMB in thousands)</i>	
Total profit	<b>76,707</b>	213,594
Operating margin <sup>(1)</sup>	<b><u>10.6%</u></b>	<b><u>23.6%</u></b>

*Note:*

(1) Operating margin = Total profit/total operating income.

As a result of the foregoing, the Group's total profit decreased from RMB213.6 million in 2024 to RMB76.7 million in 2025, and operating margin decreased from 23.6% in 2024 to 10.6% in 2025.

### Income Tax Expenses

Item	For the year ended 31 December	
	2025	2024
	<i>(RMB in thousands)</i>	
Income tax expenses for the year	–	61,732
Deferred income tax expenses	<u>21,594</u>	<u>9,067</u>
<b>Total</b>	<b><u>21,594</u></b>	<b><u>70,799</u></b>

The Company recorded an income tax expense of RMB70.8 million in 2024 and an income tax expense of RMB21.6 million in 2025, mainly due to a year-on-year decrease in the Group's total profit in 2025.

### Net Profit and Net Profit Margin

The following table summarises the net profit and net profit margin for the periods indicated:

	For the year ended 31 December	
	2025	2024
	<i>(RMB in thousands)</i>	
Net profit	<b>55,113</b>	142,795
Net profit margin <sup>(1)</sup>	<b><u>7.6%</u></b>	<u>15.8%</u>

*Note:*

(1) Net profit margin = Net profit/total operating income.

As a result of the foregoing reasons, the net profit decreased from gain of RMB142.8 million in 2024 to RMB55.1 million in 2025, and net profit margin decreased from 15.8% in 2024 to 7.6% in 2025.

## Segment Results of Operations

From the business perspective, the Company conducts its business through two main business segments: trust business and proprietary business. The following table sets forth the Group's segment income and its main components for the periods indicated:

	<b>For the year ended 31 December</b>	
	<b>2025</b>	<b>2024</b>
	<i>(RMB in thousands)</i>	
<b>Trust business:</b>		
Operating income	<u>426,602</u>	<u>466,473</u>
Segment income	<u><b>426,602</b></u>	<u><b>466,473</b></u>
<b>Proprietary business:</b>		
Operating income	295,811	438,505
Non-operating income	<u>50</u>	<u>470</u>
Segment income	<u><b>295,861</b></u>	<u><b>438,975</b></u>

The following table sets forth the Group's segment operating expenses for the periods indicated:

	<b>For the year ended 31 December</b>	
	<b>2025</b>	<b>2024</b>
	<i>(RMB in thousands)</i>	
<b>Trust business:</b>		
Operating expenses	290,608	293,231
Non-operating expenses	<u>8,884</u>	<u>80,971</u>
Segment expenses	<u><b>299,492</b></u>	<u><b>374,202</b></u>
<b>Proprietary business:</b>		
Operating expenses	346,256	317,579
Non-operating expenses	<u>8</u>	<u>73</u>
Segment expenses	<u><b>346,264</b></u>	<u><b>317,652</b></u>

The following table sets forth the Group's total profit for the periods indicated, which is calculated as segment income minus segment operating expenses:

	<b>For the year ended 31 December</b>	
	<b>2025</b>	2024
	<i>(RMB in thousands)</i>	
Trust business	<b>127,110</b>	92,271
Proprietary business	<b>-50,403</b>	121,323
<b>Total profit</b>	<b><u>76,707</u></b>	<b><u>213,594</u></b>

The following table sets forth the Group's segment margin for the periods indicated, which is calculated as total profit divided by the segment income:

	<b>For the year ended 31 December</b>	
	<b>2025</b>	2024
	<i>(RMB in thousands)</i>	
Trust business	<b>29.8%</b>	19.8%
Proprietary business	<b>-17.0%</b>	27.6%

### ***Trust Business***

The segment income from the Group's trust business consists of its net fee and commission income, other operating income, and interest income from cash and bank deposits balance. Segment operating expenses of the Group's trust business mainly consist of tax and surcharges, business and administrative expenses, and non-operating expenses that are related to the Group's trust business.

The total profit of the Group's trust business increased by 37.8% from RMB92.3 million in 2024 to RMB127.1 million in 2025, primarily due to a decrease of 8.6% in the segment income from the trust business from RMB466.5 million in 2024 to RMB426.6 million in 2025 and a decrease of 20.0% in segment operating expenses from the trust business from RMB374.2 million in 2024 to RMB299.5 million in 2025.

- (1) The decrease in the segment income from the trust business was mainly due to a decrease in the Group's net fee and commission income from RMB455.1 million in 2024 to RMB423.2 million in 2025.
- (2) The decrease in the segment operating expenses from the trust business was mainly due to a decrease in non-operating expenses related to trust business of the Group from RMB81.0 million in 2024 to RMB8.9 million in 2025.

As a result of the foregoing, the segment profit margin of the trust business increased from 19.8% in 2024 to 29.8% in 2025.

### ***Proprietary Business***

The segment income from the Group's proprietary business mainly consists of the net interest income, gains from changes in fair value, investment income, etc. The segment operating expenses of the Group's proprietary business mainly consist of tax and surcharges, business and administrative expenses and credit impairment losses that are related to the Group's proprietary business.

The total profit of the Group's proprietary business changed from gain of RMB121.3 million in 2024 to loss of RMB50.4 million in 2025, primarily due to (i) a decrease of 32.6% in the segment income from the proprietary business from RMB439.0 million in 2024 to RMB295.9 million in 2025; and (ii) an increase of 9.0% in the segment operating expenses from the proprietary business from RMB317.7 million in 2024 to RMB346.3 million in 2025.

- (1) The decrease in the segment income from the proprietary business was mainly due to (i) the decrease in the gains from changes in fair value from RMB414.6 million in 2024 to RMB69.0 million in 2025; and (ii) the increase in investment income from RMB67.2 million in 2024 to RMB205.6 million in 2025.
- (2) The increase in the segment operating expenses from the proprietary business was mainly due to an increase in the provision for impairment losses on credit assets from RMB302.0 million in 2024 to RMB325.4 million in 2025.

As a result of the above, the segment profit margin for the proprietary business changed from 27.6% in 2024 to -17.0% in 2025.

### 3.3.2 Selected Consolidated Financial Positions

The Group's consolidated statements of financial positions include the proprietary assets and liabilities of the Company as well as the assets and liabilities of the Company's consolidated trust schemes. The net assets attributable to third-party beneficiaries of the Company's consolidated trust schemes are accounted for as liabilities in the Group's consolidated statements of financial positions.

#### Assets

As at 31 December 2024 and 31 December 2025, the total assets of the Group (including the Company and the trust schemes over which the Company has control) amounted to RMB14,279.3 million and RMB13,678.6 million, respectively, of which the total assets of the Company amounted to RMB13,314.8 million and RMB12,869.0 million, respectively. The Group's major assets consist of (i) loans and advances to customers, (ii) debt investments, (iii) long-term equity investments, (iv) financial assets held for trading, (v) other equity instrument investments, (vi) monetary assets, and (vii) financial assets purchased under resale agreements. As at 31 December 2025, the above-mentioned major assets accounted for 14.1%, 31.0%, 4.9%, 32.3%, 2.3%, 1.2% and 4.0% of the total assets of the Group, respectively.

### ***Loans and Advances to Customers***

The following table sets forth the principal amount of the Group's loans and advances to customers, interests receivable, expected credit losses ("ECL") allowance, net amount of the Group's loans and advances to customers:

<b>Item</b>	<b>31 December</b>	
	<b>2025</b>	<b>2024</b>
	<i>(RMB in thousands)</i>	
Principal amount of loans and advances to customers	<b>2,371,260</b>	2,420,407
Including: Issued by the Company	<b>67,224</b>	72,926
Issued by consolidated structured entities	<b>2,304,036</b>	2,347,481
Interests receivable	<b>275</b>	137,788
Less: ECL allowance – principal amount	<b>447,233</b>	391,637
ECL allowance – interests receivable	<b>18</b>	7,506
<b>Loans and advances to customers, net</b>	<b><u>1,924,284</u></b>	<b><u>2,159,052</u></b>

The majority of the Group's loans and advances to customers were granted by the Company's consolidated trust schemes.

The Group's loans and advances to customers were all granted to corporate customers during the Reporting Period.

Some of the loans granted by the Group's trust schemes to which it made proprietary investment and consolidated into the Group's financial statements were identified as impaired during the Reporting Period. The gross amount of such impaired loans increased by 18.2% from RMB1,922.0 million as at 31 December 2024 to RMB2,271.3 million as at 31 December 2025. The aggregate fair value of collateral (estimated based on the latest external valuations available and adjusted by the experience of realisation of the collateral in current market conditions) for such loans outstanding as at 31 December 2024 and 31 December 2025 were RMB1,611.1 million and RMB2,389.2 million, respectively. The Group determined the provision for impairment losses on those loans through ECL assessments and made allowance for impairment of RMB366.2 million and RMB440.7 million for these impaired loans as at 31 December 2024 and 31 December 2025, respectively, representing 19.1% and 19.4% of the gross amount of those loans, respectively. The Group has provided impairment allowances in accordance with the provisions under CASBE No. 22 "Recognition and Measurement of Financial Instruments". Such impairment allowances were measured by the difference between the carrying amount of those impaired loans and the present value of estimated future cash flows of those loans. The gross amount of such impaired loans represented 79.4% and 95.8% of the Group's gross loans and advances to customers as at 31 December 2024 and 31 December 2025, respectively.

The Company is allowed to grant loans to customers using its proprietary assets, which are referred to as the Company's proprietary loans. As at 31 December 2025, the principal balance of Company's proprietary loans was RMB67.2 million, representing a decrease of RMB5.7 million or 7.8% as compared to the beginning of the year.

The following table sets forth the gross amount of the Company's proprietary loans, interests receivable, ECL allowance, net amount of such loans:

	<b>31 December</b>	
	<b>2025</b>	2024
	<i>(RMB in thousands)</i>	
Principal amount of loans and advances to customers	<b>67,224</b>	72,926
Interests receivable	–	1,328
Less: ECL allowance – principal	<b>8,631</b>	3,994
ECL allowance – interests receivable	–	72
	<u>                    </u>	<u>                    </u>
<b>Loans and advances to customers, net</b>	<b><u>58,593</u></b>	<b><u>70,188</u></b>

As the Company's proprietary loans were granted to counterparty clients of the Company, changes in the amount of such loans during the Reporting Period mainly reflected the Company's agreements with different counterparty clients at different times.

### ***Debt Investments***

The following table sets forth the Company's total debt investments, ECL allowance, net debt investments as at the date indicated:

	<b>31 December</b>	
	<b>2025</b>	2024
	<i>(RMB in thousands)</i>	
Principal	<b>6,647,134</b>	7,159,614
Interests receivable	–	–
<b>Total</b>	<b>6,647,134</b>	7,159,614
Less: ECL allowance – principal	<b>2,401,789</b>	2,563,180
ECL allowance – interests receivable	–	–
	<u>                    </u>	<u>                    </u>
<b>Net amount</b>	<b><u>4,245,345</u></b>	<b><u>4,596,434</u></b>

### ***Other Equity Instrument Investments***

The Company's management expects the Company to hold its 31,039,606 A shares in Guolian Minsheng Securities Co., Ltd. ("**Guolian Minsheng**", a joint stock company incorporated in the PRC with limited liability, with its A shares and H shares listed on the Shanghai Stock Exchange and the main board of The Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange**"), respectively (A share stock code: 601456, H share stock code: 01456)) as a strategic long-term investment, which has been designated as financial assets at fair value through other comprehensive income upon initial recognition in January 2025. As at 31 December 2025, the balance of such investment was RMB314.7 million.

### ***Long-term Equity Investments***

The Group has made equity investments in various companies. When the Group has significant influence but no control over a target company, the Group treats such investee company as an associate. The following table sets forth the associates directly invested by the Company accounted for using the equity method, the enterprises invested by the consolidated structured entities and the book value of investments in them as at the dates indicated:

	Equity Interest as at 31 December 2025	31 December 2025	2024
		<i>(RMB in thousands)</i>	
<b>Associates directly invested by the Company accounted for using equity method:</b>			
Taishan Property & Casualty Insurance Co., Ltd. (泰山財產保險股份有限公司)	7.40%	165,872	167,710
Sinotruk Automobile Finance Co., Ltd. (重汽汽車金融有限公司)	6.52%	238,589	230,065
Anhui Luxin Private Equity Investment Fund Management Co., Ltd. (安徽魯信私募股權投資基金 管理有限公司)	25.00%	6,271	5,968
<b>Subtotal</b>		<u>410,732</u>	<u>403,743</u>
<b>Enterprises invested by the consolidated structured entities</b>		<u>264,435</u>	<u>319,639</u>
<b>Total</b>		<u><u>675,167</u></u>	<u><u>723,382</u></u>

### ***Financial Assets Held for Trading***

The following table sets forth the components and amount of the Group's financial assets held for trading as at the dates indicated:

<b>Item</b>	<b>31 December</b>	
	<b>2025</b>	<b>2024</b>
	<i>(RMB in thousands)</i>	
Financial assets at FVTPL	<b>4,413,485</b>	4,372,519
Including: Stock investments	<b>1,801,404</b>	1,723,067
Public fund investments	<b>157,538</b>	515,420
Investment in asset management scheme	<b>941,381</b>	917,316
Bond investments	<b>2</b>	10,659
Equity investments in unlisted companies	<b>271,103</b>	910,100
Trust Industry Protection Fund	<b>137,195</b>	116,251
Investments in trust schemes	<b>160,933</b>	164,000
Bank wealth management	<b>943,929</b>	15,706
<b>Total</b>	<b><u>4,413,485</u></b>	<b><u>4,372,519</u></b>

#### *Significant investments:*

The Company holds shares of China Zheshang Bank Co., Ltd. (“**CZ Bank**”). CZ Bank is principally engaged in corporate and retail banking services, treasury business and other commercial banking business. The A shares and H shares of CZ Bank are listed on the Shanghai Stock Exchange and the Hong Kong Stock Exchange (A share stock code: 601916, H share stock code: 2016), respectively. As at 31 December 2024 and 31 December 2025, the Company held 572,992,903 and 592,567,203 A shares of CZ Bank, representing 2.09% and 2.16% of its total share capital, respectively. The investment cost was RMB1.161 billion and RMB1.222 billion, and the fair value was RMB1.667 billion and RMB1.801 billion, representing 11.7% and 13.2% of the total assets of the Company as at 31 December 2024 and 31 December

2025, respectively. In 2025, the Company recognised RMB162.8 million as operating income from its investment in CZ Bank, among which RMB73.4 million was recognised as gains from changes in fair value and RMB89.4 million was recognised as investment income (being dividend income). The management of the Company expects the future business development of CZ Bank to be stable.

The changes in the major composition of the Group's financial assets held for trading were due to the flexible adjustment of portfolio based on the market conditions by the Group in order to increase investment returns. Financial assets held for trading increased by 0.9% from RMB4,372.5 million as at 31 December 2024 to RMB4,413.5 million as at 31 December 2025, primarily due to the Group's (i) decrease of the equity investments in unlisted companies; (ii) decrease of the public fund investments; and (iii) increase of the investments in bank wealth management.

### ***Monetary Assets***

As at 31 December 2024 and 31 December 2025, the Group's monetary assets amounted to RMB591.7 million and RMB160.7 million, respectively, of which RMB532.0 million and RMB110.4 million, respectively, were proprietary assets of the Company, and the remaining was cash and bank balance of the Group's consolidated trust schemes.

### ***Financial Assets Purchased under Resale Agreements***

The Group's financial assets purchased under resale agreements consist of the government bond purchased under agreements to resell as part of its proprietary business.

The Group's government bond purchased under agreements to resell increased from RMB390.0 million as at 31 December 2024 to RMB542.9 million as at 31 December 2025. These changes were due to the flexible adjustment of the business scale of the Company's government bond purchased under agreements to resell based on the overall market condition and interest rates, and such adjustment resulted in a change in the amounts of the Company's government bond purchased under agreements to resell as at 31 December 2024 and 31 December 2025, respectively.

### ***Accounts Receivable***

Accounts receivable of the Group decreased by 7.1% from RMB98.7 million as at 31 December 2024 to RMB91.7 million as at 31 December 2025. Accounts receivable of the Group represents the trustee's remuneration that has accrued to the Company as the trustee but has not yet been paid from the trust accounts of its unconsolidated trust schemes to the Company's proprietary accounts.

The Company, as the trustee, has closely monitored the trust accounts of its unconsolidated trust schemes, and the Company is usually allowed to collect its trustee's remuneration in arrears in one or more instalments according to the trust contracts. The Company is normally allowed only to receive trustee's remuneration after the trust has paid its quarterly dividends, and the Company expects to continue to have certain amount of trustee's remuneration receivable in the future. As at 28 February 2026, 52.1% of the trustee's remuneration receivable was recovered.

### **Liabilities**

As at 31 December 2024 and 31 December 2025, the Group's total liabilities amounted to RMB3,042.6 million and RMB2,436.4 million, respectively. Pursuant to the Administrative Measures on Trust Companies issued by the NFRA on 11 September 2025 (effective from 1 January 2026), as a trust company in the PRC, under its proprietary liability business, it may engage in the sale of bonds under repurchase agreements and interbank borrowings, apply for liquidity support borrowings from shareholders and their related parties, issue targeted bonds, and apply for liquidity support borrowings from China Trust Protection Fund Co., Ltd. ("CTPF"), etc. The Group's major liabilities during the Reporting Period included employee benefits payable, taxes payable, provisions and other liabilities. As at 31 December 2025, the above liabilities accounted for 5.7%, 2.3%, 2.5%, and 89.1% of the Group's total liabilities, respectively.

### ***Provisions***

As at 31 December 2025, the Group's provisions amounted to RMB60.1 million were estimated litigation compensation.

### ***Other Liabilities***

The Group's other liabilities during the Reporting Period consisted mainly of net assets attributable to third-party trust beneficiaries of consolidated structured entities, proceeds due to the National Council for Social Security Fund of the PRC (全國社會保障基金理事會), Trust Industry Protection Fund collected on behalf of the financiers of the financing trust schemes, advances from trust schemes and other investments, non-current funds borrowing provided by CTPF, etc.

The net assets attributable to third-party trust beneficiaries of consolidated structured entities represent third-party beneficiaries' share of net assets of the consolidated trust schemes. Under the PRC laws and regulations, these third-party beneficiaries' entitlements are limited to the available assets of the relevant trust schemes, and as long as the Company does not breach its duty as a trustee, it will not be required to use any of its proprietary assets to pay for such third-party beneficiaries' entitlements. In addition, the Company cannot use, and is prohibited from using, the assets of a consolidated trust scheme to pay for any beneficiary of another consolidated trust scheme. As such, while the net assets attributable to other beneficiaries of consolidated structured entities are accounted for as the Group's liabilities, such liabilities are limited to the net assets of the relevant consolidated trust scheme. The Company's net assets attributable to third-party trust beneficiaries of consolidated structured entities decreased by 19.2% from RMB870.6 million as at 31 December 2024 to RMB703.7 million as at 31 December 2025. Changes in such amount mainly reflected changes in the net assets of the Group's consolidated trust schemes as well as the changes in percentage of the Company's proprietary investment in such trust schemes.

The Company's Trust Industry Protection Fund collected on behalf of the financiers of the financing trust schemes decreased from RMB280.0 million as at 31 December 2024 to RMB242.7 million as at 31 December 2025.

The Company's receipts in advance from trust schemes and other investments are advances received from equity investments in consolidated structured entities, which are presented as other liabilities in the consolidated statements as the revenue recognition criteria are not met, and increased from RMB242.4 million as at 31 December 2024 to RMB266.3 million as at 31 December 2025.

As at 31 December 2025, the balance of non-current funds borrowing provided by CTPF to the Company was RMB700.0 million.

#### ***Off-balance Sheet Arrangements***

As at 31 December 2025, the Group did not have any outstanding off-balance sheet guarantees or foreign currency forward contracts.

### **3.4 Assets under Management, Asset Quality and Financial Performance of Consolidated Trust Schemes**

The Group's results of operations and financial condition have been affected by the AUM, asset quality and financial performance of the consolidated trust schemes. While, under PRC laws and regulations, the assets of trust schemes under the Company's management are distinct and separate from the proprietary assets and the Company is not responsible to its trustor clients or the beneficiaries for any loss of trust assets under its management, except for losses not caused by the Company's failure to properly fulfil its duty as a trustee, the Company has consolidated some of the trust schemes under its management pursuant to CASBE. Those trust schemes are deconsolidated when the Company ceases to have control over them. During the Reporting Period, deconsolidation of the Company's consolidated trust schemes generally occurred when such trust schemes were disposed of or were liquidated upon the expiry of their terms.

During the year ended 31 December 2024 and the year ended 31 December 2025, the Company had consolidated 30 and 31 of the trust schemes under its management, respectively, and the total trust assets of these consolidated trust schemes were RMB4,834.3 million and RMB5,518.4 million, respectively. The following table sets forth changes in the number of the Group's consolidated trust schemes during the Reporting Period:

	<b>For the year ended 31 December</b>	
	<b>2025</b>	2024
<b>Beginning:</b>	<b>30</b>	22
Newly consolidated trust schemes	<b>2</b>	11
Deconsolidated trust schemes	<b>1</b>	3
<b>Ending:</b>	<b>31</b>	30

The consolidation of these trust schemes increased the Company's total assets during the Reporting Period due to the inclusion of assets of these trust schemes (consisting of loans to customers, financial assets held for trading, long-term equity investments and other assets) in the Company's total assets. The following table illustrates the impact on the Company's total assets resulting from the consolidation of these trust schemes during the Reporting Period:

	<b>31 December</b>	
	<b>2025</b>	2024
	<i>(RMB in millions)</i>	
Total assets of the Company	<b>12,869</b>	13,315
Total assets of consolidated trust schemes	<b>5,518</b>	4,834
Consolidation adjustment	<b>-4,708</b>	-3,870
<b>Total assets of the Group</b>	<b><u>13,679</u></b>	<b><u>14,279</u></b>

However, the impact on the Group’s total assets largely corresponded to the significant increase in the Group’s total liabilities due to the inclusion of liabilities of these trust schemes (presented as “**other liabilities**” in the Group’s consolidated balance sheet) in the Group’s total liabilities. The following table illustrates the impact on the Group’s total liabilities resulting from the consolidation of these trust schemes during the Reporting Period:

	<b>31 December</b>	
	<b>2025</b>	2024
	<i>(RMB in millions)</i>	
Total liabilities of the Company	<b>1,609</b>	2,071
Total liabilities of consolidated trust schemes	<b>301</b>	276
Consolidation adjustment	<b>527</b>	696
<b>Total liabilities of the Group</b>	<b><u>2,437</u></b>	<b><u>3,043</u></b>

As a result of the foregoing, the impact on the Group’s net assets or equity from consolidation of these trust schemes was thus reduced. The following table illustrates the impact on the Group’s total equity resulting from the consolidation of these trust schemes during the Reporting Period:

	<b>31 December</b>	
	<b>2025</b>	2024
	<i>(RMB in millions)</i>	
Total equity of the Company	<b>11,260</b>	11,244
Consolidation adjustment	<b>-18</b>	-8
<b>Total equity of the Group</b>	<b><u>11,242</u></b>	<b><u>11,236</u></b>

The consolidation of these trust schemes also affected the Group's results of operations. For example, all trustees' remunerations which the Company was entitled to from these consolidated trust schemes were eliminated as a result of consolidation. In addition, the consolidation of these trust schemes affected the Group's interest income due to inclusion of interest income generated from loans granted by the Group's consolidated trust schemes. It also affected the Group's interest expense which represented interest income of the Group's consolidated financing trust schemes that were expected to affect third-party beneficiaries of such trust schemes. However, as these impacts on income and expenses largely offset each other, the resulting impact on the Group's net profit has been reduced. The following table illustrates the impact on the Group's net profit resulting from the consolidation of these trust schemes during the Reporting Period:

	<b>For the year ended 31 December</b>	
	<b>2025</b>	<b>2024</b>
	<i>(RMB in millions)</i>	
Net profit of the Company before consolidation of trust schemes	66	146
Impact of consolidation of trust schemes	<u>-11</u>	<u>-3</u>
<b>Net profit of the Group after consolidation of trust schemes</b>	<b><u>55</u></b>	<b><u>143</u></b>

Determining whether a trust scheme should be consolidated involves a substantial subjective judgment by the Company's management. The Company assesses whether a trust scheme should be consolidated based on the contractual terms as to whether the Company is exposed to risks of, or has rights to, variable returns from the Company's involvement in the trust and the ability to affect those returns through the Company's power to direct the activities of the trust. The contractual terms of those consolidated trust schemes usually have some or all of the following features:

- (1) Whether the Company has power over the trust scheme, and whether the Company can exercise the rights that give the Company the ability to affect the relevant activities of the trust scheme. Usually the Company has such power when it acts as the trustee of those actively managed trusts, as the contractual terms in the trust contracts allow the Company to determine the selection of assets or projects in which the trust assets will be invested, to perform due diligence on the assets or projects as well as the counterparties that hold the assets or projects, to determine the pricing strategy, and to be actively involved in the ongoing management and disposition of the trust assets;

- (2) Whether the Company is exposed to the risks of or has rights to, variable returns when the Company's returns from its involvement have the potential to vary as a result of the performance of the trust scheme. Such variable returns may either form a part of the investment returns from the trust scheme when the Company has proprietary funds invested in the trust scheme, or floating trustee's remuneration as calculated according to the relevant terms in the trust contracts; and
- (3) Whether the Company controls the trust scheme that the Company not only has the power over the trust scheme and exposure or rights to variable returns from its involvement, but also the ability to use its power to affect the returns from the trust scheme. As the Company is responsible for the planning, pricing, setting of beneficial rights, management and operations of those actively managed trust schemes as the trustee, the Company may have the ability to significantly affect its returns from such trust schemes. For example, where the Company subscribes a significant portion of a trust scheme, or in case the Company decides to provide liquidity support to a troubled trust, the Company intentionally uses its rights as the trustee and ability to invest using proprietary funds, so as to associate itself with the variable returns from such trust schemes.

Under CASBE, the greater the magnitude and variability of the returns that the Company is exposed to from the Company's involvement with a trust scheme, the more likely that the Company will be deemed to have control over the trust scheme and be required to consolidate it. However, there is no bright line standard and the Company is required to consider all the relevant factors as a whole.

Given the Company's limited decision-making authority over administrative management trusts and because the Company has not made any proprietary investments in the Company's administrative management trusts during the Reporting Period, the Company had not been required to consolidate any administrative management trusts during the Reporting Period.

With respect to the actively managed trusts, the Company is more likely to be required to consolidate those in which it has made proprietary investments as there may be substantial variable return resulting from such investments. The contract terms of the Company's consolidated actively managed trust schemes with respect to the Company's power and authority do not differ materially from those of its unconsolidated actively managed trusts. The amount of proprietary investment the Company has made in an actively managed trust as a percentage of its total trust assets has been, and will be, a differentiating factor in determining whether the Company was, and will be, required to consolidate such trust. Variable return may also be affected by the allocation and distribution of trust projects of trust beneficiaries pursuant to the terms and conditions of respective trust contract, when the Company determines whether a trust scheme should be consolidated or not.

During the Reporting Period, the Company had not consolidated any administrative management trust schemes and had not consolidated any actively managed trust schemes in which it did not make any proprietary investments.

### **3.5 Risk Management**

#### **Overview**

The Company has been devoted to establishing risk management and internal control systems consisting of objectives, principles, organisational framework, procedures and methods against key risks that the Company considers to be appropriate for its business operations, and the Company has developed a comprehensive risk management system covering all aspects of its business operation. The sophisticated risk management culture, target-oriented and sound risk management system and mechanisms of the Company ensure the sustainable and stable operation of the Company's business and provide a solid basis for the Company's identification and management of risks involved in its business operation.

### **3.5.1 Risk Management Organisational Structure**

The integrated risk management organisational structure of the Company is included in every level of the Company's corporate governance, including (1) the general meeting; (2) the Board of Directors and its Strategies and Risk Management Committee and Audit Committee; (3) the General Manager's Office Meeting; (4) the Business Decision Consultation Committee; (5) the Trust Business Review Committee, the Capital Market Business Review Committee; (6) the Operating Trust Ad-hoc Issues Coordination Team; and (7) other functional departments, including the Risk Management Department, Legal & Compliance Department (Anti-Money Laundering Centre), Trust Finance Department (Operation Centre), Financial Management Department, Information Technology Department, Audit Department, Asset Disposition Department and Proprietary Business Department. Finally, all trust business departments of the Company are required to assume primary risk management responsibilities.

### **3.5.2 Factors Affecting the Company's Results of Operations**

The following factors are the principal adverse and favourable factors that have affected and expected, will continue to affect the Company's business, financial condition, results of operations and prospects.

#### **General Economic and Financial Market Conditions**

The Company's business operations are conducted in China and most of the Company's income is generated within China. As a financial institution in China, the Company's business, financial condition, results of operations and prospects are significantly affected by general economic and financial market conditions of China.

China's economy is at a stage of high-quality development characterised by economic structure optimisation, industry transformation and upgrading. The structural transformation of the Chinese economy and fluctuations in macroeconomic policy and financial market present challenges for the Company's business. For example, regulation of the real estate industry in China and control on local governments to incur debts may negatively affect the Company's trust business. Under the background of economic slowdown, structural adjustment, macroeconomic situation created certain pressure and constraint on the capital and asset sides of trust industry. The Company's clients may reduce their investment activities or financing needs during times of economic slowdown, which may reduce the demand for the Company's various types of trust products. Financial risks of individual cases may break out more often during times of economic slowdown, which may increase the default risks of the Company's counterparties. On the other hand, the Company may identify new business opportunities during such economic transformation and take advantages of the changes in financial market conditions and the Company may increase its business in areas that can counteract the impact of downward economic cycle. There are, however, uncertainties in the Company's ability to effectively respond to changes in general economic and financial market conditions and increase in its innovative business may not be able to offset decrease in its traditional business, and therefore, the trust business will continue to be significantly affected by general economic and financial market conditions in China.

The Company has made proprietary investments in different kinds of financial institutions in China, and a significant portion of the Company's proprietary assets are held in the form of various kinds of financial products. The value of these investments is affected by the general economic conditions, performance of the capital markets and investor sentiment. As such, changes in general economic and financial market conditions of China will also affect the value of, and investment income from, the Company's proprietary investments.

## **Regulatory Environment**

The Company's results of operations, financial condition and development prospects are affected by regulatory developments in the PRC. The NFRA (formerly the CBIRC), the main regulatory authority for the PRC trust industry, has been continuously monitoring the development status of the industry and issuing various regulations and policies to encourage or discourage or even prohibit conducting certain types of trust business from time to time. The Company will need to continuously adjust its trust business structure and mode of operation to conform to these regulations and policies, which may have positive or negative impact on the size, income or profitability of the Company's trust business. In March 2023, the former CBIRC issued the Notice on Standardising the Classification of Trust Business of Trust Companies, which further clarifies the boundaries and service content of trust business, guides trust companies to give full play to institutional advantages and industry competitive advantages, promotes trust companies to return to their origin, standardise development, and promotes the high-quality development of the trust industry. On 27 January 2025, the General Office of the State Council forwarded the Several Opinions on Strengthening Supervision and Preventing Risks to Promote High-Quality Development of the Trust Industry issued by the NFRA, while the newly amended Administrative Measures for Trust Companies (《信託公司管理辦法》) became effective from 1 January 2026, pointing out the direction for the transformation and development of trust companies. The above policies are conducive to guiding trust companies in returning to the fundamentals of trust industry in the medium to long term. However, the regulatory authorities may also restrict the development of certain businesses of trust companies from time to time, which may have an adverse effect on the Company's business.

In addition, the regulatory environment of other financial industries in China may also indirectly impact the Company's trust business. For example, in September 2018, the former CBIRC promulgated the Administrative Measures for Supervision of Wealth Management Business of Commercial Banks (《商業銀行理財業務監督管理辦法》) and the Administrative Measures for Wealth Management Subsidiaries of Commercial Banks (《商業銀行理財子公司管理辦法》) in December 2018, which clearly stipulated the wealth management

business of commercial banks, allowing commercial banks to develop asset management services through the establishment of financial management subsidiaries. The Company has traditionally benefited from the expanded business scope under the Company's trust license. However, other financial institutions, such as commercial banks and wealth management subsidiaries of commercial banks, may be able to offer an increasing number of products and services that are similar to those offered by the Company and the Company may lose some of its advantages and face increased competition as a result.

### **Business Lines and Product Mix**

The Company has two business segments, namely its trust business and proprietary business. The Company's financial results were significantly affected by the fee and commission income from the Company's trust business. As a result, any material changes in the Company's trust business, such as in terms of client development, growth strategies and regulatory requirements, may significantly affect the Company's financial condition and results of operations. The Company also offers a variety of trust products, including actively managed trusts, which have relatively high trust remuneration rates, and administrative management trusts, which have relatively low trust remuneration rates. The Company has financing trusts that provide financings to counterparty clients in different industries and investment trusts that invest the Company's trustor clients' assets into different asset classes. Therefore, different types of trust products will have different risk-and-return profiles and will require different means of management from the Company, which will affect the trustee's remuneration of the Company. As a result, the overall financial performance of the Company's trust business would be significantly affected by the relative weight of different types of trust products the Company provides. The Company also generates interest income and investment income from its proprietary business by allocating its proprietary assets into different asset classes. The performance of the Company's proprietary business is affected by its proprietary assets allocation plan, market condition, interest rate as well as the Company's investment and risk management capability, and will also significantly affect the Company's financial position and results of operation.

The Company continues to diversify the Company's trust products by designing more trust products tailored to different and emerging demands and providing more active assets management services. As a result, the Company's future results of operations and financial condition could be significantly affected by the Company's ability to design, develop and manage more trust products that are attractive to the Company's counterparty clients and trustor clients and allow the Company to maintain or increase the trustee's remuneration rates. The Company also seeks to further improve its proprietary business through optimisation of asset allocation, and the Company's success in this regard is also expected to significantly affect the Company's future results of operations and financial condition.

### **Competition**

The Company faces competition from other trust companies in China. In the course of internal development in the trust industry with the momentum characterised by differentiation, most of the trust companies are working on expansion and innovation in a proactive and effective manner. The Company competes with these trust companies in terms of client base, knowledge of the relevant industries, active management capability, innovation capability, reputation, creditworthiness, shareholders' background and support. The Company will leverage on its own advantages, shareholders' background, strategic partnership as well as research and development and innovative capabilities, fostering business expansion and financial innovation to reinforce the Company's competitive position while maintaining its profitability.

The Company also faces competition from other financial institutions. For the Company's asset management trusts and asset service trusts, the Company competes with other financial institutions that provide assets and wealth management services. Given the changes of regulation policies on various financial sectors, institutions such as commercial banks, wealth management subsidiaries of commercial banks, securities firms, fund management companies, private securities investment funds, private equity investment funds and insurance companies have diversified their financing, asset management and wealth management services. As such, the Company's ability to grow its trust business depends on the Company's ability to effectively compete with these financial institutions through offering a variety of trust products that are tailored to the different needs of the Company's trustor clients.

## Interest Rate Environment

The Company's business is also affected by changes in interest rates, which fluctuate continually and may be unpredictable and highly volatile. Interest rates in China are regulated by The People's Bank of China ("PBOC"). The Company's business and results of operations are affected by changes in interest rates in different ways, such as:

- Changes in lending rates may affect the comparative financing costs for the Company's counterparty clients from different financing sources and thereby affect their willingness to carry out financings through the Company's trust products;
- Changes in deposit interest rates may affect the comparative investment returns to the Company's trustor clients from different investment options, thereby affecting their willingness to invest in the Company's trust products;
- Changes in lending rates may affect the amount of interest income generated from financing service provided to the Company's counterparty clients by the Company's trust schemes or itself using the Company's proprietary assets, thereby affecting the amount of the trustee's remuneration of the Company as well as the Company's interest income from consolidated trust schemes and its proprietary loans; and
- Changes in interest rates may also affect the value of various types of financial assets held by the Company's trust schemes or itself as proprietary assets. For example, an increase in interest rates may cause a decline in the market value of fixed-income securities and thereby reduce the net assets value of the trust schemes holding such securities or the Company's proprietary business.

### **3.5.3 Credit Risk Management**

Credit risk refers to the risk that the clients and counterparties of the Company fail to fulfil contractual obligations. The credit risk of the Company arises from the Company's trust business and proprietary business.

During the Reporting Period, in strict compliance with credit risk management guidelines and other regulatory requirements issued by the NFRA, under the leadership of the Strategies and Risk Management Committee of the Board and the senior management, the Company focused on facilitating the realisation of strategic goals by improving credit risk management system and system establishment and reinforcing risk management over key areas so as to control and mitigate credit risks in full swing.

#### **Credit Risk Management on Trust Business**

The credit risk of the Company's trust business mainly refers to the risk that the Company, as the trustee, fails to receive the Company's due remuneration which is agreed in the trust contracts. Some of the Company's trusts are financing trusts, under which the failure of fulfilling the repayment obligations by the counterparty clients of the Company, or the ultimate financiers, will negatively affect the Company's ability to receive its remuneration. The Company assesses and manages such default risk through comprehensive due diligence, stringent internal approval and trust establishment procedures as well as ex-post inspections and monitoring. Meanwhile, the Company obtains third party guarantee and collateral as credit enhancements in order to mitigate the default risk by financiers and the Company may ask for additional collaterals in case the value of the original collaterals becomes insufficient. Under circumstances where the Company assesses the likelihood of such default becomes relatively high, the Company may take necessary remedy and disposition measures in a timely manner to minimise the potential loss.

## **Credit Risk Management on Proprietary Business**

The proprietary business of the Company mainly includes the Company's own debt and equity investments. The management of the Company had formulated an annual asset allocation plan which consists of concentration limit for each type of investment and such annual plan shall be approved by the Board of Directors. The Company maintains a diversified investment portfolio for the Company's proprietary business and has established detailed internal risk management policies and procedures for each type of investment.

### **3.5.4 Market Risk Management**

Market risk primarily refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in market prices. It mainly represents the volatility risk arising from price risk, interest rates risk and foreign exchange risk. During the Reporting Period, the Company managed such risk mainly through the Company's diversified and carefully selected investment portfolio and stringent investment decision-making mechanism. The Company's business is mainly operated in the PRC and settled in RMB.

### **3.5.5 Liquidity Risk Management**

Liquidity risk refers to the risk that the Company may not be able to generate sufficient cash to settle the Company's debts in full when they fall due or may only do so on terms that are materially disadvantageous to the Company. During the Reporting Period, the Company conducted periodical forecasts of the Company's cash flows and monitored the short-term and long-term capital needs of the Company to ensure sufficient cash reserve and financial assets that could be readily convertible into cash. The Company holds sufficient unrestricted bank deposits and cash on hand to meet the capital requirements of the Company's day-to-day operations.

### **3.5.6 Compliance Risk Management**

Compliance risk refers to the risk of being subject to legal sanctions, regulatory measures, disciplinary penalties or loss of property or reputation because the Company's business activities or those activities of the Company's employees violated the relevant laws, regulations or rules. The Company had formulated various compliance rules and policies and the Legal & Compliance Department shall be responsible for monitoring the overall compliance status of each aspect of the daily operation of the Company. During the Reporting Period, the Legal & Compliance Department of the Company also continuously tracked the latest development of the relevant laws, regulations and policies and submitted proposals on the formulation of and amendments to the relevant internal regulations and policies to the relevant departments. Moreover, the Company organised various training programs for the employees from different departments based on the nature of their respective business activities and periodically provided updates relating to the current legal and regulatory requirements and the Company's internal policies on an ongoing basis.

### **3.5.7 Operational Risk Management**

Operational risk refers to the risk of financial loss resulting from the improper operation of transactional processes or the management system. The Company has formulated the Administrative Measures on Operational Risk Management (《操作風險管理辦法》), establishing the three lines of defence for operational risk management. A comprehensive risk data and information sharing mechanism has been established between and within each of these three lines of defence. The first line of defence comprises various business and management departments at all levels, which are the direct bearers and managers of operational risk, and are responsible for operational risk management within their respective areas. The second line of defence is the leading department responsible for operational risk management and measurement, guiding and supervising the operational risk management work of the first line of defence. The third line of defence is the Company's internal audit department, which supervises and evaluates the performance and effectiveness of the first and second lines of defence. During the Reporting Period, the Company strictly implemented the Administrative Measures on Operational Risk Management and other relevant internal control policies to reduce the risks of technical irregularities or human errors and enhance the effectiveness of operational risk management.

### **3.5.8 Reputational Risk Management**

The Company values its positive market image which has been built over the years. It actively implements effective measures to avoid and prevent from any harm to its reputation. The Company formulated the Administrative Measures on Reputational Risk Management (《聲譽風險管理辦法》). During the Reporting Period, the Company enhanced customer loyalty with its outstanding wealth management capability and at the same time, promoted its external publicity, actively performed social responsibilities and created multiple channels to communicate with the regulatory authorities, media, public and other stakeholders to strengthen the Company's core corporate values of "Professionalism, Integrity, Diligence and Accomplishment".

### **3.5.9 Other Risk Management**

The Company enhanced its foresight and adaptability and controlled the policy risks by analysing and researching on the national macroeconomic policies and industrial policies. A sound corporate governance structure, an internal control system and business operational procedures had been established to ensure complete and scientific workflow. The Company consistently strengthened the ideological education for its employees, fostered their awareness of diligence and dedication, and advanced their risk management concepts to prevent moral risks. At the same time, the Company strengthened the education of legal awareness and carried out extensive educational activities for all of its employees to strengthen their sense of occupational integrity. The Company also designated specific legal positions and engaged legal advisers on annual basis to control the legal risks effectively.

### 3.5.10 Anti-money Laundering Management

During the Reporting Period, the Company performed anti-money laundering obligations of the Company in accordance with the applicable anti-money laundering laws and regulations of the PRC and adopted its own Administrative Measures on Anti-Money Laundering (《反洗錢管理辦法》). Such measures set out the anti-money laundering system of the Company and regulate the anti-money laundering management of the Company, ensuring that the Company can perform the anti-money laundering obligations in accordance with the applicable anti-money laundering laws and regulations.

The Company established an Anti-Money Laundering Leading Work Group for anti-money laundering management, appointed the general manager of the Company as the chairperson of the group, and the chief risk officer who was responsible for legal and compliance matters as the vice chairperson of the group, and the people in charge of other relevant departments as members of the group. There is an anti-money laundering work office under the Anti-Money Laundering Leading Work Group, which comprises members from various departments of the Company, and is responsible for organising and conducting anti-money laundering management work.

Pursuant to the Company's Administrative Measures on Anti-Money Laundering, the Company has established a client identification system, which requires employees of the Company to effectively verify and continuously update the identification data of the Company's clients. For example, employees of the Company are required to conduct due diligence on the comprehensive background of potential clients, including verifying the validity of the identification data provided, such as the respective corporate certification for enterprises and individuals, or individual identity cards, as well as understanding sources of funds, liquidity and potential transaction purposes of such potential clients. Also, employees of the Company are required to continuously update such clients' identification data during its daily operation, in particular where there is any material change. Employees shall conduct further investigations if any irregularity is identified in connection with the clients' operational or financial status, or their usual transaction patterns, or there was any discrepancy between any new data available to the Company and the data previously provided to the Company, or any suspicious activities involving money laundering

or terrorist financing. The Company may terminate the business relationship with a client if it fails to provide it with the most updated and valid identification documents within a certain period upon the Company's request. The identification data of the Company's clients is recorded and archived in accordance with the relevant PRC laws. Such identification data and any information or materials relating to the Company's transactions and accounts with the Company would be kept for at least ten years after the relevant party ceases to be a client of the Company.

Furthermore, the Company's Administrative Measures on Anti-Money Laundering also specify certain criteria of determining a suspicious transaction and establish a suspicious transaction reporting system. Based on such criteria, business departments of the Company are required to immediately report to the Anti-Money Laundering Work Office of the Company if they identify any suspicious transaction during their daily operation. The Anti-Money Laundering Work Office is required to conduct investigation and analysis on the reported transaction. Once confirmed, it is required to report to the PRC Anti-Money Laundering Monitoring and Analysis Centre led by the PBOC in accordance with the relevant laws and regulations.

### **3.6 Capital Management**

The Company's capital management is centred on net capital and risk-based capital, with an objective to meet external regulatory requirements, balance the risk and return and maintain an appropriate level of liquidity.

The Company prudently determines the objectives of net capital and risk-based capital management that are in accordance with regulatory requirements and are in line with its own risk exposure. Generally, the capital management measures include adjustment of dividend distribution and raising new capital.

The Company monitors the net capital and risk-based capital regularly based on regulations issued by the NFRA. Effective from 20 August 2010, the Company started to implement the former CBIRC's regulation of "Measures for the Administration of Net Capital of Trust Companies" which was issued on the same day. Pursuant to this regulation, a trust company shall maintain its net capital at a level of no less than RMB200 million, the ratio of net capital to total risk-based capital at no less than 100%, and the ratio of net capital to net asset at no less than 40%. The Company reports the required capital information to the NFRA on a quarterly basis.

Total risk-based capital is defined as the aggregate of (i) risk-based capital of the Company's proprietary business; (ii) risk-based capital of the Company's trust business; and (iii) risk-based capital of the Company's other business, if any. The risk-based capital is calculated by applying a risk factor which ranges from 0% to 50% for the Company's proprietary business, and 0.1% to 9.0% for the Company's trust business.

As at 31 December 2025, the Company's net capital was approximately RMB9.27 billion, which is not less than RMB200 million; the total risk-based capital was approximately RMB2.96 billion; the ratio of net capital to total risk-based capital was 313.22%, which is not lower than 100%; and the ratio of net capital to net asset was 82.32%, which is not lower than 40%.

### **3.7 Future Prospect**

In 2026 and some time to come, the global economy will remain in a period of profound adjustment. Geopolitical conflicts will continue to disrupt industrial and supply chains, while trade protectionism and unilateralism will drive up global trade costs. Coupling with factors such as high global debt and policy divergence among major economies, the global economy is set to continue its slow growth with a significant increase in uncertainty. While artificial intelligence and green transformation are injecting new momentum into the global economy, potential risks such as industrial bubbles and financial volatility still require vigilance. The logic of global development is shifting towards a greater emphasis on security and resilience.

China's economy achieved steady progress in 2025, with significant achievements in cultivating new productive forces, continuously consolidating the foundation for high-quality development. Although the recovery of domestic demand is still fragile, some structural contradictions remain to be resolved, and there are external pressures, the fundamental long-term positive outlook for the economy remains unchanged, and core advantages such as its enormous market size and complete industrial system remain prominent. With precise macroeconomic control policies, more effective, robust and proactive fiscal policies, and moderately loose, flexible and appropriate monetary policies, coupled with the construction of a unified national market, the advancement of high-level opening-up, and the driving force of technological innovation and industrial upgrading, as well as the steady progress in resolving risks in key areas, China's economy will continue to unleash its growth potential and maintain a steady trend of high-quality development.

Finance is an important part of China's core competitiveness, and the trust industry, leveraging its institutional advantages of independent property ownership and risk isolation, shoulders a vital mission in serving Chinese-style modernisation. With the deepening of the "three categories" reform of trusts, supporting policies such as the registration of non-fund trust properties and tax incentives for charitable trusts have been gradually implemented, the industry's institutional safeguard system is continuously improving, and its transformation momentum is constantly strengthening. The trust industry is accelerating its focus on three core areas: asset services, asset management, and public welfare charitable trusts, further highlighting its functional value in serving national strategies and people's livelihood needs.

2026 marks the beginning of the "15th Five-Year Plan", a crucial year for the trust industry's deepening transformation, and a year of striving for quality and efficiency improvement for SITC. The Company will adhere to the "1+N" regulatory policy system in the trust industry, firmly return to the origin of trust, serve the real economy, seize opportunities in its original businesses such as asset service trusts and wealth management, deepen its integration with national strategies, the real economy, and people's livelihood needs, continuously improve its comprehensive risk management system, and achieve synchronised development with national strategies, industry progress, and social needs.

### **3.8 Key Tasks for 2026**

2026 is a year to anchor a good start of the "15th Five-Year Plan". SITC will take the spirit of the 20th National Congress of the Communist Party of China and its subsequent plenary sessions as the fundamental guideline, follow regulatory guidance, adhere to Lucion Group's strategy of "comprehensive financial services integrator" and "systematic financial solutions provider", take the Company's "15th Five-Year Plan" as its overall planning, focus on the key tasks of "risk mitigation" and "business transformation", and enhance its core capabilities in "risk disposal, asset services, and asset management", striving to become a leading professional trustee institution in its market segment with significant regional influence.

**Firstly, the Company will firmly accelerate business transformation and enhance its trustee service capabilities.** It will earnestly implement the Several Opinions on Strengthening Supervision and Preventing Risks to Promote High-Quality Development of the Trust Industry, strictly adhere to the new regulatory guidance of the “three categories”, focus on its trustee positioning, uphold the essential requirement of serving the real economy, and enhance its professional capabilities. Leveraging the advantages of Lucion Group’s construction of “comprehensive financial services integrator” and “systematic financial solutions provider”, the Company will deepen resource sharing and collaborative development with various segments within Lucion Group. For family trusts, the Company aims to build the best brand of Shandong and enhance asset allocation capabilities. By vigorously expanding family business, the Company aims to improve the marketing level of self-managed clients, integrate internal and external collaborative resources, and build a “synchronised” marketing system. In terms of capital market business, the Company will develop active management business, strengthen asset allocation and bond investment, optimise the sales system and build a business closed loop. Moreover, the Company will efficiently and effectively advance the Zhongrong Xinda bankruptcy restructuring service trust project, steadily expanding and replicating it in key scenarios within the province. With peer clients in the financial industry at the core, the Company will strengthen resource integration and business linkage, and promote the upgrading of channel cooperation towards resource empowerment.

**Secondly, the Company will adhere to its original mission, and improve differentiated competitiveness.** By firmly adhering to regional strategies and strengthening strategic coordination, the Company will anchor on core enterprises and key industrial chains, creating a sustainable business model that adapts to local endowments. It will also continue to focus on the “five major areas” of finance, anchor on major local strategies such as cultivating new productive forces and green and low-carbon development, and constantly introduce financial resources. Focusing on commercial prepayment fund, property services, elderly care industry prepayment and other areas of public concern, the Company will orderly expand prepayment-type fund service trusts, helping the government resolve social conflicts and prevent financial risks. It will also actively develop public welfare charitable trusts, and make every effort to fulfil the social responsibility of finance for the benefit of the people.

**Thirdly, the Company will firmly uphold the bottom line of risks, and cultivate financial culture with Chinese characteristics.** It will strictly control project access, prudently select counterparties, comprehensively strengthen regional, industry, and corporate concentration control, and optimise pricing strategies and risk control systems. The Company will strengthen post-loan management and near-term management to curb new risks, enhance monitor and prevention of public opinion and extreme situations, promptly disclose information and communicate with multiple parties, and hold those responsible for dereliction of duty in risk management accountable to ensure that all risk management measures are implemented effectively. It will cultivate a culture of compliance, strengthen compliance review, and firmly uphold the bottom line of zero tolerance for major compliance risks. Moreover, the Company will continue to promote the application of AI in areas such as contract review and anti-money laundering to build a smart defence line and conduct regular compliance training. By promoting the “Five Musts and Five Don’ts” of financial culture with Chinese characteristics, Lucion’s corporate culture, and trust culture to take root in the Company, it will transform cultural soft power into rigid support for the Company’s high-quality development.

**Fourthly, the Company will dynamically optimise its organisational structure, and improve the development, support and guarantee capabilities.** Based on the Company’s actual reform and transformation, it will adhere to a goal-oriented approach, dynamically optimise its organisational structure, and increase support for both original and transformed businesses. The Company will uphold the principle of streamlining back-office functions and supporting front-office functions, improve the multi-channel promotion mechanism, and strengthen talent support and guarantee. It will also fully leverage the guiding role of strategic planning and performance evaluation, and strictly implement performance assessments and incentives to foster a positive work environment. Actively exploring the deep application of AI technology in all areas of business management, the Company builds a “smart trust” platform to provide comprehensive support for business expansion, risk management and control, and employee capability enhancement.

#### 4. PROFITS AND DIVIDENDS

The Company's profits for the year ended 31 December 2025 are set out in the section headed "3. Management Discussion and Analysis – 3.3 Financial Overview" in this results announcement.

The Company will not declare the final dividend for the year 2025.

#### 5. DIRECTORS (THE "DIRECTORS") AND SENIOR MANAGEMENT OF THE COMPANY

The compositions of the Board of Directors and the senior management of the Company as at the date of this results announcement are as follows:

Members of the Board of Directors include Mr. Yue Zengguang (chairperson) as executive Director; Mr. Chen Liuyi (vice-chairperson) and Mr. Chen Xuebin as non-executive Directors; Mr. Zheng Wai, Ms. Zhang Haiyan and Ms. Liu Wanwen as independent non-executive Directors.

Members of the senior management of the Company include Ms. Zhou Jianqu as vice general manager; Mr. He Chuangye as vice general manager, secretary to the Board and company secretary; Mr. Wang Ping as chief financial officer; Mr. Tian Zhiguo as chief risk officer; Mr. Niu Xucheng, Mr. Lin Guanwei and Ms. Yuan Fang as vice general manager; Mr. Sun Botao as assistant to general manager.

During the Reporting Period and up to the date of this results announcement, the changes in the Directors, supervisors ("**Supervisors**") and senior management of the Company are as follows:

##### **Changes of Directors**

The qualification of Mr. Chen Liuyi as non-executive Director and vice chairperson of the Board of Directors was approved by the Shandong Office of the National Financial Regulatory Administration (the "**Shandong Office of the NFRA**") on 10 July 2025. Since then, Mr. Wang Zengye ceased to serve as non-executive Director and vice chairperson of the Board of Directors.

The qualification of Mr. Chen Xuebin as non-executive Director was approved by the Shandong Office of the NFRA on 30 July 2025.

Due to work adjustment, Ms. Duan Xiaoxu resigned as a non-executive Director and a member of the Audit Committee of the Board of Directors, with effect from 5 January 2026.

Upon the recommendation of the Board of Directors, Mr. Pan Liquan and Mr. Chen Ping have been proposed by the Board of Directors to be appointed as non-executive Directors. Mr. Pan Liquan and Mr. Chen Ping's qualifications as Directors are subject to the approval by shareholders of the Company (the "Shareholders") at the general meeting and the approval of the local office of the NFRA.

Mr. Chen Xuebin will cease to serve as a non-executive Director of the Company due to change of work arrangements. Before Mr. Chen Ping formally takes office upon the approval of his qualification, Mr. Chen Xuebin will continue to perform his duties as a Director.

Mr. Tian Zhiguo has been proposed by the Board of Directors to be appointed as an executive Director. Mr. Tian Zhiguo's qualification as a Director is subject to the approval by the Shareholders at the general meeting and the approval of the local office of the NFRA.

### **Changes of Supervisors**

During the Reporting Period, the Company resolved to cancel the Board of Supervisors and Supervisors. The Audit Committee shall exercise the functions and powers of the Board of Supervisors as stipulated by laws and regulations. The Procedural Rules for the Board of Supervisors and other corporate governance policies in relation to the Board of Supervisors were simultaneously abolished, and Mr. Guo Xiangzhong, Mr. He Shuguang, Ms. Diao Hongyi, Ms. Han Zhe, Ms. Wang Zhimei, Ms. Wang Qian, Ms. Li Yan, Mr. Wei Xiangyang and Ms. Wu Yi ceased to serve as Supervisors. The above matters in relation to the cancellation of the Board of Supervisors were considered and approved by the Shareholders at the 2025 first extraordinary general meeting held on 27 August 2025, and took effect from 10 November 2025 when the 2025 Amendments to the Articles of Association were approved by the Shandong Office of the NFRA.

### **Changes of Senior Management**

Mr. Tian Zhiguo has been appointed by the Board of Directors as the general manager of the Company. Mr. Tian's qualification as the general manager is subject to the approval by the local office of the NFRA. Prior to the approval of his qualification as the general manager, Mr. Tian temporarily acts as the general manager of the Company. The Board of Directors also appointed Mr. Tian to concurrently serve as the chief compliance officer of the Company, and his term of office as the chief compliance officer of the Company shall be the same as his term of office as the general manager of the Company. Once the appointment of the new chief risk officer of the Company becomes effective, Mr. Tian will cease to serve as the chief risk officer of the Company.

Save as disclosed above, there is no other information required to be disclosed under the Rule 13.51B(1) of the Listing Rules.

## 6. CORPORATE GOVERNANCE CODE

The Company is committed to maintaining high standard of corporate governance to safeguard the interests of the Shareholders and to enhance corporate value and accountability. The Company has adopted the Corporate Governance Code (the “**Corporate Governance Code**”) contained in Appendix C1 to the Listing Rules as its own corporate governance code.

Pursuant to Code C.2.1 of Part 2 of the Corporate Governance Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual.

During the Reporting Period, Mr. Yue Zengguang assumed the duties of chairperson of the Company. Since 25 December 2025, Mr. Yue Zengguang, being the chairperson of the Company, has temporarily assumed the duties of general manager of the Company. During the period in which Mr. Yue Zengguang assumed the duties of general manager, there was temporary deviation from the above-mentioned code provision of the Listing Rules. Notwithstanding the above-mentioned deviation, under the supervision of the Board of Directors, the Board of Directors was appropriately structured with balance of power to provide sufficient check and balance to protect the interests of the Company and the Shareholders during the relevant periods. Upon Mr. Tian’s temporarily acting as the general manager of the Company, Code C.2.1 of Part 2 of the Corporate Governance Code would be satisfied.

Save as disclosed above, during the Reporting Period, the Company has been in compliance with all code provisions as set out in the Corporate Governance Code. The Company will continue to review and monitor its corporate governance practice in order to ensure the compliance with the Corporate Governance Code.

## 7. MODEL CODE FOR CONDUCTING SECURITIES TRANSACTIONS

During the Reporting Period, the Company has also adopted its own code of conduct regarding securities transactions of Directors, Supervisors and employees on terms no less exacting than the standard as set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules. Upon specific enquiries made by the Company to all Directors and (former) Supervisors, each of the Directors and (former) Supervisors has confirmed that they had complied with the required standard as set out in the Model Code during the Reporting Period.

## **8. PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES**

During the Reporting Period, the Company did not purchase, sell or redeem any of the Company's listed securities.

## **9. SIGNIFICANT EVENTS**

### **9.1 Change of Registered Capital and Capital Structure and Change of Shareholding of Shareholders**

During the Reporting Period, there is no change in the Company's registered capital, capital structure or shareholding of the Shareholders.

### **9.2 Proposed Amendments to the Articles of Association, the Procedural Rules for the Board of Directors, the Procedural Rules for the Board of Supervisors and the Procedural Rules for the General Meetings**

On 15 December 2023, the China Securities Regulatory Commission issued the newly amended Guidelines for Articles of Association, and the further amended Company Law of the People's Republic of China (the "**PRC Company Law**") came into force on 1 July 2024. Amendments made under the new PRC Company Law include optimisation of corporate governance, enhancement in protection for minority shareholders, and strengthening of responsibilities and fiduciary duties of controlling shareholders, directors, supervisors and senior management members. A PRC issuer is required to make necessary amendments to its articles of association in accordance with the latest amendments to the PRC Company Law. Based on the aforesaid matters and in combination of the actual circumstances of the Company, the Board of Directors proposed to make amendments to the Articles of Association (the "**2024 Amendments to the Articles of Association**"). The 2024 Amendments to the Articles of Association have been considered and approved by the Shareholders at the 2024 first extraordinary general meeting held on 26 December 2024, and were approved by the Shandong Office of the NFRA on 30 May 2025.

Based on the 2024 Amendments to the Articles of Association, the Company also proposed to make corresponding amendments to the Procedural Rules for General Meetings, the Procedural Rules for the Board of Directors and the Procedural Rules for the Board of Supervisors. The amendments to the relevant Procedural Rules for General Meetings, the Procedural Rules for the Board of Directors and the Procedural Rules for the Board of Supervisors were considered and approved by the Shareholders at the 2024 first extraordinary general meeting held on 26 December 2024, and were effective from the same day of the approval of the 2024 Amendments to the Articles of Association.

In accordance with the PRC Company Law and the relevant provisions of the NFRA 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 Company's Procedural Rules for the Board of Supervisors and other corporate governance policies in relation to the Board of Supervisors were simultaneously abolished, and the current Supervisors no longer serve as Supervisors of the Company. In June 2025, in light of the above PRC regulatory changes, the relevant provisions of the NFRA regarding the cancellation of the Board of Supervisors, and the Company's actual circumstances, the Company decided to make further amendments to the Articles of Association (the "**2025 Amendments to the Articles of Association**"). The 2025 Amendments to the Articles of Association were considered and approved by the Shareholders at the 2025 first extraordinary general meeting held on 27 August 2025, and were approved by the Shandong Office of the NFRA on 10 November 2025. Since then, the Company no longer establishes the Board of Supervisors, and the Audit Committee exercises the functions and powers of the Board of Supervisors as stipulated by laws and regulations.

Based on the 2025 Amendments to the Articles of Association, the Company also proposed to make corresponding amendments to the Procedural Rules for General Meetings and the Procedural Rules for the Board of Directors. The amendments to the relevant Procedural Rules for General Meetings and the Procedural Rules for the Board of Directors were considered and approved by the Shareholders at the 2025 first extraordinary general meeting held on 27 August 2025, and were set to become effective from the same day of the approval of the 2025 Amendments to the Articles of Association.

Save for the above disclosure, during the Reporting Period and up to the date of this results announcement, there was no material change in the Articles of Association. A copy of Articles of Association is available on the websites of the Company and Hong Kong Stock Exchange.

### **9.3 Material Legal Proceedings and Arbitration**

As at 31 December 2025, the Company, being the plaintiff and applicant, was involved in 11 pending material litigations or arbitration cases, of which the amount in dispute was more than RMB10 million; the value of the litigation or arbitration cases in which the Company was involved totalled approximately RMB3,144.54 million. These cases were mainly brought by the Company against the relevant counterparty clients due to their failure to repay the loans granted by the Company's trusts.

As at 31 December 2025, the Company, being the defendant, was involved in two pending material litigation cases, of which the amount in dispute was more than RMB10 million; the value of the litigation cases in which the Company was involved totalled approximately RMB604.82 million. These cases were contractual disputes.

### **9.4 Material Acquisition, Disposal and Merger of Assets**

The Company entered into the agreement on the acquisition of assets by issuance of shares with Guolian Securities Co., Ltd. (renamed as Guolian Minsheng Securities Co., Ltd., a joint stock company established in the PRC with limited liability, with its A shares and H shares listed on the Shanghai Stock Exchange and the main board of the Hong Kong Stock Exchange (A share stock code: 601456, H share stock code: 01456) respectively) on 8 August 2024, pursuant to which the Company and Guolian Minsheng agreed that Guolian Minsheng shall acquire 132,715,017 shares of Minsheng Securities Co., Ltd. held by the Company through the acquisition of assets by issuing A shares at a consideration of RMB346.7124 million. Based on the consideration for the transfer, the number of additional A shares issued by Guolian Minsheng acquired by the Company under the transaction is 31,039,606 shares.

The transaction constitutes a notifiable transaction of the Company under Chapter 14 of the Listing Rules. Since one of the applicable percentage ratios (as defined under the Listing Rules) in respect of the acquisition of assets by issuance of shares and the transaction contemplated thereunder exceeds 5% but all are less than 25%, the transaction constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules, and is subject to the reporting and announcement requirements but is exempt from the circular and shareholders' approval requirements under the Listing Rules. The registration for the acquisition of shares of Guolian Minsheng by the Company was completed in January 2025.

On 12 September 2025, the Company entered into the transfer agreements with Lucion Venture Capital Group Co., Ltd. (“**Lucion Venture Capital**”) and Shandong High-Tech Venture Capital Co., Ltd. (“**Shandong High-Tech**”), respectively, pursuant to which the Company has conditionally agreed to sell, and each of Lucion Venture Capital and Shandong High-Tech has conditionally agreed to acquire, the limited partnership interest held by the Company in Shandong Lucion New and Old Kinetic Energy Conversion Venture Capital Parent Fund (Limited Partnership) (山東省魯信新舊動能轉換創投母基金合夥企業(有限合夥)) (the “**Target Interests in Parent Fund**”) and the limited partnership interest held by the Company in Anhui Lucion Wanhe Technology Innovation and Entrepreneurship Equity Investment Fund (Limited Partnership) (安徽魯信皖禾科技創新創業股權投資基金(有限合夥)) (the “**Target Interests in Wanhe Fund**”) at a consideration of RMB166.3849 million and RMB37.1588 million, respectively (the “**Transfers of Fund Interests**”). Pursuant to Chapter 14 of the Listing Rules, the Transfers of the Fund Interests constitute notifiable transactions of the Company. As Lucion Venture Capital and Shandong High-Tech are subsidiaries of Lucion Group, the controlling shareholder of the Company, they are connected persons of the Company under the Listing Rules. Accordingly, the Transfers of the Fund Interests constitute connected transactions of the Company under Chapter 14A of the Listing Rules. As the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the Transfers of the Fund Interests exceeds 5% while all application percentage ratios are below 25%, the Transfers of the Fund Interests constitute disclosable transactions and connected transactions of the Company, and are therefore subject to the reporting, announcement, circular and independent shareholders’ approval requirements under Chapter 14 and Chapter 14A of the Listing Rules.

The Transfers of Fund Interests were considered and approved by the independent Shareholders at the 2025 second extraordinary general meeting held on 7 November 2025. The changes in industrial and commercial registration for the transfers of the Target Interests in Parent Fund and the Target Interests in Wanhe Fund were completed in December 2025 and January 2026, respectively.

Save as disclosed in this results announcement, during the Reporting Period, the Company had no material assets acquisition, disposal and merger.

## **9.5 Entering into the Loan Framework Agreement**

On 13 February 2026, the Company entered into a loan framework agreement with Lucion Group (the “**Loan Framework Agreement**”), from the effective date of the Loan Framework Agreement to 31 December 2028. The outstanding financing (including accrued interest) under the Loan Framework Agreement shall not exceed RMB1,200 million. As Lucion Group is the controlling Shareholder of the Company, it is a connected person of the Company, and the Loan Framework Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules. As the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the proposed annual caps for the transactions contemplated under the Loan Framework Agreement exceeds 5%, the proposed transactions are subject to the reporting, announcement, annual review, circular (including independent financial advice) and independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules.

## **9.6 Penalties Imposed on the Company and its Directors, (Former) Supervisors and Senior Management**

During the Reporting Period, the Company and its Directors, (former) Supervisors and senior management have not been imposed any penalties.

## **9.7 Provisional Report on Material Issues**

During the Reporting Period, no provisional report in connection with material issues was made by the Company.

## **9.8 Important Information which the NFRA and its Provincial Offices Considered Necessary to Inform Clients and Stakeholders**

Save as disclosed in this results announcement, for the year ended 31 December 2025, the Company did not have other important information which the NFRA and its provincial offices considered necessary to inform clients and stakeholders.

## **9.9 Rectification Opinion Issued by the NFRA and its Local Offices upon Inspection of the Company**

In April, June to July, October and December 2025, the Shandong Office of the NFRA conducted quarterly on-site inspections of the Company’s business, and the Company actively cooperated with the regulatory authority to complete the inspection work.

In 2025, the Company received a total of 18 regulatory opinions documents, regulatory reminders and meeting minutes issued by the Shandong Office of the NFRA, concerning project management, risk disposal, case prevention and control and other aspects. The Company actively carried out rectification work in accordance with regulatory requirements, and relevant reports or rectification plans have been submitted to the regulatory authority in a timely manner.

## 10. EVENTS AFTER THE REPORTING PERIOD

Save as disclosed above, the Company had no material matters subsequent to the Reporting Period.

## 11. EXTRACT OF ANNUAL FINANCIAL STATEMENTS

The accompanying notes form part of the consolidated financial statements.

### 11.1 Consolidated Income Statement

		<i>Unit: RMB</i>	
Item	Notes	2025	2024
<b>I. Total operating income</b>		<b>722,413,411.58</b>	904,977,751.65
Net interest income	12	-9,734,707.98	-56,269,970.24
Including: Interest income	12	42,776,282.95	-3,639,078.45
Interest expense	12	52,510,990.93	52,630,891.79
Net fee and commission income	13	423,205,479.08	455,105,515.87
Including: Fee and commission income	13	429,649,747.01	459,426,322.53
Fee and commission expenses	13	6,444,267.93	4,320,806.66
Investment income (losses indicated in "-")	14	205,647,840.98	67,155,385.78
Including: Income from investment in associates and joint ventures		8,904,573.40	8,073,095.79
Net exposure hedging gains (losses indicated in "-")			
Other income			
Gains from changes in fair value (losses indicated in "-")	15	69,042,662.38	414,594,077.05
Gains from changes in net assets attributable to third-party investors in consolidated structured entities (losses indicated in "-")		22,978,722.78	5,906,373.52
Exchange gains (losses indicated in "-")		-0.25	0.22
Other operating income		11,273,414.59	18,612,242.10
Gains on disposal of assets (losses indicated in "-")			-125,872.65
<b>II. Total operating costs</b>		<b>636,863,804.75</b>	610,809,562.86
Taxes and surcharges	16	7,080,056.65	5,952,653.90
Business and administrative expenses	17	289,862,692.90	294,938,324.08
Credit impairment losses	18	325,407,932.42	301,959,065.81
Impairment losses on other assets			2,064,588.45
Other operating costs		14,513,122.78	5,894,930.62
<b>III. Operating profit (losses indicated in "-")</b>		<b>85,549,606.83</b>	294,168,188.79
Add: Non-operating income		49,798.46	470,213.12
Less: Non-operating expenses	19	8,892,444.25	81,044,438.73

Item	Notes	2025	2024
<b>IV. Total profit (total losses indicated in “-”)</b>		<b>76,706,961.04</b>	213,593,963.18
Less: Income tax expenses	20	<b>21,594,298.10</b>	70,799,078.13
<b>V. Net profit (net loss indicated in “-”)</b>		<b>55,112,662.94</b>	142,794,885.05
<b>(I) Categorized by the nature of continuing operations</b>		<b>55,112,662.94</b>	142,794,885.05
1. Net profit from continuing operations (net loss indicated in “-”)		<b>55,112,662.94</b>	142,794,885.05
2. Net profit from discontinued operations (net loss indicated in “-”)			
<b>(II) Categorized by ownership</b>		<b>55,112,662.94</b>	142,794,885.05
1. Net profit attributable to owner of the parent company (net loss indicated in “-”)		<b>55,112,662.94</b>	142,794,885.05
2. Profit or loss attributable to non-controlling interests (net loss indicated in “-”)			
<b>VI. Other comprehensive income, net of tax</b>		<b>-49,639,683.03</b>	4,553,090.25
Other comprehensive income attributable to the owner of the parent company, net of tax		<b>-49,639,683.03</b>	4,553,090.25
<b>(I) Other comprehensive income that cannot be reclassified to profit or loss</b>		<b>-47,723,394.22</b>	
1. Changes from recalculation of defined benefit plan			
2. Other comprehensive income that cannot be reclassified to profit or loss under equity method			
3. Change in fair value of other equity instrument investments		<b>-47,723,394.22</b>	
4. Change in fair value of credit risk of corporate			
5. Other			

Item	<i>Notes</i>	2025	2024
(II) Other comprehensive income that will be reclassified to profit or loss		<b>-1,916,288.81</b>	4,553,090.25
1. Other comprehensive income that can be reclassified to profit or loss under equity method		<b>-1,916,288.81</b>	3,606,393.84
2. Change in fair value of other debt investments			
3. Financial assets reclassified into other comprehensive income			946,696.41
4. Credit impairment provision for other debt investments			
5. Hedging reserves from cash flows (effective part of cash flow hedging profit or loss)			
6. Differences on translation of foreign currency financial statements			
7. Other			
Net other comprehensive income after tax attributable to non-controlling interests			
<b>VII. Total comprehensive income</b>		<b>5,472,979.91</b>	147,347,975.30
Total comprehensive income attributable to the owner of the parent company		<b>5,472,979.91</b>	147,347,975.30
Total comprehensive income attributable to non-controlling interests			
<b>VIII. Earnings per share</b>	<i>22</i>		
(I) Basic earnings per share (RMB/share)		<b>0.01</b>	0.03
(II) Diluted earnings per share (RMB/share)		<b>0.01</b>	0.03

## 11.2 Consolidated Balance Sheet

*Unit: RMB*

Item	Notes	31 December 2025	31 December 2024
<b>Assets:</b>			
Monetary assets	3	160,740,677.64	591,667,910.19
Clearing settlement funds			
Precious metals			
Interbank lendings			
Derivative financial assets			
Accounts receivable		91,718,417.66	98,664,849.77
Contractual assets			
Financial assets purchased under resale agreements	4	542,852,733.83	390,000,000.00
Assets classified as held for sale			
Loans and advances to customers	5	1,924,284,466.43	2,159,052,355.21
<b>Financial investments:</b>			
Financial assets held for trading	6	4,413,485,462.45	4,372,519,376.33
Debt investments	7	4,245,345,291.89	4,596,433,978.01
Other debt investments			
Other equity instrument investments	8	314,741,604.84	
Long-term equity investments	9	675,166,907.51	723,382,186.27
Investment properties		193,819,759.09	203,320,335.38
Fixed assets		28,975,245.90	36,517,936.29
Construction in progress			
Right-of-use assets		9,739,966.22	24,256,598.04
Intangible assets		47,187,868.66	43,302,244.59
Long-term amortisation expenses		3,141,251.80	14,272,552.24
Deferred income tax assets		582,661,232.50	588,347,732.53
Other assets		444,785,759.99	437,599,636.97
<b>Total assets</b>		<b>13,678,646,646.41</b>	<b>14,279,337,691.82</b>

Item	Notes	31 December 2025	31 December 2024
<b>Liabilities:</b>			
Short-term borrowings	10		280,484,583.34
Interbank borrowings			
Financial liabilities held for trading			
Derivative financial liabilities			
Financial assets sold under repurchase agreements			
Employment benefits payable		139,406,855.73	100,065,888.28
Taxes payable		55,776,104.19	63,816,059.58
Accounts payable		7,303,311.20	9,579,668.88
Contract liabilities			3,134,933.93
Liabilities held for sale			
Provisions	11	60,078,812.90	166,494,338.30
Long-term borrowings			
Bonds payable			
Including: Preferred shares			
Perpetual bonds			
Lease liabilities		3,780,060.31	16,344,167.70
Deferred income tax liabilities			
Other liabilities		2,170,102,586.39	2,402,692,116.03
<b>Total liabilities</b>		<b>2,436,447,730.72</b>	<b>3,042,611,756.04</b>
<b>Shareholder's equity:</b>			
Share capital		4,658,850,000.00	4,658,850,000.00
Other equity instruments			
Including: Preferred shares			
Perpetual bonds			
Capital reserve		160,049,183.05	160,049,183.05
Less: Treasury stock			
Other comprehensive income		-50,340,592.43	-700,909.40
Surplus reserve		1,024,034,359.60	1,017,412,674.90
Trust compensation reserve		774,365,593.89	767,743,909.19
General risk reserve		717,691,801.59	697,826,747.50
Undistributed profit		3,957,548,569.99	3,935,544,330.54
<b>Total shareholders' equity attributable to the parent company</b>		<b>11,242,198,915.69</b>	<b>11,236,725,935.78</b>
Minority interests			
<b>Total shareholder's equity</b>		<b>11,242,198,915.69</b>	<b>11,236,725,935.78</b>
<b>Total liabilities and shareholder's equity</b>		<b>13,678,646,646.41</b>	<b>14,279,337,691.82</b>

## 11.3 Notes to Consolidated Financial Statements

*(All amounts in RMB unless otherwise stated)*

### 1 BASIC INFORMATION ABOUT THE COMPANY

Shandong International Trust Co., Ltd. (the “**Company**”) is a non-bank financial institution incorporated in Shandong Province, the People’s Republic of China (the “**PRC**”) on 10 March 1987 with the approval from People’s Bank of China and Shandong Provincial Government.

The Company was transformed from a wholly state-owned company to a limited liability company in August 2002 and further transformed to a joint stock limited company in July 2015. The Company completed its public offering on 8 December 2017 and its shares were listed on the main board of the Hong Kong Stock Exchange on the same day. As of 31 December 2025, the share capital of the Company was 4,658,850,000.00 shares with a par value of RMB1 per share.

The Company belongs to the trust industry. As approved, the Company is principally engaged in trust business and proprietary business. Trust business is the Company’s core business. As the trustee, the Company accepts entrustment of funds and property from its trustor clients and manages such entrusted funds and property to satisfy its trustor clients’ investment and wealth management needs. The proprietary business focuses on allocating its proprietary assets into different asset classes and investing in businesses with strategic value to its trust business in order to maintain and increase the value of its proprietary assets.

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

Legal Representative: Yue Zengguang

Registered capital: RMB4,658.85 million

The parent company of the Company is Shandong Lucion Investment Holdings Group Co., Ltd. (“**Lucion Group**”). The controlling shareholder of Lucion Group is Shandong Provincial Department of Finance.

These financial statements were approved for reporting on 26 March 2026 by the Board of Directors of the Company.

## 2 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

### (1) Basis of preparation

The financial statements of the Group are prepared based on the actual transactions and events in accordance with the Accounting Standards for Business Enterprises issued by the Ministry of Finance and its application guidelines, interpretations and other relevant regulations (hereafter collectively referred to as the “ASBE”), the Information Disclosure and Preparation Rules for Companies that Offer Securities to the Public No. 15 – General Provisions on Financial Reports (2023 Revision) and related regulations issued by the China Securities Regulatory Commission (hereafter referred to as “CSRC”), and the disclosure requirements of the Hong Kong Companies Ordinance and the Listing Rules of the Hong Kong Stock Exchange.

### (2) Going concern

The Group has evaluated its ability to continue as a going concern for the 12 months from 31 December 2025, and has not found any events or conditions that may cast significant doubt on its ability to continue as a going concern. The financial statements are presented on a going concern basis.

## 3 MONETARY ASSETS

Item	Closing balance	Opening balance
Cash on hand		
Bank deposit	72,511,177.00	265,767,560.81
Other monetary assets	88,229,500.64	325,900,349.38
<b>Total</b>	<b>160,740,677.64</b>	<b>591,667,910.19</b>

Including: Total amount deposited overseas

*Note 1:* As of 31 December 2025, bank deposits attributable to the consolidated structured entities amounted to RMB50 million (31 December 2024: RMB58 million). These bank deposits belong to trust assets. According to the Trust Law of the People’s Republic of China, trust assets are separate from all properties owed by the trustee (the “**proprietary assets**”) and are separately managed and accounted.

*Note 2:* As of 31 December 2025, the Group did not have any frozen bank account funds.

*Note 3:* Other monetary assets are deposits with securities companies.

## 4 FINANCIAL ASSETS PURCHASED UNDER RESALE AGREEMENTS

Item (Investee)	Closing balance	Opening balance
Reverse repurchase of government bonds	542,852,733.83	390,000,000.00
Less: bad debt reserve		
<b>Total book value</b>	<b>542,852,733.83</b>	<b>390,000,000.00</b>



Item	Book balance	Opening balance Loss allowance	Book value
Principal Accrued interests	7,159,613,909.85	2,563,179,931.84	4,596,433,978.01
Total	<u>7,159,613,909.85</u>	<u>2,563,179,931.84</u>	<u>4,596,433,978.01</u>

## 8 OTHER EQUITY INSTRUMENT INVESTMENTS

### Other equity instrument investments

Increase or decrease in current year

Item	Opening balance	Increase in investment	Decrease in investment	Gains recognised in other comprehensive income for the year	Losses recognised in other comprehensive income for the year	Others	Closing balance	Dividend income recognised in the current year	Cumulative gains recognised in other comprehensive income as at the end of the current year	Cumulative losses recognised in other comprehensive income as at the end of the current year	Reason for FVTOCI designation
Guolian Minsheng		378,372,797.14			63,631,192.30	314,741,604.84				63,631,192.30	The Company's strategy is to hold the investment for long term
Total		<u>378,372,797.14</u>			<u>63,631,192.30</u>	<u>314,741,604.84</u>				<u>63,631,192.30</u>	

## 9 LONG-TERM EQUITY INVESTMENTS

Item	Closing balance	Opening balance
Associates accounted for using equity method	<b>410,731,783.51</b>	403,743,498.92
Enterprises invested by the consolidated structured entities	<u>264,435,124.00</u>	<u>319,638,687.35</u>
<b>Total</b>	<u><b>675,166,907.51</b></u>	<u>723,382,186.27</u>

## 10 SHORT-TERM BORROWINGS

### (1) The category of short-term borrowings

Category	Closing balance	Opening balance
Borrowing from China Trust Protection Fund Co., Ltd.		<u>280,484,583.34</u>
<b>Total</b>		<u><b>280,484,583.34</b></u>

### (2) The Group had no overdue and outstanding short-term borrowings at the end of the year.

## 11 PROVISIONS

Item	Closing Balance	Opening balance	Reason
Litigation compensation	<u>60,078,812.90</u>	<u>166,494,338.30</u>	Litigation
<b>Total</b>	<b><u>60,078,812.90</u></b>	<b><u>166,494,338.30</u></b>	

*Note 1:* On 22 May 2023, the Intermediate People’s Court of Binzhou City, Shandong Province issued a judgment on the case of a civil private lending dispute between Shandong Qixing Real Estate Company (“**Shandong Qixing**”) and Rizhao Hainadijing Real Estate Co., Ltd. (“**Rizhao Dijing**”), Shandong Haina Real Estate Co., Ltd. (“**Haina Real Estate Company**”) and our Company, which upheld the first instance judgment that our Company shall assume the supplementary compensation liability for the payment of the loan principal of RMB100 million and related interest by Rizhao Dijing to Shandong Qixing. On 23 January 2025, a judicial deduction of RMB115,000,000.00 was recorded. The Company has made provision for estimated liabilities of RMB20,821,167.16 based on the progress of the remaining portion.

*Note 2:* On 25 December 2023, the Intermediate People’s Court of Rizhao City, Shandong Province issued a judgment on the case of dispute of shareholders damage to the interests of the Company creditors between Rizhao Dianjin Supply Chain Management Co., Ltd. (“**Rizhao Dianjin**”) (日照點金供應鏈管理有限公司) and Haina Real Estate Company, Shanghai Nuosheng Investment Management Co., Ltd. (上海諾晟投資管理有限公司) and our Company, which upheld the first instance judgment. In September 2024, the Higher People’s Court of Shandong Province rejected the retrial application. The Company has made provision for estimated liabilities of RMB5,467,867.96 based on the current progress.

*Note 3:* On 11 July 2024, the People’s Court of Donggang District, Rizhao City issued a first instance judgment on the case of dispute of shareholders damage to the interests of the Company creditors between Qixing Group Co., Ltd. (“**Qixing Group**”) and Haina Real Estate Company and our Company, which ruled that our Company shall assume the supplementary compensation liability for the portion of the debt owed by Rizhao Dijing to the plaintiff Qixing Group that could not be paid off. Our Company appealed against the judgment, and on 8 November 2024, the Intermediate People’s Court of Rizhao City issued a judgment, which upheld the first instance judgment. The Company has made provision for estimated liabilities of RMB33,789,777.78 based on the current progress.

**12 NET INTEREST INCOME**

Item	Year 2025	Year 2024
<b>Interest Income</b>	<b>42,776,282.95</b>	-3,639,078.45
Including: Cash and bank balances	<b>1,039,377.89</b>	1,459,611.23
Loans and advances to customers	<b>22,192,507.76</b>	2,971,102.37
Debt investments	<b>12,502,282.82</b>	-14,538,716.01
Financial assets purchased under resale agreements	<b>6,929,320.50</b>	6,302,039.38
Others	<b>112,793.98</b>	166,884.58
<b>Interest expense</b>	<b>52,510,990.93</b>	52,630,891.79
Including: Borrowings	<b>41,866,807.99</b>	46,721,590.98
Income attributable to third-party trust beneficiaries in consolidated structured entities	<b>9,889,420.55</b>	3,607,314.26
Others	<b>754,762.39</b>	2,301,986.55
	<u><b>-9,734,707.98</b></u>	<u><b>-56,269,970.24</b></u>
<b>Net interest income</b>	<b>-9,734,707.98</b>	-56,269,970.24

**13 NET FEE AND COMMISSION INCOME**

Item	Year 2025	Year 2024
<b>Fee and commission income</b>	<b>429,649,747.01</b>	459,426,322.53
Including: Trustee's remuneration	<b>368,870,262.68</b>	406,969,985.78
Others	<b>60,779,484.33</b>	52,456,336.75
<b>Fee and commission expenses</b>	<b>6,444,267.93</b>	4,320,806.66
Including: Guarantee fee	<b>5,900,071.71</b>	4,036,268.68
Others	<b>544,196.22</b>	284,537.98
	<u><b>423,205,479.08</b></u>	<u><b>455,105,515.87</b></u>
<b>Net fee and commission income</b>	<b>423,205,479.08</b>	455,105,515.87

**14 INVESTMENT INCOME**

Item	Year 2025	Year 2024
Long-term equity investment income accounted for using equity method	<b>8,904,573.40</b>	8,073,095.79
Investment income from holding financial assets	<b>103,623,898.87</b>	52,216,043.08
Investment income from disposal of long-term equity Investments	-	6,818,678.42
Investment income from disposal of financial assets	<b>93,119,368.71</b>	47,568.49
	<u><b>205,647,840.98</b></u>	<u><b>67,155,385.78</b></u>
<b>Total</b>	<b>205,647,840.98</b>	67,155,385.78

**15 GAINS FROM CHANGES IN FAIR VALUE**

<b>Source of gains from changes in fair value</b>	<b>Year 2025</b>	<b>Year 2024</b>
Financial assets held for trading	<b>124,246,225.73</b>	417,433,816.70
Enterprises invested by the consolidated structured entities	<b>-55,203,563.35</b>	-2,839,739.65
<b>Total</b>	<b><u>69,042,662.38</u></b>	<b><u>414,594,077.05</u></b>

**16 TAXES AND SURCHARGES**

<b>Item</b>	<b>Year 2025</b>	<b>Year 2024</b>
City maintenance and construction tax	<b>1,851,904.32</b>	1,258,693.51
Education surcharges	<b>793,673.33</b>	539,440.09
Regional education surcharges	<b>529,115.60</b>	359,626.71
Property tax	<b>2,094,453.75</b>	2,475,518.17
Stamp tax	<b>1,638,014.53</b>	1,145,856.08
Urban land use tax	<b>167,945.12</b>	168,569.34
Vessel and vehicle tax	<b>4,950.00</b>	4,950.00
<b>Total</b>	<b><u>7,080,056.65</u></b>	<b><u>5,952,653.90</u></b>

**17 BUSINESS AND ADMINISTRATION FEES**

<b>Item</b>	<b>Year 2025</b>	<b>Year 2024</b>
Employee benefits	<b>171,672,274.91</b>	162,217,638.22
Depreciation and amortisation	<b>55,608,219.47</b>	60,326,553.49
Legal and professional fees	<b>10,043,774.35</b>	14,749,688.98
Network fees	<b>16,350,171.43</b>	18,514,325.19
Promotional expenses	<b>3,508,174.62</b>	4,846,604.90
Lease charges	<b>4,577,424.11</b>	6,252,141.30
Business hospitality expenses	<b>1,724,338.38</b>	3,310,207.40
Travel expenses	<b>3,336,243.72</b>	3,944,967.44
Office expenses	<b>1,186,130.24</b>	1,003,874.46
Others	<b>21,855,941.67</b>	19,772,322.70
<b>Total</b>	<b><u>289,862,692.90</u></b>	<b><u>294,938,324.08</u></b>

*Note:* Among the legal and professional service fees, the audit fee was RMB943,396.23 and RMB943,396.23 for current year and previous year respectively.

**18 CREDIT IMPAIRMENT LOSSES**

<b>Item</b>	<b>Year 2025</b>	<b>Year 2024</b>
Loss on bad debts of accounts receivable	<b>3,292,906.22</b>	-8,680,954.07
Loss on bad debts of other receivables	<b>3,961,570.93</b>	6,666,921.98
Impairment losses on loans and advances to customers	<b>48,107,073.54</b>	67,124,502.73
Impairment losses on debt investments	<b>258,310,887.19</b>	218,965,766.98
Impairment losses on investment in artworks	<b>11,735,494.54</b>	17,882,828.19
<b>Total</b>	<b><u>325,407,932.42</u></b>	<b><u>301,959,065.81</u></b>

**19 NON-OPERATING EXPENSES**

<b>Item</b>	<b>Year 2025</b>	<b>Year 2024</b>	<b>Amount included in non-recurring profit or loss for the year</b>
Compensation cost	<b>8,864,321.76</b>	81,007,902.28	8,864,321.76
Losses on retirement of non-current assets	<b>23,410.32</b>	35,013.56	23,410.32
Others	<b>4,712.17</b>	1,522.89	4,712.17
<b>Total</b>	<b><u>8,892,444.25</u></b>	<b><u>81,044,438.73</u></b>	<b><u>8,892,444.25</u></b>

**20 INCOME TAX EXPENSES**

<b>Item</b>	<b>Year 2025</b>	<b>Year 2024</b>
Income tax expense for the year		61,732,407.29
Deferred income tax expenses	<b>21,594,298.10</b>	9,066,670.84
<b>Total</b>	<b><u>21,594,298.10</u></b>	<b><u>70,799,078.13</u></b>

**21 DIVIDEND**

No dividends were paid, declared or proposed by the Company during the year ended 31 December 2025 (the year ended 31 December 2024: Nil), nor has any dividend been proposed since the end of the Reporting period. The Directors of the Company have determined that no dividend will be paid in respect of the year ended 31 December 2025.

## 22 EARNINGS PER SHARE

### (1) Basic earnings per share

Item	Amount for the year	Amount for the previous year
Net profit attributable to ordinary shareholders of the parent company	55,112,662.94	142,794,885.05
Weighted average number of ordinary shares in issue	<u>4,658,850,000.00</u>	<u>4,658,850,000.00</u>
Basic earnings per share	<u>0.01</u>	<u>0.03</u>

### (2) Diluted earnings per share

For the twelve months ended 31 December 2025, there were no potential diluted ordinary shares and therefore the diluted earnings per share were the same as the basic earnings per share.

## 23 MATTERS AFTER THE BALANCE SHEET DATE

As of the date when the financial report was approved for issuance, the Group had no material matters after the balance sheet date.

## 12. THE AUDIT COMMITTEE

The Audit Committee has reviewed the accounting principles and conventions adopted by the Company with the management and the Company's external auditor. The Audit Committee has reviewed the annual results for the year ended 31 December 2025.

### **13. ARRANGEMENT FOR ISSUING CORPORATE COMMUNICATIONS ELECTRONICALLY**

The Company has adopted an arrangement for the electronic dissemination of corporate communications. Please note that all corporate communications (including annual reports) in English and Chinese are only available on the Company's website ([www.sitic.com.cn](http://www.sitic.com.cn)) and the Hong Kong Stock Exchange website ([www.hkexnews.hk](http://www.hkexnews.hk)), with no printed versions provided. Shareholders should proactively check the Company's website and the Hong Kong Stock Exchange website to stay informed about the release of corporate communications. To ensure timely receipt of Actionable Corporate Communications (as defined in the Listing Rules), the Company recommends that Shareholders provide their email addresses to the Company. The method for providing email addresses is detailed in the shareholder notification letter and reply slip published on the Company's website. If Shareholders wish to receive the printed version of corporate communications, please complete and return the reply slip in accordance with the instructions contained in the shareholder notification letter and reply slip.

### **14. ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2025 PUBLISHED ON THE HONGKONG STOCK EXCHANGE'S WEBSITE AND THE COMPANY'S WEBSITE**

The annual results announcement for the year ended 31 December 2025 is published on the website of the Hong Kong Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company's website ([www.sitic.com.cn](http://www.sitic.com.cn)). The annual report for the year ended 31 December 2025 which contains all information required by the Listing Rules will be published on the Hong Kong Stock Exchange's website and the Company's website in due course.

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

Jinan, the People's Republic of China  
26 March 2026

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