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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)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2026

The board of directors (the "**Board of Directors**") of Shandong International Trust Co., Ltd. (the "**Company**" or "**SITC**") is pleased to announce the unaudited consolidated results of the Company for the six months ended 30 June 2026 (the "**Reporting Period**"). The content of this interim 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 interim results and the China Accounting Standards for Business Enterprises (the "**CASBE**"). Such interim results have also been reviewed and confirmed by the Board of Directors and the audit committee of the Board of Directors (the "**Audit Committee**"). Unless otherwise stated, financial data of the Company are presented in Renminbi ("**RMB**").

In this interim 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 interim results announcement, the Chinese version shall prevail.

1. BASIC CORPORATE INFORMATION

1.1 Basic Information

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

1.2 Contact Person and Contact Details

Secretary to the Board of Directors	He Chuangye (賀創業)
Company secretary	He Chuangye (賀創業)
Registered office	Partial area of 1/F, 2/F and 13/F, 32-35/F and 40/F, Tower A No. 2788 Aoti West Road, Lixia District Jinan, Shandong Province PRC
Postal code	250101
E-mail address	ir1697@luxin.cn
International Internet website	http://www.sitic.com.cn
Principal place of business in Hong Kong	31/F, Tower Two, Times Square 1 Matheson Street Causeway Bay, Hong Kong, PRC

2. SUMMARY OF FINANCIAL DATA

2.1 Summary of Unaudited Interim Condensed Consolidated Income Statement

Item	Note	For the six months ended 30 June 2026	2025
		(RMB in thousands)	
I. Total operating income		**-101,843**	633,861
Net Interest Income	*13*	**-14,464**	-7,835
Including: Interest income	*13*	**9,528**	17,843
Interest expense	*13*	**23,992**	25,678
Net fee and commission income	*14*	**192,256**	225,626
Including: Fee and commission income	*14*	**192,328**	227,944
Fee and commission expenses	*14*	**72**	2,318
Investment income	*15*	**154,588**	84,011
Including: Income from investment in associates and joint ventures		**7,014**	3,410
Gains from changes in fair value	*16*	**-437,751**	319,318
Gains from changes in net assets attributable to third-party investors in consolidated structured entities		**-1,025**	6,697
Other operating income		**4,211**	6,044
Gains on disposal of assets		**342**	–
II. Total operating costs		**104,000**	358,508
III. Operating profit		**-205,843**	275,353
Add: Non-operating income		**106**	50
Less: Non-operating expenses	*19*	**1,782**	45,001
IV. Total profit		**-207,519**	230,402
Less: Income tax expenses	*20*	**-88,802**	62,983
V. Net profit		**-118,717**	167,419
VI. Total comprehensive income		**-152,473**	110,717
Total comprehensive income attributable to shareholders of the parent company		**-152,473**	110,717

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

2.2 Summary of Unaudited Interim Condensed Consolidated Balance Sheet

Item	**30 June 2026**	31 December 2025 (Audited)
	(RMB in thousands)	
Total assets	**14,171,996**	13,678,647
Total liabilities	**3,082,270**	2,436,448
Total shareholders' equity	**11,089,726**	11,242,199
Total liabilities and shareholders' equity	**14,171,996**	13,678,647

2.3 Summary of Unaudited Interim Condensed Consolidated Statement of Cash Flows

Item	**For the six months ended 30 June**	
	2026	2025
	(RMB in thousands)	
Net cash flows from operating activities	**1,300,648**	34,134
Net cash flows from investing activities	**-1,313,694**	28,151
Net cash flows from financing activities	**684,016**	-194,613
Net increase in cash and cash equivalents	**670,970**	-132,328
Add: Balance of cash and cash equivalents at the beginning of the period	**160,741**	476,668
Balance of cash and cash equivalents at the end of the period	**831,711**	344,340

3. MANAGEMENT DISCUSSION AND ANALYSIS

3.1 Environment Review

Since 2026, the external environment has been intertwined with volatility and complexity, global economic growth momentum has been weak, geopolitical conflicts have occurred frequently, economic performance among major economies has diverged, and global financial market risk sentiment has been sensitive. China's high-quality economic development has advanced toward innovation and excellence, with GDP in the first half of the year reaching RMB69.6 trillion, representing a year-on-year growth of 4.7%. The synergy between economic growth and price movements has strengthened, and the contribution rate of new growth drivers to economic growth exceeded 40%. China's cultivation of new productive forces has achieved remarkable results, and the foundation for high-quality development has been continuously consolidated. Although the foundation for the recovery of domestic demand is not yet solid, certain structural contradictions remain to be resolved, and pressure from external environmental transmission persists, the fundamental trend of long-term economic improvement remains unchanged, and core advantages such as a massive market scale and a comprehensive industrial system remain prominent.

China's financial sector has thoroughly implemented the decisions and plans of the Party Central Committee and the State Council, planning and advancing its work in a systematic, macroeconomic, and forward-looking manner. It has supported stable economic growth, high-quality development, and the smooth operation of financial markets, strengthened overall planning and policy implementation for the "five major areas" of finance, and intensified support for major national strategies, key areas, and weak links of economic and social development. It has also enhanced the quality and efficiency of financial services supporting technology innovation, green development, and inclusive public welfare, laying a solid financial foundation for the high-quality development of China's economy.

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. According to data on www.usetrust.com, as at the end of 2025, the aggregate scale of trust assets managed by the trust companies that have published their annual reports was approximately RMB34 trillion, representing an increase of approximately 24% as compared with the end of 2024. 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 scale of securities investment trusts amounted to RMB16.29 trillion, accounting for approximately 60% of fund trusts, 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, charitable trusts, and pension 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 the first half of 2026, in the face of multiple challenges, such as increasing uncertainties in the external environment, intensified market competition, and overall downward pressure on industry development, the Company strictly adhered to regulatory directives. Closely aligning with the 15th Five-Year Plan, the Company strategically planned, coordinated and advanced its business transformation, reform, and development. Overall, the Company demonstrated a development momentum characterised by making progress while maintaining stability and accelerating transformation.

Firstly, the Company focused on returning to its original business, speeding up the release of transformational momentum. Strategic business volume and quality improved simultaneously, and positive progress was made in the layout of new tracks. In terms of family trusts, the business scale increased steadily, with the existing scale exceeding RMB77 billion as of the end of June 2026. The Company focused on strengthening the construction of an independent investment allocation system, completing the development and backtesting of major asset allocation strategies. It implemented the largest charitable trust in Shandong Province, with the initial scale exceeding RMB50 million, further demonstrating its professional service capabilities in the field of public welfare and charity. In the meantime, the standardised product business maintained a good growth trend, with the existing scale exceeding RMB130 billion as of the end of June 2026. The Company strengthened its market-oriented fixed-income team, deepened cooperation with financial peers, and was recognised as a top 100 bond trading institution by the Shanghai Stock Exchange. Risk disposal service trusts achieved further breakthroughs, with the Zhongrong Xinda reorganisation trust fully implemented and the newly won bid for another major project in Shandong Province, continuously enhancing the Company's comprehensive service capability in regional risk resolution. At the same time, the Company established a dedicated task force mechanism to proactively plan new business tracks, coordinate and advance strategic businesses such as pension trusts and real estate trusts, actively promote policy breakthroughs, explore pension finance cooperation models with local elderly care enterprises and life insurance companies, and accelerate business incubation.

Secondly, the Company continued to deepen ecological synergy, and a comprehensive business development pattern has initially taken shape. The Company actively promoted the transition from decentralised business operations to collaborative win-win outcomes, continuously deepening collaborative cooperation in areas such as bond investment, investment-growth linkage, investment research, and non-performing asset disposal. The internal collaborative business scale with Shandong Lucion Investment Holdings Group Co., Ltd. ("**Lucion Group**", the parent company of the Company) exceeded RMB7 billion, earning the title of "Benchmark Company for Collaboration". In terms of peer channel construction, the Company adhered to a tiered and classified precision marketing strategy, maintained deep cooperation with several large banks and wealth management subsidiaries, and saw a steady increase in the cooperation scale of businesses such as family trusts and standardised products. It actively expanded channels with city commercial banks and rural commercial banks within the province, continuously broadened the cooperation coverage of wealth management service trusts and standardised products, and constantly strengthened the support on the funding end.

Thirdly, the Company adhered to bottom-line thinking, and the comprehensive risk management system was continuously improved. Upholding a prudent and cautious risk management philosophy, the Company continuously fortified the security barrier for transformational development. It strengthened pre-approval processes, improved approval quality, and optimised the application of risk management tools such as risk appetite monitoring and stress testing. Credit risk control was continuously strengthened, with warehousing standards for credit bonds further tightened. The Company partnered with professional institutions to build a bond credit rating system, steadily elevating the professional level of risk control in the fixed-income business. The compliant sales mechanism was continuously improved, making investor rights protection more robust. The data security protection system was simultaneously upgraded, introducing data security management systems and continuously reinforcing the information security barrier.

Fourthly, the Company deepened the strategy of strengthening the enterprise through talent and cultural enhancement, with endogenous development vitality continuously strengthened. Guided by the "Year of Enhancing the Enterprise through Talent" and the "Year of Corporate Culture Enhancement", the Company systematically advanced organisational reform and internal control optimisation. It streamlined its organisational structure and management chain, established business centres in Shanghai and Qingdao, orderly advanced the major operational reform of standardised products, and continuously improved the highly efficient coordination mechanism among the front, middle, and back offices. The Company adhered to an employment orientation that allows for both promotion and demotion, optimised the performance appraisal and incentive mechanism, and introduced supporting policies such as cross-departmental collaborative business development, all-staff marketing, and middle-office assessments, effectively stimulating organisational vitality. In terms of corporate culture, it benchmarked against industry leaders to enhance the quality and efficiency of brand communication, cultivated content quality, and continuously consolidated its brand influence and industry reputation. Using AI innovation as an engine, the integration of technology and business was continuously deepened, accelerating the promotion of AI from technical verification to scaled value creation. The Company independently developed the "AI Smart Traceability and Analysis System for Regulatory Reporting", integrated AI technology into the production of investor education and brand promotion videos, and utilised digital means to comprehensively enhance customer reach capabilities and brand communication effectiveness.

In the first half of 2026, the Group recorded total operating income of RMB-101.8 million, representing a year-on-year decrease of RMB735.7 million; net loss amounted to RMB118.7 million, as compared to net profit of RMB167.4 million for the corresponding period of last year, primarily due to the losses arising from changes in fair value of financial assets at fair value through profit or loss held by the Company (mainly certain securities investments) during the Reporting Period.

The Group's business segments are (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:

	For the six months ended 30 June			
	2026		2025	
	Amount	**%**	Amount	%
	(RMB in thousands, except for %)			
Trust business				
Operating income	**192,715**	**–**	227,821	35.9%
Segment income	**192,715**	**–**	227,821	35.9%
Proprietary business				
Operating income	**-294,558**	**–**	406,040	64.1%
Non-operating income	**106**	**–**	50	–
Segment income	**-294,452**	**–**	406,090	64.1%
Total	**-101,737**	**–**	633,911	100.0%

In the first half of 2026, the income from the trust business of the Company amounted to RMB192.7 million, and the loss from proprietary business amounted to RMB294.5 million.

3.2.1 Trust Business

Classification of Trusts

With the flexible trust arrangements under the 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. Among them, 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 enable 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 management 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 provided financing, 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:

	30 June 2026		31 December 2025	
	Number	**AUM**	Number	AUM
		(AUM: RMB in millions)		
Financing trusts	**194**	**36,554**	194	34,294
Investment trusts	**1,816**	**161,428**	1,876	114,212
Administrative management trusts	**1,314**	**143,688**	1,156	62,019
Total	**3,324**	**341,670**	3,226	210,525

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 RMB40,678 million (30 June 2026) and RMB35,866 million (31 December 2025). As at 30 June 2026 and 31 December 2025, the AUM of the Company (including the size of premium trusts) amounted to RMB382,348 million and RMB246,391 million, respectively.

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

	For the six months ended 30 June			
	2026		2025	
	Revenue	**%**	Revenue	%
	(Revenue: RMB in millions)			
Financing trusts	**78**	**40.6**	118	51.8
Investment trusts	**75**	**39.1**	65	28.5
Administrative management trusts	**39**	**20.3**	45	19.7
Total	**192**	**100.0**	228	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 trust 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 accepts the joint entrustment of 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 schemes, 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 that accepts the entrustment of a single natural person, or accepts the joint entrustment of a single natural person and his/her family, with the relevant 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 2026, the domestic localisation of family trusts has gone through more than a decade, 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 works to expand financial industry cooperation, internal and external linkage to improve customer service ability, and construct a service ecosystem. At present, the Company has established strategic cooperation relationship 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 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 30 June 2026, the Company had established approximately 7,000 family trusts, family service trusts and premium trusts, with an existing scale of approximately RMB77 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 entities 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 Management Product Service Trusts

Entrusted by the asset management product managers, trust companies provide administrative management 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 the first half of 2026, the bankruptcy reorganisation service trust project of Zhongrong Xinda, which the Company won the bid, was fully implemented. Together with the newly won bid for another major project in Shandong Province, the Company's capability in regional risk resolution was effectively enhanced.

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.

Asset Management Trusts

Asset 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 Asset 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, hybrid, equity, commodity 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.

As at 30 June 2026, the Company's capital market trust business exceeded RMB130 billion in total. With a series of capital market deepening reform measures, the construction of China's multi-level capital market has been improved day by day, which provides a broad development platform and market space for trust companies to vigorously expand this kind of business.

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 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 and other ways. 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, accounts receivable 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 30 June 2026, the Company has established 79 charitable trusts with a cumulative delivery scale of approximately RMB269 million, and has used trust funds of approximately RMB55.77 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, the Company 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. According to the Briefing on the Development of Charitable Trusts in the First Half of 2026 released by the China Charity Alliance, Shandong Province ranked among the top three nationwide in both the number and scale of newly added charitable trusts, and a charitable trust established by SITC of over RMB50 million ranked fourth in scale among newly established charitable trusts nationwide in the first half of the year. In June 2026, at the 2026 Asset Management and Wealth Management Industry Development Conference and the 6th "Golden Honour Award" Ceremony hosted by Puyi Standard, the Rural Revitalisation Series Charitable Trust established by the Company won the "Outstanding Charitable Trust Award", marking the sixth consecutive year that the Company has received the "Golden Honour Award". The Company 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 the first half of 2026, to implement the Company's strategic development plan and further improve the quality of proprietary assets, the Company made scientific deployment and steadily carried out investment operations. Firstly, the Company optimised investment plans by exiting underperforming assets, and actively engaging in the financial equity investment, laying a solid foundation for the Company's sustainable development. Secondly, the Company actively responded to regulatory policy requirements, further optimised its asset structure, and continuously enhanced the compliance of its proprietary business operations. Thirdly, under the premise of ensuring safety and liquidity, the Company provided solid guarantees for the channel construction and new business expansion of its core trust business through diversified investments. The Company recorded segment loss of RMB294.5 million from its proprietary business in the first half of 2026, as compared to gain of RMB406.1 million for the corresponding period of last year, mainly due to: (1) the decrease in the gains from changes in fair value from gains of RMB319.3 million in the first half of 2025 to losses of RMB437.8 million in the first half of 2026; and (2) the increase in investment income from RMB84.0 million in the first half of 2025 to RMB154.6 million in the first half of 2026.

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**", formerly known as China Banking and Insurance Regulatory Commission (the "**CBIRC**")) 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 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 of Directors. 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 purchased under agreements to resell 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:

	30 June 2026	31 December 2025 (Audited)
	(RMB in thousands)	
Investments in Monetary Assets	**912,376**	653,207
Cash at banks	**29,942**	22,508
Other monetary assets	**755,664**	87,846
Government bonds purchased under agreements to resell	**126,770**	542,853
Securities Investments	**10,104,183**	9,937,055
Investment in equity products	**2,940,026**	1,896,462
Listed stock investment classified as:		
−Financial assets held for trading	**2,889,306**	1,801,404
Subtotal	**2,889,306**	1,801,404

	30 June 2026	31 December 2025 (Audited)
	(RMB in thousands)	
Public fund investments classified as:		
−Financial assets held for trading	**50,720**	95,058
Subtotal	**50,720**	95,058
Investment in wealth management products		
Investments in consolidated trust schemes	**3,514,392**	4,555,803
Investment in unconsolidated trust schemes classified as financial assets held for trading	**144,135**	156,326
Investment in unconsolidated trust schemes classified as debt investments	**189,241**	174,577
Other financial investment classified as debt investments	**2,352,173**	2,290,475
Bond investments	**–**	2
Asset management products	**764,216**	863,410
Bank wealth management	**200,000**	–
Long-Term Equity Investments	**630,920**	625,119
Investment accounted for using the equity method	**409,457**	410,732
Investment classified as financial assets held for trading	**221,463**	214,387
Proprietary Loans	**47,593**	58,593
Trust Industry Protection Fund	**113,844**	115,498
Other Equity Instrument Investment	**272,528**	314,742
Total	**12,081,444**	11,704,214

Investment in Monetary Assets

Investment in monetary assets 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:

	30 June 2026	31 December 2025 (Audited)
	(RMB in thousands)	
Investment in monetary assets		
– Cash at banks	**29,942**	22,508
– Other monetary assets	**755,664**	87,846
– Government bonds purchased under agreements to resell	**126,770**	542,853
Total	**912,376**	653,207

	For the six months ended 30 June	
	2026	2025
	(RMB in thousands)	
Interest income generated from:		
– Cash at banks	**298**	513
– Government bonds purchased under agreements to resell	**4,098**	4,263
Total	**4,396**	4,776

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) were 0.8% and 0.6% for the six months ended 30 June 2025 and the six months ended 30 June 2026, respectively.

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 six months ended 30 June 2026	For the year ended 31 December 2025 (Audited)
	(RMB in millions, except risk category)	
Risk category of underlying investments		
– Equity products	**High**	High
– Trust schemes	**Medium**	Medium
– Debt investments	**Medium**	Medium
– Bond investments	**Medium**	Medium
– Asset management products	**Medium**	Medium
– Bank wealth management	**Medium**	Medium
Average investment balance[(1)]		
– Equity products	**2,418.2**	2,041.0
– Trust schemes	**4,367.2**	4,517.2
– Debt investments	**2,321.3**	2,400.3
– Bond investments	**–**	5.3
– Asset management products	**813.8**	865.7
– Bank wealth management	**100.0**	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/period 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 increased by 18.5% from RMB2,041.0 million in 2025 to RMB2,418.2 million in the first half of 2026; the average balance of investments in trust schemes decreased by 3.3% from RMB4,517.2 million in 2025 to RMB4,367.2 million in the first half of 2026; the average balance of the debt investments decreased by 3.3% from RMB2,400.3 million in 2025 to RMB2,321.3 million in the first half of 2026; the average balance of investments in asset management products decreased by 6.0% from RMB865.7 million in 2025 to RMB813.8 million in the first half of 2026; and the average balance of investments in bank wealth management products increased by 1,165.8% from RMB7.9 million in 2025 to RMB100.0 million in the first half of 2026.

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 30 June 2026, 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 30 June 2026	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:

	30 June 2026	31 December 2025 (Audited)
	(RMB in thousands)	
Long-term equity investments, accounted for:		
— As associate using the equity method	**409,457**	410,732
— Investment categorised as financial assets held for trading	**221,463**	214,387
Total	**630,920**	625,119

	For the six months ended 30 June	
	2026	2025
	(RMB in thousands)	
Dividend income generated from:		
— As associate using the equity method	**–**	–
— Investment categorised as financial assets held for trading	**1,861**	–
Total	**1,861**	–

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 0.0% and 0.3% for the six months ended 30 June 2025 and for the six months ended 30 June 2026, 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 2025 and 30 June 2026, the outstanding balance of the Company's proprietary loans were RMB58.6 million and RMB47.6 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 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 decreased by 1.4% from RMB115.5 million as at 31 December 2025 to RMB113.8 million as at 30 June 2026.

3.3 Financial Overview

3.3.1 Analysis of Unaudited Interim Condensed Consolidated Income Statement

In the first half of 2026, the Company recorded a net loss of RMB118.7 million, as compared to a gain of RMB167.4 million for 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 six months ended 30 June	
		2026	2025
		(RMB in thousands)	
I.	**Total operating income**	**-101,843**	633,861
	Net Interest Income	**-14,464**	-7,835
	Including: Interest income	**9,528**	17,843
	Interest expense	**23,992**	25,678
	Net fee and commission income	**192,256**	225,626
	Including: Fee and commission income	**192,328**	227,944
	Fee and commission expenses	**72**	2,318
	Investment income	**154,588**	84,011
	Including: Income from investment in associates and joint ventures	**7,014**	3,410
	Gains from changes in fair value	**-437,751**	319,318
	Gains from changes in net assets attributable to third-party investors in consolidated structured entities	**-1,025**	6,697
	Other operating income	**4,211**	6,044
	Gains on disposal of assets	**342**	–
II.	**Total operating costs**	**104,000**	358,508
	Tax and surcharges	**2,453**	4,588
	Business and administrative expenses	**88,064**	116,598
	Credit impairment losses	**7,137**	233,714
	Impairment losses on other assets	**–**	–
	Other operating costs	**6,346**	3,608
III.	**Operating profit**	**-205,843**	275,353
	Add: Non-operating income	**106**	50
	Less: Non-operating expenses	**1,782**	45,001
IV.	**Total profit**	**-207,519**	230,402
	Less: Income tax expenses	**-88,802**	62,983
V.	**Net profit**	**-118,717**	167,419

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 six months ended 30 June	
	2026	2025
	(RMB in thousands)	
Interest income	**9,528**	17,843
Including: Balance of cash and bank deposits	**451**	611
Loans and advances to customers	**4,393**	12,883
Debt investments	**538**	22
Financial assets purchased under resale agreements	**4,115**	4,263
Others	**31**	64
Interest expense	**23,992**	25,678
Including: Borrowings	**23,640**	23,005
Income attributable to third-party trust beneficiaries of consolidated structured entities	**-168**	2,181
Others	**520**	492
Net interest income	**-14,464**	-7,835

The Group's net interest expense in the first half of 2026 amounted to RMB14.5 million, as compared to net interest expense of RMB7.8 million in the corresponding period of last year, mainly due to: interest income in the first half of 2026 amounted to RMB9.5 million, a decrease of 46.6% as compared to RMB17.8 million in the first half of 2025, of which the interest income of the loans granted by the Group decreased from RMB12.9 million in the first half of 2025 to RMB4.4 million in the first half of 2026. The interest expense in the first half of 2026 amounted to RMB24.0 million, representing a decrease of RMB1.7 million as compared with the corresponding period of last year.

The interest income from loans granted by the Group decreased, which was mainly due to the decrease in interest income from loans granted by the consolidated trust schemes.

Net Fee and Commission Income

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

Item	For the six months ended 30 June	
	2026	2025
	(RMB in thousands)	
Fee and commission income	**192,328**	227,944
Including: Trustee's remuneration	**159,135**	199,235
Others	**33,193**	28,709
Fee and commission expenses	**72**	2,318
Including: Guarantee fee	**–**	2,295
Others	**72**	23
Net fee and commission income	**192,256**	225,626

The Group's net fee and commission income in the first half of 2026 was RMB192.3 million, representing a decrease of 14.8% as compared to RMB225.6 million in the first half of 2025, which was mainly due to the fact that the Company proactively adjusted its business structure amid industry transformation, resulting in a decrease of 15.6% in fee and commission income from RMB227.9 million in the first half of 2025 to RMB192.3 million in the first half of 2026.

Investment Income

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

Item	For the six months ended 30 June	
	2026	2025
	(RMB in thousands)	
Income from long-term equity investments accounted for using equity method	**7,014**	3,410
Investment income from holding financial assets	**143,092**	80,601
Investment income from disposal of consolidated structured entities	**-30,422**	–
Investment income from disposal of financial assets	**34,904**	–
Total	**154,588**	84,011

The Group's investment income in the first half of 2026 was RMB154.6 million, representing an increase of RMB70.6 million as compared to RMB84.0 million in the first half of 2025, which was mainly due to the year-on-year increase of RMB62.5 million in investment income from holding financial assets, the year-on-year increase of RMB34.9 million in investment income from disposal of financial assets, and the year-on-year increase of RMB30.4 million in investment loss from disposal of consolidated structured entities of the Group in the first half of 2026.

Gains from Changes in Fair Value

	For the six months ended 30 June	
	2026	2025
	(RMB in thousands)	
Source of gains from changes in fair value		
Financial assets held for trading	**-437,751**	322,169
Enterprises invested by the consolidated structured entities	**–**	-2,851
Total	**-437,751**	319,318

The Group's gains from changes in fair value amounted to gains of RMB319.3 million in the first half of 2025, while losses of RMB437.8 million were recorded in the first half of 2026, which was mainly due to the losses from changes in fair value of the Group's financial assets held for trading such as stock investment of RMB437.8 million in the first half of 2026.

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:

Item	For the six months ended 30 June	
	2026	2025
	(RMB in thousands)	
Employee benefits	**43,563**	65,612
Depreciation and amortisation	**23,577**	28,293
Legal and professional fees	**3,815**	3,085
Network expenses	**3,577**	7,042
Promotional expenses	**1,941**	2,411
Lease charges	**1,840**	2,005
Business hospitality expenses	**558**	925
Travel expenses	**1,146**	1,356
Office expenses	**324**	485
Others	**7,723**	5,384
Total	**88,064**	116,598

The Group's business and administrative expenses in the first half of 2026 were RMB88.1 million, representing a decrease of 24.4% as compared with RMB116.6 million in the first half of 2025, which was mainly due to the decrease in the Group's employee benefits.

Credit Impairment Losses

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

Item	For the six months ended 30 June	
	2026	2025
	(RMB in thousands)	
Losses on bad debts of accounts receivable	**-1,553**	-87
Losses on bad debts of other receivables	**1,003**	6,061
Impairment losses on loans and advances to customers	**-1,469**	24,769
Impairment losses on debt investments	**9,156**	191,236
Impairment losses on art investments	**–**	11,735
Total	**7,137**	233,714

The Group's credit impairment losses decreased by 97.0% from RMB233.7 million in the first half of 2025 to RMB7.1 million in the first half of 2026, which was mainly due to a year-on-year decrease in provisions made in the first half of 2026 as a result of the actual credit risk profile and previous provisions made.

Non-operating Expenses

Item	For the six months ended 30 June	
	2026	2025
	(RMB in thousands)	
Compensation expenses	**1,608**	44,973
Losses on retirement of non-current assets	**3**	23
Others	**171**	5
Total	**1,782**	45,001

The Group's non-operating expenses decreased from RMB45.0 million in the first half of 2025 to RMB1.8 million in the first half of 2026, mainly due to the decrease in provision for litigation compensation expenses of the Company. Compensation expenses of RMB1.6 million were provided for lawsuits 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:

	For the six months ended 30 June	
	2026	2025
	(RMB in thousands)	
Total profit	**-207,519**	230,402
Operating margin[(1)]	**–**	36.3%

Note:

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

As a result of the foregoing, the Group's total profit decreased from a gain of RMB230.4 million in the first half of 2025 to a loss of RMB207.5 million in the first half of 2026.

Income Tax Credit/Expenses

Item	For the six months ended 30 June	
	2026	2025
	(RMB in thousands)	
Income tax expenses for the period	**–**	28,957
Deferred income tax expenses	**-88,802**	34,026
Total	**-88,802**	62,983

The Company recorded an income tax expense of RMB63.0 million in the first half of 2025 and an income tax credit of RMB88.8 million in the first half of 2026, which was mainly due to the loss recorded by the Group in the first half of 2026.

Net Profit and Net Profit Margin

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

	For the six months ended 30 June	
	2026	2025
	(RMB in thousands)	
Net profit	**-118,717**	167,419
Net profit margin[(1)]	**–**	26.4%

Note:

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

As a result of the foregoing reasons, the net profit decreased from a gain of RMB167.4 million in the first half of 2025 to a loss of RMB118.7 million in the first half of 2026.

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:

	For the six months ended 30 June	
	2026	2025
	(RMB in thousands)	
Trust business:		
Operating income	**192,715**	227,821
Segment income	**192,715**	227,821
Proprietary business:		
Operating income	**-294,558**	406,040
Non-operating income	**106**	50
Segment income	**-294,452**	406,090

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

	For the six months ended 30 June	
	2026	2025
	(RMB in thousands)	
Trust business:		
Operating expenses	**85,690**	118,360
Non-operating expenses	**1,781**	44,956
Segment expenses	**87,471**	163,316
Proprietary business:		
Operating expenses	**18,310**	240,148
Non-operating expenses	**1**	45
Segment expenses	**18,311**	240,193

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

	For the six months ended 30 June	
	2026	2025
	(RMB in thousands)	
Trust business	**105,244**	64,505
Proprietary business	**-312,763**	165,897
Total profit	**-207,519**	230,402

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:

	For the six months ended 30 June	
	2026	2025
Trust business	**54.6%**	28.3%
Proprietary business	**–**	40.9%

Trust Business

The segment income from the Group's trust business consists of its net fee and commission income, other business 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 63.2% from RMB64.5 million in the first half of 2025 to RMB105.2 million in the first half of 2026, primarily due to a decrease of 46.4% in segment operating expenses from the trust business from RMB163.3 million in the first half of 2025 to RMB87.5 million in the first half of 2026, partially offset by a decrease of 15.4% in segment income from the trust business from RMB227.8 million in the first half of 2025 to RMB192.7 million in the first half of 2026.

(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 RMB225.6 million in the first half of 2025 to RMB192.3 million in the first half of 2026.

(2) The decrease in the segment operating expenses from the trust business was mainly due to a decrease in administrative expenses related to trust business of the Group from RMB114.9 million in the first half of 2025 to RMB84.1 million in the first half of 2026; a decrease in non-operating expenses from RMB45.0 million in the first half of 2025 to RMB1.8 million in the first half of 2026.

As a result of the foregoing, the segment profit margin of the trust business increased from 28.3% in the first half of 2025 to 54.6% in the first half of 2026.

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 decreased from a gain of RMB165.9 million in the first half of 2025 to a loss of RMB312.8 million in the first half of 2026, primarily due to a decrease in the segment income from the proprietary business from a gain of RMB406.1 million in the first half of 2025 to a loss of RMB294.5 million in the first half of 2026, partially offset by the decrease in segment operating expenses from the proprietary business from RMB240.2 million in the first half of 2025 down by 92.4% to RMB18.3 million in the first half of 2026.

(1) The decrease in segment income from the proprietary business was mainly due to (i) the decrease in the gains from changes in fair value from gains of RMB319.3 million in the first half of 2025 to losses of RMB437.8 million in the first half of 2026; and (ii) the increase in investment income from RMB84.0 million in the first half of 2025 to RMB154.6 million in the first half of 2026.

(2) The decrease in the segment operating expenses from the proprietary business was mainly due to a decrease in the provision for impairment losses on credit assets from RMB233.7 million in the first half of 2025 to RMB7.1 million in the first half of 2026.

3.3.2 Selected Interim Condensed Consolidated Financial Positions

The Group's interim condensed 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 interim condensed consolidated statements of financial positions.

Assets

As at 31 December 2025 and 30 June 2026, the total assets of the Group (including the Company and the trust schemes over which the Company has control) amounted to RMB13,678.6 million and RMB14,172.0 million, respectively, of which the total assets of the Company amounted to RMB12,869.0 million and RMB13,369.7 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 30 June 2026, the abovementioned major assets accounted for 13.3%, 30.5%, 4.8%, 32.6%, 1.9%, 6.0% and 1.2% 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:

Item	**30 June 2026**	31 December 2025 (Audited)
	(RMB in thousands)	
Principal amount of loans and advances to customers	**2,327,771**	2,371,260
Including: Issued by the Company	**56,224**	67,224
Issued by consolidated structured entities	**2,271,547**	2,304,036
Interests receivable	**250**	275
Less: ECL allowance – principal amount	**445,769**	447,233
ECL allowance – interests receivable	**13**	18
Loans and advances to customers, net	**1,882,239**	1,924,284

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 decreased by 1.9% from RMB2,271.3 million as at 31 December 2025 to RMB2,227.8 million as at 30 June 2026. 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 2025 and 30 June 2026 were RMB2,389.2 million and RMB2,627.8 million, respectively. The Group determined the provision for impairment losses on those loans through ECL assessments and made allowance for impairment of RMB440.7 million and RMB440.7 million for these impaired loans as at 31 December 2025 and 30 June 2026, respectively, representing 19.4% and 19.8% 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 95.8% and 95.7% of the Group's gross loans and advances to customers as at 31 December 2025 and 30 June 2026, 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 30 June 2026, the principal balance of Company's proprietary loans was RMB56.2 million, representing a decrease of RMB11.0 million, or 16.4%, as compared with 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:

	30 June 2026	31 December 2025 (Audited)
	(RMB in thousands)	
Principal amount of loans and advances to customers	**56,224**	67,224
Interests receivable	**–**	–
Less: ECL allowance – principal	**8,631**	8,631
ECL allowance – interests receivable	**–**	–
Loans and advances to customers, net	**47,593**	58,593

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 dates indicated:

	30 June 2026	31 December 2025 (Audited)
	(RMB in thousands)	
Principal	**6,727,082**	6,647,134
Interests receivable	**570**	–
Total	**6,727,652**	6,647,134
Less: ECL allowance – principal	**2,410,915**	2,401,789
ECL allowance – interests receivable	**30**	–
Net amount	**4,316,707**	4,245,345

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 30 June 2026, the balance of such investment was RMB272.5 million.

Long-Term Equity Investments

The Group has made equity investments in various companies. When the Group has significant influence but no control over an investment target company, the Group treats such investment target 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 30 June 2026	**As at 30 June 2026**	As at 31 December 2025 (Audited)
		(RMB in thousands)	
Associates directly invested by the Company accounted for using equity method:			
Taishan Property & Casualty Insurance Co., Ltd. (泰山財產保險股份有限公司)	**7.40%**	**163,076**	165,872
Sinotruk Automobile Finance Co., Ltd. (重汽汽車金融有限公司)	**6.52%**	**246,381**	238,589
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)	**–**	**–**	6,271
Subtotal		**409,457**	410,732

	Equity interest as at 30 June 2026	As at 30 June 2026	As at 31 December 2025 (Audited)
		(RMB in thousands)	
Enterprises invested by the consolidated structured entities		**264,435**	264,435
Total		**673,892**	675,167

During the Reporting Period, the Group signed a property rights transaction contract for the disposal of its equity interests in Anhui Luxin Private Equity Investment Fund Management Co., Ltd., and received the total equity transfer consideration of RMB6.2 million in July 2026. As of the date of this interim results announcement, the change of industrial and commercial registration procedures have not yet been completed, and the Company accounted for it as "assets classified as held for sale".

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:

	As at 30 June 2026	As at 31 December 2025 (Audited)
	(RMB in thousands)	
Financial assets at FVTPL	**4,617,153**	4,413,485
Including: Stock investments	**2,889,312**	1,801,404
Public fund investments	**119,538**	157,538
Investment in asset management scheme	**847,227**	941,381
Bond investments	**–**	2
Equity investments in unlisted companies	**272,071**	271,103
Trust Industry Protection Fund	**125,488**	137,195
Investments in trust schemes	**163,517**	160,933
Bank wealth management products	**200,000**	943,929
Total	**4,617,153**	4,413,485

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 2025 and 30 June 2026, the Company held 592,567,203 A shares and 1,098,595,434 A shares of CZ Bank, respectively, representing 2.16% and 4.00% of its total share capital. The investment cost was RMB1.222 billion and RMB2.732 billion, and the fair value was RMB1.801 billion and RMB2.889 billion, representing 13.2% and 20.4% of the total assets of the Company as at 31 December 2025 and 30 June 2026, respectively. On 30 June 2026, the Company recognised RMB289.5 million as operating loss from its investment in CZ Bank, among which RMB422.2 million was recognised as losses from changes in fair value and RMB132.7 million was recognised as investment income (being dividend income), respectively. 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 4.6% from RMB4,413.5 million as at 31 December 2025 to RMB4,617.2 million as at 30 June 2026, primarily due to the Group's (i) increase of stock investment; (ii) decrease of investments in bank wealth management products.

Monetary Assets

As at 31 December 2025 and 30 June 2026, the balance of the Group's monetary assets amounted to RMB160.7 million and RMB853.7 million, respectively, of which RMB110.4 million and RMB785.6 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 decreased from RMB542.9 million as at 31 December 2025 to RMB175.7 million as at 30 June 2026. 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 2025 and 30 June 2026, respectively.

Accounts Receivable

Accounts receivable of the Group decreased by 7.8% from RMB91.7 million as at 31 December 2025 to RMB84.6 million as at 30 June 2026. 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 31 July 2026, 47.3% of the trustee's remuneration receivable was recovered.

Liabilities

As at 31 December 2025 and 30 June 2026, the Group's total liabilities amounted to RMB2,436.4 million and RMB3,082.3 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 short-term borrowings, employee benefits payable, taxes payable, provisions and other liabilities. As at 30 June 2026, the above liabilities accounted for 22.9%, 4.5%, 1.4%, 2.0% and 67.2% of the Group's total liabilities, respectively.

Short-term Borrowings

As at 30 June 2026, the Group's short-term borrowings amounted to RMB705.1 million, which were liquidity support borrowings the Company applied from Lucion Group, its substantial shareholder.

Provisions

As at 30 June 2026, the Group's provisions amounted to RMB61.7 million, which were estimated litigation compensation.

Other Liabilities

The Group's other liabilities during the Reporting Period mainly consisted 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 Company's 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 1.1% from RMB703.7 million as at 31 December 2025 to RMB695.7 million as at 30 June 2026. 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 by financing party of the financing trust schemes decreased from RMB242.7 million as at 31 December 2025 to RMB141.7 million as at 30 June 2026.

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 decreased from RMB266.3 million as at 31 December 2025 to RMB242.5 million as at 30 June 2026.

As at 30 June 2026, the balance of non-current funds borrowing provided by CTPF to the Company was RMB720.0 million, which was settled in July 2026.

Off-balance Sheet Arrangements

As at 30 June 2026, 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.

As at 31 December 2025 and 30 June 2026, the Company had consolidated 31 and 31 of the trust schemes under its management, respectively, and the total trust assets of these consolidated trust schemes were RMB5,518.4 million and RMB4,466.5 million, respectively. The following table sets forth changes in the number of the Group's consolidated trust schemes during the Reporting Period:

	As at 30 June 2026	As at 31 December 2025
Beginning:	**31**	30
Newly consolidated trust schemes	**2**	2
Deconsolidated trust schemes	**2**	1
Ending:	**31**	31

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:

	As at 30 June 2026	As at 31 December 2025 (Audited)
	(RMB in millions)	
Total assets of the Company	**13,370**	12,869
Total assets of consolidated trust schemes	**4,467**	5,518
Consolidation adjustment	**-3,665**	-4,708
Total assets of the Group	**14,172**	13,679

However, the impact on the Group's total assets corresponded to the significant increase in the Group's total liabilities to a large extent. This was because of the inclusion of assets of these trust schemes (presented as "**other liabilities**" in the consolidated balance sheet of the Group) in the Company's total assets. The following table illustrates the impact on the Company's total liabilities resulting from the consolidation of these trust schemes during the Reporting Period:

	As at 30 June 2026	As at 31 December 2025 (Audited)
	(RMB in millions)	
Total liabilities of the Company	**2,280**	1,609
Total liabilities of consolidated trust schemes	**277**	301
Consolidation adjustment	**525**	527
Total liabilities of the Group	**3,082**	2,437

As a result of the foregoing, the impact on the Group's net assets or equity from consolidation of these trust schemes was 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:

	As at 30 June 2026	As at 31 December 2025 (Audited)
	(RMB in millions)	
Total equity of the Company	**11,090**	11,260
Consolidation adjustment	**–**	-18
Total equity of the Group	**11,090**	11,242

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:

	For the six months ended 30 June	
	2026	2025
	(RMB in millions)	
Net profit of the Company before consolidation of trust schemes	**-137**	154
Impact of consolidation of trust schemes	**18**	13
Net profit of the Group after consolidation of trust schemes	**-119**	167

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 did not make any proprietary investments in the Company's administrative management trusts during the Reporting Period, the Company was not 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 appropriate for the Company's 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 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, Financial Technology Department, Audit Department, Asset Disposition Department and Proprietary Business Department. Finally, all business departments of the Company are required to assume primary risk management responsibilities.

3.5.2 Factors Affecting the Company's Operations

The following factors are the principal adverse and favourable factors that have affected and are expected to 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 unfavourably 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 advantage 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 known as 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 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 on 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, the 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》) in September 2018, 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 subsidiaries of commercial banks, may be able to offer an increasing number of products and services that are similar to these 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 asset management trusts, which have relatively high trust remuneration rates, and asset service trusts, which have relatively low trust remuneration rates. The Company has asset management trusts that provide financings to counterparty clients in different industries or 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 operations.

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 asset 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 R&D 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 investment 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 and 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 and 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 of Directors 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 assets under the asset management trusts of the Company are loans, 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 become insufficient. Under circumstances where the Company assesses the likelihood of such default becomes relatively high, the Company may take necessary solution 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 Risks to establish three defensive lines for operational risk management, as well as a comprehensive risk data and information sharing mechanism among the three defensive lines and within each defensive line. The first defensive line includes businesses and management departments at all levels, which are the direct bearers and managers of operational risks and are responsible for operational risk management in their respective areas. The second defensive line is the lead department responsible for operational risk management and measurement, which guides and supervises the operational risk management of the first defensive line. The third defensive line is the Company's internal audit department, which supervises and evaluates the performance and effectiveness of the first and second defensive lines. During the Reporting Period, the Company strictly implemented the Administrative Measures on Operational Risks and other relevant internal control policies, reducing the risks of technical irregularities or human errors and enhancing the effectiveness of the 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. 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 leader of the Company who was responsible for risk management 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, 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 an anti-money laundering system to monitor and report suspicious transactions. 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, and conduct investigation and analysis on the suspicious transaction using the anti-money laundering system. 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 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 30 June 2026, the Company's net capital was approximately RMB9.035 billion, which is more than RMB200 million; the total risk-based capital was approximately RMB3.134 billion; the ratio of net capital to total risk-based capital was 288.3%, which is higher than 100%; and the ratio of net capital to net asset was 81.48%, 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. Coupled 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.

The supporting conditions and fundamental trend of China's long-term economic improvement remain unchanged. It must accelerate the transition from old to new growth drivers, implement more proactive and effective macroeconomic policies, intensify counter-cyclical adjustments, step up efforts to expand domestic demand and optimize supply, fully unleash the efficacy of existing policies, promptly plan for incremental policies, earnestly guarantee and improve people's livelihoods, enhance development momentum, and stimulate social vitality.

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 real estate trusts, equity trusts, and pension 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, continuously improve its comprehensive risk management system, and achieve synchronised development with national strategies, industry progress, and social needs.

4. PROFITS AND DIVIDENDS

The Company's profit for the six months ended 30 June 2026 is set out in "3. Management Discussion and Analysis – 3.3 Financial Overview" in this results announcement.

The Company will not declare an interim dividend for the year of 2026 (interim dividend for the year of 2025: nil).

5. DIRECTORS AND SENIOR MANAGEMENT OF THE COMPANY

As at the date of this interim results announcement, the directors (the "**Directors**") and senior management of the Company are as follows:

Members of the Board of Directors include Mr. Zhao Zikun (chairperson) and Mr. Tian Zhiguo as executive Directors; Mr. Chen Liuyi (vice chairperson), Mr. Pan Liquan and Mr. Chen Ping as non-executive Directors; Mr. Zheng Wei, Ms. Zhang Haiyan and Ms. Liu Wanwen as independent non-executive Directors.

Members of the senior management of the Company include Mr. Tian Zhiguo as general manager and chief compliance officer; Ms. Yuan Fang as vice general manager; Mr. Wei Xiangyang as chief risk officer; Mr. He Chuangye as secretary to the Board of Directors and the company secretary; and Mr. Wang Ping as chief financial officer.

During the Reporting Period and as at the date of this interim results announcement, the changes in Directors and senior management are as follows:

Changes of Directors

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

Mr. Zhao Zikun was elected as an executive Director at the 2026 first extraordinary general meeting (the "**2026 First EGM**") of the Company on 22 April 2026 and was elected as the chairperson of the Board of the Company (the "**Chairperson**") by the Board of Directors. Mr. Zhao Zikun's qualifications as executive Director and the Chairperson of the Board were approved by the Shandong Office of the National Financial Regulatory Administration (the "**Shandong Office of the NFRA**") on 24 August 2026. Mr. Zhao Zikun serves as the chairperson of the Strategies and Risk Management Committee under the Board of Directors and a member of the Nomination and Remuneration Committee under the Board of Directors with effect from 24 August 2026.

Mr. Tian Zhiguo was elected as an executive Director at the 2026 First EGM. Mr. Tian Zhiguo's qualification as executive Director was approved by the Shandong Office of the NFRA on 18 August 2026. Mr. Tian Zhiguo serves as a member of the Trust and Consumer Rights Protection Committee under the Board of Directors with effect from 18 August 2026.

Mr. Pan Liquan and Mr. Chen Ping were elected as non-executive Directors at the 2026 First EGM. Mr. Pan Liquan and Mr. Chen Ping's qualifications as non-executive Directors were approved by the Shandong Office of the NFRA on 18 August 2026. Mr. Pan Liquan serves as a member of the Audit Committee under the Board of Directors with effect from 18 August 2026. Mr. Chen Ping serves as a member of the Trust and Consumer Rights Protection Committee and a member of the Related Party Transaction Control Committee under the Board of Directors with effect from 18 August 2026.

Mr. Guo Hongtao was elected as an employee representative Director of the fourth session of the Board of Directors at the employee representative meeting of the Company held on 17 August 2026. The qualification of Mr. Guo Hongtao as a Director is subject to the approval by the local office of the NFRA.

Due to adjustment of work arrangements, Mr. Yue Zengguang has ceased to serve as the Chairperson, an executive Director, the chairperson of the Strategies and Risk Management Committee, and a member of the Nomination and Remuneration Committee and the Trust and Consumer Rights Protection Committee under the Board of Directors.

Mr. Chen Xuebin has ceased to serve as a non-executive Director and a member of the Trust and Consumer Rights Protection Committee under the Board of Directors due to change of work arrangements.

Changes of Senior Management

Mr. Tian Zhiguo has been appointed as the general manager and chief compliance officer of the Company, and his qualifications as the general manager and chief compliance officer were approved by the Shandong Office of the NFRA on 4 June 2026.

Mr. Wei Xiangyang has been appointed as the chief risk officer of the Company, and his qualification as the chief risk officer was approved by the Shandong Office of the NFRA on 24 August 2026. Mr. Tian Zhiguo has ceased to serve as the chief risk officer of the Company since 24 August 2026.

Due to work arrangements, Mr. Lin Guanwei has ceased to serve as vice general manager of the Company since 21 July 2026.

Due to adjustment of work arrangements, Ms. Zhou Jianqu, Mr. He Chuangye and Mr. Niu Xucheng have ceased to serve as vice general managers of the Company, and Mr. Sun Botao has ceased to serve as assistant to general manager of the Company since 21 July 2026.

Mr. Wang Ping has ceased to serve as chief financial officer of the Company since 21 July 2026 due to work arrangements. To ensure a smooth and orderly transition in the Company's financial management work, Mr. Wang Ping will continue to perform his duties as chief financial officer until the newly appointed chief financial officer assumes office.

Save as disclosed above, there is no other information required to be disclosed under 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 Company's 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. From 25 December 2025 to 26 March 2026, Mr. Yue Zengguang, being the Chairperson of the Company, 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 has been 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. Mr. Tian Zhiguo has been appointed as the general manager of the Company since 26 March 2026, and has temporarily assumed the duties of general manager since the same date. His qualification as the general manager was approved by the Shandong Office of the NFRA on 4 June 2026, pursuant to which Code C.2.1 of Part 2 of the Corporate Governance Code has been 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 adopted a set of code of conduct for securities transactions implemented by its Directors and employees not inferior to the standards set out in the Model Code for Securities Transactions by Directors of Listed Issuers ("**Model Code**") specified in Appendix C3 to the Listing Rules. After making specific inquiry to all Directors, all Directors confirmed that during the Reporting Period, they all have complied with the standard regulations set out in the Model Code.

8. PURCHASE, SALE OR REDEMPTION OF THE 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, Capital Structure and Shareholding of Shareholders

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

9.2 Proposed Amendments to the Articles of Association and the Procedural Rules for the Board of Directors

In order to further regulate corporate governance and implement regulatory requirements, the Board of Directors proposed to make amendments to the articles of association of the Company (the "**Articles of Association**") and the procedural rules for the Board of Directors (the "**Procedural Rules for the Board of Directors**") (the "**Proposed Amendments to the Articles of Association**" and the "**Proposed Amendments to the Procedural Rules for the Board of Directors**") in accordance with the laws, regulations and relevant regulatory provisions such as the Measures for the Administration of Trust Companies and the Model Articles of Association for Shandong Provincial State-owned Enterprises, and after taking into consideration the Company's actual circumstances.

The Proposed Amendments to the Articles of Association have been considered and approved by the shareholders at the 2025 annual general meeting held on 30 June 2026, and are subject to the approval by the Shandong Office of the NFRA. The Proposed Amendments to the Procedural Rules for the Board of Directors have been considered and approved by the shareholders at the 2025 annual general meeting held on 30 June 2026, and will be effective from the same day of the approval of the Proposed Amendments to the Articles of Association.

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

9.3 Continuing Connected Transactions – Entering into the Loan Framework Agreement

On 13 February 2026, the Company entered into the loan framework agreement with Lucion Group for a term from the effective date of the loan framework agreement until 31 December 2028 (the "**Loan Framework Agreement**"). 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 holding directly and indirectly approximately 52.96% of the total issued shares of the Company, it is a connected person of the Company, and the 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 in the Listing Rules) in respect of the proposed annual caps of the transactions under the Loan Framework Agreement is more than 5%, the 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.

9.4 Continuing Connected Transactions – Lucion Group Trust Framework Agreement

The Company entered into a trust framework agreement with Lucion Group on 30 November 2022 which expired on 31 December 2025. The parties entered into another trust framework agreement on 29 December 2025 for a term of three years from 1 January 2026 to 31 December 2028 (the "**Lucion Group Trust Framework Agreement**"), pursuant to which, the Company accepts entrustment of funds and property from Lucion Group and/or its associates, and manages the entrusted funds and assets for Lucion Group and/or its associates during the terms of the trusts. In return, the Company receives trustee's remuneration from various trusts that the Company established for Lucion Group and/or its associates. For the years ending 31 December 2026, 31 December 2027 and 31 December 2028, the annual cap of outstanding balance of the assets and funds entrusted/to be entrusted by Lucion Group and/or its associates to the Company is RMB49,000 million, and the annual cap of trustee's remuneration received/to be received by the Company from the trusts of which Lucion Group and/or its associates are trustors is RMB49 million.

As Lucion Group is the controlling shareholder of the Company holding directly and indirectly approximately 52.96% of the total issued shares of the Company, it is a connected person of the Company, and the transactions contemplated under the Lucion Group Trust Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules. As the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the proposed annual caps of the transactions under the relevant trust framework agreement is more than 5%, the transactions are subject to the reporting, announcement, annual review, circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

9.5 Connected Transactions – Entering into the Lease Contracts

On 29 April 2026, the Company entered into the lease contracts (the "**Lease Contracts**") with Jinan Lucion Asset Management Co., Ltd. ("**Lucion Asset**"), comprising the housing lease contract and the car park lease contract. Pursuant to the Lease Contracts, Lucion Asset agreed to lease and the Company agreed to rent the property and parking spaces.

As Lucion Asset is an indirect wholly-owned subsidiary of Lucion Group and Lucion Group is the controlling shareholder of the Company directly and indirectly holding approximately 52.96% of the total number of issued shares of the Company, Lucion Asset is a connected person of the Company and entering into the Lease Contracts constitutes connected transactions of the Company under Chapter 14A of the Listing Rules.

As the housing lease contract and car park lease contract are entered into with Lucion Asset, involve the same property and are related to each other, the Company shall aggregate the Lease Contracts, and treat them as one transaction in accordance with Rule 14A.81 of the Listing Rules. Pursuant to the Accounting Standards for Business Enterprises No. 21 — Leases, the Company shall recognise approximately RMB64.81 million as right-of-use assets for entering into the Lease Contracts. The aforesaid figure is unaudited and may be subject to adjustment in the future based on actual leasing conditions. According to the Listing Rules, entering into the Lease Contracts and transactions contemplated thereunder will be deemed as an acquisition of right-of-use assets by the Company.

As one or more of the applicable percentage ratio(s) (on an aggregated basis) (as defined under the Listing Rules) for the amount of the right-of-use assets recognised pursuant to the Lease Contracts are more than 0.1% but less than 5%, the transactions under the Lease Contracts constitute connected transactions of the Company, and are subject to the reporting and announcement requirements but are exempted from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

9.6 Change of Address of the Principal Place of Business in the PRC

On 22 May 2026, the address of the principal place of business in the PRC of the Company has been changed to partial area of 1/F, 2/F and 13/F, and 32-35/F, Tower A, No. 2788 Aoti West Road, Lixia District, Jinan, Shandong Province, PRC. The Company will also change its registered address to the above address and such change is subject to the completion of the relevant change procedures with the relevant industrial and commercial registration authorities. The Company will make further announcement upon the completion of the change of registered address in the PRC.

9.7 Change of Authorised Representative

On 24 August 2026, Mr. Zhao Zikun was appointed as an authorised representative of the Company under Rule 3.05 of the Listing Rules (an "**Authorised Representative**"). Mr. Yue Zengguang ceased to act as an Authorised Representative.

9.8 Material Legal Proceedings and Arbitration

As at 30 June 2026, the Company, being the plaintiff and applicant, was involved in 15 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 RMB3,135.28 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 30 June 2026, the Company, being the defendant, was involved in two pending material litigation cases involving an amount of more than RMB10 million. The value of litigation in which the Company was involved totalled approximately RMB604.82 million. These cases were mainly disputes related to the Company and contractual disputes.

9.9 Material Acquisition, Disposal and Merger of Assets

During the Reporting Period, the Company had no material assets acquisition, disposal or merger.

9.10 Penalties Imposed on the Company and its Directors and Senior Management

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

9.11 Provisional Report on Material Issues

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

10. SUBSEQUENT EVENTS

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

11. EXTRACT OF INTERIM FINANCIAL STATEMENTS

The accompanying notes form a part of the interim condensed consolidated financial information.

11.1 Interim Condensed Consolidated Income Statement

Unit: RMB

Item		*Note*	**January to June 2026**	January to June 2025
I.	**Total operating income**		**-101,843,011.59**	633,861,335.90
	Net Interest Income	*13*	**-14,464,385.00**	-7,834,999.24
	Including: Interest income	*13*	**9,528,084.61**	17,842,779.65
	Interest expense	*13*	**23,992,469.61**	25,677,778.89
	Net fee and commission income	*14*	**192,255,706.96**	225,626,396.46
	Including: Fee and commission income	*14*	**192,327,597.44**	227,944,258.54
	Fee and commission expenses	*14*	**71,890.48**	2,317,862.08
	Investment income (losses indicated in "-")	*15*	**154,588,211.83**	84,010,570.09
	Including: Income from investment in associates and joint ventures		**7,014,394.33**	3,410,115.62
	Net exposure hedging income (losses indicated in "-")			
	Other income			
	Gains from changes in fair value (losses indicated in "-")	*16*	**-437,750,839.10**	319,318,347.85
	Gains from changes in net assets attributable to third-party investors in consolidated structured entities (losses indicated in "-")		**-1,025,233.57**	6,696,946.28
	Exchange gain (losses indicated in "-")		**-0.39**	-0.16
	Other operating income		**4,211,140.07**	6,044,074.62
	Gains on disposal of assets (losses indicated in "-")		**342,387.61**	
II.	**Total operating costs**		**103,999,915.03**	358,508,294.23
	Tax and surcharges		**2,453,251.65**	4,587,728.87
	Business and administrative expenses	*17*	**88,063,623.01**	116,598,233.88
	Credit impairment losses	*18*	**7,137,148.86**	233,714,542.54
	Impairment losses on other assets			
	Other operating costs		**6,345,891.51**	3,607,788.94

Item	Note	January to June 2026	January to June 2025
III. Operating profit (losses indicated in "-")		**-205,842,926.62**	275,353,041.67
Add: Non-operating income		**105,815.64**	49,798.44
Less: Non-operating expenses	*19*	**1,782,092.34**	45,000,895.69
IV. Total profit (total losses indicated in "-")		**-207,519,203.32**	230,401,944.42
Less: Income tax expenses	*20*	**-88,802,041.17**	62,982,723.76
V. Net profit (net loss indicated in "-")		**-118,717,162.15**	167,419,220.66
(I) Categorised by the nature of continuing operations		**-118,717,162.15**	167,419,220.66
1. Net profit from continuing operations (net loss indicated in "-")		**-118,717,162.15**	167,419,220.66
2. Net profit from discontinued operations (net loss indicated in "-")			
(II) Categorised by ownership:		**-118,717,162.15**	167,419,220.66
1. Net profit attributable to owner of the parent company (net loss indicated in "-")		**-118,717,162.15**	167,419,220.66
2. Profit or loss attributable to non-controlling interests (net loss indicated in "-")			
VI. Other comprehensive income, net of tax		**-33,755,441.17**	-56,701,776.34
Other comprehensive income attributable to the owner of the parent company, net of tax		**-33,755,441.17**	-56,701,776.34
(I) Other comprehensive income that cannot be reclassified to profit or loss		**-31,660,398.12**	-56,569,681.94
1. Changes from recalculation of defined benefit plans			
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		**-31,660,398.12**	-56,569,681.94
4. Change in fair value of credit risk of corporate			
5. Other			
(II) Other comprehensive income that will be reclassified to profit or loss		**-2,095,043.05**	-132,094.40
1. Other comprehensive income that can be reclassified to profit or loss under equity method		**-2,095,043.05**	-132,094.40
2. Change in fair value of other debt investments			
3. Financial assets reclassified into other comprehensive income			
4. Credit impairment provision for other debt investments			

Item	Note	January to June 2026	January to June 2025
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			
Other comprehensive income attributable to non-controlling interests, net of tax			
VII. Total comprehensive income		**-152,472,603.32**	110,717,444.32
Total comprehensive income attributable to the shareholders of the parent company		**-152,472,603.32**	110,717,444.32
Total comprehensive income attributable to non-controlling interests			
VIII. Earnings per share:	*22*		
(I) Basic earnings per share (RMB/share)		**-0.03**	0.04
(II) Diluted earnings per share (RMB/share)		**-0.03**	0.04

11.2 Interim Condensed Consolidated Balance Sheet

Unit: RMB

Item	*Note*	**30 June 2026**	31 December 2025
Assets:			
Monetary assets	*3*	**853,711,071.69**	160,740,677.64
Clearing settlement funds			
Precious metal			
Interbank lendings			
Derivative financial assets			
Accounts receivable		**84,591,794.41**	91,718,417.66
Contract assets			
Financial assets purchased under resale agreements	*4*	**175,668,269.13**	542,852,733.83
Assets classified as held for sale	*5*	**6,194,150.94**	
Loans and advances to customers	*6*	**1,882,239,284.86**	1,924,284,466.43
Financial Investments:			
Financial assets held for trading	*7*	**4,617,152,895.11**	4,413,485,462.45
Debt investments	*8*	**4,316,707,050.79**	4,245,345,291.89
Other debt investments			
Other equity instrument investments	*9*	**272,527,740.68**	314,741,604.84
Long-term equity investments	*10*	**673,892,107.85**	675,166,907.51
Investment properties		**64,640,262.70**	193,819,759.09
Fixed assets		**25,118,103.85**	28,975,245.90
Construction in progress			
Right-of-use assets		**64,794,053.81**	9,739,966.22
Intangible assets		**42,374,586.93**	47,187,868.66
Long-term amortisation expenses			3,141,251.80
Deferred income tax assets		**682,016,739.71**	582,661,232.50
Other assets		**410,367,955.77**	444,785,759.99
Total assets		**14,171,996,068.23**	13,678,646,646.41

Item	*Note*	**30 June 2026**	31 December 2025
Liabilities:			
Short-term borrowings	*11*	**705,102,222.22**	
Interbank borrowings			
Financial liabilities held for trading			
Derivative financial liabilities			
Financial assets sold under agreements to repurchase			
Employment benefits payable		**138,993,576.55**	139,406,855.73
Taxes payable		**43,732,664.69**	55,776,104.19
Accounts payable		**1,568,317.89**	7,303,311.20
Contract liabilities			
Liabilities held for sale			
Provisions	*12*	**61,687,154.08**	60,078,812.90
Long-term borrowings			
Bonds payable			
Including: Preferred shares			
Perpetual bonds			
Lease liabilities		**58,687,711.17**	3,780,060.31
Deferred income tax liabilities			
Other liabilities		**2,072,498,109.26**	2,170,102,586.39
Total liabilities		**3,082,269,755.86**	2,436,447,730.72
Shareholders' equity:			
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 shares			
Other comprehensive income		**-84,096,033.60**	-50,340,592.43
Surplus reserve		**1,024,034,359.60**	1,024,034,359.60
Trust compensation provision		**774,365,593.89**	774,365,593.89
General risk provision		**717,691,801.59**	717,691,801.59
Undistributed profit		**3,838,831,407.84**	3,957,548,569.99
Total shareholders' equity attributable to the parent company		**11,089,726,312.37**	11,242,198,915.69
Non-controlling interests			
Total shareholders' equity		**11,089,726,312.37**	11,242,198,915.69
Total liabilities and shareholders' equity		**14,171,996,068.23**	13,678,646,646.41

11.3 Notes to the Interim Condensed Consolidated Financial Information

(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. As at 30 June 2026, the amount of share capital was RMB4,658,850,000.00 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, as well as its counterparty clients' financing needs. The Company'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.

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 (岳增光)

Registered capital: RMB4,658.85 million

The parent company of the Company is Shandong Lucion Investment Holdings Group Co., Ltd. (hereinafter referred to as "**Lucion Group**"). The controlling shareholder of Lucion Group is Shandong Provincial Department of Finance.

These financial statements were approved for reporting on 27 August 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 of the PRC and its application guidelines, interpretations and other relevant regulations (hereafter collectively referred to as the "**ASBE**"), and the disclosure requirements of the Companies Ordinance of Hong Kong, the PRC 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 30 June 2026, 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 deposits	90,464,031.18	72,511,177.00
Other monetary assets	763,247,040.51	88,229,500.64
Total	**853,711,071.69**	**160,740,677.64**
Including: Total amount deposited overseas		

Note 1: As at 30 June 2026, bank deposits attributable to the consolidated structured entities amounted to RMB61 million (31 December 2025: RMB50 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 owned by the trustee (the "**proprietary assets**") and are separately managed and accounted.

Note 2: As at 30 June 2026, the Group had judicial frozen bank account funds of RMB22 million.

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

4 FINANCIAL ASSETS PURCHASED UNDER RESALE AGREEMENTS

Item	Closing balance	Opening balance
Bonds purchased under agreements to resell	176,944,941.23	542,852,733.83
Less: Bad debt provision	1,276,672.10	
Total	**175,668,269.13**	**542,852,733.83**

5 ASSETS HELD FOR TRADING

Item	Closing book balance	Loss allowance	Closing book value	Closing fair value	Estimated disposal expenses	Estimated disposal time
Equity investments	6,194,150.94		6,194,150.94	6,200,000.00	5,849.06	The current year
Total	**6,194,150.94**		**6,194,150.94**	**6,200,000.00**	**5,849.06**	

6 LOANS AND ADVANCES TO CUSTOMERS

Item	Closing balance		
	Book balance	Loss allowance	Book value
Principal	2,327,771,183.18	445,769,258.61	1,882,001,924.57
Accrued interests	250,000.00	12,639.71	237,360.29
Total	**2,328,021,183.18**	**445,781,898.32**	**1,882,239,284.86**

Item	Opening balance		
	Book balance	Loss allowance	Book value
Principal	2,371,259,909.76	447,232,515.70	1,924,027,394.06
Accrued interests	275,000.00	17,927.63	257,072.37
Total	**2,371,534,909.76**	**447,250,443.33**	**1,924,284,466.43**

7 FINANCIAL ASSETS HELD FOR TRADING

Item	Closing balance	Opening balance
Financial assets at fair value through profit or loss	4,617,152,895.11	4,413,485,462.45
Including: Stock investments	2,889,312,103.42	1,801,404,297.11
Public fund investments	119,537,616.14	157,538,070.29
Investment in asset management scheme	847,227,316.55	941,380,633.67
Bond investments		1,505.00
Equity investments in unlisted companies	272,071,570.39	271,103,304.94
Trust Industry Protection Fund	125,487,674.83	137,194,997.22
Investments in trust schemes	163,516,613.78	160,933,628.34
Bank wealth management products	200,000,000.00	943,929,025.88
Total	**4,617,152,895.11**	**4,413,485,462.45**

8 DEBT INVESTMENTS

Item	Closing balance		
	Book balance	Loss allowance	Book value
Principal	6,727,081,991.70	2,410,915,081.61	4,316,166,910.09
Accrued interests	569,684.67	29,543.97	540,140.70
Total	**6,727,651,676.37**	**2,410,944,625.58**	**4,316,707,050.79**

Item	Opening balance		
	Book balance	Loss allowance	Book value
Principal	6,647,134,323.18	2,401,789,031.29	4,245,345,291.89
Accrued interests			
Total	**6,647,134,323.18**	**2,401,789,031.29**	**4,245,345,291.89**

9 OTHER EQUITY INSTRUMENT INVESTMENTS

		Increase or decrease in current period									
Item	Opening balance	Increase in investment	Decrease in investment	Gains recognised in other comprehensive income for the period	Losses recognised in other comprehensive income for the period	Others	Closing balance	Dividend income recognised in the current period	Cumulative gains recognised in other comprehensive income as at the end of the current period	Cumulative losses recognised in other comprehensive income as at the end of the current period	Reason for fair value through other comprehensive income (FVTOCI) designation
Guolian Minsheng	314,741,604.84				42,213,864.16		272,527,740.68			105,845,056.46	The Company's strategy is to hold the investment for long term
Total	**314,741,604.84**				**42,213,864.16**		**272,527,740.68**			**105,845,056.46**	

10 LONG-TERM EQUITY INVESTMENTS

Item	Closing balance	Opening balance
Associates accounted for using the equity method	409,456,983.85	410,731,783.51
Enterprises invested by the consolidated structured entities	264,435,124.00	264,435,124.00
Total	**673,892,107.85**	**675,166,907.51**

11 SHORT-TERM BORROWINGS

(1) The category of short-term borrowings

Category	Closing balance	Opening balance
Borrowings from Shandong Lucion Investment Holdings Group Co., Ltd.	705,102,222.22	
Total	**705,102,222.22**	

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

12 PROVISIONS

Item	Closing balance	Opening balance	Reason
Litigation compensation	61,687,154.08	60,078,812.90	Litigation
Total	**61,687,154.08**	**60,078,812.90**	

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 the Company, which upheld the first instance judgment that the 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 RMB21,271,224.58 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**") and Haina Real Estate Company, Shanghai Nuosheng Investment Management Co., Ltd. and the 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 RMB5,696,207.28 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**"), Haina Real Estate Company and the Company, which ruled that the 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. The 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 RMB34,719,722.22 based on the current progress.

13 NET INTEREST INCOME

Item	Amount recognised for the period	Amount recognised in the previous period
Interest income	**9,528,084.61**	**17,842,779.65**
Including: Cash and bank balances	450,961.71	610,584.53
Loans and advances to customers	4,393,203.89	12,882,743.61
Debt investments	537,438.37	22,330.09
Financial assets purchased under resale agreements	4,115,212.52	4,263,010.28
Other	31,268.12	64,111.14
Interest expenses	**23,992,469.61**	**25,677,778.89**
Including: Borrowings	23,639,907.04	23,005,107.67
Income attributable to third-party trust beneficiaries in consolidated structured entities	-167,564.54	2,181,320.12
Other	520,127.11	491,351.10
Net interest income	**-14,464,385.00**	**-7,834,999.24**

14 NET FEE AND COMMISSION INCOME

Item	Amount recognised for the period	Amount recognised in the previous period
Fee and commission income	**192,327,597.44**	**227,944,258.54**
Including: Trustee's remuneration	159,134,371.22	199,235,292.09
Other	33,193,226.22	28,708,966.45
Fee and commission expense	**71,890.48**	**2,317,862.08**
Including: Guarantee fee		2,295,068.50
Other	71,890.48	22,793.58
Net fee and commission income	**192,255,706.96**	**225,626,396.46**

15 INVESTMENT INCOME

Item	Amount recognised for the period	Amount recognised in the previous period
Long-term equity investment income accounted for using equity method	7,014,394.33	3,410,115.62
Investment income from holding financial assets	143,092,396.95	80,600,454.47
Investment income from disposal of the consolidated structured entities	-30,422,412.61	
Investment income from disposal of financial assets	34,903,833.16	
Total	**154,588,211.83**	**84,010,570.09**

16 GAINS FROM CHANGES IN FAIR VALUE

Source of gains from changes in fair value	Amount recognised for the period	Amount recognised in the previous period
Financial assets held for trading	-437,750,839.10	322,169,503.23
Enterprises invested by the consolidated structured entities		-2,851,155.38
Total	**-437,750,839.10**	**319,318,347.85**

17 BUSINESS AND ADMINISTRATION FEES

Item	Amount recognised for the period	Amount recognised in the previous period
Employee benefits	43,563,129.52	65,611,637.22
Depreciation and amortisation	23,576,945.66	28,293,267.54
Legal and professional fees	3,814,997.02	3,084,770.35
Network fees	3,576,711.01	7,042,150.07
Promotional expenses	1,941,599.36	2,411,256.44
Lease charges	1,839,704.85	2,004,719.14
Business hospitality expenses	557,883.26	925,062.10
Travel expenses	1,145,741.86	1,356,060.73
Office expenses	323,867.01	484,663.03
Other	7,723,043.46	5,384,647.26
Total	**88,063,623.01**	**116,598,233.88**

18 CREDIT IMPAIRMENT LOSSES

Item	Amount recognised for the period	Amount recognised in the previous period
Loss on bad debts of accounts receivable	-1,552,906.03	-87,476.94
Loss on bad debts of other receivables	1,003,005.61	6,061,719.61
Impairment losses on loans and advances to customers	-1,468,545.01	24,768,736.67
Impairment losses on debt investments	9,155,594.29	191,236,068.66
Impairment losses on art investments		11,735,494.54
Total	**7,137,148.86**	**233,714,542.54**

19 NON-OPERATING EXPENSES

Item	Amount for the period	Amount in the previous period	Amount included in non-recurring profit or loss for the period
Compensation cost	1,608,341.18	44,972,773.20	1,608,341.18
Losses on retirement of non-current assets	3,117.05	23,410.32	3,117.05
Other	170,634.11	4,712.17	170,634.11
Total	**1,782,092.34**	**45,000,895.69**	**1,782,092.34**

20 INCOME TAX EXPENSES

Item	Amount recognised for the period	Amount recognised in the previous period
Income tax expense for the period		28,957,319.68
Deferred income tax expenses	-88,802,041.17	34,025,404.08
Total	**-88,802,041.17**	**62,982,723.76**

21 DIVIDEND

During the six months ended 30 June 2026, the Company did not pay, declare or recommend to pay any dividends (for the six months ended 30 June 2025: nil), nor has any dividend been proposed since the end of the Reporting Period. The Board of Directors of the Company confirmed that no dividend will be paid for the six months ended 30 June 2026.

22 EARNINGS PER SHARE

(1) Basic earnings per share

Item	Amount for the period	Amount in previous period
Net profit attributable to ordinary shareholders of the parent company	-118,717,162.15	167,419,220.66
Weighted average of issued ordinary shares	4,658,850,000.00	4,658,850,000.00
Basic earnings per share	-0.03	0.04

(2) Diluted earnings per share

As there is no potential diluted ordinary share during the six months ended 30 June 2026, the diluted earnings per share are the same as the basic earnings per share.

23 POST BALANCE SHEET EVENTS

As of the date of approval of the financial report, the Group has no major post balance sheet events.

12. 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, and has reviewed the interim results for the six months ended 30 June 2026.

13. THE INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2026 PUBLISHED ON THE HONG KONG STOCK EXCHANGE'S WEBSITE AND THE COMPANY'S WEBSITE

The interim results announcement for the six months ended 30 June 2026 is published on the website of the Hong Kong Stock Exchange (www.hkexnews.hk) and the Company's website (www.sitic.com.cn). The interim report for the six months ended 30 June 2026 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 of Directors
Shandong International Trust Co., Ltd.
Zhao Zikun
Chairperson

Jinan, the People's Republic of China
27 August 2026

As at the date of this announcement, the Board of Directors comprises Mr. Zhao Zikun and Mr. Tian Zhiguo as executive Directors; Mr. Chen Liuyi, Mr. Pan Liquan and Mr. Chen Ping as non-executive Directors; Mr. Zheng Wei, Ms. Zhang Haiyan and Ms. Liu Wanwen as independent non-executive Directors.