

LUCION

山東省國際信託股份有限公司

Shandong International Trust Co., Ltd.

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

Stock Code: 1697



2025

ANNUAL REPORT



IMPORTANT NOTICE

The Board of Directors and the Directors and senior management of Shandong International Trust Co., Ltd., warrant the truthfulness, accuracy and completeness of the content in this annual report and that there are no false representations, misleading statements contained in or material omissions from this report, and severally and jointly assume legal responsibility.

Mr. Zheng Wei, Ms. Zhang Haiyan and Ms. Liu Wanwen, being the independent non-executive Directors of the Company, have no objection to the truthfulness, accuracy and completeness of the content in this annual report.

The 2025 annual report (2025 annual results announcement) of the Company was considered and approved by the 18th meeting of the fourth session of the Board of Directors held on 26 March 2026. Six Directors were entitled to be present at the meeting and six Directors attended the meeting in person.

The 2025 financial report, which has been prepared by the Company according to China accounting policies, was audited by ShineWing Certified Public Accountants (Special General Partnership) in accordance with China accounting policies, and ShineWing Certified Public Accountants (Special General Partnership) has issued the standard audit report without qualified opinion.

Mr. Yue Zengguang, the legal representative of the Company, Mr. Wang Ping, the Chief Financial Officer who is in charge of the major financial matters, and Ms. Chen Qingqing, the person in charge of the finance department, warrant that the financial statements in this annual report are true, accurate and complete.

The Board of Directors of
Shandong International Trust Co., Ltd.

26 March 2026

This annual report may contain forward-looking statements relating to risks and future plans. These forward-looking statements are based on information presently available to the Company and from other sources which the Company considers to be reliable. The forward-looking statements relating to the future events or the financial, business or other performance of the Company in the future are subject to uncertainties which could cause the actual results to differ materially. Investors are advised not to place undue reliance on these forward-looking statements. Future plans involved in these forward-looking statements do not constitute any actual commitment made by the Company to investors. Investors are advised to be cautious of their investment risks. For details of the major risks faced and the respective measures taken by the Company, please see "Management Discussion and Analysis" – "Risk Management" in this annual report.

Where there is any inconsistency between the Chinese version and the English version of this annual report, the Chinese version shall prevail. In this annual report, unless otherwise specified, loss and income tax credit are indicated in "–".

CONTENT

1

About Us

- 6 Chairperson's Statement
- 8 Basic Corporate Information
- 15 Major Financial Indicators

2

Operating Analysis

- 18 Management Discussion and Analysis
- 66 Significant Events

3

Corporate Governance

- 72 Changes in Share Capital and Shareholdings of Substantial Shareholders
- 76 Directors and Senior Management
- 88 Corporate Governance Report
- 126 Report of the Board of Directors

4

Financial Reports and Additional Information Disclosure Required by Regulators

- 142 Independent Auditor's Report
- 291 Additional Information Disclosure Required by Regulators
- 300 Definitions
- 304 Glossary of Technical Terms



1 About Us



- 6** Chairperson's Statement
- 8** Basic Corporate Information
- 15** Major Financial Indicators

CHAIRPERSON'S STATEMENT

2025 was a crucial year for the comprehensive implementation of the “1+N” regulatory system in the trust industry, and also a pivotal year for the industry to undergo cyclical tests and accelerate its transformation. Guided by Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, we thoroughly implemented the spirit of the 20th National Congress of the Communist Party of China and its subsequent plenary sessions, comprehensively grasped macroeconomic policy trends and regulatory guidance, responded to cyclical fluctuations with strategic resolve, proactively embraced reform through transformation and development, firmly returned to the origin, and focused on the “five major areas” of finance, further solidifying the foundation for the Company's high-quality development.

We firmly committed to returning to the origin, deepened reform and transformation, and consolidated the foundation for development. We actively adapted to the deepening of the “three categories” reform, resolutely broke away from path dependence, and built a dual-engine structure of asset management trusts and asset service trusts. We continued to cultivate family trusts and premium trusts, effectively meeting the wealth inheritance needs of high-net-worth clients. As at the end of 2025, the existing scale of family trusts exceeded RMB68 billion, representing a year-on-year increase of over 30%, winning the prestigious Golden Bull Award for Family Trusts. Fully embracing the capital market, we focused on improving our active management capabilities, and achieved stability in business volume and improvement in business quality in our standard product business. As at the end of 2025, the existing scale of our standard product business exceeded RMB90 billion. We also successfully won the largest bankruptcy restructuring service trust project in the province, achieving a major breakthrough in risk disposal service trusts and effectively assisting in regional risk mitigation. Actively exploring a new paradigm of integrated development of “pension + trust”, we achieved numerous highlights in serving social governance, while our charitable trusts continued to demonstrate innovative practices in areas such as green public welfare and rural revitalisation.

We leveraged local advantages and shouldered our responsibilities and missions to focus on the “five major areas” of finance. Firmly remembering our original mission of “gathering capital to develop Shandong”, we deeply served national and local major strategies, focused on core enterprises and key industrial chains, and kept introducing financial resources. As at the end of 2025, the Company's scale of existing trusts invested in Shandong Province exceeded RMB44 billion, with existing trust scale of “attracting capital to invest in Shandong” reaching RMB21 billion, demonstrating a stronger trust responsibility in serving the recovery of real economy. Anchoring ourselves to key areas such as cultivating new productive forces, green and low-carbon development, and social welfare, we deeply committed to the “five major areas” of finance. Our first nationally certified CCER carbon asset revenue rights trust was selected as one of the “Top Ten Green Trust Cases of 2025” by the China Trustee Association. Our first prepayment-type businesses in areas of public concern such as property management and elderly care prepayments were launched successively, further enhancing our ability to serve social governance.

We firmly adhered to the bottom line of risk management, upheld the concept of compliance, and strengthened the resilience of internal controls. Prioritising risk prevention and mitigation, we adhered to precise and categorised measures to steadily advance risk resolution. We optimised risk management tools such as risk appetite monitoring and stress tests, improved the risk management system, and closely monitored case prevention and control to effectively enhance the foresight and proactiveness of risk management. Upholding the business philosophy of “compliance creates value”, we fully aligned with regulatory requirements, continuously improved the institutional system that was comprehensive both horizontally and vertically, and ensured that “compliance is survival” became a consensus among all employees, thereby constantly strengthening the lifeline for the Company's high-quality development.

We adhered to Party building as our guiding principle, drew up the blueprint for the “15th Five-Year Plan”, and deepened digital empowerment. By insisting on integrating Party leadership into all aspects of corporate governance, we deepened the integration of Party building with business operations. We comprehensively reviewed the Company's “three meetings” institutional system, successfully completed the reform of the Board of Supervisors, and further clarified the boundaries of rights and responsibilities among various governance entities. We optimised our organisational structure, improved our incentive mechanisms, conducted in-depth learning from industry benchmarks, and meticulously organised and formulated our “15th Five-Year Plan”. We set up our development goals and implementation paths scientifically to comprehensively guide our direction of transformation. Moreover, we strengthened AI empowerment, focused on the concentrated development of high-value scenarios, and continuously promoted the implementation of “AI+”. We vigorously promoted a financial culture with Chinese characteristics, highlighted the core features of trust culture, and ensured that our development direction remained on track and our momentum remained undiminished.

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

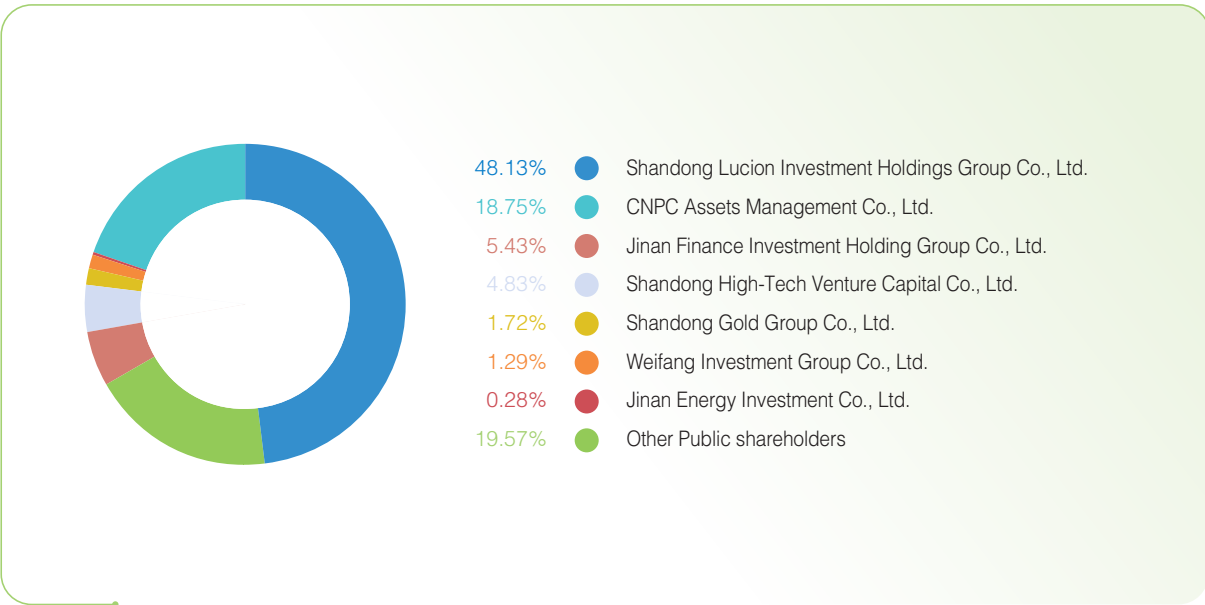


Yue Zengguang
Chairperson

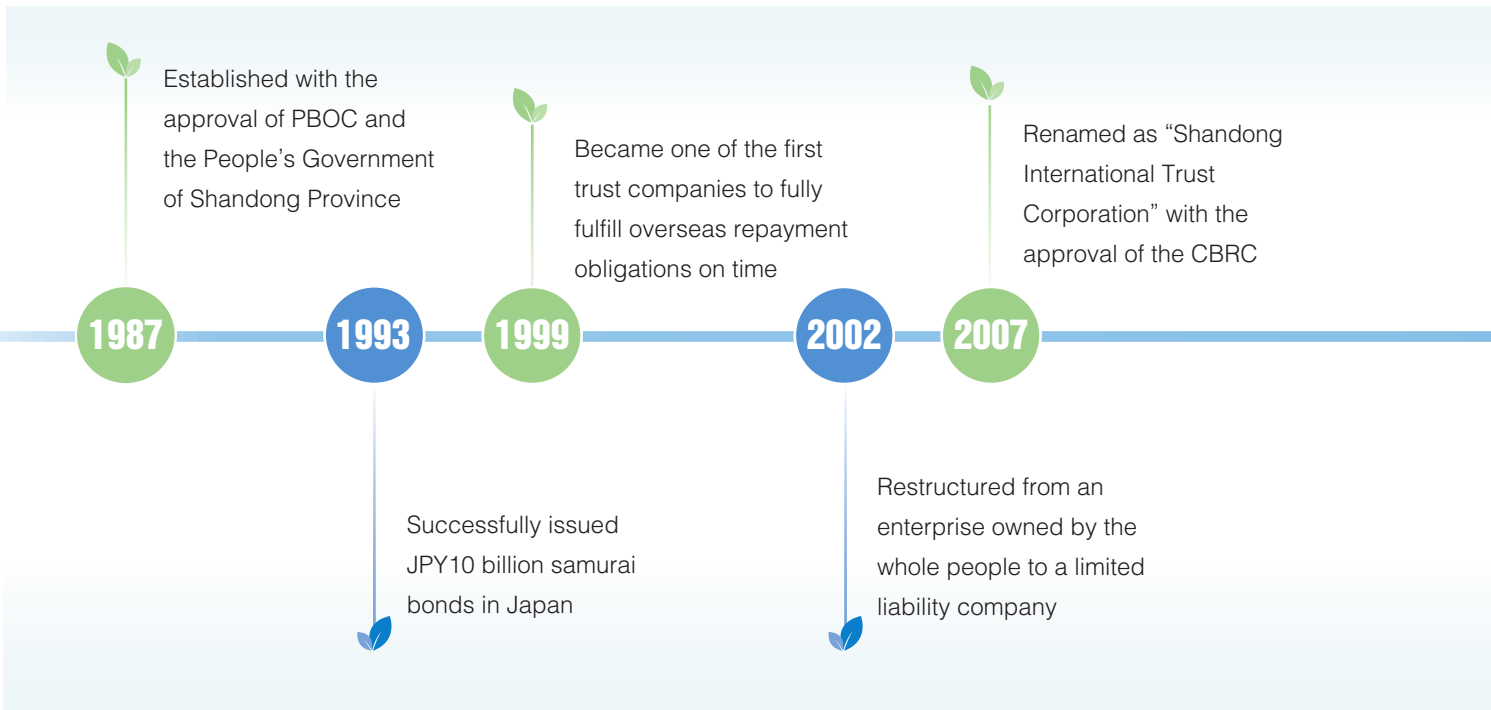


BASIC CORPORATE INFORMATION

SHAREHOLDING STRUCTURE



DEVELOPMENT HISTORY



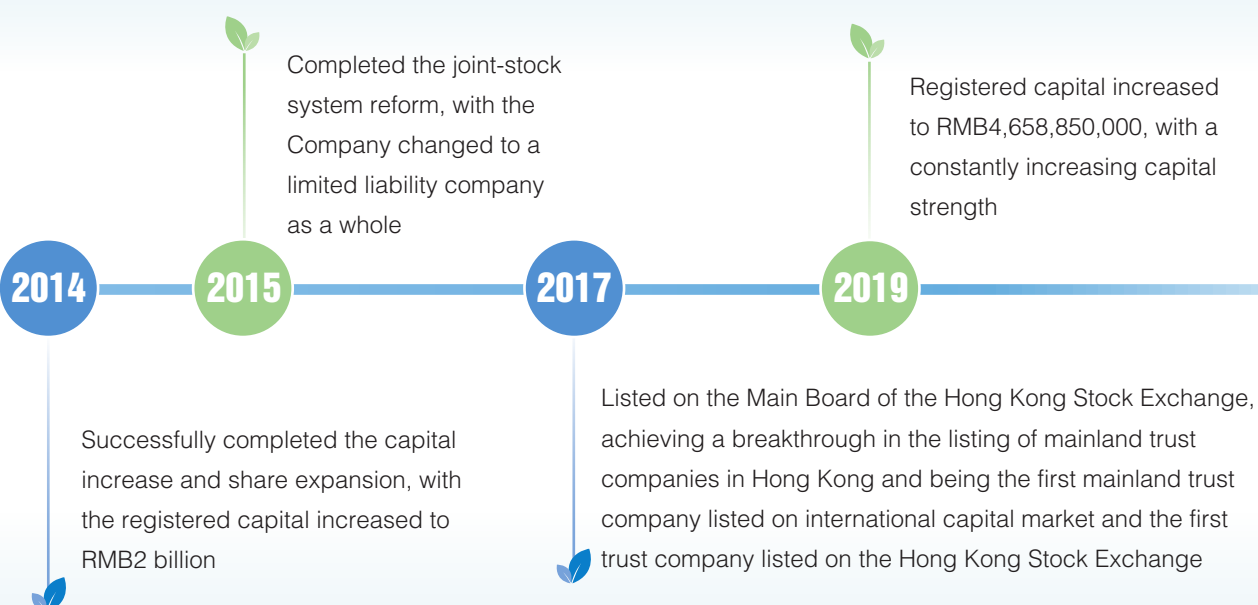
BASIC CORPORATE INFORMATION

BUSINESS LINES AND NETWORK LAYOUT

BUSINESS COVERAGE



WEALTH NETWORK LAYOUT



BASIC CORPORATE INFORMATION

COMPANY PROFILE

Shandong International Trust Co., Ltd., currently a director member of the China Trustee Association, was established as a non-banking financial institution in 1987, with the approval of PBOC and the People's Government of Shandong Province. Shandong Lucion Investment Holdings Group Co., Ltd., the Controlling Shareholder of SITC, is an important state-owned backbone financial enterprise managed by Shandong Provincial Party Committee, and is also an important investment and financing entity and asset management platform in Shandong Province. In December 2017, the H Shares of the Company was listed on the Hong Kong Stock Exchange (stock code: 1697.HK), being the first domestic trust company listed on international capital market.

Since its establishment, SITC has always stood by our role as a trustee, adhered to the development strategy of integration and coordination of its trust business and proprietary business, gave full play to the advantages of the main business of trust, and promoted effective interconnection between the monetary market, capital market and the real economy. Focusing on the reform direction of the "new three categories", the Company has set up three business divisions, namely capital market, wealth management and family trust, and developed asset service trusts, asset management trusts and public welfare charitable trusts based on its endowment and characteristics, thus creating a "stability and health" and "specialization and refinement" business system. SITC establishes business and wealth teams in central cities across the country, and constructs the development pattern of "taking root in Shandong, spreading to the whole country and establishing international presence". SITC adheres to the principle of "customer-centeredness", actively implements the mission of state-owned enterprises, resolutely shoulders social responsibility, firmly returns to the origin of trust, continuously improves the level of financial technology, and takes the initiative to serve green development, rural revitalisation and support public welfare charities. SITC contributes to supporting the high-quality development of the economy and serving the people's better life.

The growth of the Company has been recognised and praised by different sectors in the society, and evidenced by numerous awards, such as "Financial Innovation Award of Shandong Province", "Best Innovative Trust Company", "Integrity Trust – Innovation Leading Award", "Most Valuable Financial Stock Company", "Best Corporate Governance Award", "Best Information Disclosure Award", "Shandong Social Responsibility Enterprise", "3 • 15 Integrity Financial Brand" and "Shandong Charitable Award • the Most Influential Charity". The Company was awarded with the honorary title of "Advanced Company Contributing to Financial Development of Shandong Province" by the government of Shandong Province, widely recognised and highly regarded by the society.

SITC excels at seizing opportunities and audaciously meeting challenges. Guided by the "15th Five-Year Plan", we will actively comply with the regulatory orientation and market demand, stand by our role as a trustee, firmly return to the origin of trust, bravely undertake the mission of "supporting the real economy, serving the people's well-being and practicing social responsibility", strive to become an important comprehensive financial service institution in the region with trust services as its core and leading position in its niche market, and create greater values for Shareholders, customers, employees and other stakeholders.

BASIC CORPORATE INFORMATION

CORPORATE 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

Yue Zengguang (岳增光)

He Chuangye (賀創業)

Secretary to the Board of Directors, company secretary

He Chuangye (賀創業)

Registered office, head office in the PRC

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

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

BASIC CORPORATE INFORMATION

BRIEF DESCRIPTION OF THE COMPANY'S SHARES

Place of listing of H Shares	The Stock Exchange of Hong Kong Limited
Stock name	SITC
Stock code	1697

CONTACT PERSON, CONTACT INFORMATION AND CONTACT ADDRESS

Senior management responsible for information disclosure	He Chuangye (賀創業)
Contact person for information disclosure matter	He Chuangye (賀創業)
Telephone number	(0531) 51757480
Facsimile number	(0531) 51757480
E-mail address	ir1697@luxin.cn
Media for information disclosure	Shanghai Securities News
Website of Hong Kong Stock Exchange for publishing the annual report for H Shares	www.hkexnews.hk
Place for maintaining annual report	35/F, Tower A No. 2788 Aoti West Road, Lixia District Jinan, Shandong Province PRC

BASIC CORPORATE INFORMATION

SPECIAL COMMITTEES OF THE BOARD OF DIRECTORS OF THE COMPANY

Audit Committee

Zheng Wei (鄭偉) (*Chairperson*)
Chen Liuyi (陳六億)
Zhang Haiyan (張海燕)
Liu Wanwen (劉皖文)

Nomination and Remuneration Committee

Liu Wanwen (劉皖文) (*Chairperson*)
Yue Zengguang (岳增光)
Zhang Haiyan (張海燕)

Strategies and Risk Management Committee

Yue Zengguang (岳增光) (*Chairperson*)
Chen Liuyi (陳六億)
Liu Wanwen (劉皖文)

Trust and Consumer Rights Protection Committee

Zhang Haiyan (張海燕) (*Chairperson*)
Yue Zengguang (岳增光)
Chen Xuebin (陳學斌)

Related Party Transaction Control Committee

Zheng Wei (鄭偉) (*Chairperson*)
Liu Wanwen (劉皖文)
Chen Xuebin (陳學斌)

BASIC CORPORATE INFORMATION

SERVICE ORGANISATIONS

H Share Registrar	Computershare Hong Kong Investor Services Limited Shops 1712-1716, 17th Floor, Hopewell Centre 183 Queen's Road East, Wanchai Hong Kong, PRC
Legal advisor (as to PRC laws) Place of business	Fangda Partners 24/F, HKRI Centre Two, HKRI Taikoo Hui 288 Shi Men Yi Road Shanghai, PRC
Legal advisor (as to Hong Kong laws) Place of business	Fangda Partners 26/F, One Exchange Square 8 Connaught Place, Central Hong Kong, PRC
International and PRC auditor Place of business	ShineWing Certified Public Accountants (Special General Partnership) <i>(Public Interest Entity Auditor recognised in accordance with the Accounting and Financial Reporting Council Ordinance)</i> 9/F, Block A Fu Hua Mansion 8 Chaoyangmen Beidajie, Dongcheng District Beijing, PRC
Names of the undersigned accountants	Wang Gongyong (王貢勇); Guo Lechao (郭樂超)
Principal bank	Citic Bank Jinan Huayuan Road Sub-branch Building 9, Ligao International No. 1222 Aoti West Road, Lixia District Jinan, Shandong Province PRC

MAJOR FINANCIAL INDICATORS

FINANCIAL DATA

	As at and for the year ended 31 December				
	2025	2024	2023	2022	2021
Data at the end of the Reporting Period (RMB in millions)					
Total assets	13,679	14,279	14,169	14,458	19,063
Fee and commission income	430	459	771	990	830
Interest income	43	-4	192	63	541
Total operating income	722	905	1,190	1,509	1,585
Gains from changes in net assets attributable to third-party investors in consolidated structured entities	23	6	26	35	-151
Total operating costs	637	611	781	916	1,082
Total profit	77	214	290	591	503
Segment assets					
Proprietary business	12,910	13,475	13,350	13,505	17,800
Trust business	745	774	789	821	1,123
Unallocated assets ⁽¹⁾	24	30	30	132	140
Segment liabilities					
Proprietary business	2,163	2,735	2,718	3,207	8,186
Trust business	243	280	334	278	206
Unallocated liabilities ⁽¹⁾	31	28	28	39	15

Note:

(1) It refers to the assets and liabilities shared by the proprietary business and trust business.



2 Operating Analysis



18 Management Discussion and Analysis

66 Significant Events

MANAGEMENT DISCUSSION AND ANALYSIS

ENVIRONMENT REVIEW

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

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

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

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS OVERVIEW

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

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

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

MANAGEMENT DISCUSSION AND ANALYSIS

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

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

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

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

MANAGEMENT DISCUSSION AND ANALYSIS

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

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

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

Trust Business

Classification of Trusts

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

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

- (1) **Financing trusts:** Through financing trusts, the Company mainly provides private equity investment banking services to various types of enterprises and institutions in China, and offers flexible and diversified financing plans.

MANAGEMENT DISCUSSION AND ANALYSIS

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

The following table sets forth the Company's total numbers of trusts and AUM of each type of our trusts as at the dates indicated:

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

Note:

The AUM as disclosed in the above table do not include the size of the premium trusts (in terms of basic insurance amount) managed by the Company as at the corresponding dates, being RMB35,866 million (31 December 2025) and RMB26,350 million (31 December 2024). As at 31 December 2025 and 31 December 2024, the AUM of the Company (including premium trusts) amounted to RMB246,391 million and RMB240,173 million, respectively.

MANAGEMENT DISCUSSION AND ANALYSIS

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

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

Trust Business Segmentation

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

Asset Service Trusts

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

Family Trusts, Family Service Trusts, and Premium Trusts

Family trust refers to the trust business in which the trust company accepts the entrustment of a single natural person or a single natural person and his/her family, with the protection, inheritance and management of family wealth as the main trust purpose, and provides customised affairs management and financial services such as property planning, risk isolation, asset allocation, children's education, family governance, public welfare charity undertakings, etc. The initial establishment of a family trust shall have a paid-in trust of not less than RMB10 million, and the trustor shall not be the sole beneficiary. A trust business with the main purpose of pursuing the preservation and appreciation of the value of the trust property and the nature of special-purpose account management shall not be considered as a family trust. Family service trust refers to the trust business in which a trust company meeting the relevant conditions accepts the entrustment of a single natural person, or accepts the joint entrustment of a single natural person and his/her family, to provide services such as risk isolation, wealth protection and distribution. The initial establishment of a family service trust shall have a paid-in trust of not less than RMB1 million, a term of not less than five years, and the scope of investment is limited to trust plans, bank wealth management products, and other public asset management products with interbank deposits, standardised creditor's rights assets, and listed and traded stocks as the ultimate investment targets. A premium trust is established by a trust company on behalf of a single natural person, or on behalf of a single natural person and his/her family, with the rights and benefits associated with a life insurance contract as well as the funds required for the subsequent payment of premiums as trust property. When the benefit conditions stipulated in the insurance contract are met, the insurance company shall transfer the corresponding funds to the corresponding trust account under the insurance contract, which shall be managed by the trust company pursuant to the trust documents.

MANAGEMENT DISCUSSION AND ANALYSIS

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

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

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

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

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

Asset Product Service Trusts

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

MANAGEMENT DISCUSSION AND ANALYSIS

Risk Disposal Service Trusts

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

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

Pre-paid Fund Service Trusts

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

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 Assets Management Business of Financial Institutions (Yin Fa [2018] No. 106), and divided into four business types including fixed income trust schemes, equity trust schemes, commodities and financial derivatives trust schemes, and hybrid trust schemes. The trust company shall raise funds through non-public offering of a pooled fund trust scheme and manage the investment of the entrusted funds in accordance with the investment methods and ratios as agreed in the trust document. Investors of the trust schemes are required to meet the standards of qualified investors and are both trustors and beneficiaries at the time of the establishment of the trust.

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

MANAGEMENT DISCUSSION AND ANALYSIS

Securities Investment Trusts

Securities investment trust refers to an operation in which a trust company invests funds pooled under a fund trust program in such securities as are publicly issued and publicly traded on such trading venues as are in conformity with the law. The investment usually covers stocks listed and traded on stock exchanges, public securities investment funds, private securities investment funds, financial derivatives, corporate bonds, treasury bonds, convertible bonds, exchangeable bonds, asset-backed securities, government bonds purchased under agreements to resell, bank deposits, and other types of investments permitted by the regulator. Securities investment trust business can be categorised in ways from different dimensions. By the nature of investment, it can be classified into four business types: fixed income, equity, commodities and financial derivatives, and hybrid. Fixed income refers to trust schemes in which more than 80% of the funds are invested in debt assets such as deposits and bonds; equity refers to trust schemes in which more than 80% of the funds are invested in equity assets such as equities; commodities and financial derivatives refers to trust schemes in which the proportion of investment in commodities and financial derivatives is not less than 80%; and hybrid refers to trust schemes that invest in multiple types of assets and where the proportion of investment in any one type of asset does not meet the aforementioned criteria. By the service contents and business models of trust companies, securities investment trusts can also be categorised into two types of business: self-managed and external advisor. The self-managed category refers to trust schemes in which the trust company, as the manager, independently selects securities products and investment strategies, independently conducts portfolio allocation, and directly makes investment decisions, while the external advisor category refers to trust schemes in which the trust company selects and hires an investment advisor to offer investment advice.

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

MANAGEMENT DISCUSSION AND ANALYSIS

Real Estate Trusts

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

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

Industrial and Commercial Enterprises Trusts

Industrial and commercial enterprises trust refers to the business that the trust company, as the trustee, accepts the trust property of the trustor in the form of single or collective trust, and applies the trust capitals to industrial and commercial enterprises such as production, service and trade enterprises according to the wishes of the trustor to manage, apply and dispose of the trust property. Industrial and commercial enterprises trust can solve the capital needs of enterprises in the process of operation, such as liquidity capital needs, merger and acquisition capital needs, etc. Industrial and commercial enterprises trust is an important business for trust companies to comply with the guidance of national policies and guide social funds to invest in the real economy. It can meet the capital needs of enterprises through various methods, such as equity, creditor's rights, stock debt linkage, industrial funds. The counterparties of the Company's industrial and commercial enterprises trusts were mainly central enterprises, state-owned enterprises and listed companies with strong strengths and high credit ratings. Against the backdrop of the sluggish effective demand, lower-than-expected social expectations, growing risks, and severe and complex big picture, SITC will actively respond to the national call, flexibly use trust instruments, and increase its support to the real economy, especially small and medium-sized and micro enterprises, scientific and technological innovation, green development, "specialised and innovative" enterprises, industries with regional characteristics and advantages, and ecological protection in the Yellow River Basin, so as to help enhance the core competitiveness of the manufacturing industry and regional economic development.

Infrastructure Trusts

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

MANAGEMENT DISCUSSION AND ANALYSIS

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

Public Welfare Charitable Trusts

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

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

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

MANAGEMENT DISCUSSION AND ANALYSIS

Proprietary Business

In 2025, in order to reasonably optimise the allocation of its own funds and improve the operational standard of its own funds, the Company insisted on the strategy of combining long-term, mid-term and short-term assets, and made reliable investments with its own funds. Firstly, the Company fully utilised the synergy between the proprietary business and the trust business, and provided great support for standardised products and other transformative and innovative products so as to assist the transformation and development of the Company's business. Secondly, the Company further optimised the asset structure, actively dealt with idle and inefficient assets, and improved the quality of proprietary assets. Thirdly, with safety and liquidity being assured, the Company actively carried out diversified investment and reasonably planned for the overall asset allocation to improve capital utilisation efficiency. The Company recorded segment income of RMB295.9 million from its proprietary business in 2025, representing a year-on-year decrease of 32.6%, mainly due to (1) the decrease in gains from changes in fair value from RMB414.6 million in 2024 to RMB69.0 million in 2025; and (2) the increase in investment income from RMB67.2 million in 2024 to RMB205.6 million in 2025.

Allocation of Proprietary Assets

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

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

MANAGEMENT DISCUSSION AND ANALYSIS

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

	31 December 2025	2024
	(RMB in thousands)	
Investments in monetary assets	653,207	921,998
Cash at banks	22,508	208,142
Other monetary assets	87,846	323,856
Government bonds purchased under agreements to resell	542,853	390,000
Securities Investments	9,937,055	9,737,676
<i>Investment in equity products</i>	1,896,462	2,185,513
Listed stock investment classified as:		
– Financial assets held for trading	1,801,404	1,722,931
Subtotal	1,801,404	1,722,931
Public fund investments classified as:		
– Financial assets held for trading	95,058	462,582
Subtotal	95,058	462,582
<i>Investment in wealth management products</i>		
Investments in consolidated trust schemes	4,555,803	3,716,558
Investment in unconsolidated trust schemes classified as financial assets held for trading	156,326	153,935
Investment in unconsolidated trust schemes classified as debt investments	174,577	277,280
Other financial investment classified as debt investments	2,290,475	2,510,136
Bond investments	2	10,659
Asset management products	863,410	867,889
Bank wealth management		15,706
Long-Term Equity Investments	625,119	1,259,477
Investment accounted for using the equity method	410,732	403,743
Investment classified as financial assets held for trading	214,387	855,734
Proprietary Loans	58,593	70,188
Trust Industry Protection Fund	115,498	113,962
Other equity instrument investment	314,742	
Total	11,704,214	12,103,301

MANAGEMENT DISCUSSION AND ANALYSIS

Monetary Assets

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

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

	For the year ended 31 December 2025 (RMB in thousands)	2024
Interest income generated from:		
– Cash at banks	778	1,150
– Government bonds purchased under agreements to resell	6,929	6,302
Total	7,707	7,452

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

MANAGEMENT DISCUSSION AND ANALYSIS

Securities Investments

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

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

	For the year ended 31 December	
	2025	2024
	(RMB in millions, except risk category)	
Risk category of underlying investments		
– Equity products	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	2,041.0	2,225.2
– Trust schemes	4,517.2	3,744.4
– Debt investments	2,400.3	2,987.3
– Bond investments	5.3	11.1
– Asset management products	865.7	902.6
– Bank wealth management	7.9	7.9

Note:

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

MANAGEMENT DISCUSSION AND ANALYSIS

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

Long-Term Equity Investments

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

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

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

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

MANAGEMENT DISCUSSION AND ANALYSIS

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:

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

	For the year ended 31 December 2025	2024
	(RMB in thousands)	
Dividend income generated from:		
– As associate using the equity method	–	–
– Investment categorised as financial assets held for trading	–	4,728
Total	–	4,728

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

Proprietary Loans

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

Trust Industry Protection Fund

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

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL OVERVIEW

Analysis of Consolidated Income Statement

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

Results of Operations

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

Item	For the year ended 31 December	
	2025	2024
	(RMB in thousands)	
I. Total operating income	722,413	904,977
Net interest income	-9,735	-56,270
Including: Interest income	42,776	-3,639
Interest expense	52,511	52,631
Net fee and commission income	423,206	455,105
Including: Fee and commission income	429,650	459,426
Fee and commission expenses	6,444	4,321
Investment income	205,648	67,155
Including: Income from investment in associates and joint ventures	8,905	8,073
Gains from changes in fair value	69,042	414,594
Gains from changes in net assets attributable to third-party investors in consolidated structured entities	22,979	5,906
Other operating income	11,273	18,612
Gains on disposal of assets	—	-125
II. Total operating costs	636,864	610,809
Tax and surcharges	7,080	5,953
Business and administrative expenses	289,863	294,938
Credit impairment losses	325,408	301,959
Impairment losses on other assets	—	2,064
Other operating costs	14,513	5,895
III. Operating profit	85,549	294,168
Add: Non-operating income	50	470
Less: Non-operating expenses	8,892	81,044
IV. Total profit	76,707	213,594
Less: Income tax expenses	21,594	70,799
V. Net profit	55,113	142,795

MANAGEMENT DISCUSSION AND ANALYSIS

Total Operating Income

Net Interest Income

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

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

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

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

MANAGEMENT DISCUSSION AND ANALYSIS

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

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

Investment Income

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

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

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

MANAGEMENT DISCUSSION AND ANALYSIS

Gains from Changes in Fair Value

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

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

Total Operating Costs

Business and Administrative Expenses

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

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

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

MANAGEMENT DISCUSSION AND ANALYSIS

Credit Impairment Losses

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

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

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

Non-operating Expenses

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

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

MANAGEMENT DISCUSSION AND ANALYSIS

Total Profit and Operating Margin

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

	For the year ended 31 December	
	2025	2024
	(RMB in thousands)	
Total profit	76,707	213,594
Operating margin ⁽¹⁾	10.6%	23.6%

Note:

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

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

Income Tax Expenses

Item	For the year ended 31 December	
	2025	2024
	(RMB in thousands)	
Income tax expenses for the year	—	61,732
Deferred income tax expenses	21,594	9,067
Total	21,594	70,799

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

MANAGEMENT DISCUSSION AND ANALYSIS

Net Profit and Net Profit Margin

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

	For the year ended 31 December	
	2025	2024
	(RMB in thousands)	
Net profit	55,113	142,795
Net profit margin ⁽¹⁾	7.6%	15.8%

Note:

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

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

Segment Results of Operations

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

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

MANAGEMENT DISCUSSION AND ANALYSIS

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

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

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 year ended 31 December	
	2025	2024
	(RMB in thousands)	
Trust business	127,110	92,271
Proprietary business	-50,403	121,323
Total profit	76,707	213,594

MANAGEMENT DISCUSSION AND ANALYSIS

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 year ended 31 December	
	2025	2024
	(RMB in thousands)	
Trust business	29.8%	19.8%
Proprietary business	-17.0%	27.6%

Trust Business

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

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

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

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

MANAGEMENT DISCUSSION AND ANALYSIS

Proprietary Business

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

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

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

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

Selected Consolidated Financial Positions

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

MANAGEMENT DISCUSSION AND ANALYSIS

Assets

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

Loans and Advances to Customers

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

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

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

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

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

MANAGEMENT DISCUSSION AND ANALYSIS

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

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

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

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

Debt Investments

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

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

MANAGEMENT DISCUSSION AND ANALYSIS

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 Hong Kong Stock Exchange, respectively (A share stock code: 601456, H share stock code: 01456)) as a strategic long-term investment, which has been designated as financial assets at fair value through other comprehensive income upon initial recognition in January 2025. As at 31 December 2025, the balance of such investment was RMB314.7 million.

Long-term Equity Investments

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

	Equity Interest as at 31 December 2025	31 December 2025 (RMB in thousands)	2024
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%	165,872	167,710
Sinotruk Automobile Finance Co., Ltd. (重汽汽車金融有限公司)	6.52%	238,589	230,065
Anhui Luxin Private Equity Investment Fund Management Co., Ltd. (安徽魯信私募股權投資基金管理有限公司)	25.00%	6,271	5,968
Subtotal		410,732	403,743
Enterprises invested by the consolidated structured entities		264,435	319,639
Total		675,167	723,382

MANAGEMENT DISCUSSION AND ANALYSIS

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:

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

Significant investments:

The Company holds shares of China Zheshang Bank Co., Ltd. (“**CZ Bank**”). CZ Bank is principally engaged in corporate and retail banking services, treasury business and other commercial banking business. The A shares and H shares of CZ Bank are listed on the Shanghai Stock Exchange and the Hong Kong Stock Exchange (A share stock code: 601916, H share stock code: 2016), respectively. As at 31 December 2024 and 31 December 2025, the Company held 572,992,903 and 592,567,203 A shares of CZ Bank, representing 2.09% and 2.16% of its total share capital, respectively. The investment cost was RMB1.161 billion and RMB1.222 billion, and the fair value was RMB1.667 billion and RMB1.801 billion, representing 11.7% and 13.2% of the total assets of the Company as at 31 December 2024 and 31 December 2025, respectively. In 2025, the Company recognised RMB162.8 million as operating income from its investment in CZ Bank, among which RMB73.4 million was recognised as gains from changes in fair value and RMB89.4 million was recognised as investment income (being dividend income). The management of the Company expects the future business development of CZ Bank to be stable.

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

MANAGEMENT DISCUSSION AND ANALYSIS

Monetary Assets

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

Financial Assets Purchased under Resale Agreements

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

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

Accounts Receivable

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

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

Liabilities

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

MANAGEMENT DISCUSSION AND ANALYSIS

Provisions

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

Other Liabilities

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

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

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

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

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

MANAGEMENT DISCUSSION AND ANALYSIS

Off-balance Sheet Arrangements

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

ASSETS UNDER MANAGEMENT, ASSET QUALITY AND FINANCIAL PERFORMANCE OF CONSOLIDATED TRUST SCHEMES

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

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

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

MANAGEMENT DISCUSSION AND ANALYSIS

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:

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

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

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

MANAGEMENT DISCUSSION AND ANALYSIS

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

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

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

MANAGEMENT DISCUSSION AND ANALYSIS

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.

MANAGEMENT DISCUSSION AND ANALYSIS

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

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

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

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

RISK MANAGEMENT

Overview

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

MANAGEMENT DISCUSSION AND ANALYSIS

Risk Management Organisational Structure

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

Factors Affecting the Company's Results of Operations

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

General Economic and Financial Market Conditions

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

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

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

MANAGEMENT DISCUSSION AND ANALYSIS

Regulatory Environment

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

In addition, the regulatory environment of other financial industries in China may also indirectly impact the Company's trust business. For example, in September 2018, the Former CBIRC promulgated the Administrative Measures for Supervision of Wealth Management Business of Commercial Banks (《商業銀行理財業務監督管理辦法》) and the Administrative Measures for Wealth Management Subsidiaries of Commercial Banks (《商業銀行理財子公司管理辦法》) in December 2018, which clearly stipulated the wealth management business of commercial banks, allowing commercial banks to develop asset management services through the establishment of financial management subsidiaries. The Company has traditionally benefited from the expanded business scope under the Company's trust license. However, other financial institutions, such as commercial banks and wealth management subsidiaries of commercial banks, may be able to offer an increasing number of products and services that are similar to 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 actively managed trusts, which have relatively high trust remuneration rates, and administrative management trusts, which have relatively low trust remuneration rates. The Company has financing trusts that provide financings to counterparty clients in different industries and investment trusts that invest the Company's trustor clients' assets into different asset classes. Therefore, different types of trust products will have different risk-and-return profiles and will require different means of management from the Company, which will affect the trustee's remuneration of the Company. As a result, the overall financial performance of the Company's trust business would be significantly affected by the relative weight of different types of trust products the Company provides. The Company also generates interest income and investment income from its proprietary business by allocating its proprietary assets into different asset classes. The performance of the Company's proprietary business is affected by its proprietary assets allocation plan, market condition, interest rate as well as the Company's investment and risk management capability, and will also significantly affect the Company's financial position and results of operation.

MANAGEMENT DISCUSSION AND ANALYSIS

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

Competition

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

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

Interest Rate Environment

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

- Changes in lending rates may affect the comparative financing costs for the Company's counterparty clients from different financing sources and thereby affect their willingness to carry out financings through the Company's trust products;
- Changes in deposit interest rates may affect the comparative investment returns to the Company's trustor clients from different investment options, thereby affecting their willingness to invest in the Company's trust products;
- Changes in lending rates may affect the amount of interest income generated from financing service provided to the Company's counterparty clients by the Company's trust schemes or itself using the Company's proprietary assets, thereby affecting the amount of the trustee's remuneration of the Company as well as the Company's interest income from consolidated trust schemes and its proprietary loans; and

MANAGEMENT DISCUSSION AND ANALYSIS

- 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.

Credit Risk Management

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

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

Credit Risk Management on Trust Business

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

Credit Risk Management on Proprietary Business

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

MANAGEMENT DISCUSSION AND ANALYSIS

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.

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.

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.

Operational Risk Management

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

MANAGEMENT DISCUSSION AND ANALYSIS

Reputational Risk Management

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

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.

Anti-money Laundering Management

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

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

MANAGEMENT DISCUSSION AND ANALYSIS

Pursuant to the Company's Administrative Measures on Anti-Money Laundering, the Company has established a client identification system, which requires employees of the Company to effectively verify and continuously update the identification data of the Company's clients. For example, employees of the Company are required to conduct due diligence on the comprehensive background of potential clients, including verifying the validity of the identification data provided, such as the respective corporate certification for enterprises and individuals, or individual identity cards, as well as understanding sources of funds, liquidity and potential transaction purposes of such potential clients. Also, employees of the Company are required to continuously update such clients' identification data during its daily operation, in particular where there is any material change. Employees shall conduct further investigations if any irregularity is identified in connection with the clients' operational or financial status, or their usual transaction patterns, or there was any discrepancy between any new data available to the Company and the data previously provided to the Company, or any suspicious activities involving money laundering or terrorist financing. The Company may terminate the business relationship with a client if it fails to provide it with the most updated and valid identification documents within a certain period upon the Company's request. The identification data of the Company's clients is recorded and archived in accordance with the relevant PRC laws. Such identification data and any information or materials relating to the Company's transactions and accounts with the Company would be kept for at least ten years after the relevant party ceases to be a client of the Company.

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

CAPITAL MANAGEMENT

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

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

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

MANAGEMENT DISCUSSION AND ANALYSIS

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

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

FUTURE PROSPECT

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

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

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

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

MANAGEMENT DISCUSSION AND ANALYSIS

KEY TASKS FOR 2026

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

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

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

MANAGEMENT DISCUSSION AND ANALYSIS

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

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

SIGNIFICANT EVENTS

CHANGE OF REGISTERED CAPITAL AND CAPITAL STRUCTURE AND CHANGE OF SHAREHOLDING OF SHAREHOLDERS

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

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION, THE PROCEDURAL RULES FOR THE BOARD OF DIRECTORS, THE PROCEDURAL RULES FOR THE BOARD OF SUPERVISORS AND THE PROCEDURAL RULES FOR THE GENERAL MEETING

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

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

In accordance with the Company Law of the PRC and the relevant provisions of the NFRA regarding the cancellation of the Board of Supervisors, and in consideration of the Company's actual circumstances, the Company no longer establishes the Board of Supervisors nor have Supervisors. The audit committee shall exercise the functions and powers of the Board of Supervisors as stipulated by laws and regulations, and the Articles of Association and other relevant rules were amended accordingly. The Company's Procedural Rules for the Board of Supervisors and other corporate governance policies in relation to the Board of Supervisors were simultaneously abolished, and the current Supervisors no longer serve as Supervisors of the Company. In June 2025, in light of the above PRC regulatory changes, the relevant provisions of the NFRA regarding the cancellation of the Board of Supervisors, and the Company's actual circumstances, the Company decided to make further amendments to the Articles of Association (the **"2025 Amendments to the Articles of Association"**). The 2025 Amendments to the Articles of Association were considered and approved by the Shareholders at the 2025 first extraordinary general meeting held on 27 August 2025, and were approved by the Shandong Office of the NFRA on 10 November 2025. Since then, the Company no longer establishes the Board of Supervisors, and the Audit Committee exercises the functions and powers of the Board of Supervisors as stipulated by laws and regulations.

SIGNIFICANT EVENTS

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

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

MATERIAL LEGAL PROCEEDINGS AND ARBITRATION

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

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

MATERIAL ACQUISITION, DISPOSAL AND MERGER OF ASSETS

The Company entered into the Agreement on the Acquisition of Assets by Issuance of Shares with Guolian Securities Co., Ltd. (renamed as Guolian Minsheng Securities Co., Ltd., a joint stock company 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 Hong Kong Stock Exchange, respectively (A share stock code: 601456, H share stock code: 01456)) on 8 August 2024, pursuant to which the Company and Guolian Minsheng agreed that Guolian Minsheng shall acquire 132,715,017 shares of Minsheng Securities Co., Ltd. held by the Company through the acquisition of assets by issuing A shares at a consideration of RMB346.7124 million. Based on the consideration for the transfer, the number of additional A shares issued by Guolian Minsheng acquired by the Company under the Transaction is 31,039,606 shares.

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

SIGNIFICANT EVENTS

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

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

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

ENTERING INTO THE LOAN FRAMEWORK AGREEMENT

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

PENALTIES IMPOSED ON THE COMPANY AND ITS DIRECTORS, (FORMER) SUPERVISORS AND SENIOR MANAGEMENT

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

PROVISIONAL REPORT ON MATERIAL ISSUES

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

SIGNIFICANT EVENTS

IMPORTANT INFORMATION WHICH THE NFRA AND ITS PROVINCIAL OFFICES CONSIDERED NECESSARY TO INFORM CLIENTS AND STAKEHOLDERS

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

RECTIFICATION OPINION ISSUED BY THE NFRA AND ITS LOCAL OFFICES UPON INSPECTION OF THE COMPANY

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

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

ARRANGEMENT FOR ISSUING CORPORATE COMMUNICATIONS ELECTRONICALLY

The Company has adopted an arrangement for the electronic dissemination of corporate communications ("**Corporate Communications**"), which refer to any documents issued or to be issued by the Company for the purpose of providing information to its Shareholders or prompting them to take action, including but not limited to (a) copies of directors' reports, annual accounts and auditors' reports and, where applicable, summary financial reports; (b) interim reports and interim report summaries (where applicable); (c) notices of meeting; (d) listing documents; (e) circulars; and (f) proxy forms. Please note that all Corporate Communications in English and Chinese are only available on the Company's website (www.sitic.com.cn) and the Hong Kong Stock Exchange website (www.hkexnews.hk), with no printed versions provided. Shareholders should proactively check the Company's and the Hong Kong Stock Exchange websites to stay informed about the release of Corporate Communications. To ensure timely receipt of Actionable Corporate Communications (as defined in the Listing Rules), the Company recommends that Shareholders provide their email addresses to the Company. The method for providing email addresses is detailed in the Shareholder notification letter and reply slip published on the Company's website. If the Company has not received a valid email address from a shareholder, the Company shall send actionable Corporate Communications in printed form until the H Share Registrar (Computershare Hong Kong Investor Services Limited) receives a valid email address from such Shareholder. If Shareholders wish to receive the printed version of Corporate Communications, please complete and return the reply slip in accordance with the instructions contained in the Shareholder notification letter and reply slip.

EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in this annual report, the Company had no material matters subsequent to the Reporting Period.



3 Corporate Governance



- 72** Changes in Share Capital and
Shareholdings of Substantial Shareholders
- 76** Directors and Senior Management
- 88** Corporate Governance Report
- 126** Report of the Board of Directors

CHANGES IN SHARE CAPITAL AND SHAREHOLDINGS OF SUBSTANTIAL SHAREHOLDERS

CHANGES IN SHARE

Category of shares	31 December 2024		Increase or decrease during the Reporting Period	31 December 2025	
	Number of shares	Percentage (%)		Number of shares	Percentage (%)
Domestic Shares	3,494,115,000	75	–	3,494,115,000	75
H Shares	1,164,735,000	25	–	1,164,735,000	25
Total	4,658,850,000	100	–	4,658,850,000	100

CHANGES IN SHARE CAPITAL AND SHAREHOLDINGS OF SUBSTANTIAL SHAREHOLDERS

NUMBER OF SHAREHOLDERS AND SHAREHOLDINGS

As at 31 December 2025, according to the registers of members of the Company, the Company had 51 holders of H Shares (provided by H Share Registrar) and six holders of Domestic Shares in total.

As at 31 December 2025, the shareholding of top ten Shareholders of the Company is set out as follows (shareholding of H Shares are calculated based on the number of shares stated in the register of members of the Company established in the H Share Registrar):

Number	Name of Shareholder(s)	Increase or decrease during the Reporting Period (+/-) ⁽²⁾	Number of shareholding as at the end of the Reporting Period	Shareholding ratio as at the end of the Reporting Period (%)	Number of shares held subject to trading moratorium at the end of the Reporting Period ⁽¹⁾	Nature of Shareholder(s)	Type of shares
1	Shandong Luxin Investment Holdings Group Co., Ltd.	–	2,242,202,580	48.13	–	Domestic state-owned	Domestic Shares
2	HKSCC Nominees Limited ⁽²⁾	+3,600	911,778,450	19.57	–	Overseas legal person	H Shares
3	CNPC Assets Management Co., Ltd.	–	873,528,750	18.75	–	Domestic state-owned	Domestic Shares
4	Jinan Finance Investment Holding Group Co., Ltd. (濟南金投控股集團有限公司)	–	252,765,000	5.43	–	Domestic state-owned	H Shares
5	Shandong High-Tech Venture Capital Co., Ltd. (山東省高新技術創業投資有限公司)	–	225,000,000	4.83	–	Domestic state-owned	Domestic Shares
6	Shandong Gold Group Co., Ltd. (山東黃金集團有限公司)	–	80,073,468	1.72	–	Domestic state-owned	Domestic Shares
7	Weifang Investment Group Co., Ltd. (濰坊市投資集團有限公司)	–	60,055,101	1.29	–	Domestic state-owned	Domestic Shares
8	Jinan Energy Investment Co., Ltd. (濟南市能源投資有限責任公司)	–	13,255,101	0.28	–	Domestic state-owned	Domestic Shares
9	Individual Shareholder	-9,000	18,000	0.00	–	Overseas individual	H Shares
10	Individual Shareholder	–	18,000	0.00	–	Overseas individual	H Shares

Notes:

- (1) "Shares subject to trading moratorium" means shares subject to transfer limitations as required by laws and regulations or based on undertaking by holders of such shares.
- (2) HKSCC Nominees Limited, as an agent, held the total number of H Shares (excluding the H Shares held by Jinan Finance Investment Holding Group Co., Ltd. stated in the above table).

Among the abovementioned Shareholders, the Company is not aware of connected relationship or parties acting in concert between the abovementioned Shareholders save that Shandong High-Tech is an indirect non-wholly owned subsidiary of Lucion Group.

CHANGES IN SHARE CAPITAL AND SHAREHOLDINGS OF SUBSTANTIAL SHAREHOLDERS

INTERESTS OF SUBSTANTIAL SHAREHOLDERS AND OTHERS

As at 31 December 2025, according to the register kept by the Company pursuant to section 336 of the SFO, and to the best of the Company's knowledge, the following persons had interests or short positions in the shares or underlying shares of the Company which are discloseable pursuant to Divisions 2 and 3 of Part XV of the SFO, or directly or indirectly owned any class of share capital of the Company of 5% or above:

Name of Shareholder	Class of shares	Nature of interests ⁽¹⁾	Number of underlying shares held ⁽²⁾	Approximate percentage of the class of underlying shares ⁽²⁾	Approximate percentage of total share capital ⁽²⁾
Shandong High-Tech Venture Capital Co., Ltd. ⁽³⁾	Domestic Shares	Beneficial owner	225,000,000	6.44%	4.83%
Lucion Venture Capital Group Co., Ltd. ⁽³⁾	Domestic Shares	Interest in a controlled corporation	225,000,000	6.44%	4.83%
Shandong Lucion Investment Holdings Group Co., Ltd. ⁽³⁾	Domestic Shares	Beneficial owner	2,242,202,580	64.17%	48.13%
	Domestic Shares	Interest in a controlled corporation	225,000,000	6.44%	4.83%
Shandong Provincial Department of Finance ⁽⁴⁾	Domestic Shares	Interest in a controlled corporation	2,467,202,580	70.61%	52.96%
CNPC Assets Management Co., Ltd. ⁽⁵⁾	Domestic Shares	Beneficial owner	873,528,750	25.00%	18.75%
CNPC Capital Company Limited ⁽⁵⁾	Domestic Shares	Interest in a controlled corporation	873,528,750	25.00%	18.75%
CNPC Capital Joint Stock Company with Limited Liability ⁽⁵⁾	Domestic Shares	Interest in a controlled corporation	873,528,750	25.00%	18.75%
China National Petroleum Corporation ⁽⁵⁾	Domestic Shares	Interest in a controlled corporation	873,528,750	25.00%	18.75%
State-owned Assets Supervision and Administration Commission of Jinan Municipal People's Government ⁽⁶⁾	H Shares	Interest in a controlled corporation	252,765,000	21.70%	5.43%
Jinan Finance Holding Group Co., Ltd. ⁽⁶⁾	H Shares	Beneficial owner	252,765,000	21.70%	5.43%
Qingdao Global Wealth Center Development and Construction Co., Ltd. ⁽⁷⁾	H Shares	Beneficial owner	232,920,000	19.99%	4.99%
Qingdao Laoshan District Finance Bureau ⁽⁷⁾	H Shares	Interest in a controlled corporation	232,920,000	19.99%	4.99%
China Create Capital Limited	H Shares	Beneficial owner	64,737,000	10.00%	2.50%
Chang Xin Asset Management Co., Ltd. ⁽⁸⁾	H Shares	Trustee	113,263,200	9.72%	2.43%
Shandong Development & Investment Holding Group Co., Ltd.	H Shares	Beneficial owner	51,272,000	7.92%	1.98%
HWABAO TRUST CO., LTD	H Shares	Trustee	35,974,000	5.59%	1.39%

CHANGES IN SHARE CAPITAL AND SHAREHOLDINGS OF SUBSTANTIAL SHAREHOLDERS

Notes:

- (1) All of the interests refer to long positions.
- (2) The Company completed the issue of new shares by way of the transfer of capital reserve to share capital in January 2019. Since the change in number of shares arising from the capitalisation issue did not constitute reporting obligation pursuant to the SFO, the forms of disclosure of interests of certain Shareholders disclosed on the website of the Hong Kong Stock Exchange do not reflect the impact of the capitalisation issue.
- (3) Shandong High-Tech is a direct wholly-owned subsidiary of Lucion Venture Capital. Lucion Venture Capital is a non-wholly owned subsidiary owned as to 67.37% by Lucion Group and therefore is deemed to be interested in all of the shares of the Company held by Shandong High-Tech, and Lucion Group is deemed to be interested in all of the shares of the Company held indirectly by Lucion Venture Capital.
- (4) Lucion Group is owned as to 90.75% by Shandong Provincial Finance Bureau and as to 9.25% by Shandong Caixin Assets Operation Co., Ltd. ("**Shandong Caixin**"), and Shandong Caixin is wholly-owned by the Shandong Provincial Finance Bureau. Shandong Provincial Finance Bureau is therefore deemed to be interested in all of the shares of the Company directly and indirectly held by Lucion Group.
- (5) CNPC Assets Management is a direct wholly-owned subsidiary of CNPC Capital Company Limited ("**CNPC Capital**") and CNPC Capital is wholly-owned by CNPC Capital Joint Stock Company with Limited Liability ("**CNPC Capital Joint Stock**"). CNPC Capital Joint Stock, which is an A share listed company, is held as to 74.35% by CNPC. Each of CNPC Capital, CNPC Capital Joint Stock and CNPC are therefore deemed to be interested in all of the shares of the Company held by CNPC Assets Management.
- (6) To the knowledge of the Company, Jinan Finance Holding Group Co., Ltd. has been renamed as Jinan Finance Investment Holding Group Co., Ltd., and it has been indirectly wholly-owned by Jinan Finance Bureau.
- (7) To the knowledge of the Company, Qingdao Global Wealth Center Development and Construction Co., Ltd., which has been renamed as Qingdao Jinjialing Holding Group Co., Ltd., is wholly owned by Qingdao Laoshan District Finance Bureau and Qingdao Laoshan District Finance Bureau is therefore deemed to be interested in all of the shares of the Company held by Qingdao Global Wealth Center Development and Construction Co., Ltd.
- (8) Chang Xin Asset Management Co., Ltd. holds the equity of the Company's shares as a trustee of the trust for the Chang Xin Fund – Dongfang No. 1 Single Asset Management Plan.

DETAILS OF SUBSTANTIAL SHAREHOLDERS DISCLOSURE REQUIRED BY NFRA

For information on substantial Shareholders disclosed as required by the NFRA, please refer to "Disclosure of Information on Substantial Shareholders Required by NFRA" of the section headed "Additional Information Disclosure Required by Regulators" in this annual report.

DIRECTORS AND SENIOR MANAGEMENT

DIRECTORS AND SENIOR MANAGEMENT

Directors

Name	Age	Gender	Date of joining/ rejoining our Company	Position	Tenure	Roles and responsibilities	Name of nominating Shareholders
Yue Zengguang (岳增光)	52	Male	From September 2008 to March 2016, May 2018 to May 2021, and rejoined in October 2023	Chairperson of the Board of Directors and Executive Director	From 27 June 2024 until the new chairperson's qualification is approved by the local office of the NFRA	Overall management of the Company's business strategies, corporate governance and operations	Lucion Group
Chen Liuyi (陳六億)	55	Male	July 2025	Vice chairperson of the Board of Directors and non- executive Director	From 10 July 2025 to the expiry of the term of office of the current session of the Board of Directors	Providing strategic advice and making recommendations on the operations and management of the Company, and assisting the chairperson in the Board of Directors affairs	CNPC Assets Management
Chen Xuebin (陳學斌)	41	Male	July 2025	Non-executive Director	From 30 July 2025 until the new non- executive Director's qualification is approved by the local office of the NFRA	Providing strategic advice and making recommendations on the operations and management of the Company	Jinan Finance Investment Holding Group Co., Ltd.
Zheng Wei (鄭偉)	52	Male	August 2022	Independent non-executive Director	From 27 June 2024 to the expiry of the term of office of the current session of the Board of Directors	Providing independent advice on the operations and management of the Company	N/A
Zhang Haiyan (張海燕)	64	Female	April 2023	Independent non-executive Director	From 27 June 2024 to the expiry of the term of office of the current session of the Board of Directors	Providing independent advice on the operations and management of the Company	N/A
Liu Wanwen (劉皖文)	56	Female	December 2023	Independent non-executive Director	From 27 June 2024 to the expiry of the term of office of the current session of the Board of Directors	Providing independent advice on the operations and management of the Company	N/A

DIRECTORS AND SENIOR MANAGEMENT

Biography of Executive Director



Yue Zengguang (岳增光) Chairperson of the Board of Directors, Executive Director

Mr. Yue Zengguang, the Chairperson of the Board of Directors and executive Director of the Company. He obtained a master's degree, majoring in business administration, in Tianjin University (天津大學) and was accredited as a senior accountant and possesses the qualification of certified accountant. Mr. Yue has over 12 years of experience in the trust industry. From January 2004 to August 2008, Mr. Yue successively served in Shandong Luxin Industry Group Company (山東魯信實業集團公司) and Lucion Group, primarily handling financial matters of these companies. From September 2008 to March 2016, he successively served as the general manager of planning and finance department, the assistant to the company general manager, the general manager of risk control department and the chief risk management officer and the secretary of the disciplinary committee of the Company. From March 2016 to November 2018, he served as the director (department head) of the office of disciplinary committee (supervision and audit department) of Lucion Group; from December 2016 to May 2024, he served as an employee representative supervisor of Lucion Group; from May 2018 to December 2020, he served as the deputy secretary to the Party Committee; from August 2018 to May 2021, he served as the executive director of the Company; from September 2018 to March 2021, he served as the general manager of the Company. He served as minister of the organisation department (human resources department) of the Party Committee of Lucion Group from March 2021 to November 2023. Mr. Yue served as the secretary to the Party Committee of the Company from October 2023 to March 2026.

DIRECTORS AND SENIOR MANAGEMENT

Biography of Non-executive Directors



Chen Liuyi (陳六億) Vice Chairperson of the Board of Directors, Non-executive Director

Mr. Chen Liuyi, a non-executive Director and the Vice Chairperson of the Company. He holds a master's degree in business administration from Lanzhou University (蘭州大學) and is a senior economist. He currently serves as the deputy chief economist of CNPC Capital Company Limited (中國石油集團資本股份有限公司) (a company listed on the Shenzhen Stock Exchange, stock code: 000617). From June 1994 to March 2005, he successively worked in Lanhua Chemical and Construction Corporation (蘭化化建公司) and Lanzhou Chemical Industry Company (蘭州化學工業公司). From June 2005 to June 2007, he served as the head of the qualification management section of the capital operation division of Lanzhou Petroleum & Chemical Company (蘭州石油化工公司). From June 2007 to March 2013, he served as a senior officer at the research division I of the policy research office of China National Petroleum Corporation (中國石油天然氣集團公司). From May 2013 to December 2016, he served as the deputy director of the general office (the Party Committee office) of the Bank of Kunlun Company Limited (昆侖銀行股份有限公司). Since April 2017, he successively served as the director of the general office (the division of Party and masses' affairs), the general manager (minister) of the human resources department (the Party Committee organisation department) and the deputy chief economist of CNPC Capital Corporation (中國石油集團資本有限責任公司) and from April 2018 to August 2023, he also served as a supervisor of Kunlun Trust Co., Ltd. (昆侖信託有限責任公司). From March 2023 to September 2025, he also served as the chairman of the board of supervisors of Kunlun Insurance Brokers Co., Ltd. (昆侖保險經紀股份有限公司). From June 2023 to August 2025, he also served as an employee representative supervisor of CNPC Capital Company Limited. Since June 2025, he has served as a director of China Bond Insurance Co., Ltd. (中債信用增進股份有限公司).



Chen Xuebin (陳學斌) Non-executive Director

Mr. Chen Xuebin, a non-executive Director of the Company. He holds postgraduate qualification from the Party School of Shandong Provincial Committee of the Communist Party of China (中共山東省委黨校). He currently serves as the deputy general manager of Jinan Jinkong Commercial Factoring Co., Ltd. (濟南金控商業保理有限公司). From September 2005 to June 2018, he worked in the Finance Bureau of Licheng District, Jinan and successively served as the deputy chief clerk of the budget section and the chief of the treasury section. From June 2018 to June 2023, he successively served as a senior deputy manager of the capital settlement center and a senior manager of the asset management department of Jinan Finance Holding. From January 2021 to March 2024, he concurrently served as a director of Jianghai Huixin Futures Co., Ltd. (江海匯鑫期貨有限公司). From June 2023 to December 2024, he served as the deputy director of the finance and capital department of Jinan Finance Holding. From August 2023 to December 2025, he has concurrently served as the general manager of Quan Cheng International Financial Holdings Co., Limited (全程國際金融控股有限公司). Since December 2024, he has served as the deputy general manager of Jinan Jinkong Commercial Factoring Co., Ltd.

DIRECTORS AND SENIOR MANAGEMENT

Biography of Independent Non-executive Directors



Zheng Wei (鄭偉) Independent Non-executive Director

Mr. Zheng Wei, an independent non-executive Director of the Company. He obtained a doctoral degree in management from Tianjin University of Finance and Economics (天津財經大學) and postdoctoral in applied economics, Institute of Fiscal Science of the Ministry of Finance of the People's Republic of China. Mr. Zheng is currently a professor at Shandong University of Finance and Economics (山東財經大學). Mr. Zheng has been engaged in teaching at Shandong University of Finance and Economics (山東財經大學) since 1995, and successively served as the teaching assistant, lecturer, associate professor, professor and head of the department of finance and accounting. Mr. Zheng mainly lectured courses including financial accounting, accounting theory, advanced accounting, tax accounting and tax planning for undergraduates and postgraduates. Mr. Zheng's research interests include theory and practice of accounting and auditing, and his research results are mainly reflected in basic accounting theory, financial instrument accounting, information disclosure, accounting standards and supervision, internal control and internal auditing. From 2015 to 2021, Mr. Zheng served as an independent director and the chairman of the audit committee of Zhongtai Securities Co., Ltd. (中泰證券股份有限公司) (Shanghai Stock Exchange listed company, stock code: 600918). Since August 2022, Mr. Zheng has served as an independent director of Jinan Hi-Tech Development Co., Ltd. (濟南高新發展股份有限公司) (Shanghai Stock Exchange listed company, stock code: 600807).



Zhang Haiyan (張海燕) Independent Non-executive Director

Ms. Zhang Haiyan, an independent non-executive Director of the Company, master of business administration from Zhongnan University of Economics and Law (中南財經政法大學) and a senior economist. She has over 40 years of experience in the banking industry. From December 1979 to July 1996, Ms. Zhang served as deputy chief and chief of planning and research section of the People's Bank of Licheng District, Jinan, Shandong Province (山東省濟南市歷城區人民銀行). From July 1996 to February 2007, she successively served as deputy director, director and general manager of audit department at the former Jinan Commercial Bank Co., Ltd. (濟南市商業銀行股份有限公司) (currently known as Qilu Bank Co., Ltd. (齊魯銀行股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 601665)). From February 2007 to February 2020, she successively served as general manager of internal control department and chief audit officer at Qilu Bank Co., Ltd. (齊魯銀行股份有限公司). She also served as its employee supervisor from July 1999 to February 2020. From September 2014 to February 2020, she concurrently served as chairperson of Zhangqiu Qilu Village Bank Co., Ltd. (章丘齊魯村鎮銀行股份有限公司).

DIRECTORS AND SENIOR MANAGEMENT



Liu Wanwen (劉婉文) Independent Non-executive Director

Ms. Liu Wanwen, an independent non-executive Director of the Company and bachelor of arts from Anhui University (安徽大學). She currently serves as the managing director of the private wealth management department of UOB Kay Hian (Hong Kong) Limited (大華繼顯(香港)有限公司). She has over 29 years of experience in the banking and asset management sectors. From May 1996 to December 2006, she successively worked in the business department of Shenzhen branch of Sanwa Bank (currently known as MUFG Bank), Shenzhen branch of American International Assurance Co., Ltd., Guangzhou branch of China Minsheng Bank, Guangzhou branch of Industrial Bank and Shenzhen branch of KBC Bank, etc. From December 2006 to December 2011, she worked at the Shenzhen branch of Standard Chartered Bank (China) Co., Ltd., where she successively served as the head of the multinational enterprise department and a member of the management committee, the vice president of the Shenzhen branch and the head of private bank division of the South China region. From December 2011 to November 2014, she served as a director and head of the Chinese local large enterprises department at the Shanghai branch of Standard Chartered Bank (China). Ms. Liu currently serves as an independent non-executive director of HG Semiconductor Limited (宏光半導體有限公司) (a company listed on the Hong Kong Stock Exchange (stock code: 06908)).

DIRECTORS AND SENIOR MANAGEMENT

Senior management

Name	Age	Gender	Date of joining/ rejoining our Company	Position	Effective date of appointment	Roles and responsibilities
Tian Zhiguo (田志國)	53	Male	May 2005	General Manager (Proposed), Chief Compliance Officer (Proposed) and Chief Risk Officer	29 November 2021	Overall day-to-day operations and management of the Company
Zhou Jianqu (周建堯)	53	Female	January 1999	Vice General Manager	26 October 2011	Assisting the General Manager with the day-to-day management of the business operations of the Company
He Chuangye (賀創業)	50	Male	October 2015	Vice General Manager, Secretary to the Board of Directors and Company Secretary	7 April 2016	Handling securities affairs and assisting the General Manager with the day-to-day management of the business operations of the Company
Wang Ping (王平)	58	Male	September 2019	Chief Financial Officer	16 September 2019	Finance and accounting and related matters of proprietary business of the Company
Niu Xucheng (牛序成)	50	Male	July 2003	Vice General Manager	13 April 2018	Assisting the General Manager with the day-to-day management of the business operations of the Company
Lin Guanwei (林冠蔚)	44	Male	August 2005	Vice General Manager	24 July 2024	Assisting the General Manager with the day-to-day management of the business operations of the Company
Yuan Fang (袁方)	42	Female	September 2015	Vice General Manager	27 December 2024	Assisting the General Manager with the day-to-day management of the business operations of the Company
Sun Botao (孫波濤)	47	Male	July 2001	Assistant to General Manager	29 November 2021	Assisting the General Manager with the day-to-day management of the business operations of the Company

DIRECTORS AND SENIOR MANAGEMENT

Biography of Senior Management



Tian Zhiguo (田志國) General Manager (Proposed), Chief Compliance Officer (Proposed) and Chief Risk Officer

Mr. Tian Zhiguo, the general manager (proposed), chief compliance officer (proposed) and chief risk officer of the Company. Mr. Tian obtained a master's degree in law from Shandong University. He has over 20 years of experience in the financial and trust industries. He has served as the chief risk management officer of the Company since November 2021. Mr. Tian joined our Company in July 2005 and served successively as the project manager and vice general manager of the fifth division of trust, and the general manager of the fifth division of trust of the trust business department of the Company from October 2014 to December 2021. He served as an employee representative Supervisor of the Company from December 2011 to January 2022. From June 2025 to December 2025, he temporarily assumed the duties of general manager of the Company. Prior to joining the Company, Mr. Tian worked in the Electronic Economic Trading Center of Shandong Province (山東省電子經濟貿易中心).



Zhou Jianqu (周建渠) Vice General Manager

Ms. Zhou Jianqu, a vice general manager of the Company. Ms. Zhou obtained a master's degree in business administration from Shandong University of Finance and Economics (山東財經大學). Ms. Zhou has over 26 years of experience in the financial and trust industries. She joined our Company in January 1999. She served in the securities department and then in the trust investment banking department of our Company, consecutively. She then served as the project manager, the operation manager, the deputy manager and the manager in the fund trust department of our Company. She served as the manager in the fifth division of trust in our Company. Prior to joining our Company, she served in Jinan Kuaixin Industrial Group Company Limited (濟南快信實業集團公司). She also served in Shandong Enterprise Property Right Exchange (山東企業產權交易所). Ms. Zhou was accredited as a senior economist by the Ministry of Human Resources of the PRC. She was granted the practice qualification in securities by Securities Association of China, the practice qualification in funds by Asset Management Association of China and the practice qualification futures by China Futures Association. Ms. Zhou is currently a member of the Finance and Economics Committee of the 19th People's Congress of Lixia District, Jinan (濟南市歷下區第十九屆人民代表大會財政經濟委員會).

DIRECTORS AND SENIOR MANAGEMENT



He Chuangye (賀創業) Vice General Manager, the Secretary to the Board of Directors and Company Secretary

Mr. He Chuangye, a vice general manager of the Company, the secretary to the Board of Directors and company secretary. Mr. He obtained a master's degree in finance from the University of Hong Kong, and is a senior economist. He was appointed as a vice general manager and the secretary to the Board of Directors on 7 April 2016 and 27 July 2016, respectively. Mr. He has served as the joint company secretary of the Company since its listing, and as the sole company secretary of the Company since February 2022. Mr. He has over 25 years of experience in the financial industry. Prior to joining our Company, Mr. He served several positions in the financial supervisory institutions in China, including a clerk in the PBOC Jinan Branch. He then successively served in the Shandong Office of CBRC as the clerk, the deputy chief clerk, the chief clerk, the section chief, the deputy director of the general office and the deputy division chief in its Non-banking Financial Institution Regulatory Division (非銀行金融機構監管處).



Wang Ping (王平) Chief Financial Officer

Mr. Wang Ping, a member of the Party Committee, the chief financial officer of the Company. Mr. Wang obtained a master's degree in business administration from Tianjin University of Finance and Economics, and is a senior accountant. He is qualified as a PRC certified public accountant, certified tax accountant, certified asset appraiser, internal auditor, and securities professional. Mr. Wang has over 35 years of experience in accounting. He has served as our chief financial officer since September 2019. From July 1992 to April 2001, he served in several subsidiaries of Jinan Oil Refinery, primary responsible for accounting matter. From April 2001 to January 2003, he served as senior business manager of audit department of Lucion Group. From January 2003 to November 2013, he consecutively served as manager of financial department of Lucion Industrial, Shandong Luxin Investment Group Co., Ltd. (山東魯信投資集團股份有限公司), Shandong Lucion Real Estate Investment Development Co., Ltd. (山東魯信房地產投資開發有限公司). From November 2013 to November 2016, he served as chief financial officer of Lucion Venture Capital (Shanghai Stock Exchange listed company, stock code: 600783). From November 2016 to September 2019, he served as chief financial officer of Luxin Capital Management Co., Ltd. (魯信資本管理有限公司). From October 2020 to January 2023, he served as a director of Fullgoal Fund Management Co., Ltd. (富國基金管理有限公司). He temporarily assumed the duties of general manager of the Company from December 2024 to June 2025.

DIRECTORS AND SENIOR MANAGEMENT



Niu Xucheng (牛序成) Vice General Manager

Mr. Niu Xucheng, a vice general manager of the Company. Mr. Niu obtained a master's degree in finance from Shandong University of Finance and Economics, and is an intermediate economist. He has served as a vice general manager of the Company since April 2018. Mr. Niu has over 22 years of experience in the trust industry. He joined the Company in July 2003, and successively worked for the fund investment department, the loan management department of China Development Bank, fund trust department and the first trust business department. From April 2012 to May 2018, he successively served as the deputy general manager of the trust business division I and the general manager of the trust business division I. Before joining the Company, he served as a member of the Qingdao Jiaozhou Municipal Committee of the Communist Youth League of China. He received the practice qualification in securities and practice qualification in funds trading issued by the Securities Association of China and the Asset Management Association of China, respectively, and received the practice qualification in futures trading issued by the China Futures Association.



Lin Guanwei (林冠蔚) Vice General Manager

Mr. Lin Guanwei, a member of the Party Committee, a vice general manager of the Company. Mr. Lin obtained a bachelor's degree in economics from Shandong University. He has served as a vice general manager of the Company since July 2024. Mr. Lin has more than 20 years of experience in the financial and economic fields. From August 2005 to December 2017, Mr. Lin successively served as an employee of the Company's investment banking department, the vice manager of the investment banking department, and the general manager of the investment banking department. From December 2017 to September 2021, he successively served as a member of the party committee and the vice general manager of Lucion Science and Technology Co., Ltd. (魯信科技股份有限公司), and the chairperson and general manager of Luxin Investment Co., Ltd. (魯信投資有限公司). From September 2021 to June 2024, he served as the secretary to the Board of Directors of the Company (proposed), during which he served as a party member and deputy director of the Local Financial Supervision and Administration Bureau of Shibei District, Qingdao, Shandong Province (山東省青島市市北區地方金融監督管理局). Since June 2024, he has served as a member of the Party Committee of the Company.

DIRECTORS AND SENIOR MANAGEMENT



Yuan Fang (袁方) Vice General Manager

Ms. Yuan Fang, a member of the Party Committee, a vice general manager of the Company. Ms. Yuan obtained a doctoral degree in economics from Shandong University, and is a senior auditor. She has served as a vice general manager of the Company since December 2024. Ms. Yuan Fang has more than 18 years of experience in the financial and economic fields. From August 2008 to September 2015, she worked at the Shandong Provincial Auditing Science Institute (山東省審計科學研究所). She joined the Company in September 2015 and served successively as a staff member of the office of the discipline inspection commission of the Party Committee, a staff member of the general management department, a vice general manager (in charge) of the securities affairs department, a vice general manager (in charge) of the securities affairs and development research department, the deputy director (in charge) of the office of the Board of Directors (research and development centre), the director of the office of the Board of Directors (research and development centre), the director of the office of the Board of Directors (Supervisors) (research and development centre), and the director of the office of the Board of Directors (Supervisors) (research and development department). Since June 2024, she has served as a member of the Party Committee of the Company.



Sun Botao (孫波濤) Assistant to General Manager

Mr. Sun Botao, an assistant to general manager of the Company. Mr. Sun has over 24 years of experience in the trust industry. He has served as an assistant to general manager of the Company since November 2021. He joined the Company in July 2001 and worked in various departments such as investment management department, fund investment department, fund loan department and infrastructure fund management department. From March 2012 to December 2021, he successively served as the vice general manager and the general manager of the trust business division II of the Company. Mr. Sun graduated from Nankai University in the PRC with a master's degree.

None of the Directors and senior management is personally related (including financial, business, family or other material relevant relationships) to any of other Directors or senior management. None of the Directors and senior management has been involved in any of the events described under Rule 13.51(2)(h) to (v) of the Listing Rules, and no other matters are required to be disclosed under Rule 13.51(2) of the Listing Rules.

DIRECTORS AND SENIOR MANAGEMENT

CHANGES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

During the Reporting Period and up to the date of this annual report, the changes in the Directors, Supervisors and senior management of the Company are as follows:

Changes of Directors

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

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

Due to 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.

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

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

Mr. Tian Zhiguo and Mr. Zhao Zikun have been proposed by the Board of Directors to be appointed as executive Directors. Mr. Tian Zhiguo and Mr. Zhao Zikun's qualifications as Directors are subject to the approval by the Shareholders at the general meeting and the approval of the local office of the NFRA.

Due to adjustment of work arrangements, Mr. Yue Zengguang will cease to serve as the chairperson of the Board of Directors and an executive Director of the Company, 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. To ensure the orderly operation of the Company's corporate governance, Mr. Yue will continue to perform the abovementioned duties until the newly appointed personnel for the relevant positions assumes office.

Changes of Supervisors

During the Reporting Period, the Company resolved to cancel the Board of Supervisors and Supervisors. The audit committee of the Board of Directors shall exercise the functions and powers of the Board of Supervisors as stipulated by laws and regulations. The Procedural Rules for the Board of Supervisors and other corporate governance policies in relation to the Board of Supervisors were simultaneously abolished, and Mr. Guo Xiangzhong, Mr. He Shuguang, Ms. Diao Hongyi, Ms. Han Zhe, Ms. Wang Zhimei, Ms. Wang Qian, Ms. Li Yan, Mr. Wei Xiangyang and Ms. Wu Yi no longer served as Supervisors. The above matters in relation to the cancellation of the Board of Supervisors were considered and approved by the Shareholders at the 2025 first extraordinary general meeting held on 27 August 2025, and took effect from 10 November 2025 when the amendments to the Articles of Association were approved by the Shandong Office of the NFRA.

DIRECTORS AND SENIOR MANAGEMENT

Changes of Senior Management

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

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

Annual Remuneration

Please refer to Note XVI.2 "Emoluments of Directors, Supervisors and the Five Highest Paid Individuals" to the consolidated financial statements for details of the remuneration of Directors, (former) Supervisors and senior management of the Company.

For the year ended 31 December 2025, we did not pay any remuneration to our non-executive Directors who were nominated by our Shareholders to take up the Directors' position in the Company because these non-executive Directors had been remunerated by our Shareholders directly for their service as our Directors, being part of their job responsibilities of their working with our Shareholders.

Save as disclosed in this annual report, no other amounts have been paid or are payable by the Company to our Directors and (former) Supervisors for the year ended 31 December 2025.

No remuneration was paid by the Company to the Directors, (former) Supervisors or the five highest paid individuals as an inducement to join the Company or as remuneration or a compensation for loss of office upon joining the Company in respect of the year ended 31 December 2025. Furthermore, none of our Directors nor (former) Supervisors waived or agreed to waive any remuneration during the same period.

The Board of Directors will review and determine the remuneration and compensation packages of our Directors and senior management, which will receive recommendation from the Nomination and Remuneration Committee, taking into account salaries paid by comparable companies, their time devoted, experience possessed and responsibilities assumed in the Company.

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE

During the Reporting Period, the Company persistently raised the transparency of corporate governance so as to safeguard the interests of the Shareholders and enhance the corporate value.

The Company has set up a relatively comprehensive corporate governance structure as required by the Listing Rules. The compositions of the Board of Directors and the special committees under the Board of Directors are in compliance with the requirements of the Listing Rules. The Company clearly classifies the responsibilities among the general meeting, the Board of Directors and senior management. The general meeting acts as the highest authority of the Company and the Board of Directors is held accountable to Shareholders. The Board has established five special committees, which operate under the leadership of the Board of Directors and provide opinions on the decisions of the Board. The Audit Committee oversees the steady and sound operation of the Company and the performance of duties by the Board of Directors and senior management. Under the leadership of the Board of Directors, the senior management is responsible for implementation of resolutions from the Board of Directors and the day-to-day business and management of the Company, as well as periodic reporting to the Board of Directors.

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 CG 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 CG 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. Upon Mr. Tian's temporarily acting as the general manager of the Company, Code C.2.1 of Part 2 of the CG 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 CG Code. The Company will continue to review and monitor its corporate governance practice in order to ensure the compliance with the CG Code.

CORPORATE GOVERNANCE STRUCTURE

Please refer to the "Basic Corporate Information" under the section headed "Information About Us" in this annual report for our corporate governance structure.

CORPORATE GOVERNANCE REPORT

RESPONSIBILITIES OF THE BOARD OF DIRECTORS

The Board of Directors undertakes the overall leadership of the Company, oversees the Company's strategic decisions and monitors its business and performance. The Board of Directors has delegated the authority and responsibility for day-to-day management and operation of the Company to the senior management of the Company. To oversee particular aspects of the Company's affairs, the Board of Directors has established five Board committees, including the Audit Committee, the Nomination and Remuneration Committee, the Strategies and Risk Management Committee, the Trust and Consumer Rights Protection Committee and the Related Party Transaction Control Committee (collectively, the **"Board Committees"**). The Board of Directors has delegated to the Board Committees responsibilities as set out in their respective terms of reference.

All Directors shall ensure that they carry out their duties in good faith, in compliance with applicable laws and regulations, and in the interests of the Company and its Shareholders at all times. The Company has arranged appropriate insurance coverage in respect of liability arising from legal actions against its Directors, and will conduct annual review of the scope of such insurance coverage.

COMPOSITION OF THE BOARD OF DIRECTORS

As at the date of this annual report, the Board of Directors comprised six Directors, including one executive Director, two non-executive Directors and three independent non-executive Directors.

The current members of the Board of Directors are listed as follows:

Name	Position
Yue Zengguang	Chairperson and Executive Director
Chen Liuyi	Vice chairperson and Non-executive Director
Chen Xuebin	Non-executive Director
Zheng Wei	Independent non-executive Director
Zhang Haiyan	Independent non-executive Director
Liu Wanwen	Independent non-executive Director

Biographies of the Directors are set out in the section headed "Directors and Senior Management" in this annual report.

Mr. Chen Liuyi was elected as a non-executive Director and elected as the vice chairperson by the Board at the 2024 first extraordinary general meeting of the Company convened on 26 December 2024. His qualification as a non-executive Director and the vice chairperson of the Board has been approved by the Shandong Office of the NFRA on 10 July 2025. Mr. Chen Liuyi has obtained a legal opinion as referred to in Rule 3.09D of the Listing Rules on 28 October 2024, and he has confirmed that he is aware of his responsibilities as a Director.

Mr. Chen Xuebin was elected as a non-executive Director at the 2024 first extraordinary general meeting of the Company convened on 26 December 2024. His qualification as a non-executive Director has been approved by the Shandong Office of the NFRA on 30 July 2025. Mr. Chen Xuebin has obtained a legal opinion as referred to in Rule 3.09D of the Listing Rules on 23 December 2024, and he has confirmed that he is aware of his responsibilities as a Director.

CORPORATE GOVERNANCE REPORT

Mr. Pan Liquan and Mr. Chen Ping have been proposed by the Board to be appointed as non-executive Directors. Mr. Pan Liquan and Mr. Chen Ping's qualifications as Directors are subject to the approval by Shareholders of the Company at the general meeting and the approval by the local office of the NFRA. Mr. Pan Liquan and Mr. Chen Ping have obtained a legal opinion as referred to in Rule 3.09D of the Listing Rules on 3 February 2026 and 22 January 2026, respectively, and they have confirmed that they are aware of their responsibilities as Directors.

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

Mr. Tian Zhiguo and Mr. Zhao Zikun have been proposed by the Board of Directors to be appointed as executive Directors. Mr. Tian Zhiguo and Mr. Zhao Zikun's qualifications as Directors are subject to the approval by the Shareholders at the general meeting and the approval of the local office of the NFRA.

Due to adjustment of work arrangements, Mr. Yue Zengguang will cease to serve as the chairperson of the Board of Directors and an executive Director of the Company, 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. To ensure the orderly operation of the Company's corporate governance, Mr. Yue will continue to perform the abovementioned duties until the newly appointed personnel for the relevant positions assumes office.

INDEPENDENT NON-EXECUTIVE DIRECTORS

During the Reporting Period, the Board of Directors has complied with the requirements of Rules 3.10(1) and 3.10(2) of the Listing Rules relating to the appointment of at least three independent non-executive Directors with at least one possessing appropriate professional qualification or accounting or related financial management expertise at any time.

The Company has received an annual confirmation from each of the independent non-executive Directors relating to their independence. Each of the independent non-executive Directors has confirmed his/her independence during the year ended 31 December 2025 pursuant to Rule 3.13 of the Listing Rules and the Company considers each of them to be independent.

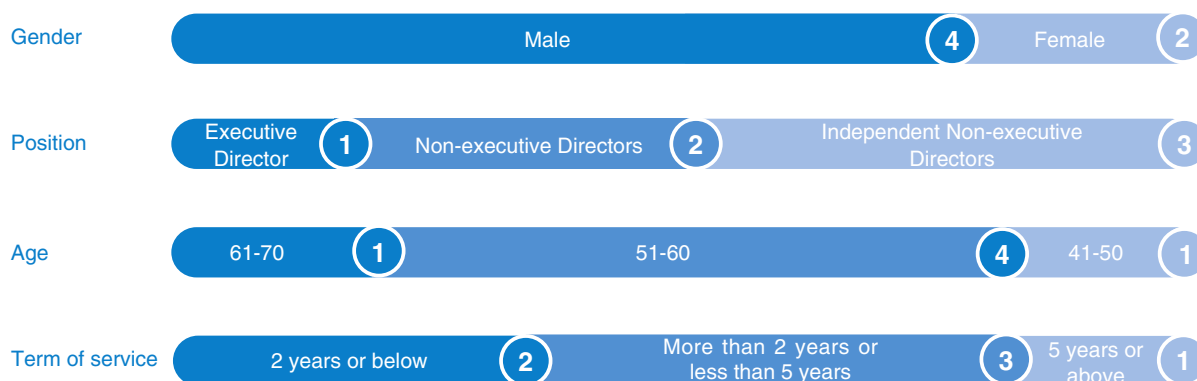
DIVERSITY OF THE BOARD OF DIRECTORS

The Board of Directors remains committed to enhancing its operating efficiency and maintaining the highest standards of corporate governance on a continuing basis and recognises the vital importance of the diversity of the Board of Directors with regard to the maintenance of competitive advantage and sustainable development. The Board of Directors strives to ensure the appropriate balance of skills, experience and diversity of perspectives that are essential for the implementation of its business strategies of the Board of Directors and the effective operation of the Board of Directors. In designing the composition of the Board of Directors, the Company has taken into account the diversity of the Board of Directors, including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge, length of service and time to be devoted as a Director, etc. The Company will also consider its own business model and special needs from time to time as well. The ultimate decision will be made based on the contribution and merit that the selected candidates will bring to the Board of Directors. The Board of Directors has reviewed the structure, size, and diversity of the Board of Directors as well as the selection criteria for Director candidate(s) and the Board Diversity Policy, to ensure that the Board of Directors' composition complies with the Listing Rules and reflects an appropriate mix of skills, experience, and diversity that are relevant to the Company's strategy, governance, and business and contribute to the Board of Directors' effectiveness and efficiency. At present, the Board of Directors comprises professionals in the fields of finance, economics, wealth management and accounting. Meanwhile, it has achieved diversification in multiple dimensions such as gender, age and service period, which has effectively improved the decision-making ability and strategic management level of the Board of Directors.

CORPORATE GOVERNANCE REPORT

The Board of Directors currently has two female members, accounting for 33.3% of the members of the Board of Directors. The Board of Directors targets to maintain at least the current level of female representation. In respect of Board succession, the Nomination and Remuneration Committee will, when necessary, engage an independent professional search firm to assist in identifying potential Director candidates. The Board of Directors will continue to increase the proportion of female members over time as and when suitable candidates are identified.

As at the date of this annual report, the analysis on the composition of the Board of Directors is as follows:



INDEPENDENCE OF THE BOARD OF DIRECTORS

COMPOSITION OF THE BOARD OF DIRECTORS

The Board of Directors ensures the appointment of at least three independent non-executive Directors representing at least one-third of the Board of Directors, with one of whom possessing appropriate professional qualifications or accounting or related financial management expertise. In addition, the independent non-executive Directors will be appointed as members of the board committees to the extent practicable to ensure independent advice. The independent non-executive Directors enhance the effectiveness and decision-making of the Board of Directors through objective judgement and constructive questions to the management. Independent non-executive Directors are subject to an independent assessment upon their appointment and thereafter, re-assessment on an annual basis and in any other circumstances requiring reconsideration.

INDEPENDENCE ASSESSMENT

- Details of the Directors' interests in the Group's business are set out on page 130 of this annual report.
- Each independent non-executive Director is required to inform the Company as soon as practicable if there is any change in his/her own personal particulars that may affect his/her independence. No such notification was received by the Company in 2025.
- The Nomination and Remuneration Committee assessed the annual confirmation of independence of each independent non-executive Director based on the criteria set out in Rule 3.13 of the Listing Rules.
- As a good corporate governance practice, every Nomination and Remuneration Committee member abstained from assessing his/her own independence.
- Particular attention was given to assessing the independence of the Directors nominated by Lucion Group given that the Lucion Group is a Controlling Shareholder of the Company.

CORPORATE GOVERNANCE REPORT

- The Nomination and Remuneration Committee affirmed that all independent non-executive Directors continued to demonstrate strong independence in judgement and were free from any business or other relationship which could interfere with their ability to discharge their duties effectively, and they therefore all remained independent.

The Nomination and Remuneration Committee also reviewed and considered that the following key features or mechanisms under the Company's Board of Directors and governance structure are effective in ensuring that independent opinions are provided to the Board of Directors.

Board of Directors and Committees' structure

- The Board of Directors comprises one executive Director, two non-executive Directors and three independent non-executive Directors. The chairperson is an executive Director of the Board of Directors and is independent from each of the other five Directors and senior management and does not have any personal relationship.
- All the committees have independent non-executive Directors as members, with non-executive Directors representing a majority of all the committees.

Independent non-executive Directors' tenure

- The Articles of Association stipulates that the term of office of an independent non-executive Director shall be three years and renewable upon re-election and reappointment, provided that such term of office shall not exceed six years.

Independent non-executive Directors' remuneration

- The independent non-executive Directors will receive remuneration for their positions on the Board of Directors and the Board Committees as appropriate after assessment and consideration of various factors by the Nomination and Remuneration Committee. In avoidance of the deviations in independent non-executive Directors' decisions and damage to their objectivity and independence, they are not eligible to participate in the share award scheme. Information regarding Directors' emoluments is set out in Note XVI.2 "Emoluments of Directors, Supervisors and the Five Highest Paid Individuals" to the consolidated financial statements.

Appointment of Independent non-executive Directors

- Independent search firm(s) will be engaged by the Nomination and Remuneration Committee to help identify potential candidates for appointment of independent non – executive Directors.
- In assessing suitability of the candidates, the Nomination and Remuneration Committee will review their profiles, including their qualification and time commitment, having regard to the Board of Directors' composition, the Directors' skill and experience, the selection criteria approved by the Board of Directors, the nomination policy and the Board Diversity Policy.

Annual review of independent non-executive Directors' commitment and independence

- The Nomination and Remuneration Committee reviews annually each Director's time commitment to the Company's business. Directors' attendance records in 2025 are disclosed in the "Corporate Governance Report" as set out in this annual report.
- Independent non-executive Directors' independence is assessed upon appointment, and shall be reassessed on an annual basis and in any other circumstances that require reconsideration.

CORPORATE GOVERNANCE REPORT

Conflict management

- The Articles of Association and the Procedural Rules for the Board of Directors provide guidance to Directors and committee members on avoiding conflicts of interest and on the circumstances under which appropriate action(s) shall be taken by the Director in conflict.

Professional advice

- Directors (including independent non-executive Directors) have the right to request further information from the management regarding matters discussed at the board meeting. To facilitate proper discharge of their duties, all Directors are entitled to seek advice from the company secretary or the in-house legal team as well as from independent professional advisers at the Company's expense.

Board of Directors' evaluation

- The quality and efficiency of discussions at board meetings are assessed during the annual evaluation of the Board of Directors' performance.

FUNCTIONS AND POWERS OF THE BOARD OF DIRECTORS

In accordance with the Articles of Association, main functions and powers of the Board of Directors include but not limited to the following:

- (1) to convene general meetings and to report its work to the general meetings;
- (2) to implement the resolutions of the general meetings;
- (3) to decide on the operation plans and investment plans of the Company;
- (4) to formulate the annual financial budgets and final accounts of the Company;
- (5) to formulate the profit distribution plans and loss recovery plans of the Company;
- (6) to formulate proposals for the increase or reduction of the registered capital of the Company;
- (7) to prepare proposals for the material acquisition, merger, division, dissolution or change of corporate form of the Company;
- (8) to formulate proposals for repurchase of shares of the Company by the Company under the circumstances stipulated in Article 30 (i) and (ii) of the Articles of Association;

CORPORATE GOVERNANCE REPORT

- (9) to resolve repurchase of shares of the Company under the circumstances stipulated in Article 30 (iii) and (v) of the Articles of Association;
- (10) to formulate proposals for the issuance of any types of shares, warrants or other marketable securities and listing;
- (11) to decide on the establishment of internal management departments of the Company and the establishment or revocation of the branches and other sub-branches of the Company;
- (12) to elect the chairperson and vice chairperson of the Board of Directors of the Company;
- (13) to appoint or dismiss the general manager of the Company and secretary to the Board of Directors pursuant to the nominations by the chairperson of the Board of Directors of the Company; to appoint or dismiss vice general manager, chief financial officer and other senior management members of the Company pursuant to the nominations by the general manager and to decide on their remunerations, incentives and punishments; and to supervise senior management in performing their duties;
- (14) to formulate the basic management system of the Company;
- (15) to prepare proposals for amendments to the Articles of Association, Procedural Rules for the General Meeting and Procedural Rules for the Board of Directors; to review and approve the procedural rules of special committees under the Board of Directors;
- (16) to formulate the share incentive schemes of the Company;
- (17) to be responsible for the matters in relation to the information disclosure of the Company and assume ultimate responsibility for the truthfulness, accuracy, completeness and timeliness of accounting and financial reports;
- (18) to decide on the establishment of special committees under the Board of Directors and to elect their members;
- (19) to decide on the risk management system of the Company which covers risk assessments, financial control, internal audit, money laundering risk management and legal risk control and monitor its implementation; to determine the Company's risk tolerance, risk management and internal control policies, and assume the ultimate responsibility for comprehensive risk management;
- (20) to propose the appointment or replacement of the accounting firm that provides the Company with auditing services for annual financial statements to the general meeting;
- (21) to listen to the regular or irregular work reports from the general manager of the Company or the senior management members of the Company entrusted by the general manager, and to approve the work reports of the general manager;

CORPORATE GOVERNANCE REPORT

- (22) to consider and approve the major financial accounting policies and changes to accounting estimates;
- (23) to decide on the staffing arrangement, proposals on remuneration and performance appraisal of the senior management members;
- (24) to consider the material equity investments, bond investments, acquisition of assets, disposal of assets, write off of assets and external guarantee and other transaction matters in the proprietary business except for those which shall be approved by the general meetings in accordance with the Articles of Association;
- (25) to consider the material related party transactions which shall be approved by the Board of Directors pursuant to the laws, regulations, listing rules of the place where the shares of the Company are listed, and the relevant provisions of securities regulatory authorities;
- (26) to consider and approve the matters related to data governance in accordance with the laws, regulations, regulatory provisions and the Articles of Association;
- (27) to determine the development strategies of the Company and oversee their implementation;
- (28) to determine capital plans of the Company and assume ultimate responsibility for capital or solvency management;
- (29) to regularly assess and improve corporate governance of the Company;
- (30) to safeguard the legitimate interests of financial consumers and other stakeholders;
- (31) to establish a mechanism for identifying, reviewing and managing conflicts of interest between the Company and Shareholders, especially substantial Shareholders;
- (32) to assume responsibility for the management of Shareholders' affairs;
- (33) to decide on the Company's major proprietary fund lending business, major proprietary fund subscription trust plan business and major actively managed collective fund trust business;
- (34) to exercise other functions and powers conferred by the laws, regulations, listing rules of the place where the shares of the Company are listed, provisions of securities regulatory authorities, the general meetings and the Articles of Association.

The Board of Directors shall provide explanations in the general meeting in respect of the auditors' report with a qualified opinion issued by the certified public accountants regarding the financial statements of the Company.

CORPORATE GOVERNANCE REPORT

INDUCTION AND CONTINUOUS PROFESSIONAL DEVELOPMENT

All newly appointed Directors are provided with necessary induction training and information to ensure that he/she has a proper understanding of the Company's operations and business as well as his/her responsibilities under relevant statutes, laws, rules and regulations. The Company also periodically arranges seminars for Directors and provides them with updates on latest development and amendments in the Listing Rules and other relevant legal and regulatory requirements from time to time. Also, Directors are provided with regular updates on the performance, position and prospects of the Company to enable the Board of Directors as a whole and each Director to discharge their duties.

All Directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills. The company secretary of the Company updates and provides written training materials in respect of the roles, functions and responsibilities of Directors from time to time.

A summary of training received by Directors during the year ended 31 December 2025 according to the records provided by the Directors is as follows:

Name of Director	Nature of Programme of Continuous Professional Development
Executive Director	
Yue Zengguang	CD
Non-executive Directors	
Chen Liuyi	CD
Chen Xuebin	CD
Independent Non-executive Directors	
Zheng Wei	CD
Zhang Haiyan	CD
Liu Wanwen	CD
Resigned Directors	
Wang Zengye	CD
Duan Xiaoxu	CD

Notes:

A: attending seminars and/or meetings and/or forums and/or briefings

B: giving speeches at seminars and/or meetings and/or forums

C: attending trainings provided by lawyers or trainings related to the Company's business

D: reading materials on different topics, including corporate governance, responsibilities of directors, Listing Rules and other relevant laws

CORPORATE GOVERNANCE REPORT

CHAIRPERSON AND GENERAL MANAGER

Pursuant to Code C.2.1 of Part 2 of the CG Code, the roles of chairperson of the Board of Directors and the general manager should be separated and served by different individuals.

The Company clearly delineates these two different positions of chairperson and general manager with functions. The chairperson of the Board is responsible for providing strategic recommendations and guidance on the Company's development and the general manager is responsible for daily operations of the Company.

During the Reporting Period, Mr. Yue Zengguang assumed the duties of chairperson of the Company. During the period from 26 December 2024 to 25 June 2025, Mr. Wang Ping, chief financial officer of the Company, temporarily assumed the duties of general manager of the Company. During the period from 25 June 2025 to 25 December 2025, Mr. Tian Zhiguo, chief risk officer of the Company, temporarily assumed the duties of general manager of the Company. From 25 December 2025 to 26 March 2026, Mr. Yue Zengguang, 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. Upon Mr. Tian's temporarily acting as the general manager of the Company, Code C.2.1 of Part 2 of the CG Code has been satisfied.

APPOINTMENT AND RE-ELECTION OF DIRECTORS

In accordance with the requirements of the Articles of Association, the Directors are elected at the general meeting by way of ordinary resolutions. The Directors' term of office is three years, and Directors are eligible for re-election upon expiry of the term.

The nomination method and the election procedures for Directors are as follows:

- (1) a candidate for the position of Director shall be nominated by the Board of Directors, the Nomination and Remuneration Committee of the Board or by way of putting forward a proposal by the Shareholders individually or jointly holding 1% or more of the total number of shares carrying voting rights issued by the Company, and the basic information, biographies and other written materials shall be attached thereto. In principle, Directors nominated by the same Shareholder and its related parties shall not exceed one third of the total number of members of the Board of Directors;
- (2) for candidates for the position of Director nominated by the Board of Directors, the Nomination and Remuneration Committee of the Board of Directors shall conduct preliminary review on the qualifications for such positions and conditions of the candidates for the position of Director, and propose competent candidates to the Board of Directors for consideration; upon consideration and approval by the Board of Directors, the candidates for the position of Director shall be proposed to the general meeting by way of written proposal;

CORPORATE GOVERNANCE REPORT

- (3) the candidates for the position of Director shall make written commitments before the convening of general meeting that they agree to accept the nomination, undertake that the information publicly disclosed is true and complete, and warrant to fulfil the duties of Directors with due diligence once elected; the written notice of intention to nominate a person for the position of Director and the written notice by such person of his/her willingness to accept the nomination and relevant written materials with information of the nominee, shall be sent to the Company at least 10 days prior to the convening of the general meeting;
- (4) the Company shall, before convening the general meeting, disclose detailed information of the candidates for the position of Director to Shareholders according to the laws, regulations and the Articles of Association in order to ensure that Shareholders could have sufficient understanding of the candidates when casting their votes;
- (5) the Company shall give at least seven days for relevant nominators and candidates for the position of Director for submission of the notice and materials set forth as above (such period shall be calculated from the day following the issue date of the notice of general meeting); and
- (6) the general meeting shall vote on the proposals on each candidate one by one.

Before the expiry of the term of office, a Director shall not be dismissed by the general meeting without any reasons. Where a Director has not been timely re-elected at the expiry of the term of office, or where a Director has resigned during the term of office resulting that the number of the members in the Board of Directors falls below the quorum, the original Director shall still perform his/her duties as a Director, prior to the assumption of office by the re-elected Director, in accordance with the laws and regulations as well as the provisions of the Articles of Association.

The term of office of independent Directors is three years, and such Directors are eligible for re-election upon expiry of the term, but the term for re-election shall be no more than six years. Before the expiry of the term of office, an independent Director shall not be dismissed by the general meeting without any reasons.

Each of the executive Directors, non-executive Directors and independent non-executive Directors has entered into a service contract with the Company for a term of three years. None of our Directors have entered into a service contract with the Company with a term specifying that if the Company terminates the contract within one year, the Company has to make compensation apart from statutory compensation.

Procedures and processes for appointment, re-election and removal of Directors are set out in the Articles of Association. The Nomination and Remuneration Committee is responsible for reviewing the composition of the Board of Directors, and providing recommendations to the Board of Directors in relation to the appointment, re-election and succession planning for Directors.

CORPORATE GOVERNANCE REPORT

BOARD MEETINGS

Board meetings are divided into regular board meetings and extraordinary board meetings. Regular board meetings shall be convened at least four times a year. Regular board meetings shall not be convened by way of written resolution.

The chairperson of the Board of Directors shall convene an extraordinary board meeting within ten days from the date of receipt of the requests under one of the following circumstances:

- (1) joint request of more than one-third of the Directors;
- (2) request of the Audit Committee;
- (3) request of more than two independent Directors;
- (4) when the chairperson of the Board of Directors deems necessary;
- (5) request by Shareholders who hold 10% or more of the shares with voting rights of the Company;
- (6) request of the general manager; and
- (7) other circumstances as stipulated in the Articles of Association.

To convene an extraordinary board meeting, a notice shall be given to the Directors at least seven days before the date of meeting by telex, telegraph, facsimile, registered mail, e-mail or through personal delivery (except as otherwise stipulated in applicable laws, regulations, securities regulatory rules and the Articles of Association in respect of regular board meetings). Contents of the notice shall include the time and venue of the meeting, the duration of the meeting, subject matter and proposals of the meeting, the issue date of the notice and other relevant documents for the meeting. With written consent of all Directors, the notice period requirement of the extraordinary board meetings may be waived.

The board meeting may be convened by way of on-site meeting or written resolution (except as otherwise required by Listing Rules to convene by way of on-site meeting or under the circumstances as stipulated in the Articles of Association). To facilitate the Directors' attendance of the board meetings, on-site meetings may be held by way of telephone, video or others means, and Directors who attend the board meetings by such means shall be deemed to have attended the on-site meeting in person.

Minutes of the board meetings and board committee meetings are recorded in sufficient detail on the matters considered by the Board of Directors and the Board Committees and the decisions reached, including any concerns raised by the Directors. Draft minutes of each board meeting and board committee meeting will be sent to the Directors for consideration within a reasonable time after the date on which the meeting is held. The minutes of the board meetings are open for inspection for all Directors.

CORPORATE GOVERNANCE REPORT

During the Reporting Period, the Board of Directors held eight board meetings and three general meetings. Attendance of the Directors attending board meetings and general meetings is set out in the following table:

Director	Number of board meetings attended/number of attendance in board meetings required	Number of general meetings attended/number of attendance in general meetings required
Executive Director		
Yue Zengguang	8/8	3/3
Non-executive Directors		
Chen Liuyi	5/5	2/2
Chen Xuebin	4/4	2/2
Independent non-executive Directors		
Zheng Wei	8/8	3/3
Zhang Haiyan	8/8	3/3
Liu Wanwen	8/8	3/3
Resigned Directors		
Wang Zengye	2/3	1/1
Duan Xiaoxu	8/8	3/3

Notes:

- (1) "Attendance" in meetings includes on-site attendance and attendance by way of telephone and video conference.
- (2) For changes of Directors, please refer to "Changes of Directors" in the section headed "Directors and Senior Management".

CORPORATE GOVERNANCE REPORT

MODEL CODE FOR CONDUCTING SECURITIES TRANSACTIONS

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

DELEGATION BY THE BOARD OF DIRECTORS

The Board of Directors reserves for its decision on all major matters of the Company, including approval and monitoring of all policy matters, overall strategies and budgets, internal control and risk management systems, material transactions (in particular those that may involve conflict of interests), financial data, appointment of Directors and other significant financial and operational matters. Directors could have recourse to seek independent professional advice in performing their duties at the Company's expense and are encouraged to consult with the Company's senior management independently.

The daily management, administration and operations of the Company are delegated to the senior management. The delegated functions and responsibilities are periodically reviewed by the Board of Directors. Approval has to be obtained from the Board of Directors prior to any significant transactions entered into by the management.

CORPORATE GOVERNANCE FUNCTION

The Board of Directors is responsible for performing the functions set out in code provision A.2.1 of the CG Code.

The Board of Directors reviewed the Company's corporate governance policies and practices, training and continuous professional development of Directors and senior management, the Company's policies and practices in compliance with legal and regulatory requirements, the compliance of the Company's code on securities transactions, and the Company's compliance with the CG Code and disclosure in this Corporate Governance Report.

CORPORATE GOVERNANCE REPORT

BOARD COMMITTEES

Audit Committee

The Audit Committee consisted of four members, including a non-executive Director, namely Mr. Chen Liuyi, and three independent non-executive Directors, namely Mr. Zheng Wei (Chairperson), Ms. Zhang Haiyan and Ms. Liu Wanwen. The Audit Committee being a special committee under the Board of Directors shall exercise its powers as stipulated by the Articles of Association and within the scope of delegation from the Board of Directors. The Audit Committee is accountable and shall report to the Board of Directors.

The Audit Committee performs the following duties:

- (1) to make recommendations to the Board of Directors on the appointment, reappointment and removal of the external auditors, to approve the remuneration and terms of engagement of the external auditors, and to deal with any issues of their resignation or dismissal;
- (2) to review and monitor the external auditors' independence and objectivity and the effectiveness of the audit process in accordance with applicable standards. The Audit Committee shall discuss with the auditors the nature and scope of the audit and the reporting obligations before the audit commences;
- (3) to formulate and implement policy on the provision of non-audit services by the external auditors. For this purpose, "external auditor" includes any institution that is under common control, ownership or management with the auditor or any institution that a reasonable and informed third party knowing all relevant information would reasonably conclude to be part of the domestic or international business of such auditor. The Audit Committee shall report to the Board of Directors and advise on any matters where action or improvement is needed;
- (4) to monitor the integrity, accuracy and fairness of the Company's financial statements, annual reports and accounts, interim reports and, if prepared for publication, quarterly reports, and to review significant opinions on financial reporting as set out therein. In reviewing the Company's financial statements, annual reports and accounts, interim reports and, if prepared for publication, quarterly reports before submission to the Board of Directors, the Audit Committee shall focus particularly on:
 - (i) any changes in accounting policies and practices;
 - (ii) major judgmental issues;
 - (iii) significant adjustments resulting from audit;
 - (iv) the assumption of going concern of the Company and any qualified opinions;
 - (v) whether compliance with accounting standards;
 - (vi) whether compliance with the Listing Rules and other legal requirements in relation to financial reporting;

CORPORATE GOVERNANCE REPORT

- (5) regarding paragraph (4) above:
- (i) members of the Audit Committee shall liaise with the Board and the senior management members of the Company. The Audit Committee shall meet at least twice a year with the Company's external auditors; and
 - (ii) the Audit Committee shall consider any significant or unusual items that are, or may need to be, reflected in such reports and accounts, and shall give due consideration to any matters that have been raised by the Company's staff responsible for the accounting and financial reporting function, compliance officer or auditors;
- (6) to review the Company's financial control, and unless expressly addressed by a separate risk control and audit committee under the Board of Directors, or by the Board of Directors itself, to review the Company's risk management and internal control systems;
- (7) to discuss the risk management and internal control systems with management to ensure that management has performed its duty to establish and maintain effective systems. Such discussion shall consider the adequacy of resources, staff qualifications and experience, training programs and budget of the Company's accounting and financial reporting function;
- (8) to examine major investigation findings on risk management and internal control matters and the management's response to these findings on its own initiative or as authorised by the Board of Directors;
- (9) to ensure coordination between the internal and external auditing bodies and to ensure that the internal audit function is adequately resourced and has appropriate standing within the Company; and to examine and monitor the effectiveness of the internal audit function;
- (10) to review the Group's financial and accounting policies and practices;
- (11) to review the external auditors' letters to the management on audit results, any material queries raised by the auditors to the management about accounting records, financial accounts or control system and the management's response;
- (12) to ensure that the Board of Directors will provide a timely response to the issues raised in the external auditors' letter to the management on audit results;
- (13) to report to the Board of Directors on the matters included under the paragraph headed "D.3 Audit Committee" in Appendix C1 to the Listing Rules;

CORPORATE GOVERNANCE REPORT

(14) the Audit Committee shall handle the following issues:

- (i) to review arrangements which employees of the Company can use, in confidence, to raise concerns about possible improprieties in financial reporting, internal control or other matters. The Audit Committee shall ensure that proper arrangements are in place for fair and independent investigation of these matters and appropriate follow-up action taken by the Company;
- (ii) the Audit Committee shall establish a whistleblowing policy and system for employees and other persons who deal with the Company to raise concerns, in confidence, with the Audit Committee about possible improprieties in any matter related to the Company;

(15) to act as the key representative body for overseeing the relationship between the Company and the external auditors;

(16) to supervise and guide the internal audit organisation of the Company; and

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

The terms of reference of the Audit Committee are available for inspection on the websites of the Hong Kong Stock Exchange and the Company.

During the Reporting Period, attendance of each member of the Audit Committee attending committee meetings is set out in the following table:

Name of Director	Number of meetings attended/ number of attendance required
Mr. Zheng Wei (<i>Chairperson</i>)	3/3
Mr. Chen Liuyi	2/2
Ms. Zhang Haiyan	3/3
Ms. Liu Wanwen	2/2
Ms. Duan Xiaoxu (<i>former member</i>)	3/3

Notes:

- (1) "Attendance" in meetings includes on-site attendance and attendance by way of telephone and video conference.
- (2) For changes of Directors, please refer to "Changes of Directors" in the section headed "Directors and Senior Management" in this annual report.

For details concerning these meetings, please refer to this section headed "Performance of Duties by the Board of Directors and Its Committees".

CORPORATE GOVERNANCE REPORT

Nomination and Remuneration Committee

The Nomination and Remuneration Committee consisted of three members, including an executive Director, namely Mr. Yue Zengguang, and two independent non-executive Directors, namely Ms. Zhang Haiyan and Ms. Liu Wanwen (Chairperson). The Nomination and Remuneration Committee being a special committee under the Board of Directors shall exercise its powers as stipulated by the Articles of Association and within the scope of delegation from the Board of Directors. The Nomination and Remuneration Committee is accountable and shall report to the Board of Directors.

The major duties of the Nomination and Remuneration Committee are as follows:

- (1) to carry out regular review at least once each year in respect of the structure, size and composition (including the aspects of skills, knowledge and experience) of the Board of Directors, and to make recommendations with regard to any proposed changes made to the Board of Directors in line with the Company's strategies;
- (2) to identify individuals with suitable qualifications for Directors and senior management position, and to select and nominate such individuals for Directors and senior management roles or to advise the Board of Directors in respect thereof;
- (3) to assess the independence of independent Directors;
- (4) to make recommendations to the Board of Directors on matters in relation to the appointment or reappointment of Directors and succession planning for Directors (in particular, the chairperson of the Board of Directors and the General Manager);
- (5) to make recommendations to the Board of Directors on the remuneration policy and structure for all Directors and senior management members and on the establishment of a formal and transparent procedure for formulating the remuneration policy;
- (6) to assess the performance of duties of the Directors and senior management members of the Company, and to supervise the implementation of the Company's remuneration system;
- (7) to review and approve the remuneration proposals for senior management members with reference to the corporate guidelines and objectives formulated by the Board of Directors;
- (8) to make recommendations to the Board of Directors on the specific remuneration packages of certain executive Directors and senior management members, including benefits in kind, pension rights and compensation payments (including any compensation payable for loss or termination of their office or appointment);
- (9) to make recommendations to the Board of Directors on the remuneration of the non-executive Directors;
- (10) to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Group;
- (11) to review and approve compensation payable to executive Directors and senior management members for loss or termination of office or appointment to ensure that it is consistent with contractual terms and is otherwise fair, reasonable and not excessive;

CORPORATE GOVERNANCE REPORT

- (12) to review and approve compensation arrangements in relation to dismissal or removal of Directors for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate;
- (13) to ensure that no Director or any of his associates (as defined under the Listing Rules) is involved in determining his own remuneration;
- (14) to consult with the chairperson of the Board of Directors and/or general manager about the remuneration proposals for other executive directors;
- (15) to review and/or approve matters relating to share schemes under Chapter 17 of the Listing Rules, including any grant of options or awards to Directors or senior management, and to make disclosure and give explanation in the corporate governance report on the appropriateness to approve such significant matters (if any); and
- (16) any other matters as authorised by the Board of Directors.

The Nomination and Remuneration Committee assesses the candidate or incumbent on criteria such as integrity, experience, skills and abilities to commit time and effort to carry out the duties. The recommendations of the Nomination and Remuneration Committee will then be put to the Board of Directors for decision.

The written terms of reference of the Nomination and Remuneration Committee are available for inspection on the websites of the Hong Kong Stock Exchange and the Company.

During the Reporting Period, attendance of each member of the Nomination and Remuneration Committee attending committee meetings is set out in the following table:

Name of Director	Number of meetings attended/ number of attendance required
Ms. Liu Wanwen (<i>Chairperson</i>)	3/3
Mr. Yue Zengguang	3/3
Ms. Zhang Haiyan	3/3

Notes:

- (1) "Attendance" in meetings includes on-site attendance and attendance by way of telephone and video conference.
- (2) For changes of Directors, please refer to "Changes of Directors" in the section headed "Directors and Senior Management" in this annual report.

For details concerning the meetings, please refer to "Performance of Duties by the Board and Its Committees" of this section.

CORPORATE GOVERNANCE REPORT

Strategies and Risk Management Committee

The Strategies and Risk Management Committee consisted of three members, including executive Director, namely Mr. Yue Zengguang (Chairperson); non-executive Director Mr. Chen Liuyi and independent non-executive Director Ms. Liu Wanwen. The Strategies and Risk Management Committee being a special committee under the Board of Directors shall exercise its powers as stipulated by the Articles of Association and within the scope of delegation from the Board of Directors. The Strategies and Risk Management Committee is accountable and shall report to the Board of Directors.

The duties of the Strategies and Risk Management Committee are as follows:

- (1) to research and propose recommendations on medium and long-term development strategies of the Company according to the macro-economic environment, trend of industry development and the operating position of the Company;
- (2) to inspect, supervise and evaluate the implementation of the development strategy of the Company;
- (3) to organise and formulate special plans for development of trust business and proprietary business of the Company;
- (4) to understand and master the major risks faced by the Company and its risk management status;
- (5) to consider the annual or special risk management reports of the Company;
- (6) to review the soundness of the risk management mechanism of the Company, effectiveness of the policies and measures, and rationality of the risk control process;
- (7) to consider the risk strategies and major risk management solutions, as well as criteria or mechanism for judgment of major decisions, major risks, major events and important business flow;
- (8) to review and supervise the compliance and implementation of the laws and regulations of the Company;

CORPORATE GOVERNANCE REPORT

- (9) to provide advice and recommendations for risk prevention and control of the trust business of the Company;
- (10) to study the requirements of compliance and regulations, formulate and improve the Company's internal compliance policies and implementation plans in accordance with the requirements of the laws, regulations and policies; to consider the Company's compliance and relevant basic system; to consider compliance management and relevant work reports;
- (11) to consider and approve the Company's overall policy on case prevention and control, put forward the overall requirements for case prevention and control, clarify the responsibilities and authorities of the senior management on case prevention and control, and ensure that the senior management takes necessary measures to effectively monitor, warn and deal with case risks; review and supervise the Company's case prevention and control work effectively, review relevant work reports, assess the effectiveness of case prevention and control work, and promote the construction of case prevention and control management system;
- (12) to establish the culture construction goals for the Company's anti-money laundering risk management, formulate antimoney laundering risk management strategies, and review and approve policies and procedures for anti-money laundering risk management; review anti-money laundering work report on a regular basis and understand major money laundering risk events and the treatments in a timely manner; and
- (13) other duties as stipulated by the Board of Directors.

The written terms of reference of the Strategies and Risk Management Committee are available for inspection on the websites of the Hong Kong Stock Exchange and the Company.

During the Reporting Period, attendance of each member of the Strategies and Risk Management Committee attending committee meetings is set out in the following table:

Name of Director	Number of meetings attended/ number of attendance required
Mr. Yue Zengguang (<i>Chairperson</i>)	4/4
Mr. Chen Liuyi	3/3
Ms. Liu Wanwen	4/4
Mr. Wang Zengye (<i>former member</i>)	0/1

Notes:

- (1) "Attendance" in meetings includes on-site attendance and attendance by way of telephone and video conference.
- (2) For changes of Directors, please refer to "Changes of Directors" in the section headed "Directors and Senior Management" in this annual report.

For details concerning the meetings, please refer to "Performance of Duties by the Board and Its Committees" of this section.

CORPORATE GOVERNANCE REPORT

Trust and Consumer Rights Protection Committee

The Trust and Consumer Rights Protection Committee consisted of three members, including executive Director Mr. Yue Zengguang; non-executive Director Mr. Chen Xuebin; and independent non-executive Director Ms. Zhang Haiyan (Chairperson). The Trust and Consumer Rights Protection Committee being a special committee under the Board of Directors shall exercise its powers as stipulated by the Articles of Association and within the scope of delegation from the Board of Directors. The Trust and Consumer Rights Protection Committee is accountable and shall report to the Board of Directors.

The Trust and Consumer Rights Protection Committee performs the following duties:

- (1) to examine the due payment of trust business of the Company and the realisation of the interests of beneficiaries;
- (2) to supervise the management and utilisation of collective trust properties;
- (3) to conduct regular evaluation for operation of the trust business of the Company and provide advice and suggestions for the development of trust business of the Company;
- (4) to consider specific measures for protecting the interests of the beneficiaries when the interests of the Company or Shareholders conflict with those of beneficiaries, urge the Company to perform its entrusted duties according to the laws, and effectively safeguard the legitimate rights and interests of the trustors and beneficiaries;
- (5) to consider the conditions of protecting the interests of consumers of the Company; and
- (6) other duties stipulated by the Board of Directors.

The written terms of reference of the Trust and Consumer Rights Protection Committee are available for inspection on the websites of the Hong Kong Stock Exchange and the Company.

CORPORATE GOVERNANCE REPORT

During the Reporting Period, attendance of each member of the Trust and Consumer Rights Protection Committee attending committee meeting is set out in the following table:

Name of Director	Number of meetings attended/ number of attendance required
Ms. Zhang Haiyan (<i>Chairperson</i>)	1/1
Mr. Yue Zengguang	1/1
Mr. Chen Xuebin	1/1

Notes:

- (1) "Attendance" in meetings includes on-site attendance and attendance by way of telephone and video conference.
- (2) For changes of Directors, please refer to "Changes of Directors" in the section headed "Directors and Senior Management" in this annual report.

For details concerning the meeting, please refer to "Performance of Duties by the Board and Its Committees" of this section.

Related Party Transaction Control Committee

The Related Party Transaction Control Committee consisted of three members, including non-executive director Mr. Chen Xuebin; and two independent non-executive Directors Mr. Zheng Wei (Chairperson) and Ms. Liu Wanwen. The Related Party Transaction Control Committee being a special committee under the Board of Directors shall exercise its powers as stipulated by the Articles of Association and within the scope of delegation from the Board of Directors. The Related Party Transaction Control Committee is accountable and shall report to the Board of Directors.

The Related Party Transaction Control Committee is responsible for the management, review, approval and risk control of related party transactions, and performs the following main duties:

- (1) to study the regulatory requirements and management system of related parties transactions, formulate and improve the Company's related parties transaction system, operating procedures and management methods in accordance with the requirements of the laws, regulations and policies;
- (2) to identify the related parties, define the related party transactions, review the legitimacy, compliance and fairness of the related party transactions, and provide recommendations to the Board of Directors;

CORPORATE GOVERNANCE REPORT

- (3) to carry out preliminary examination on all kinds of business involving related parties transactions approved by the Board of Directors or the general meeting, express written opinions to the Board of Directors on its legality, compliance, fairness and whether it will damage the interests of the Company or the parties to the trust, and submit them to the Board of Directors for approval;
- (4) to examine and approve related parties transactions and other matters related to related parties transactions within the scope authorised by the laws and regulations and the general meeting and the Board of Directors, and accept the filings of related parties transactions;
- (5) to conduct a special report to the Board of Directors on the implementation of the Company's related parties transaction management system and related parties transactions; and
- (6) other duties authorised by the laws, regulations, relevant regulations of the securities regulatory authority where the Company's shares are listed and the Board of Directors.

The written terms of reference of The Related Party Transaction Control Committee are available for inspection on the websites of the Hong Kong Stock Exchange and the Company.

During the Reporting Period, attendance of each member of the Related Party Transaction Control Committee attending committee meetings is set out in the following table:

Name of Director	Number of meetings attended/ number of attendance required
Mr. Zheng Wei (<i>Chairperson</i>)	3/3
Ms. Liu Wanwen	3/3
Mr. Chen Xuebin	3/3

Notes:

- (1) "Attendance" in meetings includes on-site attendance and attendance by way of telephone and video conference.
- (2) For changes of Directors, please refer to "Changes of Directors" in the section headed "Directors and Senior Management" in this annual report.

For details concerning the meetings, please refer to "Performance of Duties by the Board and Its Committees" of this section.

CORPORATE GOVERNANCE REPORT

REMUNERATION OF THE DIRECTORS, (FORMER) SUPERVISORS, SENIOR MANAGEMENT AND HIGHEST PAID INDIVIDUALS

For details about the remuneration of Directors, (former) Supervisors and five highest paid individuals of the Company, please refer to Note XVI.2 to the consolidated financial statements. The number of senior management members whose remuneration fall within the ranges below are listed as follows:

	Number of Individuals Year ended 31 December	
	2025	2024
RMB500,000 and below		
RMB500,001 – RMB1,000,000	7	8
RMB1,000,001 – RMB1,500,000	1	
Total	8	8

Note:

(1) For changes of senior management, please refer to "Changes of Senior Management" in the chapter "Directors and Senior Management".

CORPORATE GOVERNANCE REPORT

DIRECTORS' RESPONSIBILITIES FOR FINANCIAL REPORTING IN RESPECT OF FINANCIAL STATEMENTS

The Directors acknowledge their duties for preparing the financial statements of the Company for the year ended 31 December 2025 which give a true and fair view of the Group as well as the affairs of the Group and of the Company's results and cash flows.

The management has provided to the Board of Directors such explanation and information as necessary to enable the Board of Directors to carry out an informed assessment of the Company's financial statements, which are put to the Board of Directors for approval. The Company provides all members of the Board of Directors with monthly updates on the Company's performance, positions and prospects.

The Directors are not aware of any material uncertainties relating to events or conditions which may cast significant doubt upon the Company's ability to continue as a going concern.

The statement by the auditor of the Company regarding their reporting responsibilities on the consolidated financial statements of the Company is set out in the Independent Auditors' Report on page 142 of this annual report.

RISK MANAGEMENT AND INTERNAL CONTROL

Risk Management and Internal Control Systems

The Board of Directors understands that the Board of Directors shall, in accordance with the requirements of the corporate internal control standards and system, establish and execute sound and effective internal controls, undertake to maintain adequate risk management and internal control systems and truthfully disclose the evaluation report of internal controls, to safeguard the Shareholders' investments and the Company's assets, and conduct annual review on the effectiveness of the internal control systems.

During the Reporting Period, for details of establishment of the risk management systems, risk management structure and control measures of the Company, please refer to "Risk Management" under the section headed "Management Discussion and Analysis" in this annual report.

The internal control of the Company is aimed at ensuring a reasonable legal compliance of operation and management, the safety of assets, the truthfulness and completeness of financial reports and relevant information and the improvement on operational efficiency and effectiveness so as to realise our developmental strategies. We have established an internal control system comprising the regulation system, the benchmark system and the assessment system. To facilitate the improvement of our internal control system, we have comprehensively reviewed various internal procedures of the Company, and we have requested the relevant parties to rectify the problems identified.

CORPORATE GOVERNANCE REPORT

In terms of corporate governance, the Board of Directors is ultimately responsible for the sound establishment, effective implementation and overall examination and review of the internal control system. The Audit Committee supervises the Board of Directors and the management on the sound establishment, effective implementation and regular review of the Company's internal control system. The management organises and leads the daily operation of the internal control of the Company, establishes and improves the related system of the operational sector of the internal control system, and comprehensively promotes the implementation of the internal control system. The Audit Committee annually reviews the Company's evaluation report on internal control for the year.

In terms of the Company's operation, the business department is the first line of defence and had established an internal control mechanism of voluntarily implementing the internal control, assessing its own risk exposure, conducting self-correction and reporting in a timely manner. The legal and compliance department as the second line of defence, acts as the functional department for internal control and compliance management. It leads the establishment and maintenance of the internal control system, and supervises and examines the implementation of internal control by a combination of routine and targeted inspections. The Supervision and Audit Department, as the third line of defence, conducts audit and evaluation on the adequacy and effectiveness of internal control, reported problems identified in the audit to the Board of Directors, and provides supervision and follow-up on the rectification.

Internal Auditing

The Company has adopted an internal audit system and has professional auditors responsible for the independent and objective supervision, examination and evaluation of the Company's conditions such as revenues and expenditures, business activities, risk conditions and internal control. The auditors shall report to the Board of Directors or the Audit Committee if any material problems are discovered during the audits.

During the Reporting Period, the internal audit organisation of the Company was led by the Board of Directors and consisted of the Audit Committee and the Supervision and Audit Department. The Board of Directors was responsible for supervising, reviewing and evaluating the Company's internal audit to ensure that the internal audit was independent and effective. The Audit Committee was responsible for reviewing the Company's internal audit methods, audit policies and procedures and annual auditing plans and providing guidance and supervision. The Company had adhered to the principles of independence, objectivity, prudence, efficiency, importance and pertinence during the internal auditing process. The Company's internal audit system was comprehensive covering business operation, risk management, internal control and corporate governance.

Under the leadership of the Audit Committee, the Supervision and Audit Department organised and coordinated the Company's annual internal audit during the Reporting Period based on the annual internal audit work plan for 2025. In addition, the Company organised the risk management and internal control assessment team as well as relevant departments to closely cooperate with the external auditors in the work of internal control audit of financial statements. The internal control audit has performed auditing for all key processes and control points related to major accounting subjects. The external auditors regularly communicated with the management on audit results.

CORPORATE GOVERNANCE REPORT

During the Reporting Period, the Company continued to promote the concept that “prioritises compliance, requires all staff to comply with laws and regulations consciously and encourages staff to create value when complying with laws and regulations”. It established a compliance management system that “defines rules on internal control, sets restrictions on each department, specifies responsibility of each position, sets procedures for all operation, requires supervision over all processes, demands close monitoring on risks, request performance assessment, and sets clear accountability”. The Company maintained a sound development of internal control management, enhanced the execution of internal control measures, and optimised the establishment of risk control system. Details are as follows:

- (1) the Company objectively evaluated the development of 2024 internal control system of the Company, carrying out the evaluation of internal controls in terms of control environment, risk assessments, control activities, information and communication and internal supervision of the Company. The Company provided remedial measures for the possible internal control deficiencies, constantly improving and streamlining the internal control system of the Company;
- (2) the Company conducted targeted inspections on case risk prevention and control work on a regular basis, focusing on the establishment and implementation of the Company’s case risk prevention and control system, case prevention training and publicity, and performance evaluation and accountability;
- (3) the Company conducted targeted inspections on related party transaction management work and focused on the construction and implementation of relevant systems and the operational compliance of related party transaction business; and
- (4) the Company conducted an evaluation on the quality of external audit work in 2024, focusing on aspects such as the basic condition of the accounting firm, its performance of duties in 2024, and its supervision.

During the Reporting Period, the Board of Directors had reviewed the risk management and internal control systems of the Group and considered the systems to be adequate and effective.

CORPORATE GOVERNANCE REPORT

SENIOR MANAGEMENT

Our senior management is responsible for the day-to-day management and operation of the business of the Company. Serving as the executive body of the Company, the senior management is responsible for the Board of Directors and is subject to the supervision of the Audit Committee. Powers and authority of the senior management and the Board of Directors are divided in strict compliance with the Articles of Association and other corporate governance documents.

The biographical details of the senior management are set out in the section headed “Directors and Senior Management” of the annual report.

REMUNERATION OF THE AUDITORS

The remunerations paid/(payable) to the Company's independent external auditor, ShineWing Certified Public Accountants (Special General Partnership), for the year ended 31 December 2025 in relation to audit services and non-audit services (including the review of the Company's interim results announcement and interim report for the year 2025, respectively) were RMB1 million (tax inclusive, approximately RMB0.943 million after tax) and RMB0.5 million (tax inclusive), respectively.

COMPANY SECRETARY

During the Reporting Period, Mr. He Chuangye (“**Mr. He**”) was the company secretary of the Company. He is responsible for advising the Board of Directors on corporate governance matters and ensuring the Board of Directors policies and procedures, the applicable laws, rules and regulations are complied with. In order to uphold good corporate governance and ensure compliance with the Listing Rules and applicable Hong Kong laws. For the year ended 31 December 2025, Mr. He has undertaken no less than 15 hours of relevant professional training in compliance with Rule 3.29 of the Listing Rules.

CORPORATE GOVERNANCE REPORT

HUMAN RESOURCES MANAGEMENT

In 2025, the Company carried out business transformation and mechanism reform, and promoted the transformation and breakthrough of talent work through the double promotion of business and management, so as to realise the high-quality development of talent team construction.

Optimising internal mechanism and improving talent allocation. In order to cater needs for business development and further optimise the organisational structure, the Company improves the allocation of talents with relevant professional advantages and resource advantages, helping its business transformation and development.

Implementing incentives and constraints and giving full play to the role of assessment. The Company establishes a sound, standardised, and refined performance evaluation mechanism, emphasises performance orientation, implements a target-based salary system, and develops different evaluation systems and adjustment coefficients for front, middle, and back offices. We promote a salary distribution system that favours employees, frontline staff, and performance, ensuring that performance evaluations are more scientific, fair, and reasonable. We formulate remuneration plans based on the operating performance, risk management and control of the Company, and the employee compensation is closely related to the completion of economic efficiency indicators, risk control indicators, and social responsibility indicators. At the same time, we comply with the relevant regulations of the regulatory authority on salary management, and earnestly implement the salary deferred payment system, the post avoidance system and other systems.

Broadening the growth path and striving for comprehensive development for talents. The Company has established a management mechanism that allows for “horizontal adjustment of positions” and “vertical adjustment of ranks”, and has improved the “dual-track” and “multi-level” promotion system for management and professional and technical personnel in order to broaden the promotion channels of employees and stimulate the potential of talents. We build a training “soft platform” for young talents, establish a training system “Guo Xin Lan” (國信藍) and carry out multi-level, multi-type and multi-stage learning and training. We create the three kinds of platform namely “offline + online + special topics”: “Trust Classroom” and “Lighthouse Classroom” to consolidate offline learning foundation, “Asset Management Cloud” and “Lighthouse – Party Building Online” to expand online learning channels, and special training such as “Digital Trust AI Training Camp”, “Standardised Product Training Camp” and “Financial Technology Training Camp” to focus on the hot topics and blind spots of transformative business, thereby achieving precise coverage of professional improvement needs of all employees. We keep improving the construction of training system of the Company, and provide employees with efficient, professional and all-around training.

Orderly organising labour unions and fully safeguarding the rights and interests of employees. We held theme activities such as the walking competition of “Upholding the Original Aspiration, Embarking on a New Journey, and Reaching New Heights”, and the International Women’s Day event “Springtime Splendour, Women’s Spirit”, which enriched the spiritual and cultural life of employees and promoted communication and exchanges among them. Meanwhile, the Company’s operations have never been affected by any strike or significant labour dispute. The Company’s management will continue to maintain good relationships with the labour union and its employees.

CORPORATE GOVERNANCE REPORT

We provide employees with various social insurances (including endowment insurance, medical insurance, work-related injury insurance, unemployment insurance and maternity insurance) and housing provident fund in accordance with relevant laws and regulations in the PRC.

As at 31 December 2024 and 31 December 2025, the Company had a total of 288 and 271 employees, respectively. The number and percentage of different employees by departments were as follows:

	31 December 2025		31 December 2024	
	Number of employees	%	Number of employees	%
Management	10	3.69	10	3.47
Trust business employees	107	39.49	123	42.71
Proprietary business employees	3	1.11	3	1.04
Wealth management employees	39	14.39	42	14.58
Risk management and audit employees	31	11.44	30	10.42
Financial and accounting employees	6	2.21	7	2.43
Operation management employees	36	13.28	36	12.50
Other staff ⁽¹⁾	39	14.39	37	12.85
Total	271	100	288	100

Note:

(1) Includes employees from the Company's human resources department and other back-end departments.

As at 31 December 2024 and 31 December 2025, the details of employees by age were as follows:

	31 December 2025		31 December 2024	
	Number of employees	%	Number of employees	%
Aged 25 and below	3	1.11	5	1.73
Aged 26-29	34	12.54	29	10.07
Aged 30-39	135	49.82	160	55.56
Aged 40 and above	99	36.53	94	32.64
Total	271	100	288	100

CORPORATE GOVERNANCE REPORT

As at 31 December 2024 and 31 December 2025, the details of employees by education level were as follows:

	31 December 2025		31 December 2024	
	Number of employees	%	Number of employees	%
Doctoral degree and above	5	1.85	6	2.09
Master's degree	206	76.01	226	78.47
Bachelor's degree	56	20.66	50	17.36
Junior college and below	4	1.48	6	2.08
Total	271	100	288	100

As at 31 December 2024 and 31 December 2025, the details of employees by gender were as follows:

	31 December 2025		31 December 2024	
	Number of employees	%	Number of employees	%
Male	146	53.87	160	55.56
Female	125	46.13	128	44.44
Total	271	100	288	100

The Company is committed to improving the promotion opportunities of women in various departments, increasing their employment opportunities for positions with insufficient participation, and eliminating barriers and discrimination in the workplace of women at the same time. The Company will achieve its objectives by implementing the following measures:

- (1) Incorporating diversity and inclusion into the entire employee recruitment and departure process to eliminate bias and maintain equal opportunities;
- (2) Leveraging the network of gender equality to support talent development;
- (3) Setting targets and execution plans with different business units to continuously safeguard gender balance;
- (4) Carrying out activities such as female employee commendation and participation in civilised selection of female employees to encourage them to be dedicated and make new achievements; and
- (5) Introducing more family-friendly policies.

CORPORATE GOVERNANCE REPORT

COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONS

The Company considers that effective communication with Shareholders is essential for enhancing investor relations and understanding of the Company's business, performance and strategies. The Company also recognises the importance of timely and non-selective disclosure of the Company's information, which will enable Shareholders and investors to make informed investment decisions. To promote effective communication, the Company adopts a shareholders' communication policy that aims at establishing a two-way relationship and communication between the Company and the Shareholders. In accordance with the Company's shareholder's communication policy, the main channels for the Company to convey information to Shareholders are the Company's annual report, interim report, annual general meeting and other extraordinary general meetings. The disclosure information, corporate communications and other corporate publications submitted by the Company to the Hong Kong Stock Exchange are published on the website of the Hong Kong Stock Exchange and the Company's website (www.sitic.com.cn). The "Investor Relations" section in the Company's website provides the Shareholders with the corporate information, such as corporate communications and key financial information of the Company, as well as the information on the corporate governance of the Company and the structure and functions of the Board of Directors and its committees.

The general meeting of the Company provides an opportunity for Shareholders to communicate directly with the Directors. The chairperson of the Company and chairpersons of each Board Committee will attend the general meetings to answer questions. Of which, the auditors of the Company will answer questions about the conduct of the audit, the preparation and contents of the auditor's report, the accounting policies and the independence of auditors at the annual general meetings.

In order to facilitate the communication between the Company with Shareholders and investment sector, the Company holds results press conference for the Shareholders, investors and analysts from time to time to provide important information for the capital market and media, answer important questions that investors are most concerned recently, and facilitate understanding of the Company's business by different sectors through various activities such as analyst meetings, press conferences and investor roadshows.

The Board of Directors has regularly reviewed the shareholder's communication policy and the Company's Shareholders and investor engagement and communication activities conducted in 2025, and was satisfied with the implementation and effectiveness of the shareholders communication policy. The Company also maintains a website (<http://www.sitic.com.cn>), where up to date information on its business operations and developments, financial information, corporate governance practices, and other information are available for public access.

TRANSPARENCY OF INFORMATION DISCLOSURE SYSTEM

The Company has always maintained a good information disclosure mechanism. While keeping high degree of transparency during communications with media, analysts and investors, we attach great importance to the handling of insider's information. In general, the Company formulated the Regulations on Information Disclosure Management of Shandong International Trust Co., Ltd. in accordance with the requirements of domestic and overseas laws and regulations, the Listing Rules and the Articles of Association, together with the actual conditions of the Company. Such management regulations were considered and approved by the Board of Directors, clearly expressing the duties and functions of information disclosure, handling and publish of inside information and the procedures of information which shall be disclosed.

CORPORATE GOVERNANCE REPORT

With respect of internal information exchange and feedback, the Company has established a management system for information communication, forming specific and complete reporting procedures. In accordance with relevant requirements, the Company clarified the principles for disclosure and confidentiality of sensitive information, basis for identifying inside information, and solutions to and administrative measures for handling inside information. Publication and clarification of inside information were coordinated by the department responsible for information disclosure and implemented by the person authorised by the Board of Directors. Such person would clarify and explain the information circulated in the market in strict compliance with the management system formulated by the Company, which includes confidentiality work and publication on the websites of the Company and the Hong Kong Stock Exchange in the manner recognised by the Hong Kong Stock Exchange. For any information made public, the authorised person would check with the relevant internal department of the Company to ensure the truthfulness of its contents. The Directors and employees in possession of sensitive information of the Company would also strictly comply with the internal regulations and guidelines on information disclosure and trading of shares. According to such requirements, in the event that the Company is aware of any inside information or a false market may be formed, the Company shall disclose such information to the public as soon as reasonably practicable.

SHAREHOLDERS' RIGHTS

To safeguard Shareholders' interests and rights, a separate resolution will be proposed for each issue at the general meetings of the Company, including the election of individual Directors. All resolutions put forward at general meetings will be voted on by poll pursuant to the provisions of the Listing Rules and the Articles of Association, and poll results will be posted on the websites of the Company and the Hong Kong Stock Exchange in a timely manner after each general meeting.

Convening an Extraordinary General Meeting

An extraordinary general meeting shall be convened within two months from the date of occurrence of one of the following circumstances:

- (1) the number of directors is less than the number required by the Company Law or less than two-thirds of the number stipulated in the Articles of Association;
- (2) the outstanding loss of the Company has reached one-third of the total paid-up capital;
- (3) on the request of Shareholders who individually or jointly hold 10% or more of the shares of the Company;
- (4) the Board of Directors deems it necessary to convene the meeting;
- (5) the Audit Committee proposes to convene the meeting; and
- (6) any other circumstances as stipulated by the laws, regulations or the Articles of Association.

The shareholding mentioned in item (3) of the preceding paragraph shall be determined at the close of trading on the date on which such Shareholders demand to convene the meeting in writing, or if it is not a trading day, the last trading day prior to such date.

CORPORATE GOVERNANCE REPORT

Put Forward Proposals at General Meetings

When the Company convenes the general meeting, the Board of Directors, the Audit Committee and the Shareholders individually or jointly holding not less than 1% (inclusive) of the total number of shares carrying voting rights of the Company shall have the right to put forward proposals to the Company in writing. The Company shall include the matters falling within the scope of duties of the general meeting set out in the proposal in the agenda of the meeting.

Shareholders individually or jointly holding not less than 1% of the shares of the Company may submit an interim proposal to the Board of Directors in writing ten days prior to the date of the general meeting. An interim proposal shall have a clear topic and specific resolution(s). The Board of Directors shall notify other Shareholders within two days upon receipt of the proposal, and submit such interim proposal to the general meeting for consideration, except when such interim proposal violates the provisions of laws, regulations, or the Articles of Association, or falls outside the scope of authority of the general meeting. If the listing rules of the place where the shares of the Company are listed or the securities regulatory authorities stipulate otherwise, those rules shall also be met.

Enquiries to the Board of Directors

Shareholders who intend to put forward their enquiries about the Company to the Board of Directors may send their enquiries to the Company's headquarters through email at ir1697@luxin.cn.

CONVENING OF GENERAL MEETING OF THE YEAR

Subjects of General Meeting and the Content of Resolutions

The Company held the 2024 annual general meeting on 25 June 2025, and considered and approved resolutions including 2024 Work Report of the Board of Directors, 2024 Work Report of the Independent Directors, 2024 Work Report of the Board of Supervisors, 2024 Financial Report, 2024 Profit Distribution Plan, and the proposed re-appointment of the domestic auditor and overseas auditor.

The Company held the 2025 first extraordinary general meeting on 27 August 2025, and considered and approved the resolutions including the proposed amendments to the Recovery Plan, the matters in relation to cancellation of the Board of Supervisors, the proposed amendments to the Articles of Association, procedural rules for the general meeting, and procedural rules for the Board of Directors.

The Company held the 2025 second extraordinary general meeting on 7 November 2025, and considered and approved the resolutions including the transfer of the Target Interests in Parent Fund and the transfer of the Target Interests in Wanhe Fund.

CORPORATE GOVERNANCE REPORT

PERFORMANCE OF DUTIES BY THE BOARD AND ITS COMMITTEES

Board of Directors

The Company convened the 9th meeting of the fourth session of the Board of Directors by way of physical meeting on 27 March 2025, at which the Resolution on SITC 2024 General Manager Work Report, the Resolution on SITC 2024 Annual Report and Results Announcement and other resolutions were considered and approved;

The Company convened the 10th meeting of the fourth session of the Board of Directors by way of physical meeting on 3 June 2025, at which the Resolution on Revising the List of Decisions and Matters for Deliberation and Discussion by the Board of Directors of Shandong International Trust Co., Ltd. and other resolutions were considered and approved;

The Company convened the 11th meeting of the fourth session of the Board of Directors by way of physical meeting on 25 June 2025, at which the Resolution on Cancellation of the Board of Supervisors of SITC and other resolutions were considered and approved;

The Company convened the 12th meeting of the fourth session of the Board of Directors by way of physical meeting on 31 July 2025, at which the Resolution on the Full Transfer of Fund Interests in Shandong Lucion New and Old Kinetic Energy Conversion Venture Capital Parent Fund (Limited Partnership) and Anhui Lucion Wanhe Technology Innovation and Entrepreneurship Equity Investment Fund (Draft) and other resolutions were considered and approved;

The Company convened the 13th meeting of the fourth session of the Board of Directors by way of physical meeting on 27 August 2025, at which the Resolution on SITC 2025 Interim Report and Interim Results Announcement and other resolutions were considered and approved;

The Company convened the 14th meeting of the fourth session of the Board of Directors by way of physical meeting on 2 December 2025, at which the Resolution on Significant Related-Party Transaction in Relation to the Subscription of Shandong Trust Hengxiang No. 203 Collective Fund Trust Plan by the Wealth Management Products Managed by HF Wealth Management Co., Ltd. and other resolutions were considered and approved;

The Company convened the 15th meeting of the fourth session of the Board of Directors by way of physical meeting on 25 December 2025, at which the Resolution on Application for Annual Caps of Amount of Continuing Connected Transactions of the Company 2026-2028 and other resolutions were considered and approved;

The Company convened the 16th meeting of the fourth session of the Board of Directors by way of physical meeting on 30 December 2025, at which the Resolution on Waiver of Board Notification Period and other resolutions were considered and approved.

CORPORATE GOVERNANCE REPORT

Committees under the Board of Directors

In 2025, the Audit Committee convened three meetings to consider and report to the Board of Directors on the Resolution on SITC 2024 Annual Report and Results Announcement, etc., and provided important comments and recommendations on audit plan, financial statements, internal audit, and internal control.

In 2025, the Trust and Consumer Rights Protection Committee convened one meeting to consider and report to the Board of Directors on the Resolution on SITC's Trust Consumer Rights Protection Work in the First Half of 2025 and its Work Plan for the Second Half of 2025, etc., and provided rational suggestions for the development of the trust business, protection of rights of consumers, trust culture and investor education of the Company.

In 2025, the Strategies and Risk Management Committee convened four meetings to consider and report to the Board of Directors on the Resolution on SITC 2024 Compliance Risk Management and Assessment Report, etc., and provided recommendations on the long-term development strategies and risk management of the Company based on the regulatory policies and industry development trend.

In 2025, the Nomination and Remuneration Committee convened three meetings to review the structure of the Board of Directors, assess the independence of independent Directors, and consider and report to the Board of Directors on the Resolution on SITC 2024 Nomination and Remuneration Committee Performance of Duties Report, etc.

In 2025, the Related Party Transaction Control Committee convened three meetings to consider and approve and report to the Board of Directors on issues related to related party transactions including the Resolution on the Amendments to Administrative Measures of Related Party Transactions of Shandong International Trust Co., Ltd., and provided reasonable proposals on the administrative measures for related party transactions.

The Nomination and Remuneration Committee reviewed and assessed the composition of the Board of Directors and the independence of independent non-executive Directors, and offered recommendations to the Board of Directors on appointment of new Directors of the Company. In recommending candidates for appointment to the Board of Directors, the Nomination and Remuneration Committee will select candidates on merit against objective criteria and with due regards to the diversity on the Board of Directors, including, but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge, length of service term, and time to be invested in as a Director. The Company will also consider its own business model and special needs from time to time. The final decision will be made based on the contributions and strengths that the designated candidates may bring to the Board of Directors.

Members of each of the committees attended the above meetings.

CORPORATE GOVERNANCE REPORT

IMPLEMENTATION OF MATTERS PROPOSED AND AUTHORISED IN THE GENERAL MEETING

During the Reporting Period, the Board of Directors diligently implemented the resolutions of general meeting and the authorised matters of the general meeting. There was no violation of national laws, regulations and the Articles of Association and any acts which would violate the interests of the Company.

PERFORMANCE OF DUTIES OF THE BOARD COMMITTEES

During the Reporting Period, all Board Committees diligently performed their duties and played an active role in strengthening the internal management of the Company and promoting the development of the business of the Company.

PERFORMANCE OF DUTIES OF THE INDEPENDENT DIRECTORS

During the Reporting Period, each of the independent Directors actively took part in the board meetings and general meetings, conscientiously reviewed various proposals and reports, took the initiative to participate in discussions of the Company's major decision-making matters, and independently and objectively expressed professional advice and recommendations on the Company's operation and management tasks, and conducted a comprehensive supervision and inspection on the Company's daily business, management and operation, performance of duties by the Board of Directors and senior management as well as implementation of the Company's internal management system, thereby effectively safeguarding the legitimate interests of the Company and Shareholders as a whole.

AMENDMENTS TO THE ARTICLES OF ASSOCIATION

For details of the amendments to the Articles of Association, please refer to the section headed "Significant Events" in this annual report.

REPORT OF THE BOARD OF DIRECTORS

PRINCIPAL BUSINESSES AND BUSINESS REVIEW

The principal businesses of the Company are to provide trust business and proprietary business. The Company's business operations and business review as required by Schedule 5 to the Companies Ordinance are set out in the relevant sections in this annual report, including "Chairperson's Statement", "Management Discussion and Analysis", "Corporate Governance Report", "Significant Events", "Notes to the Consolidated Financial Statements" and this "Report of the Board of Directors".

In particular, please refer to "Business Overview", "Environment Overview", "Risk Management", "Future Prospect" and "Key Tasks for 2026" under the section headed "Management Discussion and Analysis" in this annual report for the business review, discussion and analysis of the performance for the year, principal risks and uncertainties and future business development of the Company. Please refer to "Financial Overview" under the section headed "Management Discussion and Analysis" for analysis of the key financial performance indicators of the Company. Please refer to "Risk Management" under the section headed "Management Discussion and Analysis" for the relevant laws and regulations compliance of which would have a significant impact on the Company. Please refer to "Human Resources Management" under the section headed "Corporate Governance Report" in this annual report and "Major Clients and Suppliers" in this section for the Company's relationships with its employees, clients and parties who have a significant impact on the Company.

RESULTS

The results of the Company for the year ended 31 December 2025 are set out in the independent auditor's report.

PRINCIPAL RISKS AND UNCERTAINTIES

Save as "Management Discussion and Analysis" and "Chairperson's Statement", for the principal risks and uncertainties that the Company required to disclose under the Companies Ordinance, please refer to "Risk Management" under the section headed "Management Discussion and Analysis" in this annual report.

PROFITS AND DIVIDENDS DISTRIBUTION

Targeted at sustainable development and safeguarding the rights and interests of Shareholders, the Company attached great importance to reasonable investment returns to the public shareholders. On the premise of complying with relevant provisions of the laws, regulations and regulatory policies, the Company implemented sustainable and stable dividend distribution policies. The distribution of dividends of the Company will be considered depending on factors such as (including but not limited to) our results of operations, cash flow, financial position, requirements on net capital, capital adequacy ratio, business prospect and statutory, regulatory and contractual restrictions in relation to our declaration and payment of dividends, as well as other factors the Board of Directors may consider important. Profit distribution of the Company shall not exceed the amount of cumulative distributable profit. Any proposed distribution of dividends shall be formulated by our Board of Directors and will be subject to approval of general meeting.

REPORT OF THE BOARD OF DIRECTORS

Pursuant to the applicable laws and regulations and the Articles of Association, the Company will pay dividends from profits after tax only subsequent to the following distributions:

- (1) make up for the loss in the previous year (if any);
- (2) appropriate an amount equivalent to 10% of profits after tax to statutory reserve. When aggregate amount reaches 50% of the registered capital of the Company, no appropriation to statutory reserve is necessary;
- (3) appropriate an amount not less than 5% of profits after tax to trust compensation reserve. When aggregate amount reaches 20% of the registered capital of the Company, the Company needs not to withdraw additional funds to the reserve; and
- (4) appropriate funds (if any) to any surplus reserve approved by Shareholders at the general meeting.

As required by the MOF, the Company must maintain the general reserve as an integral part of reserve of the Company by appropriating profits after tax, being an amount not less than 1.5% of the balance of risk assets. Distributable profits not distributed in any given year will be reserved and available for distribution in subsequent years.

Pursuant to the recovery and disposal plan considered and approved at the general meeting of the Company (the "**Recovery and Disposal Plan**"), in case of critical risks, the Company may reduce the profit to be distributed or hold off the distribution of profit, and, where necessary, either carry out asset restructuring in order to resolve risks or to use the profit distributed to Shareholders whose qualifications as shareholders were approved by the NFRA and its local office, which refer to holders of the domestic Shares of the Company and the Shareholders who hold circulating stock of the Company representing 5% or above of the total issued shares of the Company, in previous years for capital replenishment or risk mitigation, as to enhance the Company's ability to withstand risks.

The details of the Company's profits for the year ended 31 December 2025 are set out in the section headed "Management Discussion and Analysis – Financial Overview" in this annual report.

In order to enhance the capital reserve of the Company, the Company didn't declare the final dividend for 2025.

RESERVES AND DISTRIBUTABLE RESERVES

The details of the changes in the reserves of the Company for the year ended 31 December 2025 are set forth in Note VI.28 to the audited consolidated financial statements, and in the consolidated statement of changes in shareholder's equity from pages 162 to 167, respectively.

REPORT OF THE BOARD OF DIRECTORS

FINANCIAL SUMMARY

A summary of the results, assets and liabilities of the Company for the past five financial years is set out on page 15 of this annual report. Such summary does not form part of the audited consolidated financial statements.

DONATIONS

For the year ended 31 December 2025, the Company made no charity donations and other donations.

FIXED ASSETS

None of the properties held by the Company had any percentage ratios (as defined under Rule 14.04(9) of the Listing Rules) of more than 5%. Details in relation to the changes in fixed assets of the Company for the year ended 31 December 2025 are set out in Note VI.10 “Fixed assets” to the consolidated financial statements.

SHARE CAPITAL AND PUBLIC FLOAT

Details of the share capital and capital reserves of the Company for the year ended 31 December 2025 are set out in Notes VI.24 and VI.25 to the consolidated financial statements in this annual report.

As at 31 December 2025, the issued shares of the Company was 4,658,850,000 shares (of which 3,494,115,000 were Domestic Shares and 1,164,735,000 were H Shares). Based on the information that is publicly available to the Company and to the best knowledge of the Directors, at least 25% (being the minimum public float prescribed by the Hong Kong Stock Exchange and the Listing Rules) of the Company’s total issued share capital were held by the public from the Listing Date and up to the date of this annual report.

IMPLEMENTATION OF SHARE INCENTIVE SCHEMES

During the Reporting Period, the Company did not implement any share incentive scheme.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES

During the Reporting Period, the Company did not purchase, sell or redeem any of the Company’s listed securities (including sale of treasury shares).

PRE-EMPTIVE RIGHTS

The Articles of Association do not contain any mandatory provision regarding pre-emptive rights. Pursuant to the Articles of Association, the Company may increase its registered capital by issuing shares by public or non-public offering, issuing shares to the existing Shareholders (except holders of preference shares), converting capital reserve to share capital or using other methods as allowed by applicable laws and administrative regulations or approved by relevant authorities.

REPORT OF THE BOARD OF DIRECTORS

MAJOR CLIENTS AND SUPPLIERS

For the year ended 31 December 2025, the aggregate remuneration of the Company's top five trust schemes in terms of trustee's remunerations accounted for less than 30% of the Company's total fee and commission income during the relevant period.

To the knowledge of the Directors, none of the Directors, (former) Supervisors and their respective close associates or any Shareholder holding more than 5% of the issued share capital of the Company has any interest in any of the trustor clients and counterparty clients of the Company's five largest trust schemes in terms of trustee's remuneration during the Reporting Period.

The Company has no major suppliers due to the nature of its business.

MAJOR INVESTMENTS NOT FINANCED BY FUND-RAISING

For the year ended 31 December 2025, the Company did not have any major investment not financed by fund-raising.

BORROWINGS

The Company's borrowings as at 31 December 2025 amounted to approximately RMB700 million. Details of the borrowings are set out in Notes VI.16 and VI.23 to the consolidated financial statements.

DIRECTORS AND SENIOR MANAGEMENT

The biographical details of Directors and Senior Management are set out in the section headed "Directors and Senior Management" on pages 76 to 87 of this annual report.

INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

Each of the independent non-executive Directors has confirmed his/her independence during the Reporting Period pursuant to Rule 3.13 of the Listing Rules. The Company considers all of the independent non-executive Directors to be independent pursuant to Rule 3.13 of the Listing Rules.

REPORT OF THE BOARD OF DIRECTORS

DIRECTORS' AND (FORMER) SUPERVISORS' INTERESTS IN MATERIAL TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

During the Reporting Period, none of the Directors or (former) Supervisors directly or indirectly had any material interest in any material transaction, arrangement or contract in relation to the Company's business, to which the Company, any of its subsidiaries or fellow subsidiaries, if any, was a party.

REMUNERATION OF DIRECTORS, (FORMER) SUPERVISORS AND SENIOR MANAGEMENT

The distribution proposal of the remuneration of senior management shall be reviewed and approved in the board meetings while the remuneration of Directors and (former) Supervisors shall be reviewed and approved in the general meetings of the Company. For details of the specific remuneration standards, please refer to "Annual Remuneration" under the section headed "Directors and Senior Management" in this annual report.

Under the remuneration policy of the Company, in assessing the amount of remuneration payable to the Director, (former) Supervisors and senior management, the Nomination and Remuneration Committee will consider factors such as the salaries paid by comparable companies and the tenure, commitment, responsibilities and individual performance of the Directors, (former) Supervisors and the senior management (as the case may be).

TERMS AND SERVICE CONTRACTS OF DIRECTORS AND (FORMER) SUPERVISORS

According to the Articles of Association, the terms of service of both the Directors and the (former) Supervisors are for three years, and all Directors are subject to re-appointment or re-election upon the expiry of their term.

Each of the executive Directors, non-executive Directors, independent non-executive Directors and (former) Supervisors has entered into a service contract with a term of three years with the Company. None of the Directors or (former) Supervisors have entered into a service contract with the Company with a term specifying that if the Company terminates the contract within one year, the Company has to make compensation apart from statutory compensation. Details of the remuneration of the Directors, (former) Supervisors and the five highest paid individuals of the Company are set out in Note XVI.2 to the consolidated financial statements.

REPORT OF THE BOARD OF DIRECTORS

DIRECTORS' INTERESTS IN BUSINESSES THAT COMPETE WITH THE BUSINESSES OF THE COMPANY

Each of the Controlling Shareholders and Directors confirms that he, or she does not have any interest in a business, apart from the business of the Company, which competes or is likely to compete, directly or indirectly, with our businesses, which would require disclosure under Rule 8.10 of the Listing Rules.

DIRECTORS', (FORMER) SUPERVISORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES OR DEBENTURES

During the Reporting Period, none of the Directors, (former) Supervisors, senior management or their respective associates had any interests or short positions in any Shares, underlying Shares or debentures of the Company or any of its associated corporations (as defined in Part XV of the SFO) which were required to be entered into the register kept by the Company pursuant to section 352 of the SFO or which they were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code.

DIRECTORS' AND (FORMER) SUPERVISORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

During the Reporting Period, the Company had not been a party to any arrangement that would enable the Directors or (former) Supervisors to benefit from the acquisition of shares in, or debentures of, the Company or any other body corporate, and none of the Directors and (former) Supervisors or any of their spouses or children under the age of 18 were granted any right to subscribe for the equity or debt securities of the Company or any other body corporate or had exercised any such right.

PERMITTED INDEMNITY PROVISION

According to the Articles of Association, upon the approval at the general meeting of the Company, the Company may set up a professional liability insurance system for its Directors or senior management. A liability insurance has been in place to protect the Directors and senior management against any potential liability arising from the Company's businesses which such Directors or senior management may be held liable for.

During the Reporting Period, there has been no permitted indemnity provision, expired or being in force, for the benefit at any of the Directors of the Company (whether made by the Company or not).

REPORT OF THE BOARD OF DIRECTORS

FINANCIAL, BUSINESS AND FAMILY RELATIONSHIP BETWEEN MEMBERS OF THE BOARD OF DIRECTORS

Members of the Board of Directors had no relationship including financial, business, family or other material relationships, with each other.

MANAGEMENT CONTRACTS

Save as the service contracts of the management of the Company, no contracts concerning the management and administration of the whole or any substantial part of the business of the Company have been entered into.

RETIREMENT AND EMPLOYEE BENEFITS SCHEME

As required by the PRC regulations, we participate in social insurance schemes operated by the relevant local government authorities and provide employees with various social insurance, including pension insurance, medical insurance, work – related injury insurance, unemployment insurance, maternity insurance and housing provident fund. Details of the retirement and employee benefits scheme of the Company are set out in Note VI.17 to the consolidated financial statements. There was no forfeited contribution available to reduce the contribution payable by the Company under the above schemes.

EQUITY-LINKED AGREEMENT

During the Reporting Period, the Company had not entered into or renewed any equity-linked agreement.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

For details, please refer to the section headed “Changes in Share Capital and Shareholdings of Substantial Shareholders” in this annual report.

CONTINUING CONNECTED TRANSACTIONS

I. Continuing Connected Transactions Subject to the Annual Reporting and Announcement Requirements

The Company has entered into the following transactions. The transactions are made on normal commercial terms where, as the Directors currently expect, calculated on an annual basis, (i) the highest relevant “percentage ratio” (other than the profits ratio) calculated under Chapter 14A of the Listing Rules will be more than 0.1% but less than 5%, and (ii) the total consideration will be more than HK\$3,000,000, in each case calculated on an annual basis. Such transactions are exempted from the circular (including independent financial advice) and the Independent Shareholders’ approval requirements pursuant to Chapter 14A.76(2) of the Listing Rules but are subject to the annual reporting, annual audit and announcement requirements under Chapter 14A of the Listing Rules.

REPORT OF THE BOARD OF DIRECTORS

1. *Management of Assets entrusted by CNPC Assets Management and/or its associates*

Since the Listing Date, the Company has entered into a trust framework agreement with CNPC Assets Management (the “**CNPC Assets Management Trust Framework Agreement**”) and renewed such agreement on 30 November 2022, pursuant to which the Company and CNPC Assets Management (for itself and on behalf of its associates) agreed to conduct CNPC trust transactions on normal commercial terms and in accordance with the pricing policy set out therein, and to provide trust services to CNPC Assets Management and its associates. The renewed CNPC Assets Management Trust Framework Agreement was entered into on normal commercial terms and took effect on 1 January 2023 for a term of three years. The Company has determined annual caps for the three years ending 31 December 2023, 2024 and 2025.

Since CNPC Assets Management is our Substantial Shareholder, it is a connected person of the Company under Chapter 14A of the Listing Rules.

2. *Provision of Loans or Financing to Lucion Group and/or its Associates by Trusts Managed by the Company*

Since the Listing Date, the Company has entered into a trust financing framework agreement with Lucion Group (the “**Lucion Group Trust Financing Framework Agreement**”) and renewed such agreement on 30 November 2022, pursuant to which the Company and Lucion Group (for itself and on behalf of its associates) agreed to conduct loan and financing transactions on normal commercial terms and in accordance with the pricing policy set out therein. The renewed Lucion Group Trust Financing Framework Agreement was entered into on normal commercial terms and took effect on 1 January 2023 with a term of three years. The Company has determined annual caps for the three years ending 31 December 2023, 2024 and 2025. Over the next three years, the Company plans to expand its asset allocation channels under the premise of controllable risk, and intends to invest proprietary funds and trust funds managed by it in financial products issued by connected persons, including public funds, specialised wealth management and bank wealth management schemes. Therefore, the Company and the Lucion Group intend to conduct investment transactions based on the existing Lucion Group Trust Financing Framework Agreement from 1 January 2026, and entered into the Lucion Group Financing and Investment Framework Agreement (the “**Lucion Group Financing and Investment Framework Agreement**”) on 29 December 2025 for a term of three years commencing from 1 January 2026 and ending on 31 December 2028. The Company has determined annual caps for the three years ending 31 December 2026, 2027 and 2028.

Lucion Group is our Controlling Shareholder, and hence a connected person of the Company under Chapter 14A of the Listing Rules.

REPORT OF THE BOARD OF DIRECTORS

3. *Information Technology Service Framework Agreement entered into with Lucion Science and Technology Co., Ltd.*

Since the Listing Date, the Company has entered into an information technology service framework agreement (the **"Information Technology Service Framework Agreement"**) with Lucion Science and Technology Co., Ltd. and renewed such agreement on 30 November 2022, whereby the Company engaged Lucion Science and Technology Co., Ltd. to provide information technology services to the Company, including system maintenance, research and development and consulting services in relation to information technology systems and administrative services involving information technology work. Lucion Science and Technology Co., Ltd. shall also assist the Company in the procurement of software and hardware equipment. The renewed Information Technology Service Framework Agreement was entered into on normal commercial terms and took effect on 1 January 2023 for a term of three years. The Company has determined annual caps for the three years ending 31 December 2023, 2024 and 2025. The Company entered into the Lucion Information Technology Service Framework Agreement (the **"Lucion Information Technology Service Framework Agreement"**) on 29 December 2025 for a term of three years commencing from 1 January 2026 and ending on 31 December 2028. The Company has determined annual caps for the three years ending 31 December 2026, 2027 and 2028.

Lucion Science and Technology Co., Ltd. is a non-wholly owned subsidiary of our Controlling Shareholder, Lucion Group, and hence is a connected person of the Company under Chapter 14A of the Listing Rules.

4. *Financial Services provided to the Company by Lucion Group and/or its Associates*

The Company entered into the financial service framework agreement (the **"Financial Service Framework Agreement"**) with the Lucion Group on 30 November 2022, pursuant to which, Lucion Group and/or its associates provides financial services to the Company and/or the trust schemes managed by the Company, and receives remuneration from such financial services from the Company and/or the trust schemes managed by the Company. The Financial Service Framework Agreement took effect on 1 January 2023 for a term of three years. The Company has determined annual caps for the three years ending 31 December 2023, 2024 and 2025. Pursuant to the recently amended Measures for the Administration of Trust Companies, the Company may provide services such as investment advisory, consultancy, custodian, financial advisory and agency sales and charge service fees. The Company and the Lucion Group intend to add the provision of financial services by the Company to the Lucion Group and/or its associates into the transactions under the existing Financial Service Framework Agreement from 1 January 2026, and entered into the Lucion Group Financial Service Framework Agreement (the **"Lucion Group Financial Service Framework Agreement"**) on 29 December 2025. The Company has determined annual caps for the three years ending 31 December 2026, 2027 and 2028.

Lucion Group is our Controlling Shareholder, and hence a connected person of the Company under Chapter 14A of the Listing Rules.

REPORT OF THE BOARD OF DIRECTORS

II. Continuing Connected Transactions Subject to the Annual Reporting, Announcement, Circular and Independent Shareholders' Approval Requirements

The Company has entered into the following transactions. The Company has entered into the following transactions. As the Directors currently expect, at least one of the relevant "percentage ratios" (other than the profits ratio) calculated for the purpose of Chapter 14A of the Listing Rules will be more than 5%, such transactions are subject to the annual reporting, annual review, announcement, circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

1. *Management of Assets Entrusted by Lucion Group and/or its Associates*

Since the Listing Date, the Company has entered into a trust framework agreement with Lucion Group (the "**Lucion Group Trust Framework Agreement**") and renewed the Lucion Group Trust Framework Agreement on 30 November 2022, pursuant to which the Company and Lucion Group (for itself and on behalf of its associates) agreed to conduct trust transactions on normal commercial terms and in accordance with the pricing policy set out therein, and to provide trust services to Lucion Group and its associates. The renewed Lucion Group Trust Framework Agreement was entered into on normal commercial terms and took effect on 1 January 2023 for a term of three years. The Company has determined annual caps for the three years ending 31 December 2023, 2024 and 2025. In August 2023, the Board considered amending and increasing the existing annual caps under the renewed Lucion Group Trust Framework Agreement, and the amendment of the existing annual caps was approved by the Shareholders at the first extraordinary general meeting for the year 2023. The Company renewed the Lucion Group Trust Framework Agreement on 29 December 2025 for a term of three years commencing from 1 January 2026 and ending on 31 December 2028. The Company has determined annual caps for the three years ending 31 December 2026, 2027 and 2028.

Lucion Group is our Controlling Shareholder, and hence a connected person of the Company under Chapter 14A of the Listing Rules.

For the entering into or renewal of (i) Lucion Group Financing and Investment Framework Agreement; (ii) Lucion Information Technology Service Framework Agreement; (iii) Lucion Group Financial Service Framework Agreement; (iv) Lucion Group Trust Framework Agreement and their respective annual caps, the Company has complied with the disclosure requirements applicable under Chapter 14A of the Listing Rules. For details, please refer to the announcement dated 29 December 2025 of the Company.

REPORT OF THE BOARD OF DIRECTORS

The following table sets forth the respective annual caps and actual amounts for the non-exempt continuing connected transactions of the Company for the year ended 31 December 2025:

Continuing connected transactions	Annual caps for the year ended 31 December 2025	Actual amounts for the year ended 31 December 2025
	(RMB in thousands)	
I. Continuing Connected Transactions Subject to the Annual Reporting and Announcement Requirements		
1. Management of Assets entrusted by CNPC Assets Management and/or its associates Trustee's remuneration to be received from the trusts of which CNPC Assets Management and its associates are trustors Maximum outstanding balance of the assets and funds to entrusted by CNPC Assets Management and its associates	60,000 6,000,000	— —
2. Provision of Loans or Financing to Lucion Group and/or its Associates by Trusts Managed by the Company Trustee's remuneration to be received from the trusts providing financing to Lucion Group and its associates Outstanding balance (including interests accrued thereon) of the loans or financing to Lucion Group and its associates	45,000 4,500,000	26 428,000
3. Information Technology Service Framework Agreement entered into with Lucion Science and Technology Co., Ltd. Amount of consultancy fee paid to Lucion Science and Technology Co., Ltd.	9,000	6,264
4. Financial Services provided to the Company by Lucion Group and/or its Associates Amount of financial services payable to the Lucion Group and/or its Associates for the provision of financial services	60,000	3,500
II. Continuing Connected Transactions Subject to the Annual Reporting, Announcement, Circular and Independent Shareholders' Approval Requirements		
1. Management of Assets Entrusted by Lucion Group and/or its Associates Trustee's remuneration to be received from the trusts of which Lucion Group and/or its associates are trustors Maximum outstanding balance of the assets and funds to be entrusted by Lucion Group and its associates	120,000 12,000,000	11,336 7,168,912

REPORT OF THE BOARD OF DIRECTORS

Confirmation from independent non-executive Directors

The independent non-executive Directors have reviewed the above continuing connected transactions during the Reporting Period, and confirmed such transactions have been:

- (1) entered into in the ordinary and usual course of business of the Company;
- (2) entered into on normal or better commercial terms; and
- (3) conducted in accordance with the relevant agreement whose terms are fair and reasonable and in the interests of the Shareholders as a whole.

Letter from the auditors

The auditors of the Company have performed certain planned audit procedures for the above continuing connected transactions entered into by the Company for the year ended 31 December 2025, and concluded that such transactions:

- (1) have been approved by the Board of Directors;
- (2) have followed the pricing policies of the Company in all material aspects;
- (3) were conducted in accordance with the relevant agreements for such transactions in all material aspects; and
- (4) have an aggregate amount not exceeding the relevant cap disclosed in the annual report.

III. Fully Exempt Continuing Connected Transactions

The Company has entered into the following transactions: (1) the trademark licensing agreement entered into with Lucion Group; and (2) individual connected persons' personal investment in trusts managed by the Company. The transactions are made on normal commercial terms and are to be exempted from the annual reporting, annual review, announcement, circular and the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. For details on the above fully exempt continuing connected transactions, please refer to "Fully Exempt Continuing Connected Transactions" of the section headed "Connected Transactions" in the Prospectus.

REPORT OF THE BOARD OF DIRECTORS

RELATED PARTY TRANSACTIONS

Please refer to Note XII to the consolidated financial statements in this annual report for details of the significant related party transactions pursuant to PRC Accounting Standards for Business Enterprises. For the connected transactions and continuing connected transactions pursuant to the requirements of the Listing Rules, please refer to the disclosure set out in this section. Save as disclosed in this section, other related party transactions disclosed in Note XII are not considered as connected transactions, or are exempted from the reporting, announcement and Independent Shareholders' approval requirements under the Listing Rules.

COMPLIANCE WITH NON-COMPETITION UNDERTAKING

Lucion Group has undertaken to the Company on 16 November 2017 (the **"Non-competition Undertaking"**), that it, as a Controlling Shareholder, it will not and will procure its close associates (except for the Company and its subsidiaries (if any)) not to, carry on, engage in, invest in, participate in, attempt to participate in, provide any services to, provide any financial support to, or otherwise be involved or interested in any business which compete or are likely to compete, alone or with other persons, directly or indirectly, representing or assisting or acting in concert with other persons, with our businesses (the **"Restrained Businesses"**) within the PRC (the **"Restrained Area"**), for this purpose only excluding Hong Kong, Macau and Taiwan.

The Non-competition Undertaking does not apply to (i) any shareholding in the Company and its subsidiaries (if any); (ii) the shareholdings of and the businesses operated by Lucion Venture Capital (which is listed on the Shanghai Stock Exchange) and Lucion Culture Venture Capital Co., Ltd.; and (iii) the holding of securities in a company that is engaged in the Restrained Businesses and whose securities are listed on any stock exchange, provided that Lucion Group or its close associates do not individually or in aggregate hold or control the voting rights in respect of 10% or more of its issued share capital and does not have any right to control the composition of the Board of Directors in any manner.

Lucion Group has provided written confirmation to the Company, confirming that it has been in compliance with the Non-competition Undertaking for the year ended 31 December 2025. Independent non-executive Directors have reviewed the compliance conditions, and confirmed that the Controlling Shareholder has complied with the Non-competition Undertaking.

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

During the Reporting Period, the Company has complied with the relevant laws and regulations which are material to its business and operation in all material respects, and has obtained all material qualifications and permits necessary for its operation in accordance with relevant laws and regulations.

ENVIRONMENTAL POLICY

Environmental protection is a collective responsibility for every member of the society. The Company is committed to enhancing our environmental performance and raising the environmental awareness of the relevant stakeholders. To minimise the impact of our business operations on the environment, the Company has adopted measures to reduce the consumption of energy and natural resources, to reduce waste, and to use environmentally friendly products and materials if possible.

REPORT OF THE BOARD OF DIRECTORS

Pursuant to Rule 13.91 of the Listing Rules, the Company will publish an Environmental, Social and Governance Report concurrently with the publication of this annual report in compliance with the provisions set out in the Environmental, Social and Governance Reporting Code in Appendix C2 to the Listing Rules. This report, together with this annual report, are available on the website of the Hong Kong Stock Exchange and the Company's website (www.sitic.com.cn).

AUDIT COMMITTEE

The Audit Committee has reviewed the annual results of the Company for the year ended 31 December 2025 and the financial statements for the year ended 31 December 2025 prepared in accordance with the PRC Accounting Standards for Business Enterprises.

AUDITORS

Upon approval by the 2024 annual general meeting, ShineWing Certified Public Accountants (Special General Partnership) has been re-appointed as the domestic and foreign auditors of the Company, and its term of office became effective from the conclusion of the 2024 annual general meeting, until the conclusion of the next annual general meeting of the Company. ShineWing Certified Public Accountants (Special General Partnership) was re-appointed as the auditor to audit the financial information for the year ended 31 December 2025 prepared in accordance with CASBE. It has been appointed as the domestic and foreign auditors of the Company since 2023, and has been providing audit services for the Company in three consecutive years. The enclosed financial statements prepared in accordance with CASBE has been audited by ShineWing Certified Public Accountants (Special General Partnership).

COMPOSITION OF THE BOARD OF DIRECTORS

As at the date of this report of the Board of Directors, the composition of the Board of Directors is as follows:

Executive Director: Mr. Yue Zengguang;

Non-executive Directors: Mr. Chen Liuyi and Mr. Chen Xuebin; and

Independent Non-executive Directors: Mr. Zheng Wei, Ms. Zhang Haiyan and Ms. Liu Wanwen.

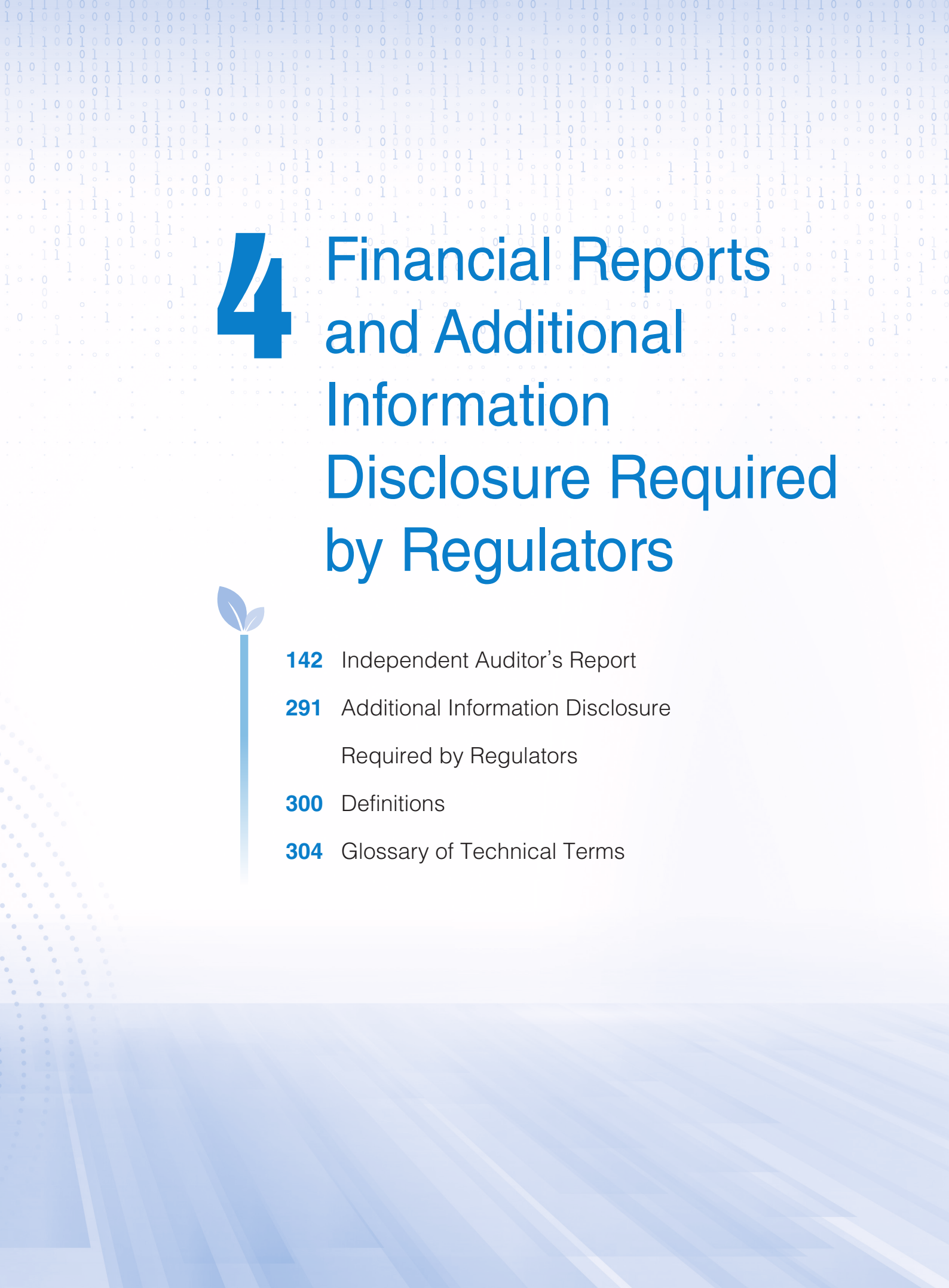
EVENTS AFTER THE REPORTING PERIOD

Save as disclosed above, the Company had no significant events after the Reporting Period.

By order of the Board of Directors
Chairperson
Yue Zengguang

26 March 2026





4 Financial Reports and Additional Information Disclosure Required by Regulators

- 
- 142** Independent Auditor's Report
 - 291** Additional Information Disclosure
Required by Regulators
 - 300** Definitions
 - 304** Glossary of Technical Terms

INDEPENDENT AUDITOR'S REPORT

	信永中和会计师事务所	北京市东城区朝阳门北大街 8号富华大厦A座9层	联系电话: +86(010)6554 2288 telephone: +86(010)6554 2288
	ShineWing certified public accountants	9/F, Block A, Fu Hua Mansion, No.8, Chaoyangmen Beidajie, Dongcheng District, Beijing, 100027, P.R.China	传真: +86(010)6554 7190 facsimile: +86(010)6554 7190

Audit Report

XYZH/2026JN

Shandong International Trust Co., Ltd.

Shareholders of Shandong International Trust Co., Ltd.:

I. AUDIT OPINIONS

We have audited the financial statements of Shandong International Trust Co., Ltd. ("Shandong International Trust"), including the consolidated and parent company's balance sheets as of 31 December 2025, the consolidated and parent company's income statement, the consolidated and parent company's cash flow statement, the consolidated and parent company's statement of changes in equity for 2025, and the relevant notes to financial statements.

In our opinion, the financial statements, prepared in accordance with the provisions of the Accounting Standards for Business Enterprises in all material respects, present fairly the consolidated and parent company's financial position as of 31 December 2025 and the consolidated and parent company's results of operations and cash flows for the year 2025 of Shandong International Trust.

II. BASIS FOR AUDIT OPINIONS

We carried out the audit according to the Auditing Standards for Chinese CPA. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent from Shandong International Trust and have fulfilled the obligations in terms of independence and professional ethics according to the independence requirements applicable to the audit of financial statements of public interest entities of the Independence Standards for Chinese CPAs and the Code of Professional Conduct for Chinese CPAs. We believe that the audit evidences we obtained are adequate and proper, and lay a solid foundation for the audit opinion.

III. KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITOR'S REPORT

III. KEY AUDIT MATTERS (CONTINUED)

1. Determination of the scope of consolidation	
The key audit matter	How the matter was addressed in our audit
Shandong International Trust has managed or invested in a number of trust schemes. As stated in Note "VIII.1.(2)" to the financial statements, as at 31 December 2025, total assets of trust schemes of RMB5.518 billion were consolidated by the Company. When determining whether a structured entity should be included in Shandong International Trust's scope of consolidation, the management considers the rights Shandong International Trust has over the structured entity's relevant activities, the variable returns it is entitled to, and its ability to affect its variable returns through the use of such rights. We have identified the consolidation of the structured entities of Shandong International Trust as a key audit matter due to the significant management judgment involved in determining whether the structured entities should be included in the scope of consolidation of Shandong International Trust and because the consolidation of the structured entities could have a significant impact on the consolidated balance sheet.	We obtained understanding of the management's controls over the consolidation assessment of trust schemes. We selected samples of trust schemes that Shandong International Trust managed and/or invested in these trust schemes, and performed the following procedures on management's assessment of consolidation of trust schemes: (1) We understood the purpose and design of the transaction structures, inspected related contract terms and evaluated whether the Company has the practical ability to direct the relevant activities of these trust schemes unilaterally; (2) We inspected contract terms from these selected trust schemes, including management fee, direct investment and liquidity support, agreed such information to the corresponding inputs used in management's assessment on the variable returns; (3) We reviewed the management's assessment regarding the variable returns to the Company from these trust schemes based on the contract terms; (4) We assessed the Company's role as a in the trust schemes as a principal or an agent through analysing the Company's practical ability to use its power to affect its variable returns from the trust schemes, benchmarking the level of variable returns that concludes whether the Company to be a principal against the guidance.

INDEPENDENT AUDITOR'S REPORT

III. KEY AUDIT MATTERS (CONTINUED)

2. Recognition of impairment of financial assets	
The key audit matter	How the matter was addressed in our audit
As of 31 December 2025, as stated in Note “VI.4.(1)”, “VI.6.(1)” and “VI.40” to the financial statements, the book balances of Shandong International Trust’s loans and advances to customers and debt investments amounted to RMB2,372 million and RMB6,647 million, respectively, and the balances of impairment provision amounted to RMB447 million and RMB2,402 million. In 2025, Shandong International Trust recognised credit impairment losses on loans and advances to customers and debt investments of RMB48 million and RMB258 million in the consolidated income statement, respectively.	We obtained an understanding of the management’s approach in calculating ECL and management’s key controls over the measurement of ECL for loans and advances to customers and debt investment. We assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty and level of other inherent risk factors, such as complexity and subjectivity of estimation.
The measurement model for expected credit losses (“ECL”) involves significant management judgments and assumptions, including the following:	We evaluated and tested the key controls over the measurement of ECL for loans and advances to customers and debt investment. In addition, we have performed the following procedures:
• Selection of appropriate models and assumptions for measuring ECL; • The criteria for determining whether credit risk has increased significantly or whether a default or impairment loss has occurred; • Economic indicators for forward-looking measurement and application of economic scenarios and weights; • Forecasted future cash flows from loans and advances to customers and debt investment in stage 3.	(1) We reviewed the modelling methodologies for ECL measurement based on industry practice, and assessed the reasonableness of the portfolio segmentation, model selection, key parameters estimation, other significant judgments and assumptions in relation to the modelling; (2) We assessed management’s criteria for determining whether or not there was a significant increase or decrease in credit risk. In addition, we selected samples, in consideration of the financial and nonfinancial information of the borrowers, relevant external evidence and other factors, to validate the appropriateness of the management’s identification of significant increase in credit risk; (3) For forward-looking measurement, we reviewed the management’s model analysis of their selection of economic indicators, economic scenarios and weightings employed, assessed the reasonableness of the prediction of economic indicators; (4) We examined major data inputs to the ECL Models on selected samples, including historical data and other data at the measurement date, to validate their accuracy and completeness;

INDEPENDENT AUDITOR'S REPORT

III. KEY AUDIT MATTERS (CONTINUED)

2. Recognition of impairment of financial assets	
The key audit matter	How the matter was addressed in our audit
Estimates of ECL are subject to a high degree of estimation uncertainty. The inherent risks associated with the assessment of impairment losses on loans and advances to customers and debt investment are considered significant due to the complexity of the model, which employs a large number of parameters and data inputs and applies significant management judgment and assumptions. In addition, impairment losses on loans and advances to customers and debt investment recognised during the period were material. For these reasons, we considered it a key audit matter.	(5) We examined, on a sample basis, forecasted future cash flows prepared by the Group based on financial information of borrowers and guarantors, latest collateral valuations and other available information together with discount rates in supporting the computation of loss allowance of loans and advances to customers and debt investment in stage 3.

IV. OTHER INFORMATION

The Management of Shandong International Trust (the "Management") shall be responsible for the other information. The other information comprises all of the information included in the 2025 annual report of Shandong International Trust other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the additional information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT

V. RESPONSIBILITIES OF THE MANAGEMENT AND THE GOVERNANCE TEAM FOR THE FINANCIAL STATEMENTS

The management is responsible for the preparation of financial statements that give a fair view in accordance with the ASBEs and for designing, implementing and maintaining internal control necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the management is responsible for assessing Shandong International Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate Shandong International Trust or to cease operations, or has no realistic alternative but to do so.

The governance team is responsible for supervising the financial reporting process of Shandong International Trust.

VI. RESPONSIBILITIES OF CPA FOR AUDITING FINANCIAL STATEMENTS

Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report containing an audit opinion. Reasonable assurance is a high level of assurance, but it does not provide assurance that an audit performed in accordance with auditing standards will always detect a material misstatement when one exists. Misstatements may result from fraud or error and are generally considered to be material if there is a reasonable expectation that, individually or in the aggregate, the misstatement could have affected the economic decisions made by users of the financial statements based on the financial statements.

We apply professional judgment and maintain professional scepticism when carrying out the audit according to audit standards. In addition, we execute the following tasks:

- (1) Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (2) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, not for the purpose to express opinions on the effectiveness of internal control.
- (3) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

INDEPENDENT AUDITOR'S REPORT

VI. RESPONSIBILITIES OF CPA FOR AUDITING FINANCIAL STATEMENTS (CONTINUED)

- (4) Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Shandong International Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Shandong International Trust to cease to continue as a going concern.
- (5) Evaluate the overall presentation, structure and content of the financial statements, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- (6) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within Shandong International Trust to express an opinion on the financial statements. We are responsible for directing, supervising and performing company audits and accept full responsibility for audit observations.

We communicate with the governance team regarding the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the governance team with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**ShineWing Certified Public Accountants
(Special General Partnership)**

**Chinese Certified Public Accountant: Wang Gongyong
(Engagement Partner)**

Chinese Certified Public Accountant: Guo Lechao

Beijing, China

26 March 2026

CONSOLIDATED BALANCE SHEET

31 December 2025

Prepared by: Shandong International Trust Co., Ltd.

Unit: RMB

Item	Notes	31 December 2025	31 December 2024
Assets:			
Monetary assets	VI•1	160,740,677.64	591,667,910.19
Clearing settlement funds			
Precious metals			
Interbank lendings			
Derivative financial assets			
Accounts receivable	VI•2	91,718,417.66	98,664,849.77
Contractual assets			
Financial assets purchased under resale agreements	VI•3	542,852,733.83	390,000,000.00
Assets classified as held for sale			
Loans and advances to customers	VI•4	1,924,284,466.43	2,159,052,355.21
Financial investments:			
Financial assets held for trading	VI•5	4,413,485,462.45	4,372,519,376.33
Debt investments	VI•6	4,245,345,291.89	4,596,433,978.01
Other debt investments			
Other equity instrument investments	VI•7	314,741,604.84	
Long-term equity investments	VI•8	675,166,907.51	723,382,186.27
Investment properties	VI•9	193,819,759.09	203,320,335.38
Fixed assets	VI•10	28,975,245.90	36,517,936.29
Construction in progress			
Right-of-use assets	VI•11	9,739,966.22	24,256,598.04
Intangible assets	VI•12	47,187,868.66	43,302,244.59
Long-term amortisation expenses	VI•13	3,141,251.80	14,272,552.24
Deferred income tax assets	VI•14	582,661,232.50	588,347,732.53
Other assets	VI•15	444,785,759.99	437,599,636.97
Total assets		13,678,646,646.41	14,279,337,691.82

Legal representative:

Person in charge of
accounting work:

Person in charge of the
accounting firm:

CONSOLIDATED BALANCE SHEET

31 December 2025

Prepared by: Shandong International Trust Co., Ltd.

Unit: RMB

Item	Notes	31 December 2025	31 December 2024
Liabilities:			
Short-term borrowings	VI •16		280,484,583.34
Interbank borrowings			
Financial liabilities held for trading			
Derivative financial liabilities			
Financial assets sold under repurchase agreements			
Employment benefits payable	VI •17	139,406,855.73	100,065,888.28
Taxes payable	VI •18	55,776,104.19	63,816,059.58
Accounts payable	VI •19	7,303,311.20	9,579,668.88
Contract liabilities	VI •20		3,134,933.93
Liabilities held for sale			
Provisions	VI •21	60,078,812.90	166,494,338.30
Long-term borrowings			
Bonds payable			
Including: Preferred shares			
Perpetual bonds			
Lease liabilities	VI •22	3,780,060.31	16,344,167.70
Deferred income tax liabilities			
Other liabilities	VI •23	2,170,102,586.39	2,402,692,116.03
Total liabilities		2,436,447,730.72	3,042,611,756.04

CONSOLIDATED BALANCE SHEET

31 December 2025

Prepared by: Shandong International Trust Co., Ltd.

Unit: RMB

Item	Notes	31 December 2025	31 December 2024
Shareholder's equity:			
Share capital	VI•24	4,658,850,000.00	4,658,850,000.00
Other equity instruments			
Including: Preferred shares			
Perpetual bonds			
Capital reserve	VI•25	160,049,183.05	160,049,183.05
Less: Treasury stock			
Other comprehensive income	VI•26	-50,340,592.43	-700,909.40
Surplus reserve	VI•27	1,024,034,359.60	1,017,412,674.90
Trust compensation reserve	VI•28	774,365,593.89	767,743,909.19
General risk reserve	VI•28	717,691,801.59	697,826,747.50
Undistributed profit	VI•29	3,957,548,569.99	3,935,544,330.54
Total shareholders' equity attributable to the parent company		11,242,198,915.69	11,236,725,935.78
Minority interests			
Total shareholder's equity		11,242,198,915.69	11,236,725,935.78
Total liabilities and shareholder's equity		13,678,646,646.41	14,279,337,691.82

Legal representative:

Person in charge of
accounting work:

Person in charge of the
accounting firm:

BALANCE SHEET OF THE PARENT COMPANY

31 December 2025

Prepared by: Shandong International Trust Co., Ltd.

Unit: RMB

Item	Notes	31 December 2025	31 December 2024
Assets:			
Monetary assets		110,353,991.16	531,997,586.86
Clearing settlement funds			
Precious metals			
Interbank lendings			
Derivative financial assets			
Accounts receivable		97,404,986.20	100,907,586.65
Contractual assets			
Financial assets purchased under resale agreements		542,852,733.83	390,000,000.00
Assets classified as held for sale			
Loans and advances to customers	XVII • 1	58,592,701.90	70,187,911.01
Financial investments:			
Financial assets held for trading	XVII • 2	3,388,523,392.96	4,323,490,387.11
Debt investments	XVII • 3	2,465,052,012.87	2,787,416,293.61
Other debt investments			
Other equity instrument investments	XVII • 4	314,741,604.84	
Long-term equity investments	XVII • 5	4,824,095,630.93	4,000,209,169.06
Investment properties		67,507,827.16	73,242,956.08
Fixed assets		28,975,245.90	36,517,936.29
Construction in progress			
Right-of-use assets		11,721,487.51	27,370,417.25
Intangible assets		47,187,868.66	43,302,244.59
Long-term amortisation expenses		3,141,251.80	14,272,552.24
Deferred income tax assets		577,397,917.73	586,004,852.39
Other assets		331,440,885.35	329,869,770.59
Total assets		12,868,989,538.80	13,314,789,663.73

Legal representative:

Person in charge of
accounting work:

Person in charge of
the accounting firm:

BALANCE SHEET OF THE PARENT COMPANY

31 December 2025

Prepared by: Shandong International Trust Co., Ltd.

Unit: RMB

Item	Notes	31 December 2025	31 December 2024
Liabilities:			
Short-term borrowings			280,484,583.34
Interbank borrowings			
Financial liabilities held for trading			
Derivative financial liabilities			
Financial assets sold under repurchase agreements			
Employment benefits payable		139,406,855.73	100,065,888.28
Taxes payable		47,829,926.22	55,992,908.05
Accounts payable		7,303,311.20	9,492,135.67
Contract liabilities			3,134,933.93
Liabilities held for sale			
Provisions		60,078,812.90	166,494,338.30
Long-term borrowings			
Bonds payable			
Including: Preferred shares			
Perpetual bonds			
Lease liabilities		5,511,378.86	18,570,288.79
Deferred income tax liabilities			
Other liabilities		1,348,527,513.75	1,436,800,011.18
Total liabilities		1,608,657,798.66	2,071,035,087.54

BALANCE SHEET OF THE PARENT COMPANY

31 December 2025

Prepared by: Shandong International Trust Co., Ltd.

Unit: RMB

Item	Notes	31 December 2025	31 December 2024
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 stock			
Other comprehensive income		-50,340,592.43	-700,909.40
Surplus reserve		1,024,034,359.60	1,017,412,674.90
Trust compensation reserve		774,365,593.89	767,743,909.19
General risk reserve		717,691,801.59	697,826,747.50
Undistributed profit		3,975,681,394.44	3,942,572,970.95
Total shareholder's equity		11,260,331,740.14	11,243,754,576.19
Total liabilities and shareholder's equity		12,868,989,538.80	13,314,789,663.73

Legal representative:

Person in charge of
accounting work:

Person in charge of
the accounting firm:

CONSOLIDATED INCOME STATEMENT

2025

Prepared by: Shandong International Trust Co., Ltd.

Unit: RMB

Item	Notes	2025	2024
I. Total operating income		722,413,411.58	904,977,751.65
Net interest income	VI•30	-9,734,707.98	-56,269,970.24
Including: Interest income	VI•30	42,776,282.95	-3,639,078.45
Interest expense	VI•30	52,510,990.93	52,630,891.79
Net fee and commission income	VI•31	423,205,479.08	455,105,515.87
Including: Fee and commission income	VI•31	429,649,747.01	459,426,322.53
Fee and commission expenses	VI•31	6,444,267.93	4,320,806.66
Investment income (losses indicated in "-")	VI•32	205,647,840.98	67,155,385.78
Including: Income from investment in associates and joint ventures		8,904,573.40	8,073,095.79
Net exposure hedging gains (losses indicated in "-")			
Other income			
Gains from changes in fair value (losses indicated in "-")	VI•33	69,042,662.38	414,594,077.05
Gains from changes in net assets attributable to third-party investors in consolidated structured entities (losses indicated in "-")	VI•34	22,978,722.78	5,906,373.52
Exchange gains (losses indicated in "-")	VI•35	-0.25	0.22
Other operating income	VI•36	11,273,414.59	18,612,242.10
Gains on disposal of assets (losses indicated in "-")	VI•37		-125,872.65
II. Total operating costs		636,863,804.75	610,809,562.86
Taxes and surcharges	VI•38	7,080,056.65	5,952,653.90
Business and administrative expenses	VI•39	289,862,692.90	294,938,324.08
Credit impairment losses	VI•40	325,407,932.42	301,959,065.81
Impairment losses on other assets	VI•41		2,064,588.45
Other operating costs	VI•42	14,513,122.78	5,894,930.62
III. Operating profit (losses indicated in "-")		85,549,606.83	294,168,188.79
Add: Non-operating income	VI•43	49,798.46	470,213.12
Less: Non-operating expenses	VI•44	8,892,444.25	81,044,438.73
IV. Total profit (total losses indicated in "-")		76,706,961.04	213,593,963.18
Less: Income tax expenses	VI•45	21,594,298.10	70,799,078.13
V. Net profit (net loss indicated in "-")		55,112,662.94	142,794,885.05
(I) Categorised by the nature of continuing operations		55,112,662.94	142,794,885.05
1. Net profit from continuing operations (net loss indicated in "-")		55,112,662.94	142,794,885.05
2. Net profit from discontinued operations (net loss indicated in "-")			
(II) Categorised by ownership		55,112,662.94	142,794,885.05
1. Net profit attributable to owner of the parent company (net loss indicated in "-")		55,112,662.94	142,794,885.05
2. Profit or loss attributable to non-controlling interests (net loss indicated in "-")			

CONSOLIDATED INCOME STATEMENT

2025

Prepared by: Shandong International Trust Co., Ltd.

Unit: RMB

Item	Notes	2025	2024
VI. Other comprehensive income, net of tax		-49,639,683.03	4,553,090.25
Other comprehensive income attributable to the owner of the parent company, net of tax		-49,639,683.03	4,553,090.25
(I) Other comprehensive income that cannot be reclassified to profit or loss		-47,723,394.22	
1. Changes from recalculation of defined benefit plan			
2. Other comprehensive income that cannot be reclassified to profit or loss under equity method			
3. Change in fair value of other equity instrument investments		-47,723,394.22	
4. Change in fair value of credit risk of corporate			
5. Other			
(II) Other comprehensive income that will be reclassified to profit or loss		-1,916,288.81	4,553,090.25
1. Other comprehensive income that can be reclassified to profit or loss under equity method		-1,916,288.81	3,606,393.84
2. Change in fair value of other debt investments			
3. Financial assets reclassified into other comprehensive income			946,696.41
4. Credit impairment provision for other debt investments			
5. Hedging reserves from cash flows (effective part of cash flow hedging profit or loss)			
6. Differences on translation of foreign currency financial statements			
7. Other			
Net other comprehensive income after tax attributable to non-controlling interests			
VII. Total comprehensive income		5,472,979.91	147,347,975.30
Total comprehensive income attributable to the owner of the parent company		5,472,979.91	147,347,975.30
Total comprehensive income attributable to non-controlling interests			
VIII. Earnings per share:			
(I) Basic earnings per share (RMB/share)		0.01	0.03
(II) Diluted earnings per share (RMB/share)		0.01	0.03

Legal representative:

Person in charge of
accounting work:

Person in charge of
the accounting firm:

INCOME STATEMENT OF PARENT COMPANY

2025

Prepared by: Shandong International Trust Co., Ltd.

Unit: RMB

Item	Notes	2025	2024
I. Total operating income		745,428,144.37	907,936,113.55
Net interest income	XVII •6	-23,626,601.69	-61,194,100.88
Including: Interest income	XVII •6	19,069,015.49	-12,659,865.84
Interest expense	XVII •6	42,695,617.18	48,534,235.04
Net fee and commission income	XVII •7	429,097,137.30	446,314,583.37
Including: Fee and commission income	XVII •7	435,061,535.82	450,635,390.03
Fee and commission expenses	XVII •7	5,964,398.52	4,320,806.66
Investment income (losses indicated in "-")	XVII •8	206,425,210.52	85,001,380.27
Including: Income from investment in associates and joint ventures		8,904,573.40	8,073,095.79
Net exposure hedging gains (losses indicated in "-")			
Other income			
Gains from changes in fair value (losses indicated in "-")	XVII •9	123,364,292.26	419,328,007.99
Exchange gains (losses indicated in "-")		-0.25	0.22
Other operating income		10,168,106.23	18,612,115.23
Gains on disposal of assets (losses indicated in "-")			-125,872.65
II. Total operating costs		645,853,918.87	609,868,744.38
Taxes and surcharges		6,389,449.67	5,292,942.64
Business and administrative expenses		285,409,674.78	290,632,509.10
Credit impairment losses		342,038,974.60	305,983,773.57
Impairment losses on other assets			2,064,588.45
Other operating costs		12,015,819.82	5,894,930.62
III. Operating profit (losses indicated in "-")		99,574,225.50	298,067,369.17
Add: Non-operating income		49,798.46	470,213.12
Less: Non-operating expenses		8,892,444.25	81,044,438.73
IV. Total profit (total losses indicated in "-")		90,731,579.71	217,493,143.56
Less: Income tax expenses		24,514,732.73	71,773,873.23
V. Net profit (net loss indicated in "-")		66,216,846.98	145,719,270.33
(I) Net profit from continuing operations (net loss indicated in "-")		66,216,846.98	145,719,270.33
(II) Net profit from discontinued operations (net loss indicated in "-")			

INCOME STATEMENT OF PARENT COMPANY

2025

Prepared by: Shandong International Trust Co., Ltd.

Unit: RMB

Item	Notes	2025	2024
VI. Other comprehensive income, net of tax		-49,639,683.03	4,553,090.25
(I) Other comprehensive income that cannot be reclassified to profit or loss		-47,723,394.22	
1. Changes from recalculation of defined benefit plan			
2. Other comprehensive income that cannot be reclassified to profit or loss under equity method			
3. Change in fair value of other equity instrument investments		-47,723,394.22	
4. Change in fair value of credit risk of corporate			
5. Other			
(II) Other comprehensive income that will be reclassified to profit or loss		-1,916,288.81	4,553,090.25
1. Other comprehensive income that can be reclassified to profit or loss under equity method		-1,916,288.81	3,606,393.84
2. Change in fair value of other debt investments			
3. Financial assets reclassified into other comprehensive income			946,696.41
4. Credit impairment provision for other debt investments			
5. Hedging reserves from cash flows (effective part of cash flow hedging profit or loss)			
6. Differences on translation of foreign currency financial statements			
7. Other			
VII. Total comprehensive income		16,577,163.95	150,272,360.58
VIII. Earnings per share:			
(I) Basic earnings per share (RMB/share)		0.01	0.03
(II) Diluted earnings per share (RMB/share)		0.01	0.03

Legal representative:

Person in charge of
accounting work:

Person in charge of
the accounting firm:

CONSOLIDATED CASH FLOW STATEMENT

2025

Prepared by: Shandong International Trust Co., Ltd.

Unit: RMB

Item	Notes	2025	2024
I. Cash flows from operating activities:			
Interest, fees and commissions received		502,202,151.51	631,408,842.30
Net decrease in financial assets purchased under resale agreements			5,049,249.50
Net decrease in loans and advances to customer		113,354,896.14	42,073,666.51
Net decrease in financial assets held for trading			416,648,846.03
Net decrease in debt investments		63,585,927.76	
Other cash received relating to operating activities		49,235,714.79	41,808,471.81
Sub-total of cash inflows from operating activities		728,378,690.20	1,136,989,076.15
Net increase in loans and advances to customers			229,081,812.48
Interest, fees and commissions paid		66,713.07	284,537.98
Net increase in financial assets purchased under resale agreements		152,852,733.83	
Net increase in financial assets held for trading		382,342,279.54	
Net increase in debt investments			192,083,546.44
Cash paid to and on behalf of employees		131,317,086.71	134,300,240.63
Taxes payments		63,997,662.24	176,090,640.92
Net decrease in net assets attributable to third-party investors in consolidated structured entities		110,469,013.57	20,882,144.93
Other cash paid relating to operating activities		108,365,105.04	231,882,621.28
Subtotal of cash outflows from operating activities		949,410,594.00	984,605,544.66
Net cash flows from operating activities		-221,031,903.80	152,383,531.49
II. Cash flows from investing activities:			
Cash received from the recovery of investments		262,946,108.66	299,022,088.68
Cash received from acquisition of investment income		10,619,857.83	2,838,103.32
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		12,710.00	5,800.00
Other cash received relating to investing activities			
Subtotal of cash inflows from investing activities		273,578,676.49	301,865,992.00
Cash paid for acquisition or construction of fixed assets, intangible assets and other long-term assets		21,188,784.36	23,428,711.77
Cash paid for investments			60,552,123.07
Other cash paid relating to investing activities			
Subtotal of cash outflows from investing activities		21,188,784.36	83,980,834.84
Net cash flows from investing activities		252,389,892.13	217,885,157.16

CONSOLIDATED CASH FLOW STATEMENT

2025

Prepared by: Shandong International Trust Co., Ltd.

Unit: RMB

Item	Notes	2025	2024
III. Cash flows from financing activities:			
Cash received from absorption of investments			
Cash received from borrowings			980,000,000.00
Other cash received relating to financing activities			
Sub-total of cash inflows from financing activities			980,000,000.00
Cash payments for settlement of debts		280,000,000.00	972,500,000.00
Cash payments for distribution of dividends or profit			
Cash payments for repayment of interests		42,221,722.23	46,993,563.19
Other cash payments relating to financing activities		25,063,498.40	23,004,100.00
Subtotal of cash outflows from financing activities		347,285,220.63	1,042,497,663.19
Net cash flow from financing activities		-347,285,220.63	-62,497,663.19
IV. Effect of changes in exchange rate on cash and cash equivalents		-0.25	0.22
V. Net increase in cash and cash equivalents		-315,927,232.55	307,771,025.68
Plus: Opening balance of cash and cash equivalents		476,667,910.19	168,896,884.51
VI. Closing balance of cash and cash equivalents		160,740,677.64	476,667,910.19

Legal representative:

Person in charge of
accounting work:

Person in charge of
the accounting firm:

PARENT COMPANY'S CASH FLOW STATEMENT

2025

Prepared by: Shandong International Trust Co., Ltd.

Unit: RMB

Item	Notes	2025	2024
I. Cash flows from operating activities:			
Interest, fees and commissions received		484,739,418.70	597,970,337.67
Net decrease in financial assets purchased under resale agreements			5,049,249.50
Net decrease in debt investments		63,585,927.76	
Net decrease in loans and advances to customer		5,702,493.90	42,073,666.51
Net decrease in financial assets held for trading		591,441,500.94	418,912,868.74
Other cash received relating to operating activities		19,862,049.12	26,924,917.56
Sub-total of cash inflows from operating activities		1,165,331,390.42	1,090,931,039.98
Interest, fees and commissions paid		66,713.07	284,537.98
Net increase in financial assets purchased under resale agreements		152,852,733.83	
Net increase in debt investments			152,572,946.44
Net increase in loans and advances to customers			
Net increase in financial assets held for trading			
Cash paid to and on behalf of employees		131,317,086.71	134,300,240.63
Taxes payments		63,430,081.70	171,289,228.46
Other cash paid relating to operating activities		102,903,042.06	231,882,621.28
Subtotal of cash outflows from operating activities		450,569,657.37	690,329,574.79
Net cash flows from operating activities		714,761,733.05	400,601,465.19
II. Cash flows from investing activities:			
Cash received from the recovery of investments		290,946,108.66	299,022,088.68
Cash received from acquisition of investment income		10,619,857.83	13,822,436.03
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		12,710.00	5,800.00
Other cash received relating to investing activities			
Subtotal of cash inflows from investing activities		301,578,676.49	312,850,324.71
Cash paid for acquisition or construction of fixed assets, intangible assets and other long-term assets		21,188,784.36	23,428,711.77
Cash paid for investments		954,510,000.00	328,652,123.07
Other cash paid relating to investing activities			
Subtotal of cash outflows from investing activities		975,698,784.36	352,080,834.84
Net cash flows from investing activities		-674,120,107.87	-39,230,510.13

PARENT COMPANY'S CASH FLOW STATEMENT

2025

Prepared by: Shandong International Trust Co., Ltd.

Unit: RMB

Item	Notes	2025	2024
III. Cash flows from financing activities:			
Cash received from absorption of investments			
Cash received from borrowings			980,000,000.00
Other cash received relating to financing activities			
Sub-total of cash inflows from financing activities			980,000,000.00
Cash payments for settlement of debts		280,000,000.00	972,500,000.00
Cash payments for distribution of dividends or profit			
Cash payments for repayment of interests		42,221,722.23	46,993,563.19
Other cash payments relating to financing activities		25,063,498.40	23,004,100.00
Subtotal of cash outflows from financing activities		347,285,220.63	1,042,497,663.19
Net cash flow from financing activities		-347,285,220.63	-62,497,663.19
IV. Effect of changes in exchange rate on cash and cash equivalents			
		-0.25	0.22
V. Net increase in cash and cash equivalents		-306,643,595.70	298,873,292.09
Plus: Opening balance of cash and cash equivalents		416,997,586.86	118,124,294.77
VI. Closing balance of cash and cash equivalents		110,353,991.16	416,997,586.86

Legal representative:

Person in charge of
accounting work:

Person in charge of
the accounting firm:

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY

2025

Unit: RMB

Prepared by: Shandong International Trust Co., Ltd.

Item	2025												Total shareholder's equity
	Share capital	Other equity instruments		Capital reserve	Shareholders' equity attributable to the parent company					Undistributed profit	Others	Subtotal	
		Preferred shares	Perpetual bonds		Less: Treasury stock	Other comprehensive income	Surplus reserve	Trust compensation reserve	General risk reserve				
I. Balance at the end of the previous year	4,658,860,000.00			160,049,183.05		-700,909.40	1,017,412,674.90	767,743,909.19	697,826,747.50	3,935,544,330.54		11,236,725,935.78	11,236,725,935.78
Plus: Changes in accounting policies													
Correction of errors in the prior period													
Business combination under common control													
Others													
II. Balance at the beginning of the year	4,658,860,000.00			160,049,183.05		-700,909.40	1,017,412,674.90	767,743,909.19	697,826,747.50	3,935,544,330.54		11,236,725,935.78	11,236,725,935.78
III. Increased/decrease for the year (decrease is indicated with "-")						-49,639,683.03	6,621,684.70	6,621,684.70	19,865,054.09	22,004,239.45		5,472,979.91	5,472,979.91
(I) Total comprehensive income						-49,639,683.03	6,621,684.70	6,621,684.70	19,865,054.09	22,004,239.45		5,472,979.91	5,472,979.91
(II) Shareholder's contributions and withdrawals of capital						-49,639,683.03				55,112,662.94		5,472,979.91	5,472,979.91
1. Ordinary shares invested by shareholders													
2. Capital invested by holders of other equity instruments													
3. Amount of share-based payment credited to shareholder's equity													
4. Others													

2025

Unit: RMB

(III) Profit distribution copy chi	
1. Withdrawal of surplus reserve	
2. Withdrawal risk reserve	
3. Distributions to shareholders	
4. Others	
(IV) Internal transfer of shareholders' equity	
1. Conversion of capital	
rescue to share capital	
2. Conversion of surplus	
rescue to share capital	
3. Recovery of loss	
4. Change of defined benefit plan carried forward to retained earnings	
5. Other comprehensive income carried forward to retained earnings	
6. Others	

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY

2025

Unit: RMB

Prepared by: Shandong International Trust Co., Ltd.

Item	2025										Minority interests	Total shareholder's equity
	Share capital	Preferred shares	Other equity instruments	Capital reserve	Less: Treasury stock	Other comprehensive income	Surplus reserve	Trust compensation reserve	General risk reserve	Undistributed profit	Others	Subtotal
(V) Special reserves												
1. Withdrawal in the year												
2. Utilisation in the year												
(VI) Others												
IV. Balance at the end of the year	4,658,860,000.00			160,049,183.05		-60,340,592.43	1,024,034,359.60	774,365,593.89	717,691,801.59	3,957,546,569.99	11,242,198,915.69	11,242,198,915.69

Legal representative:

Person in charge of accounting work:

Person in charge of the accounting firm:

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY

2025

Unit: RMB

2024															
Item	Share capital	Other equity instruments			Capital reserve	Less:	Shareholders' equity attributable to the parent company						Subtotal	Minority interests	Total shareholder's equity
		Preferred shares	Perpetual bonds	Others	Treasury stock	Other comprehensive income	Surplus reserve	Trust compensation reserve	General risk reserve	Undistributed profit	Others				
I. Balance at the end of the previous year	4,659,850,000.00				160,049,183.05		-5,253,999.65	1,002,840,747.87	753,171,992.16	594,239,495.47	3,925,480,551.58		11,089,377,960.48		11,089,377,960.48
Plus: Changes in accounting policies															
Correction of errors in the prior period															
Business combination under common control															
Others															
II. Balance at the beginning of the year	4,659,850,000.00				160,049,183.05		-5,253,999.65	1,002,840,747.87	753,171,992.16	594,239,495.47	3,925,480,551.58		11,089,377,960.48		11,089,377,960.48
III. Increase/decrease for the year (decrease is indicated with "-")															
(I) Total comprehensive income							4,553,090.25	14,571,927.03	14,571,927.03	103,587,252.03	10,063,778.96		147,347,975.30		147,347,975.30
(II) Shareholder's contributions and withdrawals of capital							4,553,090.25				142,794,885.05		147,347,975.30		147,347,975.30
1. Ordinary shares invested by shareholders															
2. Capital invested by holders of other equity instruments															
3. Amount of share-based payment credited to shareholder's equity															
4. Others															
(III) Profit distribution								14,571,927.03	14,571,927.03	103,587,252.03	-132,731,106.09				
1. Withdrawal of surplus reserve								14,571,927.03			-14,571,927.03				
2. Withdrawal risk reserve									14,571,927.03	103,587,252.03	-118,159,179.06				

Prepared by: Shandong International Trust Co., Ltd.

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY

2025

Unit: RMB

Prepared by: Shandong International Trust Co., Ltd.

Item	2024												Total shareholder's equity		
	Share capital	Other equity instruments			Capital reserve	Less: Treasury stock	Shareholders' equity attributable to the parent company					Undistributed profit		Others	Subtotal
		Preferred shares	Perpetual bonds	Others			Other comprehensive income	Surplus reserve	Trust compensation reserve	General risk reserve					
Minority interests															

3. Distributions to shareholders

4. Others

(IV) Internal transfer of shareholder's equity

1. Conversion of capital

reserve to share capital

2. Conversion of surplus

reserve to share capital

3. Recovery of loss

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY

2025

Unit: RMB

Prepared by: Shandong International Trust Co., Ltd.

Item	2024										Total shareholder's equity
	Share capital	Preferred shares	Other equity instruments	Capital reserve	Less: Treasury stock	Shareholders' equity attributable to the parent company				Minority interests	
			Perpetual	Others		Other comprehensive income	Surplus reserve	Trust compensation reserve	General risk reserve	Undistributed profit	Subtotal
4. Change of defined benefit plan carried forward to retained earnings											
5. Other comprehensive income carried forward to retained earnings											
6. Others											
(V) Special reserves											
1. Withdrawal in the year											
2. Utilisation in the year											
(VI) Others											
IV. Balance at the end of the year	4,638,860,000.00				160,049,183.05	-700,909.40	1,017,412,674.90	767,743,905.19	697,826,747.50	3,935,544,330.54	11,296,725,935.78

Legal representative:

Person in charge of accounting work:

Person in charge of the accounting firm:

STATEMENT OF CHANGES IN EQUITY OF PARENT COMPANY

2025

Prepared by: Shandong International Trust Co., Ltd.

Unit: RMB

Item	Share capital	Other equity instruments			2025				Total shareholder's equity			
		Preferred shares	Perpetual bonds	Others	Capital reserve	Less: Treasury stock	Other comprehensive income	Surplus reserve				
I. Balance at the end of the previous year	4,638,850,000.00				160,049,183.05		-700,909.40	1,017,412,674.90	767,743,909.19	697,826,747.50	3,942,572,970.95	11,243,754,576.19
Plus: Changes in accounting policies												
Correction of errors in the prior period												
Others												
II. Balance at the beginning of the year	4,638,850,000.00				160,049,183.05		-700,909.40	1,017,412,674.90	767,743,909.19	697,826,747.50	3,942,572,970.95	11,243,754,576.19
III. Increase/decrease for the year (decrease is indicated with "-")												
(I) Total comprehensive income							-49,639,680.03	6,621,684.70	6,621,684.70	19,865,054.09	33,108,423.49	16,577,163.95
(II) Shareholder's contributions and withdrawals of capital							-49,639,680.03				66,216,846.98	16,577,163.95
1. Ordinary shares invested by shareholders												
2. Capital invested by holders of other equity instruments												
3. Amount of share-based payment credited to shareholder's equity												
4. Others								6,621,684.70	6,621,684.70	19,865,054.09	-33,108,423.49	
(III) Profit distribution								6,621,684.70			-6,621,684.70	
1. Withdrawal of surplus reserve								6,621,684.70			-6,621,684.70	
2. Withdrawal risk reserve												
3. Distributions to shareholders									6,621,684.70	19,865,054.09	-26,486,738.79	
4. Others												

STATEMENT OF CHANGES IN EQUITY OF PARENT COMPANY

2025

Unit: RMB

Prepared by: Shandong International Trust Co., Ltd.

Item	Other equity instruments				2025				Total shareholder's equity			
	Share capital	Preferred shares	Perpetual bonds	Others	Capital reserve	Less: Treasury stock	Other comprehensive income	Surplus reserve	Trust compensation reserve	General risk reserve	Undistributed profit	Others
(IV) Internal carryover of shareholders' equity												
1. Conversion of capital reserve to share capital												
2. Conversion of surplus reserve to share capital												
3. Recovery of loss												
4. Change of defined benefit plan carried forward to retained earnings												
5. Other comprehensive income carried forward to retained earnings												
6. Others												
(V) Special reserves												
1. Withdrawal in the year												
2. Utilisation in the year												
(VI) Others												
IV. Balance at the end of the year	4,638,650,000.00				160,049,183.05		-50,340,592.43	1,024,034,359.60	774,355,533.89	717,691,801.59	3,975,691,394.44	11,260,331,740.14

Legal representative: _____ Person in charge of accounting work: _____ Person in charge of the accounting firm: _____

STATEMENT OF CHANGES IN EQUITY OF PARENT COMPANY

2025

Unit: RMB

Prepared by: Shandong International Trust Co., Ltd.

Item	2024											Total shareholders' equity
	Other equity instruments				Less: Treasury stock	Other comprehensive income	General risk reserve			Undistributed profit	Others	
	Share capital	Preferred shares	Perpetual bonds	Capital reserve			Surplus reserve	Trust compensation reserve				
I. Balance at the end of the previous year	4,658,850,000.00			160,049,183.05		-5,253,989.65	1,002,840,747.87	753,171,982.16	594,239,495.47	3,929,594,806.71		11,093,482,215.61
Plus: Changes in accounting policies												
Correction of errors in the prior period												
Others												
II. Balance at the beginning of the year	4,658,850,000.00			160,049,183.05		-5,253,989.65	1,002,840,747.87	753,171,982.16	594,239,495.47	3,929,594,806.71		11,093,482,215.61
III. Increase/decrease for the year (decrease is indicated with "-")												
(I) Total comprehensive income						4,553,080.25	14,571,927.03	14,571,927.03	103,587,252.03	12,988,164.24		150,272,360.39
(II) Shareholder's contributions and withdrawals of capital						4,553,080.25				145,719,270.33		150,272,360.39
1. Ordinary shares invested by shareholders												
2. Capital invested by holders of other equity instruments												
3. Amount of share-based payment credited to shareholder's equity												
4. Others												
(III) Profit distribution												
1. Withdrawal of surplus reserve							14,571,927.03	14,571,927.03	103,587,252.03	-132,731,106.09		
2. Withdrawal risk reserve							14,571,927.03			-14,571,927.03		
3. Distributions to shareholders								14,571,927.03	103,587,252.03	-118,159,179.06		
4. Others												

STATEMENT OF CHANGES IN EQUITY OF PARENT COMPANY

2025

Unit: RMB

Prepared by: Shandong International Trust Co., Ltd.

Item	2024											Total shareholder's equity
	Share capital	Preferred shares	Other equity instruments	Capital reserve	Less: Treasury stock	Other comprehensive income	Surplus reserve	Trust compensation reserve	General risk reserve	Undistributed profit	Others	
(IV) Internal carryover of shareholders' equity												
1. Conversion of capital reserve to share capital												
2. Conversion of surplus reserve to share capital												
3. Recovery of loss												
4. Change of defined benefit plan carried forward to retained earnings												
5. Other comprehensive income carried forward to retained earnings												
6. Others												
(V) Special reserves												
1. Withdrawal in the year												
2. Utilisation in the year												
(VI) Others												
IV. Balance at the end of the year	4,658,850,000.00			160,049,183.05		-700,909.40	1,017,412,674.90	767,743,909.19	697,826,747.50	3,942,572,970.95		11,243,754,576.19

Legal representative: _____ Person in charge of accounting work: _____ Person in charge of the accounting firm: _____

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 January 2025 to 31 December 2025

(All amounts expressed in RMB unless otherwise stated)

I. BASIC INFORMATION ABOUT THE COMPANY

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

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

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

Registered office: Partial area of 1/F, 2/F and 13/F, 32-35/F and 40/F, Tower A, No. 2788 Aoti West Road, Lixia District, Jinan

Legal Representative: Yue Zengguang

Registered capital: RMB4,658.85 million

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

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

II. SCOPE OF CONSOLIDATION OF FINANCIAL STATEMENTS

The scope of the Group's consolidated financial statements includes the structured entities that the Company and its own funds participate in and meet the definition of “control” under the Accounting Standards for Business Enterprises.

Please refer to note “VII. CHANGE IN SCOPE OF CONSOLIDATION” and note “VIII. INTERESTS IN OTHER ENTITIES” for details.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 January 2025 to 31 December 2025

(All amounts expressed in RMB unless otherwise stated)

III. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

1. Basis of preparation

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

2. Going concern

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

IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

Specific accounting policies and accounting estimates indication: the specific accounting policies and accounting estimates developed by the Group according to the actual operating characteristics include business cycle, recognition and measurement of financial assets and financial liabilities, classification and depreciation methods of fixed assets, recognition and measurement of revenue, recognition of deferred income tax assets and deferred income tax liabilities, etc.

1. Statement of compliance with the ASBEs

The financial statements are prepared in accordance with ASBE, and present truly, accurately and completely, the Company and the Group's financial position as at 31 December 2025, results of operations and cash flows for the year of 2025.

2. Accounting period

The Group's accounting period is from 1 January to 31 December of each calendar year.

3. Operation cycle

The Group treats 12 months from 1 January to 31 December of each year as an operating cycle and as the classification standard for the liquidity of assets and liabilities.

4. Functional currency

The Group uses RMB as its functional currency.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 January 2025 to 31 December 2025

(All amounts expressed in RMB unless otherwise stated)

IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

5. Determination method and selection basis of materiality standards

The Group determines the materiality of financial information in terms of the nature and amount of the item according to its specific environment. When determining the materiality of the nature of the item, the Group mainly considers whether the item is in the ordinary course of business in nature and whether it significantly affects the financial position, operating results and cash flows of the Group; in determining the materiality of the amount of an item, the Group considers the proportion of the amount of the item in total assets, total liabilities, total owner's equity, total operating income, total operating costs, net profit, total comprehensive income and other directly related items or the proportion of the amount of the individual items in the statement.

6. Preparation of consolidated financial statements

The scope of consolidation in the consolidated financial statements prepared by the Group included the Company and its all subsidiaries.

A subsidiary presents an entity (including a structured entity controlled by the Company) over which the Group has control. Control is achieved when the Group has power over the investee; is exposed or has rights to variable returns from its involvement with the investee and has the ability to affect its returns through its power over the investee. Subsidiaries are consolidated from the date on which the Group obtains control, and are deconsolidated from the date that such control ceases.

A structured entity refers that when judging the control side of the entity, the key elements to consider are the contracts which the entities' main activities are based on or the corresponding arrangements rather than the voting rights or similar rights (for example: the voting rights are just associated with administrative matters only).

When the Group acts as the manager in structured entity (such as acting as a trustee for a trust scheme), the Group needs to identify its own role as the agent or the principal to make decisions for the structured entity. If the asset manager is just an agent, its primary responsibility is to exercise decision-making authority for other parties (other investors of the structured entity), and therefore does not control the structured entity. However, if the asset manager's primary responsibility is to exercise decision-making authority for itself, it is the principal and thus controls the structured entity.

Structured entities involved in the Group's operating activities include trust schemes, fund investments and investment in asset management schemes. The Company set up trust schemes to earn trustee's remuneration by providing trustee and management services to the trustors (investors) of the trust schemes. Trust schemes mainly include financing trust schemes and investment trust schemes. The Company may also invest in trust schemes established and managed by the Company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 January 2025 to 31 December 2025

(All amounts expressed in RMB unless otherwise stated)

IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

6. Preparation of consolidated financial statements (Continued)

When determining whether to consolidate structured entities, the Group assesses whether it has power over the structured entities; is exposed or has rights to variable returns from its involvement with the investee and has the ability to affect its returns through its power over the investee in accordance with the contractual terms. Details of consolidated structured entities are set out in Note VIII.1.(2). Interests attributable to third – party beneficiaries in fixed maturity and redeemable instruments are presented as other liabilities in the consolidated balance sheet. Changes in profit or loss attributable to third-party beneficiaries under the consolidated financing trust schemes are presented as interest expenses in the consolidated income statement, and changes in profit or loss attributable to third-party beneficiaries under the consolidated investment trust schemes are presented as changes in net assets attributable to third-party investors in consolidated structured entities in the consolidated income statement.

7. Cash and cash equivalents

Cash in the Group's cash flows statement represents cash on hand and deposits that can be readily draw on demand. Cash equivalents in the cash flow statement represent short-term (3 months or less), and highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of change in value.

8. Transactions denominated in foreign currencies

A foreign currency transaction is translated at the spot exchange rate ruling at the date of the transaction. At the balance sheet date, foreign currency monetary items are translated into functional currency using the spot exchange rates at the balance sheet date. Exchange differences arising from specific borrowings denominated in foreign currency that have been borrowed for the acquisition of asset eligible for capitalisation of borrowing costs are capitalised during the period of capitalisation. Other exchange differences are recognised directly in profit or loss. Foreign currency non-monetary items measured at historical cost are translated at the spot exchange rates ruling at the transaction dates at the balance sheet date. The effect of exchange rate changes on cash is presented separately in the statement of cash flows.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 January 2025 to 31 December 2025

(All amounts expressed in RMB unless otherwise stated)

IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

9. Financial assets and financial liabilities

(1) Financial assets

1) Classification, recognition basis and measurement method of financial assets

The Group classifies its financial assets in the following measurement categories: ① FVTPL; ② FVTOCI; ③ amortised cost.

The Group classifies financial assets into financial assets measured at amortised cost, financial assets at FVTOCI and financial assets at FVTPL based on the business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

The classification requirements for debt and equity instruments are described below:

Debt instruments

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective, such as loans and advances to customer, financial assets purchased under resale agreements and accounts receivable.

Classification and subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset.

Business model: The business model reflects how the Group manages its financial assets in order to generate cash flows. That is, whether the Group's objective is solely to collect the contractual cash flows from the financial assets or is to collect the contractual cash flows and sell the financial assets. If neither of these is applicable (e.g. financial assets are held for trading purposes), then the business model of these financial assets are classified as "other" and measured at FVTPL. Factors considered by the Group in determining the business model for a group of financial assets include past experience on how to collect the cash flows of these assets, how to evaluate the asset's performance reported to key management personnel, how to assess and management risks managed, as well as how to compensate managers.

Whether the contractual cash flows represent solely payments of principal and interest: where the business model is to collect contractual cash flows or to both collect contractual cash flows and sell financial assets, the Group assesses whether the financial instruments' cash flows represent solely payments of principal and interest. In making this assessment, the Group considers whether the contractual cash flows are consistent with a basic lending arrangement, i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified as FVTPL.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 January 2025 to 31 December 2025

(All amounts expressed in RMB unless otherwise stated)

IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

9. Financial assets and financial liabilities (Continued)

(1) Financial assets (Continued)

1) Classification, recognition basis and measurement method of financial assets (Continued)

Debt instruments (Continued)

Financial assets with embedded derivatives are considered in their entirety when determining whether the contractual cash flows are solely payment of principal and interest.

Based on these factors, the Group classifies its debt instruments into the following three measurement categories:

- ① Amortised cost: the financial assets are measured at amortised cost if the assets are managed within a business model with an objective to collect contractual cash flows that are solely payments of principal and interest and are not designated at FVTPL. The carrying amount of the assets are adjusted based on the provisions for ECL. Interest income from the asset is included in "interest income" using the effective interest rate method.
- ② FVTOCI: the financial assets are measured at FVTOCI if the assets are managed within a business model with an objective to both collect contractual cash flows that are solely payments of principal and interest and sell the financial assets, and are not designated at FVTPL. Except for the recognition of impairment gains or losses on the amortised cost of financial assets, interest income and foreign exchange gains or losses in profit and loss, changes in the carrying amount are taken through OCI. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised as "investment income". Interest income from the asset is included in "interest income" using the effective interest rate method.
- ③ FVTPL: Assets that do not meet the criteria for amortised cost or FVTOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL and is not part of a hedging relationship is recognised in profit or loss and presented in the statement of profit or loss within "fair value gains or losses" in the period in which it arises, unless it arises from non-trading debt instruments that are designated at fair value, in which case it is presented separately in "investment income".

The Group reclassifies debt investments when and only when its business model for managing those assets changes. The reclassification takes place from the beginning of the first reporting period following the change. The Group anticipates that such changes are expected to be very rare and did not occur during the Period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 January 2025 to 31 December 2025

(All amounts expressed in RMB unless otherwise stated)

IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

9. Financial assets and financial liabilities (Continued)

(1) *Financial assets (Continued)*

1) *Classification, recognition basis and measurement method of financial assets (Continued)*

Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that have the rights to the net assets and residual returns of the issuer, such as ordinary shares.

The Group's equity investments are measured at FVTPL, except where the management has elected to irrevocably designate an equity investment at FVTOCI. The Group's policy for the above-mentioned designation is to designate equity instrument investments not for the purpose of obtaining investment income as FVTOCI. Changes in fair value are recognised in other comprehensive income and are not subsequently reclassified to profit or loss (including disposal). Impairment losses and reversal are not reported separately from other changes in fair value. The dividend income on the investment is recognised when the Group's right to receive payment is established.

Gains and losses on equity instrument investments at FVTPL are included in the "investment income" in the statement of profit or loss.

2) *Impairment*

The Group assesses on a forward-looking basis the ECL associated with its debt instrument assets carried at amortised cost and FVTOCI and with the exposure arising from loan commitments and financial guarantee contracts. The Group recognises a loss allowance at each reporting date. The measurement of ECL reflects an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes; the time value of money; reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

Please refer to Note IX.1.(2) for the measurement of ECL.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 January 2025 to 31 December 2025

(All amounts expressed in RMB unless otherwise stated)

IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

9. Financial assets and financial liabilities (Continued)

(1) Financial assets (Continued)

3) Modification of loan contracts

The Group sometimes renegotiates or modifies the contracts of loans to customers, which resulted in changes in contractual cash flows. If this occurs, the Group assesses whether the revised contractual terms are substantially changed. Factors considered by the Group in making this assessment include:

- ① When a contract modification occurs where the borrower is in financial difficulty, whether the modification merely reduces the contractual cash flows to amounts the borrower is expected to be able to pay.
- ② Whether any substantial new terms are introduced, such as the addition of profit sharing/equity-based return that resulted in substantial changes to the risk characteristics of the contract.
- ③ Significant extension of the loan term when the borrower is not in financial difficulty.
- ④ Significant change in the interest rates.
- ⑤ Change in the currency of the loan.
- ⑥ Insertion of guarantee or other credit enhancements that significantly affect the credit risk associated with the loan.

If the revised contractual terms are substantially different, the Group derecognises the original financial asset and recognises a new financial asset at fair value and recalculates a new effective interest rate for the asset. In this case, the date of the modification is considered to be the date of initial recognition for the purposes of determining whether there is a significant increase in credit risk. For the newly recognised financial assets mentioned above, the Group also assesses whether they are credit-impaired at initial recognition, especially when the contract modification occurs when the debtor fails to perform the originally agreed payment arrangement. Changes in the carrying amount are recognised in the profit or loss as the gains or losses arising from derecognition.

If the revised contractual terms are not substantially different, the modification does not result in derecognition of the financial asset. The Group recalculates the gross carrying amount of the financial asset based on the modified contractual cash flows and recognises a modification gain or loss in profit or loss. The new gross carrying amount is calculated by discounting the revised cash flows using the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 January 2025 to 31 December 2025

(All amounts expressed in RMB unless otherwise stated)

IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

9. Financial assets and financial liabilities (Continued)

(1) Financial assets (Continued)

4) Derecognition other than modification

The Group derecognises financial assets or a portion thereof when the contractual rights to receive the cash flows from the financial asset have expired, or when the rights have been transferred and either (i) the Group transfers substantially all the risks and rewards of ownership of the financial asset, or (ii) the Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset and the Group has not retained control of the assets.

The Group enters into transactions where it retains the contractual rights to receive the cash flows, but assumes the contractual obligations to pay the cash flows collected to the ultimate recipient and transfers substantially all the risks and rewards of ownership of the financial assets. These transactions are accounted for as 'pass through' arrangements that result in derecognition if the Group:

- ① has no obligation to pay the cash flows to the ultimate recipient unless it receives the equivalent cash flows from the financial asset;
- ② is prohibited from selling or pledging the financial assets;
- ③ has the obligation to transfer all cash flows received from the financial assets to the ultimate recipient as soon as possible.

Collateral (shares or bonds) furnished by the Group under standard repurchase agreements and securities lending and borrowing transactions are not derecognised because the Group retains substantially all the risks and rewards on the basis of the predetermined repurchase price, and the criteria for derecognition are therefore not met.

Where the Group has transferred its contractual rights to receive cash flows and has neither transferred nor retained substantially all the risks and rewards of ownership of the financial asset nor retained control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement and recognises an associated liability to reflect the rights and obligations retained by the Group. If the transferred asset is measured at amortised cost, the net carrying amount of the transferred asset and associated liability is equal to the amortised cost of the rights or obligations retained by the Group; if the transferred asset is measured at fair value, the net carrying amount of the transferred asset and associated liability is equal to the fair value of the rights and obligations retained by the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 January 2025 to 31 December 2025

(All amounts expressed in RMB unless otherwise stated)

IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

9. Financial assets and financial liabilities (Continued)

(2) **Financial liabilities**

1) *Classification, recognition basis and measurement of financial liabilities*

The Group's financial liabilities are classified into financial liabilities at FVTPL and other financial liabilities at initial recognition.

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL. They are subsequently measured at fair value. Gains or losses arising from changes in the fair value and dividends and interest expenses related to the financial liabilities are recognised in profit or loss.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method. The Group classifies financial liabilities as financial liabilities measured at amortised cost, except for: ① financial liabilities at FVTPL, including financial liabilities held for trading (including derivatives that are financial liabilities) and financial liabilities designated as at FVTPL; ② financial liabilities arising from the transfer of financial assets that do not qualify for derecognition or continuing involvement in the transferred financial assets; ③ financial guarantee contracts that do not fall under the above circumstances of ① or ②, and loan commitments at a below-market interest rate that do not fall under the above circumstances of ①.

Financial liabilities arising from contingent consideration recognised by the Group as the acquirer in a business combination not involving entities under common control are measured at FVTPL.

2) *Conditions for derecognition of financial liabilities*

The Group derecognises financial liabilities (or part of it) when the present obligation of such financial liabilities is wholly or partially discharged. Where the Group enters into an agreement with creditors to replace the existing financial liabilities with new financial liabilities and the contractual terms of the new financial liabilities are substantially different from the existing financial liabilities, the existing financial liabilities are derecognised and the new financial liabilities are recognised at the same time. Where the Group makes substantial changes to all or part of the contractual terms of the existing financial liabilities, the existing financial liabilities or a portion thereof shall be derecognised, and the financial liabilities after the modification of terms shall be recognised as a new financial liability. The difference between the carrying amount of the financial liabilities derecognised and the consideration paid is recognised in profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 January 2025 to 31 December 2025

(All amounts expressed in RMB unless otherwise stated)

IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

9. Financial assets and financial liabilities (Continued)

(3) **Determination of fair value of financial assets and financial liabilities**

The fair value of the Group's financial assets and financial liabilities are measured at the price in the principal market. If there is no principal market, the fair value of the financial assets and financial liabilities are measured at the price in the most advantageous market and using the valuation techniques that are appropriate at the time and with sufficient available data and other information. The inputs used in the fair value measurement are divided into three levels: Level 1 inputs are the unadjusted quoted price in active markets for identical assets or liabilities that can be obtained on the measurement date; Level 2 inputs are the directly or indirectly observable inputs of relevant assets or liabilities other than those within Level 1 inputs; Level 3 inputs are the unobservable inputs of relevant assets or liabilities. The Level 1 inputs are the first priority to use by the Group, and level 3 inputs will be the last one to use. The level to which the results of measurement of fair value belong is subject to the lowest level to which the inputs having great significance to the measurement of fair value as whole belong.

The Group's investments in equity instruments are measured at fair value. However, under limited circumstances, if the recent information used to determine the fair value is insufficient, or the possible estimated amount of the fair value is widely distributed, and the cost represents the best estimate of the fair value within the range, the cost can represent the appropriate estimate of the fair value within the distribution range.

(4) **Offset of financial assets and financial liabilities**

The Group's financial assets and financial liabilities are presented separately in the balance sheet and are not offset. However, if the following conditions are met, the net amount offset by each other is presented in the balance sheet: (1) the Group currently has a statutory right to set off the recognised amounts and such statutory right is currently enforceable; and (2) the Group intends either to settle on a net basis, or to realise the financial asset and settle the financial liability simultaneously.

(5) **Purchase under resale agreements and sale under repurchase agreements**

Purchase under resale agreements refer to the agreements under which the Group purchases an asset with an obligation to resell the same at an agreed price at the agreed date. Assets purchased are not recognised and receivables are presented as "financial assets purchased under resale agreements". Sale under repurchase agreements refer to the agreements under which the Group sales an asset with an obligation to repurchase the same at an agreed price at the agreed date. Assets sold are not derecognised and payables are presented as "financial assets sold under repurchase agreements". Interest income earned on purchase under resale agreements and interest expense paid on repurchase under resale agreements are recognised as interest income and interest expense over the period of the agreements using the effective interest method.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 January 2025 to 31 December 2025

(All amounts expressed in RMB unless otherwise stated)

IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

10. Long-term equity investments

Long-term equity investments include long-term equity investments in structured entities controlled by the Company and long-term equity investments in associates.

(1) **Subsidiaries**

Investments in subsidiaries (including investments in structured entities) are accounted for in the Company's financial statements using the cost method and are adjusted using the equity method when preparing the consolidated financial statements.

Long-term equity investments accounted for using the cost method are measured at initial investment cost. Cash dividends or profit distributions declared by the investee are recognised as investment income in profit or loss.

(2) **Associates**

An associate is an investee over which the Group has significant influence on its financial and operating policy decisions.

Investments in associates are accounted for using the equity method or fair value.

For a long-term equity investment accounted for using the equity method, where the initial investment cost exceeds the share of the fair value of the investee's identifiable net assets at the time of investment, the initial investment cost shall be taken as the long-term equity investment cost; where the initial investment cost is less than the share of the fair value of the investee's identifiable net assets at the time of investment, the difference is recognised in profit or loss, and the long-term equity investment cost will be adjusted upwards accordingly.

For long-term equity investments accounted for using the equity method, the Group recognizes the investment profit or loss according to its share of the net profit or loss of the investee. The Group discontinues recognising its share of net losses of the investee after the carrying amount of the long-term equity investment together with any long-term interests that in substance form part of the Group's net investment in the investee is reduced to zero. However, if the Group has obligations for additional losses and the criteria with respect to recognition of provisions are satisfied, the Group continues recognising its share of further losses. For changes in owners' equity other than net profit or loss, other comprehensive income and profit distribution of the investee, the carrying amount of the long-term equity investment shall be adjusted and included in capital reserve. The carrying amount of the investment is reduced by the Group's share of the profit or cash dividends declared by the investee. Unrealised gains and losses resulting from intra-group transactions between the Group and its investees are eliminated to the extent of the Group's interest in the investee, based on which investment gains and losses are recognised. Unrealised losses resulting from intra-group transactions between the Group and its investees, which are not attributable to asset impairment losses are not eliminated.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 January 2025 to 31 December 2025

(All amounts expressed in RMB unless otherwise stated)

IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

10. Long-term equity investments (Continued)

(2) Associates (Continued)

The Group elected to measure certain investments in associates indirectly held through venture capital institutions, mutual funds, trust products and similar entities including investment-linked insurance funds at FVTPL.

11. Fixed assets

Fixed assets of the Group include buildings, motor vehicles, electronic equipment and office equipment, etc. Fixed assets acquired or constructed are initially measured at cost at the time of acquisition.

Subsequent expenditures incurred for a fixed asset are included in the cost of the fixed asset when it is probable that the associated economic benefits will flow to the Group and the related cost can be reliably measured. The carrying amount of the replaced part is derecognised. All the other subsequent expenditures are recognised in profit or loss in the current period in which they are incurred.

Fixed assets are depreciated using the straight-line method to allocate the cost of the assets net of their estimated residual values over their estimated useful lives. For fixed assets where the provision for impairment has been made, the depreciation amount in the future will be determined at the carrying amount of the fixed assets where the provision for impairment has been deducted, based on the remaining useful lives.

The estimated useful lives, net residual value rates and annual depreciation rates of fixed assets are as follows:

No.	Category	Depreciation term (years)	Estimated residual value rate (%)	Annual depreciation rate (%)
1	Buildings	20-40	3.00	2.43-4.85
2	Motor vehicles	5-8	3.00	12.13-19.40
3	Electronic equipment	3-5	3.00	19.40-32.33
4	Office equipment	5-10	3.00	9.70-19.40

The Group reviews and makes appropriate adjustments to the estimated useful life estimated net residual value of a fixed asset and the depreciation method applied at each year-end.

A fixed asset is derecognised when it is disposed of or no economic benefits are expected to be generated from its use or disposal. When a fixed asset is sold, transferred, retired or damaged, the amount of any proceeds on disposal of the asset net of the carrying amount and related taxes is recognised in profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 January 2025 to 31 December 2025

(All amounts expressed in RMB unless otherwise stated)

IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

12. Right-of-use assets

Right-of-use assets refer to the right of the Group as a lessee to use the leased assets during the lease term.

(1) *Initial measurement*

At the commencement date of the lease term, the Group initially measures the right-of-use assets at cost. Such cost includes the following four items: ① the initial measurement amount of the lease liability; ② the lease payments made on or before the commencement date of the lease term, less any lease incentives received; ③ the initial direct costs incurred, being the incremental costs incurred in achieving the lease; and ④ the costs expected to be incurred for dismantling and removing the leased asset, restoring the site on which it is located or restoring the leased asset to the condition required by the terms and conditions of the lease, except those incurred for the production of inventories.

(2) *Subsequent measurement*

After the commencement date of the lease term, the Group adopts the cost model for subsequent measurement of the right-of-use assets, which is to measure the right-of-use assets at cost less accumulated depreciation and accumulated impairment losses. If the Group re-measures the lease liabilities in accordance with the relevant provisions of the lease standards, the carrying amount of the right-of-use assets shall be adjusted accordingly.

Depreciation of right-of-use assets

Right-of-use assets are depreciated from the commencement date of the lease. Right-of-use assets are generally depreciated from the month when the lease term commences. The amount of depreciation provided is included in the cost of the related asset or profit or loss according to the purpose of the right-of-use asset.

When determining the depreciation method of the right-of-use assets, the Group makes a decision based on the expected pattern of consumption of the economic benefits related to the right-of-use assets, and depreciates the right-of-use assets on a straight-line basis.

In determining the depreciation period of the right-of-use asset, the Group follows the following principles: if it can be reasonably determined that the ownership of the leased asset can be obtained at the end of the lease term, the leased asset is depreciated over its remaining useful life; if it cannot be reasonably determined that the ownership of the leased asset can be obtained at the end of the lease term, the leased asset is depreciated over the shorter of the lease term and the remaining useful life of the leased asset.

Impairment of right-of-use assets

If the right-of-use asset is impaired, the Group depreciates the right-of-use asset based on the carrying amount after deducting the impairment loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 January 2025 to 31 December 2025

(All amounts expressed in RMB unless otherwise stated)

IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

13. Intangible assets

The intangible assets of the Group include software, etc., which are measured at the actual cost at the time of acquisition. For purchased intangible assets, the actual price paid and relevant other expenses are taken as the actual cost. For intangible assets invested by investors, the actual cost is determined according to the value agreed in the investment contract or agreement. If the value agreed in the contract or agreement is not fair, the actual cost is determined according to the fair value.

For intangible assets with definite useful lives, it is amortised systematically and reasonably in accordance with the expected realisation method of economic benefits related to the intangible asset within its useful life. If the expected realisation method cannot be reliably determined, it is amortised using the straight-line method. The specific terms are as follows:

Item	Amortisation term (years)
Software	5

For intangible assets with definite useful lives, an impairment is provided for based on the excess of the carrying amount over the recoverable amount when there is evidence at the balance sheet date that the intangible assets are impaired. For intangible assets with indefinite useful lives and those not ready for use, an impairment test is performed each year, irrespective of whether there is evidence of impairment.

14. Investment properties

Investment properties of the Group are properties held to earn rentals or for capital appreciation or both. Investment properties are initially measured at cost. Subsequent expenditures incurred for an investment property are included in the cost of the investment property if it is probable that the economic benefits associated with the asset will flow to the Group and its cost can be measured reliably. Other subsequent expenditures are recognised in profit or loss for the current the period in which they are incurred.

The Group adopts the cost model for subsequent measurement of investment properties, and depreciates or amortises them in accordance with the policies consistent with that of buildings and land use rights. When an investment property is sold, transferred, retired or damaged, the amount of any proceeds on disposal of the property net of the carrying amount and related taxes is recognised in profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 January 2025 to 31 December 2025

(All amounts expressed in RMB unless otherwise stated)

IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

15. Impairment of long-term assets

Fixed assets, intangible assets and long-term equity investments in associates are tested for impairment if there is any indication that an asset may be impaired at the balance sheet date. Intangible assets not ready for intended use are tested for impairment at least annually, irrespective of whether there is any indication that the asset may be impaired. If the result of the impairment test indicates that the recoverable amount of an asset is less than its carrying amount, an impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and the present value of the future cash flows expected to be derived from the asset. Provision for asset impairment is calculated and recognised on an individual asset basis. If it is not possible to estimate the recoverable amount of an individual asset, the recoverable amount of a group of assets to which the asset belongs is determined. An asset group is the smallest asset group that is able to generate cash inflows independently.

Once the above asset impairment loss is recognised, it will not be reversed in the subsequent period.

16. Long-term amortisation expenses

The Group's long-term amortisation expenses include decoration expenses. Such expenses are amortised evenly over the benefit period. If the long-term amortisation expenses are no longer beneficial to the subsequent accounting periods, the unamortised balance is then fully transferred to the profit or loss.

17. Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method. Borrowings with maturity of less than one year (inclusive) are short-term borrowings, and the remaining borrowings are long-term borrowings.

18. Lease liabilities

(1) Initial measurement

The Group initially measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease term.

1) Lease payments

Lease payments refer to the payments made by the Group to the lessor in relation to the right to use the leased asset during the lease term, including: ① fixed payments and in-substance fixed payments less any lease incentives; ② variable lease payments that depend on an index or a rate, which are determined at the initial measurement based on the index or rate at the commencement date of the lease term; ③ the exercise price of a purchase option if the Group is reasonably certain to exercise that option; ④ payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate; and ⑤ payments expected to be made based on the residual value of the guarantees provided by the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 January 2025 to 31 December 2025

(All amounts expressed in RMB unless otherwise stated)

IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

18. Lease liabilities (Continued)

(1) Initial measurement (Continued)

2) Discount rate

In calculating the present value of lease payments, the Group uses the incremental borrowing rate as the discount rate if the interest rate implicit in the lease is not readily determinable. The incremental borrowing rate is the rate that the Group must pay in the similar economic environment in order to obtain the assets whose value is close to that of right-of-use assets, and under similar pledge conditions in similar periods to borrow funds. The interest rate is related to: ① the Group's own situation, i.e. the Group's solvency and credit status; ② the term of "borrowing", i.e. the lease term; ③ the amount of "borrowing", i.e. the amount of lease liabilities; ④ the "mortgage conditions", i.e. the nature and quality of the underlying assets; ⑤ the economic environment, including the jurisdiction where the lessee is located, the pricing currency, the time of signing the contract, etc. The Group determines the incremental borrowing rate based on the interest rate of bank loans and adjusts by taking into account the above factors.

(2) Subsequent measurement

After the commencement date, the Group conducts the subsequent measurement of the lease liability according to the following principles: ① increasing the carrying amount of the lease liability when recognising the interest of the lease liability; ② reducing the carrying amount of the lease liability when making the lease payment; ③ re-measuring the carrying amount of the lease liability when there is a change in the lease payment due to revaluation or lease change.

The Group calculates the interest expense of the lease liability in each period of the lease term based on the fixed periodic interest rate and recognises it in profit or loss, except for those that should be capitalised. The periodic interest rate refers to the discount rate used by the Group in the initial measurement of lease liabilities, or the revised discount rate adopted by the Group when the lease liabilities need to be re-measured at revised discount rate due to the change in lease payment or lease change.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 January 2025 to 31 December 2025

(All amounts expressed in RMB unless otherwise stated)

IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

18. Lease liabilities (Continued)

(3) *Re-measurement*

After the commencement date of the lease term, when the following circumstances occur, the Group re-measures the lease liabilities at the present value calculated based on the lease payments, and adjusts the carrying value of the right-of-use assets accordingly. If the carrying value of the right-of-use assets has been reduced to zero, but the lease liabilities still need to be further reduced, the Group will include the balance in the current profit and loss. The circumstances include ① any change in the fixed payment in substance (in this case, the original discount rate is used); ② any change in the expected payable amount of the residual value of the guarantee (in this case, the original discount rate is used); ③ any change in the indexes or ratios used to determine the lease payments (in this case, the revised discount rate is used); ④ any change in the evaluation result of the purchase option (in this case, the revised discount rate is used); ⑤ any change in evaluation result or actual exercise of the option to renew or terminate the lease (in this case, the revised discount rate is used).

19. Provisions

Provisions are recognised when the Group has a current obligation related to a contingency, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the obligation can be measured reliably.

On the balance sheet date, provisions are measured at the best estimate of the expenditure required to settle the current obligation, taking into account factors pertaining to a contingency such as the risks, uncertainties and time value of money. Where the effect of the time value of money is material, the best estimate is determined by discounting the expected future cash outflows.

If all or part of the expenditure required to settle a provision is expected to be reimbursed by a third party, the reimbursement is recognised as a separate asset only when it is virtually certain that reimbursement will be received, and the amount of reimbursement recognised does not exceed the carrying amount of the provision.

20. Employee benefits

Employee benefits of the Group include short-term employee benefits, post-employment benefits, termination benefits and other long-term benefits.

(1) *Short-term employee benefits*

Short-term employee benefits of the Group include employee wages or salaries, bonus, allowance and subsidies, staff welfare, medical insurance, maternity insurance, housing funds, union running costs, employee education costs, short-term paid absences and so forth. Actual short-term employee benefits are recognised as a liability in the period in which the associated services are rendered by its employees, with a corresponding increase in the expenses in profit or loss or the cost of relevant assets. Non-monetary benefits are measured at fair value. Non-monetary benefits are measured at fair value.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 January 2025 to 31 December 2025

(All amounts expressed in RMB unless otherwise stated)

IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

20. Employee benefits (Continued)

(2) **Post-employment benefits**

The Group divides post-employment benefit plans into defined contribution plans and defined benefit plans. Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions. Defined benefit plans are post-employment benefit plans other than defined contribution plans. During the Reporting Period, the Group pays contributions to basic retirement insurance, unemployment insurance and supplementary retirement insurance for the employees, which are all defined contribution plans.

(3) **Termination benefits**

Termination benefits refer to the compensation provided by the Company to its employees for the termination of their employment relationship before the expiry of employment contracts, or compensation provided to encourage employees to accept voluntary redundancy.

(4) **Other long-term benefits**

Other long-term employee benefits refer to all employee benefits other than short-term employee benefits, post-employment benefits and termination benefits, including long-term paid absences, long-term disability benefits, long-term profit-sharing plans, etc.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 January 2025 to 31 December 2025

(All amounts expressed in RMB unless otherwise stated)

IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

21. Deferred income tax assets and deferred income tax liabilities

Deferred income tax assets and deferred income tax liabilities are recognised based on the temporary differences between the tax bases and the carrying amount of assets and liabilities. A deferred income tax asset is recognised for deductible losses that can be carried forward to subsequent years for deduction of the taxable profit in accordance with the tax laws. No deferred income tax asset or deferred income tax liability is recognised for the temporary differences resulting from the initial recognition of assets or liabilities due to a transaction other than a business combination, which affects neither accounting profit nor taxable profit (or deductible loss). At the balance sheet date, deferred income tax assets and deferred income tax liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled.

Deferred income tax assets are only recognised for deductible temporary differences, deductible losses and tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, deductible losses and tax credits can be utilised.

Deferred income tax liabilities are recognised for taxable temporary differences arising from investments in associates, except where the Group is able to control the timing of the reversal of the temporary differences, and it is probable that the temporary differences will not reverse in the foreseeable future. When it is probable that the temporary differences arising from investments in associates will be reversed in the foreseeable future and that the taxable profit will be available in the future against which the temporary differences can be utilised, the corresponding deferred income tax assets are recognised.

For a single transaction which is not a business combination, does not affect accounting profit or taxable income (or deductible loss) at the time of the transaction, and in which the initial recognition of assets and liabilities results in equal amounts of taxable temporary differences and deductible temporary differences (including lease transactions in which the lessee initially recognizes the lease liability on the commencement date of the lease term and credits the right-of-use asset, and transactions in which the anticipated liability is recognized and credited to the cost of the related asset due to the existence of an obligation to dispose of fixed assets, etc.), the taxable temporary differences and deductible temporary differences arising from the initial recognition of assets and liabilities of the transaction are recognised by the Group as deferred tax liabilities and deferred tax assets respectively at the time of the transaction.

Deferred income tax assets and deferred income tax liabilities are offset when: the deferred income tax assets and deferred income tax liabilities are related to the same tax payer within the Group and the same taxation authority; and that tax payer within the Group has a legally right to offset current income tax assets against current income tax liabilities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 January 2025 to 31 December 2025

(All amounts expressed in RMB unless otherwise stated)

IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

22. Risk provision

Risk provision includes general risk reserve and trust compensation reserve.

(1) **General risk reserve**

Pursuant to Caijin [2012] No. 20 Notice on Issuing the Administrative Measures for the Provision of Reserves of Financial Enterprises issued by the MOF, the Company is required to appropriate no less than 1.5% of the closing balance of its risk-bearing assets to the general risk reserve. The scope of assets subject to risks and losses as specified in the above notices includes risk assets other than investment properties, fixed assets, intangible assets and deferred income tax assets. General risk reserve is appropriated from the net profit after tax for the year to cover potential losses that have not been identified and is included as a component of shareholders' equity.

(2) **Trust compensation reserve**

According to the Administrative Measures for Trust Companies (Order No. 2 [2007] of the Former CBRC), the Company is required to set aside at least 5% of its after-tax profit each year as trust compensation reserve until the accumulated total of such reserve reaches 20% of its registered capital. On 10 March 2015, as considered and approved by the Board of the Company, the Company's trust compensation reserve ratio was changed from 5% to 10% of net profit after tax each year.

23. Revenue recognition principles and measurement

Revenue is recognised by the Group based on the amount of consideration that is expects to be charged when clients obtain the control of relative goods or services.

(1) **Fee and commission income**

The Company acts as the trustee of the trust business to provide services to customers and recognises fee and commission income in accordance with the trustee's remuneration rate agreed in the contract or agreement and the accounting period in which the services are rendered.

(2) **Interest income**

Interest income is calculated by applying the effective interest rate to the gross carrying amount of financial assets, except for:

For originated or purchased credit-impaired financial assets, interest income is calculated by applying the credit-adjusted original effective interest rate to the amortised cost of the financial asset.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 January 2025 to 31 December 2025

(All amounts expressed in RMB unless otherwise stated)

IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

23. Revenue recognition principles and measurement (Continued)

(2) **Interest income (Continued)**

Financial assets that are not originated or purchased credit-impaired but have subsequently become credit-impaired (or "Stage 3"), for which interest revenue is calculated by applying the effective interest rate to the amortised cost (i.e. net of the ECL allowance).

(3) **Investment income**

Investment income includes interest income, dividend income, and profit distribution income generated from various investments, as well as realised gains or losses other than those recognised in gains or losses from changes in fair value arising from changes in the fair value of financial assets at FVTPL.

(4) **Gains or losses from changes in fair value**

Gains or losses from changes in fair value refer to gains or losses recognised in profit or loss for the current period arising from changes in the fair value of financial assets at FVTPL.

(5) **Other operating income**

Other operating income includes income realised from other operating activities apart from the aforementioned income, including property rental income.

24. Government grants

The Group's government grants are monetary assets or non-monetary assets obtained by the Group from the government free of charge, including tax refund, financial subsidies, etc.

Government grants are recognised when the Group can comply with the conditions attaching to them and the grants will be received. If a government grant is in the form of a monetary asset, it is measured at the amount received or receivable. If a government grant is in the form of a non-monetary asset, it is measured at fair value. If the fair value cannot be reliably determined, it is measured at a nominal amount.

Asset-related government grants refer to the government grants obtained by the Group for the acquisition, construction or other forms of long-term assets. Government grants related to income refer to government grants other than those related to assets.

For a government grant related to income, if the grant is a compensation for related expenses or losses to be incurred in subsequent periods, the grant is recognised as deferred income, and recognised in profit or loss over the periods in which the related costs are recognised; if the grant is a compensation for related expenses or losses already incurred, the grant is recognised immediately in profit or loss for the current period.

Government grants related to daily activities are included in operating profit, and government grants unrelated to daily activities are included in non-operating income and expenses.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 January 2025 to 31 December 2025

(All amounts expressed in RMB unless otherwise stated)

IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

25. Leases

(1) Identification of leases

Lease refers to a contract that the lessor transfers the right to use an asset to the lessee for a period of time in exchange for consideration. At the commencement date of the contract, the Group shall assess whether a contract is or contains a lease or not. It is classified as lease or contains a lease if a party transfers the right to control one or multiple identified assets for a period of time in exchange for consideration. For which, the Group evaluates whether the customer have the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use or the customer have the right to direct how and for what purpose the asset is used throughout the period of use.

If the contract contains multiple separate leases at the same time, the Group shall split the contract and account them separately. If the contract includes both lease and non-lease components, the Group shall account for the lease component of the contract separately from the non-lease component.

(2) The Group as the lessee

1) Lease recognition

At the commencement of the lease term, the Group recognises the right-of-use asset and lease liabilities for the lease.

2) Lease change

Lease change refers to the change of lease scope, lease consideration and lease term beyond the original contract terms, including the addition or termination of the right to use one or more leased assets, and the extension or shortening of the lease term specified in the contract. The effective date of lease change refers to the date when both parties reach an agreement on lease change.

If the lease changes and meets the following conditions at the same time, the Group will take the lease change as a separate lease for the accounting treatment: ① the lease change expands the lease scope or extend the lease term by increasing the right to use one or more leased assets; and ② the increased consideration is equivalent to the amount by adjusting the separate price of the expanded lease scope or the extended lease term according to the contract.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 January 2025 to 31 December 2025

(All amounts expressed in RMB unless otherwise stated)

IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

25. Leases (Continued)

(2) *The Group as the lessee (Continued)*

2) *Lease change (Continued)*

If the lease change is not taken as a separate lease for the accounting treatment, the Group will, on the effective date of the lease change, apportion the consideration of the changed contract in accordance with the relevant provisions of the leasing standards, and redetermine the changed lease term; and use the revised discount rate to discount the changed lease payment to remeasure the lease liabilities. In calculating the present value of the changed lease payment, the Group adopts the interest rate implicit in lease in the remaining lease term as the discount rate. If it is impossible to determine the interest rate implicit in lease in the remaining lease term, the Group will adopt the lessee's incremental borrowing rate at the effective date of the lease change as the discount rate. As for the impact of the above adjustment of lease liabilities, the Group carries out the accounting treatment according to the following circumstances: ① if the lease scope is reduced or the lease term is shortened due to the lease change, the lessee shall reduce the book value of the right-of-use asset and include the relevant gains or losses from the partial termination or complete termination of the lease into the current profits and losses. ② If the lease liabilities are remeasured due to the other lease changes, the lessee shall adjust the book value of the right-of-use asset accordingly.

3) *Short-term lease and low-value asset lease*

For the short-term lease with a lease term of not more than 12 months and low-value asset lease with a lower value when a single leased asset is brand new, the Group chooses not to recognise the right-of-use asset and lease liabilities. The Group will include the lease payment for short-term lease and low-value asset lease into the related asset cost or current profits and losses by the straight-line method or other systematic and reasonable methods during each lease term.

(3) *The Group as the lessor*

On the basis that the contract evaluated in (1) is the lease or includes the lease, the Group, as the lessor, divides the lease into finance leases and operating leases on the lease commencement date.

If a lease substantially transfers almost all the risks and rewards related to the ownership of the leased asset, the lessor shall classify the lease as a finance lease and other leases other than the finance lease as an operating lease.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 January 2025 to 31 December 2025

(All amounts expressed in RMB unless otherwise stated)

IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

25. Leases (Continued)

(3) The Group as the lessor (Continued)

1) Accounting treatment for finance lease

The Group has no finance lease business.

2) Accounting treatment of operating lease

When the Group leases out self-owned buildings, rental income from an operating lease is recognised on a straight-line basis over the period of the lease. Variable rent calculated at a certain proportion of the sales amount is recognised in rental income when it is incurred.

When a lease is changed, the Group regards it as a new lease from the effective date of the change, and treats the advance or receivable lease payments related to the lease before the charge as the receipts for the new lease.

26. Segment information

The Group determines the operating segments based on the internal organisational structure, management requirements and internal reporting system, and determines the reporting segments based on the operating segments and discloses the segment information. The senior management represented by the general manager is the Group's chief operating decision maker.

Segment assets and liabilities, segment revenue, expenses and operating results are measured in accordance with the Group's accounting policies. There are no differences between the accounting policies used in preparing the operating segment information and those used in the preparation of the Group's financial statements.

Segment revenue, operating results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

27. Trust business

According to the Trust Law of the People's Republic of China and other provisions, trust property is distinct from all property belonging to the trustee (hereinafter referred to as “**proprietary property**”), and shall not be included in the proprietary assets of the trustee or become part of the proprietary assets. The Group separately manages and accounts for its proprietary assets and trust assets. Trust projects managed by the Company refer to the basic units that the trustee manage, use or dispose of trust assets individually or collectively according to the provisions of the trust documents. Each trust project is regarded as an independent accounting entity to independently calculate the management, use and disposal of trust assets. Except for the trust schemes which are consolidated into the financial statements, the assets, liabilities and profit or loss arising from the trust business are not included in the financial statements of the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 January 2025 to 31 December 2025

(All amounts expressed in RMB unless otherwise stated)

IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

28. Critical accounting estimates and judgments

The Group continually evaluates the critical accounting estimates and key judgments applied based on historical experience and other factors, including reasonable expectations of future events. The critical accounting judgements and estimates that have a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are set out below. The actual results in the future may differ materially from the accounting estimates and judgments described below.

(1) **Measurement of ECL**

The measurement of the ECL allowance for financial assets measured at amortised cost and FVTOCI is an area that requires the use of complex models and significant assumptions about future microeconomics conditions and credit behaviour (e.g. the likelihood of customers defaulting and the resulting losses). The Group regularly monitors and reviews important macroeconomic assumptions and parameters related to the calculation of ECL. Explanation of the inputs, assumptions and estimation techniques used in measuring ECL is detailed in Note IX.1.(2)③, which also disclose sensitivities of the ECL to changes in these elements.

A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as: choosing appropriate models and assumptions for the measurement of ECL; determining criteria for significant increase in credit risk, defaulting and credit impairment; applying the economic indicators for forward-looking measurement, economic scenarios and weightings; and forecasting the future cash flows for corporate loans in stage 3.

(2) **Fair value of financial instruments**

The Group uses valuation technique for financial instruments which are not quoted in an active market. Valuation techniques include reference to the transaction prices determined in arm's length market transactions between knowledgeable and willing economic entities, reference to the fair value of another similar financial instrument in the market, or the use of discounted cash flow analysis and option pricing models. Valuation techniques maximise the use of market information where it is available. However, where market information is not available, the Group uses assumptions that are calibrated as closely as possible to market observable data. The management will make estimates about the Group's and the counterparty's credit risk, market volatility and correlations. Changes in these assumptions could affect the fair value of financial instruments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 January 2025 to 31 December 2025

(All amounts expressed in RMB unless otherwise stated)

IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

28. Critical accounting estimates and judgments (Continued)

(3) **Whether the Company has control over structured entities**

When the Company acts as a trustee of a trust scheme and assumes responsibility for asset management, the Company determines whether it is an agent or a principal in relation to the trust scheme to assess whether the Company controls the trust scheme and should consolidate it. In making this assessment, the Company considers a wide range of factors and reassesses them when there are changes in those factors, such as the scope of the Company's decision-making authority over the trust schemes, the power held by other parties, the remuneration to which the Company is entitled in exchange for providing the asset management services, the Company's exposure to variability of returns from other interests that it holds in the trust schemes (e.g. direct investments).

(4) **Income tax expenses**

There are some transactions and events for which the ultimate tax determination is uncertain during the ordinary course of business. Significant judgment is required in determining the provision for income taxes in each of these jurisdictions. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the amounts of the current income tax expenses and deferred income tax expenses in the period in which final determination is made.

29. Changes in significant accounting policies and accounting estimates

(1) **Changes in significant accounting policies**

The Group had no changes in significant accounting policies during the year.

(2) **Changes in significant accounting estimates**

The Group had no changes in significant accounting estimates during the year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 January 2025 to 31 December 2025

(All amounts expressed in RMB unless otherwise stated)

V. TAXES

1. Main taxes and tax rates

Tax type	Taxation basis	Tax rate
Value-added tax	For the value-added tax taxable activities occurred during the operation of asset management products by the manager of asset management products, the value-added tax shall be paid at the rate of 3%. Output tax is calculated at a tax rate of 6% on the taxable income, and is levied according to the difference after deducting deductible input tax for the current period	3%, 6%
City construction and maintenance tax	Turnover tax payable	7%
Education surcharges	Turnover tax payable	3%
Local education surcharge	Turnover tax payable	2%
Corporate income tax	Taxable income	25%

2. Tax preferences

According to Article 4 of the Notice on Clarifying the Value-added Tax Policies for Financial Real Estate Development and Education Ancillary Services (Cai Shui [2016] No. 140) issued by the MOF and the State Administration of Taxation, "the manager of asset management products shall be the value-added tax payer for the taxable activities of asset management products during the operation process."

According to the Notice on the Relevant Issues of Value-added Tax on Asset Management Products (Cai Shui [2017] No. 56) issued by the MOF and the State Administration of Taxation, a simplified tax calculation method is temporarily applicable for the value-added tax taxable activities (hereinafter referred to as the asset management product operation business) occurred during the operation of asset management products by the manager of asset management products (hereinafter referred to as the manager), and the value-added tax shall be paid at the rate of 3%.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 January 2025 to 31 December 2025

(All amounts expressed in RMB unless otherwise stated)

VI. NOTES TO MAJOR ITEMS IN THE FINANCIAL STATEMENTS

For the financial statements data disclosed below, unless otherwise stated, the “opening” refers to 1 January 2025; and the “closing” refers to 31 December 2025. The “current year” refers to the period from 1 January 2025 to 31 December 2025; and the “previous year” refers to the period from 1 January 2024 to 31 December 2024. The currency unit is RMB.

1. Monetary assets

Item	Closing balance	Opening balance
Cash on hand		
Bank deposit	72,511,177.00	265,767,560.81
Other monetary assets	88,229,500.64	325,900,349.38
Total	160,740,677.64	591,667,910.19
Including: Total amount deposited overseas		

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

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

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

2. Accounts receivable

(1) Classification of accounts receivable

Item	Closing balance	Opening balance
Original value of accounts receivable	99,984,003.29	103,637,529.18
Less: bad debt provision	8,265,585.63	4,972,679.41
Net value of accounts receivable	91,718,417.66	98,664,849.77

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 January 2025 to 31 December 2025

(All amounts expressed in RMB unless otherwise stated)

VI. NOTES TO MAJOR ITEMS IN THE FINANCIAL STATEMENTS (CONTINUED)

2. Accounts receivable (Continued)

(2) Accounts receivable classified and presented by provision for bad debts

Category	Book balance		Closing balance		Book value
	Amount	Proportion (%)	Amount	Provision ratio (%)	
Provision for bad debts made according to the general model of expected credit losses	99,984,003.29	100.00	8,265,585.63	8.27	91,718,417.66
Total	99,984,003.29	100.00	8,265,585.63	8.27	91,718,417.66

(Continued)

Category	Book balance		Opening balance		Book value
	Amount	Proportion (%)	Amount	Provision ratio (%)	
Provision for bad debts made according to the general model of expected credit losses	103,637,529.18	100.00	4,972,679.41	4.80	98,664,849.77
Total	103,637,529.18	100.00	4,972,679.41	4.80	98,664,849.77

(3) Provision for bad debts accrued, recovered or reversed during the year for accounts receivables

Category	Opening balance	Provision	Change in the year			Closing balance
			Recovery or reversal	Resale or write-off	Others	
Provision for bad debts of accounts receivable	4,972,679.41	3,292,906.22				8,265,585.63
Total	4,972,679.41	3,292,906.22				8,265,585.63

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 January 2025 to 31 December 2025

(All amounts expressed in RMB unless otherwise stated)

VI. NOTES TO MAJOR ITEMS IN THE FINANCIAL STATEMENTS (CONTINUED)

2. Accounts receivable (Continued)

(4) Accounts receivable without write-off for the current year

(5) Top five accounts receivable by closing balance collected by debtors

Name of entities	Closing balance of accounts receivable	Percentage of total closing balance of accounts receivable (%)	Closing balance of provision for bad debts of accounts receivable
Entity 1	12,699,720.81	12.70	
Entity 2	12,178,573.40	12.18	1,305,543.07
Entity 3	1,943,933.95	1.94	208,389.72
Entity 4	1,468,523.84	1.47	157,425.76
Entity 5	1,112,533.38	1.11	119,263.58
Total	29,403,285.38	29.40	1,790,622.13

3. Financial assets purchased under resale agreements

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

4. Loans and advances to customers

(1) Information on loans and advances to customers

Item	Book balance	Closing 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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 January 2025 to 31 December 2025

(All amounts expressed in RMB unless otherwise stated)

VI. NOTES TO MAJOR ITEMS IN THE FINANCIAL STATEMENTS (CONTINUED)

4. Loans and advances to customers (Continued)

(1) Information on loans and advances to customers (Continued)

(Continued)

Item	Book balance	Opening balance	
		Loss allowance	Book value
Principal	2,420,407,102.47	391,637,105.61	2,028,769,996.86
Accrued interests	137,788,622.53	7,506,264.18	130,282,358.35
Total	2,558,195,725.00	399,143,369.79	2,159,052,355.21

Changes of impairment reserves for loans and advances to customers in current year

Item	Opening balance	Increase in current year	Decrease in current year	Closing balance
Principal	391,637,105.61	55,595,410.09		447,232,515.70
Accrued interests	7,506,264.18	-7,488,336.55		17,927.63
Total	399,143,369.79	48,107,073.54		447,250,443.33

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 January 2025 to 31 December 2025

(All amounts expressed in RMB unless otherwise stated)

VI. NOTES TO MAJOR ITEMS IN THE FINANCIAL STATEMENTS (CONTINUED)

4. Loans and advances to customers (Continued)

(2) Accrual of impairment reserves for loans and advances to customers

	Stage 1 Expected credit loss for the next 12 months	Stage 2 Expected credit loss for the entire duration (no credit impairment)	Stage 3 Expected credit losses for the entire duration (credit impairment has occurred)	Total
Provision for bad debts				
Balance as of 1 January 2025	32,922,801.46		366,220,568.33	399,143,369.79
Balance as of 1 January 2025 in current year				
– Transfer to stage 2				
– Transfer to stage 3	-24,005,515.11		24,005,515.11	
– Reverse to stage 2				
– Reverse to stage 1				
Accrual in current year	-2,380,219.04		50,487,292.58	48,107,073.54
Reversal in current year				
Cancellation in current year				
Charge off in current year				
Other changes				
Balance as of 31 December 2025	6,537,067.31		440,713,376.02	447,250,443.33

(3) No loans and advances to customers were actually written off in current year

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 January 2025 to 31 December 2025

(All amounts expressed in RMB unless otherwise stated)

VI. NOTES TO MAJOR ITEMS IN THE FINANCIAL STATEMENTS (CONTINUED)

5. Financial assets held for trading

Item	Closing balance	Opening balance
Financial assets at fair value through profit or loss	4,413,485,462.45	4,372,519,376.33
Including: Stock investments	1,801,404,297.11	1,723,067,586.73
Public fund investments	157,538,070.29	515,420,374.36
Investments in asset management plans	941,380,633.67	917,316,028.98
Bonds investment	1,505.00	10,659,155.00
Unlisted company equity investments	271,103,304.94	910,100,285.69
Trust Industry Protection Fund	137,194,997.22	116,250,562.09
Investment trust schemes	160,933,628.34	163,999,597.09
Bank wealth management	943,929,025.88	15,705,786.39
Total	4,413,485,462.45	4,372,519,376.33

Note 1: The amounts mainly represent the Group's investments in certain asset management products managed by third party financial institutions such as banks and security companies in the PRC.

Note 2: In accordance with the notice "Administrative rule of Trust Industry Protection Fund" jointly issued by the CBIRC and Ministry of Finance of the PRC ("MOF") on 10 December 2014 (YJF [2014] No. 50) and relevant requirements in the notice issued by the CBIRC on 25 February 2015 (YJF [2015] No. 32) concerning Detailed Procedures of Collection and Administration of Trust Industry Protection Fund, trust companies in China are required to make contributions to the Trust Industry Protection Fund (the "Fund") that was established and managed by China Trust Protection Fund Co., Ltd., a company established jointly by China Trust Association and certain trust companies in China. The amount of contributions to the Fund consists of the following components:

- 1% of the trust company's net assets at the end of proceeding financial year as each trust company's own contribution, subject to the dynamic adjustment based on the net asset balance in the preceding year prior to the end of April every year.
- 1% of total proceeds received from issuance of each trust product. For financing trust schemes, the Fund is subscribed by the borrower through the trust company. For trust products which invest in standardised financial products, the Fund is contributed by the trust company.
- For a new property trust, the Fund is contributed by the trust company at 5% of the company's remuneration.
- The Fund can only be utilised when the trust company has entered into restructuring, bankruptcy, liquidation or liquidity crisis due to continuous operating losses. The Fund can be invested in bank deposits, inter-bank market, government bonds, PBOC notes, financial bonds, money market funds etc.

As of 31 December 2025, the Group should contribute RMB137,194,997.22 to the Fund in accordance with the aforesaid requirement, and has paid it in full.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 January 2025 to 31 December 2025

(All amounts expressed in RMB unless otherwise stated)

VI. NOTES TO MAJOR ITEMS IN THE FINANCIAL STATEMENTS (CONTINUED)

6. Debt investments

(1) Details of debt investments

Item	Book balance	Closing 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

(Continued)

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 January 2025 to 31 December 2025

(All amounts expressed in RMB unless otherwise stated)

VI. NOTES TO MAJOR ITEMS IN THE FINANCIAL STATEMENTS (CONTINUED)

6. Debt investments (Continued)

(1) Details of debt investments (Continued)

Changes in impairment reserves of debt investment in current year

Item	Opening balance	Increase in current year	Decrease in current year	Closing balance
Principal	2,563,179,931.84	258,310,887.19	419,701,787.74	2,401,789,031.29
Accrued interests				
Total	2,563,179,931.84	258,310,887.19	419,701,787.74	2,401,789,031.29

(2) Accrual of impairment reserve for debt investment

	Stage 1 Expected credit loss for the next 12 months	Stage 2 Expected credit loss for the entire duration (no credit impairment)	Stage 3 Expected credit losses for the entire duration (credit impairment has occurred)	Total
Provision for bad debts				
Balance as of 1 January 2025	48,346,732.19		2,514,833,199.65	2,563,179,931.84
Balance as of 1 January 2025 in current year				
- Transfer to stage 2				
- Transfer to stage 3				
- Reverse to stage 2				
- Reverse to stage 1				
Accrual in current year	-1,256,579.02		259,567,466.21	258,310,887.19
Reversal in current year				
Cancellation in current year			419,701,787.74	419,701,787.74
Charge off in current year				
Other changes				
Balance as of 31 December 2025	47,090,153.17		2,354,698,878.12	2,401,789,031.29

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 January 2025 to 31 December 2025

(All amounts expressed in RMB unless otherwise stated)

VI. NOTES TO MAJOR ITEMS IN THE FINANCIAL STATEMENTS (CONTINUED)

7. Other equity instrument investments

(1) Other equity instrument investments

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 January 2025 to 31 December 2025

(All amounts expressed in RMB unless otherwise stated)

VI. NOTES TO MAJOR ITEMS IN THE FINANCIAL STATEMENTS (CONTINUED)

8. Long-term equity investments

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

(1) Associates accounted for using equity method

Investee	Opening balance (Book value)	Increase investment	Reduce investment	Increase or decrease in current year						Closing balance (Book value)	Balance of provision for impairment at the end of the year
				Investment profit confirmed under equity method	Adjustment of other comprehensive income	Change in other equities	Declared cash dividend or profit	Accrual of impairment reserve	Others		
Sinotruk Auto Finance Co., Ltd.	230,065,215.78			8,548,864.58	-25,576.91					238,588,503.45	
Taishan Property & Casualty Insurance Co., Ltd.	167,709,840.96			53,041.67	-1,890,711.90					165,872,170.73	
Anhui Luxin Private Equity Investment Fund Management Co., Ltd.	5,968,442.18			302,667.15						6,271,109.33	
Total	403,743,498.92			8,904,573.40	-1,916,288.81					410,731,783.51	

(2) Enterprises invested by the consolidated structured entities

Item	Closing balance	Opening balance
Opening balance	319,638,687.35	322,478,427.00
Increase in current year		
Decrease in current year		
Other change	-55,203,563.35	-2,839,739.65
Closing balance	264,435,124.00	319,638,687.35

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 January 2025 to 31 December 2025

(All amounts expressed in RMB unless otherwise stated)

VI. NOTES TO MAJOR ITEMS IN THE FINANCIAL STATEMENTS (CONTINUED)

9. Investment properties

(1) Investment properties measured by cost method

Item	House and buildings	Land use rights	Total
I. Original book value			
1. Opening balance	288,817,769.59		288,817,769.59
2. Increase in current year			
3. Decrease in current year			
4. Closing balance	288,817,769.59		288,817,769.59
II. Accumulated depreciation and accumulated amortisation			
1. Opening balance	85,497,434.21		85,497,434.21
2. Increase in current year	9,500,576.29		9,500,576.29
(1) Provision or amortisation	9,500,576.29		9,500,576.29
(2) Transfer from fixed assets or construction in process			
3. Decrease in current year			
4. Closing balance	94,998,010.50		94,998,010.50
III. Impairment reserve			
1. Opening balance			
2. Closing balance			
IV. Book value			
1. Book value at the end of the year	193,819,759.09		193,819,759.09
2. Book value at the beginning of the year	203,320,335.38		203,320,335.38

(2) The Group had no investment properties without the property right certificate

10. Fixed assets

Item	Book value at the end of the year	Book value at the beginning of the year
Fixed assets	28,975,245.90	36,517,936.29
Liquidation of fixed assets		
Total	28,975,245.90	36,517,936.29

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 January 2025 to 31 December 2025

(All amounts expressed in RMB unless otherwise stated)

VI. NOTES TO MAJOR ITEMS IN THE FINANCIAL STATEMENTS (CONTINUED)

10. Fixed assets (Continued)

10.1 Fixed assets

(1) Situations of fixed assets

Item	House and buildings	Transport tool	Electronic equipment	Office equipment	Total
I. Original book value					
1. Opening balance	15,735,523.11	2,799,452.06	36,614,401.75	9,458,632.89	64,608,009.81
2. Increase in current year			857,700.65	3,300.00	861,000.65
(1) Purchase			857,700.65	3,300.00	861,000.65
3. Decrease in current year			1,204,646.37		1,204,646.37
(1) Disposal or retirement			1,204,646.37		1,204,646.37
(2) Transfer to investment properties					
4. Closing balance	15,735,523.11	2,799,452.06	36,267,456.03	9,461,932.89	64,264,364.09
II. Accumulated depreciation					
1. Opening balance	2,350,797.10	2,269,008.21	18,751,225.49	4,719,042.72	28,090,073.52
2. Increase in current year	507,111.00	247,756.32	5,965,013.14	1,647,690.26	8,367,570.72
(1) Provision	507,111.00	247,756.32	5,965,013.14	1,647,690.26	8,367,570.72
3. Decrease in current year			1,168,526.05		1,168,526.05
(1) Disposal or retirement			1,168,526.05		1,168,526.05
(2) Transfer to investment properties					
4. Closing balance	2,857,908.10	2,516,764.53	23,547,712.58	6,366,732.98	35,289,118.19
III. Impairment reserve					
1. Opening balance					
2. Closing balance					
IV. Book value					
1. Book value at the end of the year	12,877,615.01	282,687.53	12,719,743.45	3,095,199.91	28,975,245.90
2. Book value at the beginning of the year	13,384,726.01	530,443.85	17,863,176.26	4,739,590.17	36,517,936.29

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 January 2025 to 31 December 2025

(All amounts expressed in RMB unless otherwise stated)

VI. NOTES TO MAJOR ITEMS IN THE FINANCIAL STATEMENTS (CONTINUED)

10. Fixed assets (Continued)

10.1 Fixed assets (Continued)

(2) As of 31 December 2025, the Group temporarily had no idle fixed assets

(3) As of 31 December 2025, the Group had no fixed assets for which the property right certificates have not been completed

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 January 2025 to 31 December 2025

(All amounts expressed in RMB unless otherwise stated)

VI. NOTES TO MAJOR ITEMS IN THE FINANCIAL STATEMENTS (CONTINUED)

11. Right-of-use assets

Item	House and buildings	Total
I. Original book value		
1. Opening balance	75,616,207.22	75,616,207.22
2. Increase in current year	5,576,693.33	5,576,693.33
(1) Rent	5,576,693.33	5,576,693.33
3. Decrease in current year	5,286,642.03	5,286,642.03
(1) Disposal	5,286,642.03	5,286,642.03
4. Closing balance	75,906,258.52	75,906,258.52
II. Accumulated depreciation		
1. Opening balance	51,359,609.18	51,359,609.18
2. Increase in current year	20,093,325.29	20,093,325.29
(1) Provision	20,093,325.29	20,093,325.29
3. Decrease in current year	5,286,642.17	5,286,642.17
(1) Disposal	5,286,642.17	5,286,642.17
4. Closing balance	66,166,292.30	66,166,292.30
III. Impairment reserve		
1. Opening balance		
2. Closing balance		
IV. Book value		
1. Book value at the end of the year	9,739,966.22	9,739,966.22
2. Book value at the beginning of the year	24,256,598.04	24,256,598.04

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 January 2025 to 31 December 2025

(All amounts expressed in RMB unless otherwise stated)

VI. NOTES TO MAJOR ITEMS IN THE FINANCIAL STATEMENTS (CONTINUED)

12. Intangible assets

(1) Details of intangible assets

Item	Land use rights	Software	Total
I. Original book value			
1. Opening balance	15,566,146.46	82,436,002.84	98,002,149.30
2. Increase in current year		18,316,575.32	18,316,575.32
(1) Purchase		18,316,575.32	18,316,575.32
3. Decrease in current year			
4. Closing balance	15,566,146.46	100,752,578.16	116,318,724.62
II. Accumulated amortisation			
1. Opening balance	15,566,146.46	39,133,758.25	54,699,904.71
2. Increase in current year		14,430,951.25	14,430,951.25
(1) Provision		14,430,951.25	14,430,951.25
3. Decrease in current year			
4. Closing balance	15,566,146.46	53,564,709.50	69,130,855.96
III. Impairment reserve			
1. Opening balance			
2. Closing balance			
IV. Book value			
1. Book value at the end of the year		47,187,868.66	47,187,868.66
2. Book value at the beginning of the year		43,302,244.59	43,302,244.59

(2) As at 31 December 2025, the Group had no land use rights without the proprietorship certificate

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 January 2025 to 31 December 2025

(All amounts expressed in RMB unless otherwise stated)

VI. NOTES TO MAJOR ITEMS IN THE FINANCIAL STATEMENTS (CONTINUED)

13. Long-term amortisation expenses

Item	Opening balance	Increase in current year	Amortisation in current year	Other decreases in current year	Closing balance
Decoration expense	14,272,552.24	75,591.61	11,206,892.05		3,141,251.80
Total	14,272,552.24	75,591.61	11,206,892.05		3,141,251.80

14. Deferred income tax assets and deferred income tax liabilities

(1) Deferred tax assets without offsetting

Item	Closing balance		Opening balance	
	Deductible temporary difference	Deferred income tax assets	Deductible temporary difference	Deferred income tax assets
Deductible loss	184,541,615.95	46,135,403.99		
Assets impairment reserve	2,800,872,179.30	700,218,044.82	2,880,334,992.44	720,083,748.12
Accrued but unpaid wages and bonuses	139,479,020.68	34,869,755.17	100,065,888.28	25,016,472.07
Fair value change	107,287,746.99	26,821,936.75	106,559,760.00	26,639,940.00
Provisions	60,078,812.90	15,019,703.23	166,494,338.30	41,623,584.58
Lease liabilities	10,845,881.06	2,711,470.27	18,570,288.79	4,642,572.20
Depreciation and amortisation	1,641,382.19	410,345.55		
Fair value change of other equity instrument investments	63,631,192.30	15,907,798.08		
Accumulated profit or loss of consolidated trust scheme attributable to the Company	21,053,259.08	5,263,314.77	9,371,520.55	2,342,880.14
Others	721,165.44	180,291.36		
Total	3,390,152,255.89	847,538,063.99	3,281,396,788.36	820,349,197.11

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 January 2025 to 31 December 2025

(All amounts expressed in RMB unless otherwise stated)

VI. NOTES TO MAJOR ITEMS IN THE FINANCIAL STATEMENTS (CONTINUED)

14. Deferred income tax assets and deferred income tax liabilities (Continued)

(2) Deferred income tax liabilities without offsetting

Item	Closing balance		Opening balance	
	Taxable temporary difference	Deferred income tax liabilities	Taxable temporary difference	Deferred income tax liabilities
Changes in fair value on financial assets at fair value through profit or loss	1,047,785,838.40	261,946,459.61	900,635,441.06	225,158,860.27
Right-of-use assets	11,721,487.51	2,930,371.88	27,370,417.25	6,842,604.31
Total	1,059,507,325.91	264,876,831.49	928,005,858.31	232,001,464.58

(3) Net deferred income tax assets or liabilities presented after offset

Item	Year-end offset amount of deferred income tax assets and liabilities	Closing balance of deferred income tax assets or liabilities after offset	Offset amount between deferred income tax assets and liabilities at the beginning of the year	
			Opening balance of deferred income tax assets or liabilities after offset	
Deferred income tax assets	264,876,831.49	582,661,232.50	232,001,464.58	588,347,732.53
Deferred income tax liabilities	264,876,831.49		232,001,464.58	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 January 2025 to 31 December 2025

(All amounts expressed in RMB unless otherwise stated)

VI. NOTES TO MAJOR ITEMS IN THE FINANCIAL STATEMENTS (CONTINUED)

15. Other assets

Item	Closing balance	Opening balance
Advance payments	23,753,164.31	28,686,080.32
Other receivables	300,833,011.71	252,241,144.81
Other assets	120,199,583.97	156,672,411.84
Total	444,785,759.99	437,599,636.97

15.1 Advance payments

(1) Aging of advance payments

Item	Closing balance		Opening balance	
	Amount	Percentage (%)	Amount	Percentage (%)
Within 1 year	14,755,354.71	62.12	19,873,523.69	69.28
1-2 years	1,569,063.95	6.61	7,693,937.98	26.82
2-3 years	6,360,000.00	26.77	999,311.69	3.48
Over 3 years	1,068,745.65	4.50	119,306.96	0.42
Total	23,753,164.31	100.00	28,686,080.32	100.00

(2) Top five advance payments by closing balance collected by prepaid target

Name of entities	Closing balance	Aging	Proportion in the total amount of the closing balance of advance payment (%)
Entity 1	17,131,577.06	Within 4 years	72.12
Entity 2	3,086,320.70	Within 2 years	12.99
Entity 3	1,740,000.00	Within 3 years	7.33
Entity 4	570,000.00	Within 3 years	2.40
Entity 5	494,450.00	Within 1 year	2.08
Total	23,022,347.76		96.92

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 January 2025 to 31 December 2025

(All amounts expressed in RMB unless otherwise stated)

VI. NOTES TO MAJOR ITEMS IN THE FINANCIAL STATEMENTS (CONTINUED)

15. Other assets (Continued)

15.2 Other receivables

(1) Other receivables categorised by nature

Nature of payment	Book balance at the end of the year	Book balance at the beginning of the year
Advance to Trust Industry Protection Fund	6,801,858.89	11,804,782.68
Receivable from court settled litigation	13,213,540.00	13,174,120.00
Current accounts	102,837,347.63	89,952,782.71
Advances	121,715,059.68	81,301,265.35
Deposit	1,336,006.32	1,589,230.36
Asset transfers	95,730,501.99	95,730,501.99
Others	55,621.00	1,854,383.00
Total	341,689,935.51	295,407,066.09

(2) Other receivables presented by aging

Aging	Closing balance
Within 1 year (inclusive)	75,850,383.40
1-2 years	63,852,968.26
2-3 years	23,210,537.82
Over 3 years	178,776,046.03
Total	341,689,935.51

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 January 2025 to 31 December 2025

(All amounts expressed in RMB unless otherwise stated)

VI. NOTES TO MAJOR ITEMS IN THE FINANCIAL STATEMENTS (CONTINUED)

15. Other assets (Continued)

15.2 Other receivables (Continued)

(3) Other receivables classified and presented by provision for bad debts

Category	Book balance		Closing balance		Book value
	Amount	Percentage	Amount	Provision for bad debts	
		(%)		Provision ratio (%)	
Provision for bad debts made according to the general model of expected credit losses	341,689,935.51	100.00	40,856,923.80	11.96	300,833,011.71
Total	341,689,935.51	100.00	40,856,923.80	11.96	300,833,011.71

(Continued)

Category	Book balance		Closing balance		Book value
	Amount	Percentage	Amount	Provision for bad debts	
		(%)		Provision ratio (%)	
Provision for bad debts made according to the general model of expected credit losses	295,407,066.09	100.00	43,165,921.28	14.61	252,241,144.81
Total	295,407,066.09	100.00	43,165,921.28	14.61	252,241,144.81

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 January 2025 to 31 December 2025

(All amounts expressed in RMB unless otherwise stated)

VI. NOTES TO MAJOR ITEMS IN THE FINANCIAL STATEMENTS (CONTINUED)

15. Other assets (Continued)

15.2 Other receivables (Continued)

(3) Other receivables classified and presented by provision for bad debts (Continued)

- 1) Provision for bad debts made according to the general model of expected credit losses for other receivables

Provision for bad debts	Stage 1	Stage 2	Stage 3	Total
	Expected credit losses for the next 12 months	Expected credit loss for the entire duration (no credit impairment)	Expected credit loss for the entire duration (credit impairment has occurred)	
Balance as at 1 January 2025	768,087.69	12,851,814.07	29,546,019.52	43,165,921.28
Balance as of 1 January 2025 in current year				
- Transfer to stage 2	-129,117.12	129,117.12		
- Transfer to stage 3		-157,894.88	157,894.88	
- Reverse to stage 2		3,675,941.28	-3,675,941.28	
- Reverse to stage 1	17,305,172.00		-17,305,172.00	
Accrual in current year	-15,370,216.92	-2,168,210.88	21,499,998.73	3,961,570.93
Reversal in current year				
Cancellation in current year			6,270,568.41	6,270,568.41
Charge off in current year				
Other changes				
Balance as at 31 December 2025	2,573,925.65	14,330,766.71	23,952,231.44	40,856,923.80

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 January 2025 to 31 December 2025

(All amounts expressed in RMB unless otherwise stated)

VI. NOTES TO MAJOR ITEMS IN THE FINANCIAL STATEMENTS (CONTINUED)

15. Other assets (Continued)

15.2 Other receivables (Continued)

- (4) Provision for bad debts accrued, recovered or reversed during the year for other receivables

Category	Opening balance	Provision	Change in the year			Closing balance
			Recovery or reversal	Resale or write-off	Others	
Provision for bad debts of other receivables	43,165,921.28	3,961,570.93		6,270,568.41		40,856,923.80
Total	43,165,921.28	3,961,570.93		6,270,568.41		40,856,923.80

- (5) No other receivables actually written off for the year

- (6) Top five other receivables by closing balance collected by debtors

Name of entities	Nature	Closing balance	Aging	Proportion in the total amount of the closing balance of other receivables (%)	Closing balance of provision for bad debt
Entity 1	Debt transfers, advances	118,447,214.50	Within 4 years	34.67	11,467,913.00
Entity 2	Current accounts	37,119,025.47	1-2 years	10.86	
Entity 3	Current accounts	33,000,000.00	1-2 years	9.66	
Entity 4	Current accounts	24,647,566.46	1-2 years	7.21	
Entity 5	Advances	19,644,955.00	Within 1 year	5.75	1,051,005.09
Total		232,858,761.43		68.15	12,518,918.09

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 January 2025 to 31 December 2025

(All amounts expressed in RMB unless otherwise stated)

VI. NOTES TO MAJOR ITEMS IN THE FINANCIAL STATEMENTS (CONTINUED)

15. Other assets (Continued)

15.3 Other assets

Item	Carrying balance	Closing balance Provision for impairment/decline in value	Carrying amount
Investment in artworks	48,890,766.81	37,335,983.28	11,554,783.53
Assets for debt settlement	39,901,943.06	2,064,588.45	37,837,354.61
Prepaid corporate income tax	70,806,349.04		70,806,349.04
Others	1,096.79		1,096.79
Total	159,600,155.70	39,400,571.73	120,199,583.97

(Continued)

Item	Carrying balance	Opening balance Provision for impairment/decline in value	Carrying amount
Investment in artworks	48,890,766.81	25,600,488.74	23,290,278.07
Assets for debt settlement	63,201,943.06	2,064,588.45	61,137,354.61
Prepaid corporate income tax	72,239,051.84		72,239,051.84
Others	5,727.32		5,727.32
Total	184,337,489.03	27,665,077.19	156,672,411.84

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 January 2025 to 31 December 2025

(All amounts expressed in RMB unless otherwise stated)

VI. NOTES TO MAJOR ITEMS IN THE FINANCIAL STATEMENTS (CONTINUED)

16. Short-term borrowings

(1) The category of short-term borrowings

Category	Closing balance	Opening balance
Borrowing from China Trust Protection Fund Co., Ltd.		280,484,583.34
Total		280,484,583.34

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

17. Employment benefits payable

(1) The category of employee benefits payable

Item	Opening balance	Increase in current	Decrease in current year	Closing balance
Short-term remunerations	81,028,661.98	153,842,105.88	114,501,138.43	120,369,629.43
Long-term remunerations	19,037,226.30			19,037,226.30
Post-employment benefits – defined contribution plan		17,113,375.36	17,113,375.36	
Termination benefits		716,793.67	716,793.67	
Total	100,065,888.28	171,672,274.91	132,331,307.46	139,406,855.73

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 January 2025 to 31 December 2025

(All amounts expressed in RMB unless otherwise stated)

VI. NOTES TO MAJOR ITEMS IN THE FINANCIAL STATEMENTS (CONTINUED)

17. Employment benefits payable (Continued)

(2) Short-term remuneration

Item	Opening balance	Increase for the year	Decrease for the year	Closing balance
Salaries, bonuses, allowances and subsidies	80,942,861.98	127,995,500.00	88,848,732.55	120,089,629.43
Staff welfare		6,116,593.31	6,116,593.31	
Social insurance		5,570,466.05	5,570,466.05	
Including: Medical insurance		5,427,555.96	5,427,555.96	
Work-related injury insurance		128,998.07	128,998.07	
Maternity insurance		13,912.02	13,912.02	
Housing provident fund		8,436,422.97	8,436,422.97	
Supplemental medical insurance		2,789,240.14	2,789,240.14	
Labour union funds and employee education funds	85,800.00	2,933,883.41	2,739,683.41	280,000.00
Total	81,028,661.98	153,842,105.88	114,501,138.43	120,369,629.43

(3) Long-term remunerations

Item	Opening balance	Increase for the year	Decrease for the year	Closing balance
Bonuses, allowances and subsidies	19,037,226.30			19,037,226.30
Total	19,037,226.30			19,037,226.30

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 January 2025 to 31 December 2025

(All amounts expressed in RMB unless otherwise stated)

VI. NOTES TO MAJOR ITEMS IN THE FINANCIAL STATEMENTS (CONTINUED)

17. Employment benefits payable (Continued)

(4) Defined contribution plans

Item	Opening balance	Increase for the year	Decrease for the year	Closing balance
Basic pension insurance		10,689,305.64	10,689,305.64	
Unemployment insurance		458,291.69	458,291.69	
Contributions to enterprise annuity		5,965,778.03	5,965,778.03	
Total		17,113,375.36	17,113,375.36	

18. Taxes payable

Item	Closing balance	Opening balance
Corporate income tax		
Value-added tax	49,765,503.03	57,970,213.81
Individual income tax	4,036,700.86	3,044,724.29
City maintenance and construction tax	816,059.72	1,110,623.66
Stamp duty	241,802.71	451,361.65
Property tax	295,860.91	408,556.40
Education surcharges	349,739.89	475,981.57
Regional education surcharges	233,159.91	317,321.04
Land-use tax	37,277.16	37,277.16
Total	55,776,104.19	63,816,059.58

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 January 2025 to 31 December 2025

(All amounts expressed in RMB unless otherwise stated)

VI. NOTES TO MAJOR ITEMS IN THE FINANCIAL STATEMENTS (CONTINUED)

19. Accounts payable

Item	Closing Balance	Opening balance
Payment to suppliers	7,303,311.20	9,579,668.88
Total	7,303,311.20	9,579,668.88

20. Contractual liabilities

Item	Closing Balance	Opening balance
Receipt in advance from other special businesses		3,134,933.93
Total		3,134,933.93

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 January 2025 to 31 December 2025

(All amounts expressed in RMB unless otherwise stated)

VI. NOTES TO MAJOR ITEMS IN THE FINANCIAL STATEMENTS (CONTINUED)

21. Provisions

Item	Closing Balance	Opening balance	Reason
Litigation compensation	60,078,812.90	166,494,338.30	Litigation
Total	60,078,812.90	166,494,338.30	

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

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

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

22. Lease liabilities

Item	Closing balance	Opening balance
Lease payment	3,938,374.68	16,916,059.88
Less: Unrecognised finance charges	158,314.37	571,892.18
Total	3,780,060.31	16,344,167.70

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 January 2025 to 31 December 2025

(All amounts expressed in RMB unless otherwise stated)

VI. NOTES TO MAJOR ITEMS IN THE FINANCIAL STATEMENTS (CONTINUED)

23. Other liabilities

Item	Closing balance	Opening balance
Receipt in advance	925,312.48	57,788,174.26
Other payables	760,367,836.16	769,526,006.33
Other liabilities	1,408,809,437.75	1,575,377,935.44
Total	2,170,102,586.39	2,402,692,116.03

23.1 Receipt in advance

Category	Closing balance	Opening balance
Deferred trustee's remuneration income	721,165.44	7,788,174.26
Advance receipts for debt transfers		50,000,000.00
Advance receipts for rents	204,147.04	
Total	925,312.48	57,788,174.26

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 January 2025 to 31 December 2025

(All amounts expressed in RMB unless otherwise stated)

VI. NOTES TO MAJOR ITEMS IN THE FINANCIAL STATEMENTS (CONTINUED)

23. Other liabilities (Continued)

23.2 Other payables

Nature of account	Closing balance	Opening balance
Receipt in advance from borrowers	242,714,048.61	279,953,244.16
Payables to National Council for Social Security Fund	227,451,700.87	227,451,700.87
Advances from trust schemes and other investments	266,284,040.46	242,423,039.33
Others	23,918,046.22	19,698,021.97
Total	760,367,836.16	769,526,006.33

Note 1: Receipt in advance from borrowers represents that the Company collects the Trust Industry Protection Fund on behalf of the financiers of the financing trust schemes in accordance with the regulations, and then pays the fund to the China Trust Industry Protection Fund. As at 31 December 2025, the amount of the Trust Industry Protection Fund collected on behalf by the Company but unpaid was RMB243 million (31 December 2024: RMB280 million).

Note 2: Advances 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 January 2025 to 31 December 2025

(All amounts expressed in RMB unless otherwise stated)

VI. NOTES TO MAJOR ITEMS IN THE FINANCIAL STATEMENTS (CONTINUED)

23. Other liabilities (Continued)

23.3 Other liabilities

Item	Closing balance	Opening balance
Net assets attributable to third-party trust beneficiaries of consolidated structured entities	703,725,133.46	870,563,503.44
Non-current funds provided by CTPF	700,000,000.00	700,000,000.00
Interests payable to CTPF	1,624,000.00	1,522,500.00
Others	3,460,304.29	3,291,932.00
Total	1,408,809,437.75	1,575,377,935.44

Note 1: The net assets attributable to third-party trust beneficiaries of consolidated structured entities refer to the share attributable to third-party trust beneficiaries in the net assets of consolidated structured entities, see Note VIII.1.(2).

Note 2: According to the Notice on Promoting Cooperation between Trust Companies and Professional Institutions to Dispose of Risk Assets (Yin Bao Jian Ban Fa [2021] No. 55), in order to improve liquidity, the Company and China Trust Protection Fund Co., Ltd. ("CTPF") engaged in business cooperation. As at the end of 2025, the Company had received non-current funds amounting to RMB700 million provided by CTPF.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 January 2025 to 31 December 2025

(All amounts expressed in RMB unless otherwise stated)

VI. NOTES TO MAJOR ITEMS IN THE FINANCIAL STATEMENTS (CONTINUED)

24. Share capital

Item	Opening balance	Increase or decrease for the year (+, -)				Subtotal	Closing balance
		Issuance of new shares	Bonus shares	Reserve transferred to shares	Others		
Shandong Luxin Investment Holdings Group Co., Ltd.	2,242,202,578.74						2,242,202,578.74
CNPC Asset Management Co., Ltd.	873,528,750.00						873,528,750.00
Shandong High-Tech Venture Capital Co., Ltd. (山東省高新技術創業投資有限公司)	225,000,000.00						225,000,000.00
Shandong Gold Group Co., Ltd. (山東黃金集團有限公司)	80,073,468.18						80,073,468.18
Weifang Investment Group Co., Ltd. (濰坊市投資集團有限公司)	60,055,101.54						60,055,101.54
Jinan Energy Investment Co., Ltd. (濟南市能源投資有限責任公司)	13,255,101.54						13,255,101.54
Listed circulating shares	1,164,735,000.00						1,164,735,000.00
Total	4,658,850,000.00						4,658,850,000.00

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 January 2025 to 31 December 2025

(All amounts expressed in RMB unless otherwise stated)

VI. NOTES TO MAJOR ITEMS IN THE FINANCIAL STATEMENTS (CONTINUED)

25. Capital reserve

Item	Opening balance	Increase for the year	Decrease for the year	Closing balance
Share premium	122,830,295.35			122,830,295.35
Other capital reserve	37,218,887.70			37,218,887.70
Total	160,049,183.05			160,049,183.05

26. Other comprehensive income

Item	Amount incurred in current year							
	Less: Amount previously included in other comprehensive income transferred				Less: Amount previously included in other comprehensive income transferred			
	Less: Amount previously included in other comprehensive income transferred				Less: Amount previously included in other comprehensive income transferred			
	Less: Amount previously included in other comprehensive income transferred				Less: Amount previously included in other comprehensive income transferred			
	Opening Balance	Amount before income tax in the current year	income transferred to profit or loss for the period	Less: Amount previously included in other comprehensive income transferred to retained earnings for the period	Less: Income tax expenses	Attributable to parent company after tax	Attributable to non-controlling interests after tax	Closing balance
I. Other comprehensive income that cannot be reclassified to profit or loss		-63,631,192.30		-15,907,798.08	-47,723,394.22			-47,723,394.22
Including: Fair value changes of other equity instrument investments		-63,631,192.30		-15,907,798.08	-47,723,394.22			-47,723,394.22
II. Other comprehensive income that will be reclassified to profit or loss	-700,909.40	-1,916,288.81				-1,916,288.81		-2,617,198.21
Including: Other comprehensive income to be reclassified to profit or loss under equity method	-700,909.40	-1,916,288.81				-1,916,288.81		-2,617,198.21
Total other comprehensive income	-700,909.40	-65,547,481.11		-15,907,798.08	-49,639,683.03			-50,340,592.43

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 January 2025 to 31 December 2025

(All amounts expressed in RMB unless otherwise stated)

VI. NOTES TO MAJOR ITEMS IN THE FINANCIAL STATEMENTS (CONTINUED)

27. Surplus reserve

Item	Opening balance	Increase for the year	Decrease for the year	Closing balance
Statutory surplus reserve	999,693,279.08	6,621,684.70		1,006,314,963.78
Discretionary surplus reserve	17,719,395.82			17,719,395.82
Total	1,017,412,674.90	6,621,684.70		1,024,034,359.60

Note: Pursuant to the Company Law of the People's Republic of China and the Articles of Association of the Company, the reason for the change in the statutory surplus reserve in the current period is that the Company accrued the statutory surplus reserve at 10.00% of the net profit of the parent company in the current year. The Company can no longer accrue the statutory surplus reserve when the reserve exceeds 50.00% of the registered capital. After approved, the statutory surplus reserve can be used to recover the loss or increase the share capital.

28. Risk provision

Item	Closing balance	Opening balance
Trust compensation provision	774,365,593.89	767,743,909.19
General risk provision	717,691,801.59	697,826,747.50
Total	1,492,057,395.48	1,465,570,656.69

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 January 2025 to 31 December 2025

(All amounts expressed in RMB unless otherwise stated)

VI. NOTES TO MAJOR ITEMS IN THE FINANCIAL STATEMENTS (CONTINUED)

28. Risk provision (Continued)

(1) Trust compensation provision

Item	Opening balance	Increase for the year	Decrease for the year	Closing balance
Trust compensation provision	767,743,909.19	6,621,684.70		774,365,593.89
Total	767,743,909.19	6,621,684.70		774,365,593.89

(2) General risk provision

Item	Opening balance	Increase for the year	Decrease for the year	Closing balance
General risk provision	697,826,747.50	19,865,054.09		717,691,801.59
Total	697,826,747.50	19,865,054.09		717,691,801.59

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 January 2025 to 31 December 2025

(All amounts expressed in RMB unless otherwise stated)

VI. NOTES TO MAJOR ITEMS IN THE FINANCIAL STATEMENTS (CONTINUED)

29. Undistributed profit

Item	Year 2025	Year 2024
Balance as at the end of last year	3,935,544,330.54	3,925,480,551.58
Add: Adjustment of undistributed profit at the beginning of the year		
Including: Retrospective adjustment according to the new provisions of the ASBE		
Changes in accounting policies		
Correction of significant prior errors		
Change of consolidation scope under common control		
Other adjustment factors		
Opening balance	3,935,544,330.54	3,925,480,551.58
Add: Net profit attributable to owners of the parent company for the current year	55,112,662.94	142,794,885.05
Less: Appropriation to statutory surplus reserve	6,621,684.70	14,571,927.03
Appropriation to discretionary surplus reserve		
Appropriation to general risk provision	19,865,054.09	103,587,252.03
Appropriation to trust compensation provision	6,621,684.70	14,571,927.03
Ordinary share dividends payable		
Ordinary share dividends transferred to share capital		
Closing balance	3,957,548,569.99	3,935,544,330.54

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 January 2025 to 31 December 2025

(All amounts expressed in RMB unless otherwise stated)

VI. NOTES TO MAJOR ITEMS IN THE FINANCIAL STATEMENTS (CONTINUED)

30. Net interest income

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

31. Net fee and commission income

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 January 2025 to 31 December 2025

(All amounts expressed in RMB unless otherwise stated)

VI. NOTES TO MAJOR ITEMS IN THE FINANCIAL STATEMENTS (CONTINUED)

32. Investment income

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

33. Gains from changes in fair value

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 January 2025 to 31 December 2025

(All amounts expressed in RMB unless otherwise stated)

VI. NOTES TO MAJOR ITEMS IN THE FINANCIAL STATEMENTS (CONTINUED)

34. Gains from changes in net assets attributable to third-party investors in consolidated structured entities

Item	Year 2025	Year 2024
Gains from changes in net assets attributable to third – party investors in consolidated structured entities	22,978,722.78	5,906,373.52
Total	22,978,722.78	5,906,373.52

35. Exchange gain

Item	Year 2025	Year 2024
Exchange gain	-0.25	0.22
Total	-0.25	0.22

36. Other operating income

Item	Year 2025	Year 2024
Revenue from leasing of investment properties	5,832,715.75	6,374,877.27
Revenue from leasing of assets for debt settlement	2,305,764.91	1,179,884.99
Other income	3,134,933.93	11,057,479.84
Total	11,273,414.59	18,612,242.10

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 January 2025 to 31 December 2025

(All amounts expressed in RMB unless otherwise stated)

VI. NOTES TO MAJOR ITEMS IN THE FINANCIAL STATEMENTS (CONTINUED)

37. Gains on disposal of assets

Item	Year 2025	Year 2024	Amount included in non-recurring profit or loss for the year
Gains on non-current asset disposal		-125,872.65	
Gains on disposal of non-current assets not classified as held for sale		-125,872.65	
Including: Gains on disposal of right-of-use assets		-125,872.65	
Total		-125,872.65	

38. Taxes and surcharges

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 January 2025 to 31 December 2025

(All amounts expressed in RMB unless otherwise stated)

VI. NOTES TO MAJOR ITEMS IN THE FINANCIAL STATEMENTS (CONTINUED)

39. Business and administration fees

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

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

40. Credit impairment losses

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 January 2025 to 31 December 2025

(All amounts expressed in RMB unless otherwise stated)

VI. NOTES TO MAJOR ITEMS IN THE FINANCIAL STATEMENTS (CONTINUED)

41. Impairment losses on other assets

Item	Year 2025	Year 2024
Impairment losses on repossessed assets		2,064,588.45
Total		2,064,588.45

42. Other operating costs

Item	Year 2025	Year 2024
Depreciation of investment properties	8,232,431.88	5,735,128.92
Other costs	6,280,690.90	159,801.70
Total	14,513,122.78	5,894,930.62

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 January 2025 to 31 December 2025

(All amounts expressed in RMB unless otherwise stated)

VI. NOTES TO MAJOR ITEMS IN THE FINANCIAL STATEMENTS (CONTINUED)

43. Non-operating income

Item	Year 2025	Year 2024	Amount included in non-recurring profit or loss for the year
Government grants	47,798.44	183,202.21	47,798.44
Others	2,000.02	287,010.91	2,000.02
Total	49,798.46	470,213.12	49,798.46

Note: The Group's government grants were various government grants related to income.

44. Non-operating expenses

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 January 2025 to 31 December 2025

(All amounts expressed in RMB unless otherwise stated)

VI. NOTES TO MAJOR ITEMS IN THE FINANCIAL STATEMENTS (CONTINUED)

45. Income tax expenses

(1) *Income tax expenses*

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

(2) *Adjustment process of accounting profit and income tax expenses*

Item	Year 2025
Consolidated total profit in current year	76,706,961.04
Income tax expense calculated at statutory/applicable tax rate	19,176,740.26
Influence of application of different tax rates to subsidiaries	
Effects from adjustments of income tax for prior periods	
Effect of non-taxable revenue	-27,974,063.21
Effects from non-deductible costs, expenses and losses	30,391,621.05
Effects from deductible losses on unrecognised deferred income tax assets in previous period	
Income tax expenses	21,594,298.10

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 January 2025 to 31 December 2025

(All amounts expressed in RMB unless otherwise stated)

VI. NOTES TO MAJOR ITEMS IN THE FINANCIAL STATEMENTS (CONTINUED)

46. Items of cash flow statement

(1) Supplementary information to the consolidated cash flow statement

Item	Amount in current year	Amount in previous year
1. Reconciliation of net profit to cash flows from operating activities:		
Net profit	55,112,662.94	142,794,885.05
Add: Credit impairment losses	325,407,932.42	304,023,654.26
Depreciation of fixed assets, depletion of oil and gas assets, depreciation of productive biological assets	17,868,147.01	18,143,004.55
Depreciation of right-of-use assets	20,093,325.29	24,379,200.53
Amortisation of intangible assets	14,430,951.25	12,190,051.66
Amortisation of long-term amortisation expenses	11,206,892.05	11,191,773.74
Loss from disposal of fixed assets, intangible assets and other long-term assets (gain indicated in "-")		-125,872.65
Loss on scrapping of fixed assets (gain indicated in "-")	23,410.32	35,013.56
Losses from changes in fair value (gain indicated in "-")	-64,866,599.20	-414,594,077.05
Financial cost	42,695,617.18	48,534,235.04
Gain in investment (gain indicated in "-")	-70,296,661.47	-6,593,288.53
Loss from changes in share of net assets attributable to third party investors in consolidated structured entities	-22,978,722.78	-5,906,373.52
Decrease in debt investments	63,585,927.76	-346,499,309.37
Decrease in financial assets held under resale agreements	-152,852,733.83	5,049,249.50
Decrease in financial assets held for trading	-382,342,279.54	416,648,846.03
Decrease in loans and advances to customers	113,354,896.14	8,300,112.75
Net investment attributable to third-party investors in consolidated structured entities	-110,469,013.57	-20,882,144.93
Decrease in deferred income tax assets	-20,311,547.96	9,066,670.84
Decrease in operating receivables	80,734,266.96	-46,991,874.30
Increase in operating payables	-141,428,374.77	-6,380,225.67
Net cash flows from operating activities	-221,031,903.80	152,383,531.49

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 January 2025 to 31 December 2025

(All amounts expressed in RMB unless otherwise stated)

VI. NOTES TO MAJOR ITEMS IN THE FINANCIAL STATEMENTS (CONTINUED)

46. Items of cash flow statement (Continued)

(1) Supplementary information to the consolidated cash flow statement (Continued)

Item	Amount in current year	Amount in previous year
2. Significant investing and financing activities not involving cash receipts and payments:		
Conversion of debt into capital		
Convertible corporate bonds due within one year		
Acquisition of fixed assets under finance leases		
3. Net changes in cash and cash equivalents:		
Closing balance of cash	160,740,677.64	476,667,910.19
Less: Opening balance of cash	476,667,910.19	168,896,884.51
Add: Closing balance of cash equivalents		
Less: Beginning balance of cash equivalents		
Net increase in cash and cash equivalents	-315,927,232.55	307,771,025.68

(2) Cash and cash equivalents

Item	Closing balance	Opening balance
Cash	160,740,677.64	476,667,910.19
Including: Cash on hand		
Bank deposits readily available for payment	72,511,177.00	150,767,560.81
Other monetary assets readily available for payment	88,229,500.64	325,900,349.38
Cash equivalents		
Closing balance of cash and cash equivalents	160,740,677.64	476,667,910.19

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 January 2025 to 31 December 2025

(All amounts expressed in RMB unless otherwise stated)

VI. NOTES TO MAJOR ITEMS IN THE FINANCIAL STATEMENTS (CONTINUED)

47. Dividend

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

48. Earnings per share

(1) Basic earnings per share

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

(2) Diluted earnings per share

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

VII. CHANGE IN SCOPE OF CONSOLIDATION

Two structural entities controlled by the Company were added in the year, thus included in the scope of consolidation. In addition, one structured entity controlled at the beginning of the period was due for liquidation in this period. See "VIII. Interests in Other Entities" in this note for details.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 January 2025 to 31 December 2025

(All amounts expressed in RMB unless otherwise stated)

VIII. INTERESTS IN OTHER ENTITIES

1. Interests in subsidiaries

(1) Composition of enterprise group

Name of subsidiary	Principal place of business	Place of incorporation	Business nature	Shareholding (%)		Acquisition method
				Direct	Indirect	
Structured entities under controlled	–	–	–	–	–	–

(2) Structured entities included in the scope of consolidated financial statements

In accordance with the Accounting Standards for Business Enterprises No. 33 – Consolidated Financial Statements, the Company will include the structured entities that participate with their own funds and meet the definition of “control” as stipulated in the standards.

A structured entity included in the scope of consolidation is a trust schemes partially established and managed by the Company. The Company shall consider the influence exerted by the Company on the trust schemes, the rights and interests entitled by the third party, the amount of remuneration obtained according to the trust contract and related agreements and the amount of variable returns obtained by the Company from the structured entity when deciding whether to include a trust scheme in the scope of consolidation. The underlying assets of such structured entities are mainly reflected in loans and advances to customers, debt investments, long-term equity investment and financial assets held for trading.

Item	Quantity/balance at end of year	Quantity/balance at beginning of year
Number of products included in consolidation (number)	31	30
Total size of the structured entities included in the consolidation	5,518,426,102.48	4,834,280,448.69
The Company's equity interests in the above-mentioned structured entities are reflected in the total scale of loans and advances, debt investments, long-term equity investment and financial assets held for trading in the balance sheet	4,961,343,525.50	4,054,030,611.75

For trust schemes that may not receive all payments from counterparties on the due dates of the trust schemes in accordance with their underlying project contracts (the “troubled trusts”), the Group may use its own funds to provide liquidity support to the trust schemes after assessing the repayment possibilities of the ultimate borrowers or other channels, the relationship with investors and the impact on the Company's reputation. If these troubled trusts meet the criteria for consolidated structured entities, the Group will consolidate these troubled trusts. As of 31 December 2025, the total assets of these consolidated trust schemes are RMB1,638 million (31 December 2024: RMB1,759 million) and the corresponding ECL is RMB346 million (31 December 2024: RMB346 million).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 January 2025 to 31 December 2025

(All amounts expressed in RMB unless otherwise stated)

VIII. INTERESTS IN OTHER ENTITIES (CONTINUED)

2. Structured entities not included in the scope of consolidated financial statements

(1) Structured entities in which the Company acts as trustee

Based on the analysis and investigation of the potential target customers, the Company designs and provides trust products to meet the needs of the customers and the proceeds are then invested in the relevant financial markets or financial products as agreed in the trust contracts. Investment income is allocated to the trustors of the trust schemes in accordance with the relevant provisions of the trust contracts, and the Company receives remuneration as the trustee of the trust schemes.

As at 31 December 2025, the size of the unconsolidated structured entities in which the Company acted as the trustee of the trust schemes was approximately RMB205.006 billion (31 December 2024: RMB208.988 billion), and the trustee's remuneration receivable from these structured entities by the Company was RMB79 million (31 December 2024: RMB99 million). In addition, the Company invests in certain of these structured entities, which are recognised as financial assets held for trading or debt investments on the balance sheet.

(2) Structured entities managed by third parties which invested by the Company

As of 31 December 2025, the Company invested in certain structured entities managed by third parties. These investments are classified as held for trading on the balance sheet. The Company did not provide any funding or other support to these structured entities.

(3) Unconsolidated structured entities invested by the Company

The Company invests in trust schemes managed by the Company as trustee and other structured entities established and managed by third parties. The Company does not control these structured entities, nor does it provide financial support or other types of support to these structured entities. Therefore, these structured entities are not consolidated.

The carrying amount and maximum exposure to loss of the unconsolidated structured entities invested by the Company in the balance sheet of the Company and the total size of the structured entities are set out as follows:

Item	31 December 2025	Maximum exposure to loss	Total size of structured entities
Unconsolidated structured entities managed and invested by the Company			
– Trading financial assets	156,325,846.52	156,325,846.52	1,116,240,332.00
– Debt investments	386,712,213.79	386,712,213.79	1,377,674,606.00
Unconsolidated structured entities managed by third parties			
– Mutual funds	95,057,633.12	95,057,633.12	Note
– Asset management schemes	863,410,243.30	863,410,243.30	Note
– Trust Industry Protection Fund	115,497,848.68	115,497,848.68	Note
– Wealth management products			Note

Note: The aggregate scale of the aforesaid public funds managed by third parties, asset management plans and the Trust Industry Protection Fund are private information.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 January 2025 to 31 December 2025

(All amounts expressed in RMB unless otherwise stated)

IX. RISKS RELATED TO FINANCIAL INSTRUMENTS

Details of the Group's major financial instruments, including financial assets held for trading, debt investments, loans and advances to customers See Note VI for details. The risks associated with these financial instruments and the risk management policies taken by the Group to mitigate these risks is described below. The management of the Group manages and monitors these risk exposures to ensure that the above risks are within the limited range.

1. Credit risk

(1) Credit risk measurement

Some of the Group's trust schemes are financing trust schemes. In this type of trust scheme, if the ultimate borrower fails to fulfil the repayment obligation, it will adversely affect the Group's right to receive fixed and variable remuneration in accordance with the trust contract. Pursuant to the trust contracts, the Group assesses and manages the default risk of the borrowers through due diligence, process approval and continuous post-lending monitoring. Measures taken by the Group to mitigate the default risk of borrowers mainly include obtaining third-party guarantees and collaterals. In most cases where the borrower defaults, the trust contract also requires the Group to take necessary mitigation and disposal measures to reduce the loss of trust assets in the best interests of the beneficiaries. However, the Group will not undertake to compensate the beneficiaries of the trust schemes for any fixed return or investment loss of the trust schemes, and such acts are prohibited by the relevant laws and regulations. The Group has no contractual obligation to provide liquidity or other support to any troubled trusts. In the past, after assessing other factors such as the likelihood of repayment by the ultimate borrower through itself or other channels and the potential impact on the Company's reputation, the Company used its own funds to make distributions to the third-party beneficiaries upon the expiry of the term of the trust schemes.

The Group's proprietary business primarily consists of granting proprietary loans and equity investments. The annual investment plan of the Company is formulated by the management of the Company, including the concentration of each type of investment, which shall be approved by the Board. Under the schemes, the Group invests in certain trust schemes, equity or unlisted equity investments, securities investment funds, loans or other asset management plans established and managed by the Company. For the Company's investments in its own trust schemes, the Group determines whether it is necessary to consolidate these trust schemes in the financial statements by assessing the impact of the Company's exposure to variable returns from these trust schemes. The presentation of the underlying assets of the consolidated trust schemes is the same as that of the parent company.

The estimation of credit risk exposure for risk management purposes is complex and requires the use of models, as the exposure varies with changes in market conditions, expected cash flows and the passage of time. The assessment of the credit risk of a portfolio of assets requires more estimates, such as the likelihood of default occurring, the associated loss rates and the correlation among counterparties. The Group uses Probability of Default (PD), Exposure at Default (EAD) and Loss Given Default (LGD) to measure credit risk. This is similar to the measurement of expected credit losses under the financial instrument standard. Please refer to Note IX.1.(2) for details.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 January 2025 to 31 December 2025

(All amounts expressed in RMB unless otherwise stated)

IX. RISKS RELATED TO FINANCIAL INSTRUMENTS (CONTINUED)

1. Credit risk (Continued)

(2) Expected credit loss (ECL) measurement

The financial instrument standard outlines a “three-stage” model for impairment based on changes in credit quality since initial recognition as summarised below:

- If credit impairment has not occurred on initial recognition, and a significant increase in credit risk (SICR) since initial recognition is not identified, the financial instrument is classified in “Stage 1” and has its credit risk continuously monitored by the Group.
- If SICR since initial recognition is identified, the financial instrument is moved to “Stage 2” but is not yet deemed to be credit impaired. Please refer to Note IX.1.(2)① for the judgement when a significant increase in credit risk has occurred.
- If the financial instrument is credit-impaired, the financial instrument is then moved to “Stage 3”. Please refer to Note IX.1.(2)② for the definition of the Group on credit-impaired and default.
- Financial instruments in Stage 1 have their ECL measured at an amount equal to the portion of lifetime ECL that result from default events possible within the next 12 months. Instruments in Stages 2 or 3 have their ECL measured based on ECL on a lifetime basis. Please refer to Note IX.1.(2)③ for a description of inputs, assumptions and estimation techniques used in measuring the ECL.
- A pervasive concept in measuring ECL in accordance with IFRS 9 is that it should consider forward-looking information. Note IX.1.(2)④ includes an explanation of how the Group has incorporated this in its ECL models.
- Purchased or originated credit-impaired financial assets are those financial assets that are credit-impaired on initial recognition. The loss reserve of these assets is the ECL on a lifetime basis.

The impairment requirement of financial instruments (other than purchased or originated credit-impaired assets):

Stage 1 (initial recognition): 12-month ECL

Stage 2 (significant increase in credit risk since initial recognition): lifetime ECL

Stage 3 (credit-impaired assets): lifetime ECL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 January 2025 to 31 December 2025

(All amounts expressed in RMB unless otherwise stated)

IX. RISKS RELATED TO FINANCIAL INSTRUMENTS (CONTINUED)

1. Credit risk (Continued)

(2) **Expected credit loss (ECL) measurement (Continued)**

The key judgements and assumptions adopted by the Group in measuring the ECL under the financial instruments standards are discussed below:

① *Significant increase in credit risk (SICR)*

The Group considers a financial instrument to have experienced a significant increase in credit risk when one or more of the following quantitative, qualitative or backstop criteria have been met:

Quantitative criteria: The borrower is more than 30 days past due on its contractual payments;

Qualitative criteria: If the borrower is on the watchlist and/or the instrument meets one or more of the following criteria:

- Significant increase in credit spread
- Actual or expected forbearance or restructuring
- Actual or expected significant adverse change in operating results of the borrower

The criteria used to identify SICR are monitored and reviewed periodically for appropriateness by the independent credit risk department.

As of 31 December 2025, no financial instrument was deemed as having low credit risk by the Group, and thus it will no longer compare whether there is significant increase in credit risk on the reporting date compared with the initial recognition.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 January 2025 to 31 December 2025

(All amounts expressed in RMB unless otherwise stated)

IX. RISKS RELATED TO FINANCIAL INSTRUMENTS (CONTINUED)

1. Credit risk (Continued)

(2) Expected credit loss (ECL) measurement (Continued)

② Definition of default and credit-impaired assets

The Group defines a financial instrument as in default, which is fully aligned with the definition of credit-impaired, when it meets one or more of the following criteria:

Quantitative criteria: The borrower is more than 90 days past due on its contractual payments;

Qualitative criteria: The borrower meets unlikelihood to pay criteria, which indicates the borrower is in significant financial difficulty. These are instances where:

- The borrower is deceased
- The borrower has severe financial difficulties or insolvency
- It is becoming probable that the borrower will enter into bankruptcy
- Financial assets are purchased or originated at a deep discount that reflects the incurred credit losses

The criteria above have been applied to all financial instruments held by the Group and are consistent with the definition of default used for internal credit risk management purposes. The default definition has been applied consistently to model the PD, EAD and LGD throughout the Group's expected loss calculations.

An instrument is considered to no longer be in default (i.e. to have cured) when it no longer meets any of the default criteria for a consecutive period of six months. This period of six months has been determined based on an analysis which considers the likelihood of a financial instrument returning to default status after cure using different possible cure definitions.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 January 2025 to 31 December 2025

(All amounts expressed in RMB unless otherwise stated)

IX. RISKS RELATED TO FINANCIAL INSTRUMENTS (CONTINUED)

1. Credit risk (Continued)

(2) Expected credit loss (ECL) measurement (Continued)

③ Measuring ECL – Explanation of inputs, assumptions and estimation techniques

The ECL is measured on either a 12-month (12M) or lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired. ECL are the discounted product of the PD, EAD, and LGD, defined as follows:

- The PD represents the likelihood of a borrower defaulting on its financial obligation, either over the next 12 months (12M PD), or over the remaining lifetime (Lifetime PD) of the obligation.
- EAD is based on the amounts the Group expects to be owed at the time of default, over the next 12 months (12M EAD) or over the remaining lifetime (Lifetime EAD).
- LGD represents the Group's expectation of the extent of loss on a defaulted exposure. LGD is expressed as a percentage loss per unit of exposure at the time of default (EAD).

The ECL is determined by projecting the PD, LGD and EAD for each future month and for each individual exposure or collective segment. These three components are multiplied together and adjusted for the likelihood of survival (i.e. the exposure has not prepaid or defaulted in an earlier month). This effectively calculates an ECL for each future month, which is then discounted back to the reporting date and summed. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof.

The Lifetime PD is developed by applying a maturity profile to the current 12M PD. The maturity profile looks at how defaults develop on a portfolio from the point of initial recognition throughout the lifetime of the loans. The maturity profile is based on historical observed data and is assumed to be the same across all assets within a portfolio and credit grade band. This is supported by historical analysis.

The 12-month and lifetime EADs are determined based on the expected payment profile.

The lifetime LGDs are determined based on the factors which impact the recoveries made post default.

Forward-looking economic information is also included in determining the 12-month and lifetime PD. Refer to Note IX.1.(2)④ for an explanation of forward-looking information and its inclusion in ECL calculations.

There have been no significant changes in estimation techniques or significant assumptions made during the Reporting Period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 January 2025 to 31 December 2025

(All amounts expressed in RMB unless otherwise stated)

IX. RISKS RELATED TO FINANCIAL INSTRUMENTS (CONTINUED)

1. Credit risk (Continued)

(2) Expected credit loss (ECL) measurement (Continued)

④ Forward-looking information incorporated in the ECL models

The calculation of SICR and ECL incorporates forward-looking information. The Group has performed historical analysis and identified the key economic variables impacting credit risk and expected credit loss.

The Group selects a series of macroeconomic indicators (including China business climate and entrepreneur confidence index and China real estate climate index) based on industry practices and expert judgments, and then establishes a statistical relationship between the actual default probability and macroeconomic factors for model exposures. The prospective results of the actual PD are obtained by calculating the predicted values of the corresponding macroeconomic factors.

In addition to the basic economic scenario, the Group provides other possible scenarios along with scenario weightings to ensure nonlinearities are captured. The number of scenarios and their attributes are reassessed at each reporting date. At 31 December 2024 and 31 December 2025, the Group concluded that three scenarios appropriately captured nonlinearities. The scenario weightings are determined by a combination of statistical analysis and expert credit judgement, taking account of the range of possible outcomes each chosen scenario is representative of. These probability weighted ECLs are determined by running each scenario through the relevant ECL model and multiplying it by the appropriate scenario weighting (as opposed to weighting the inputs).

As with any economic forecasts, the projections and likelihoods of occurrence are subject to a high degree of inherent uncertainty and therefore the actual outcomes may be significantly different to those projected. The Group considers these forecasts to represent its best estimate of the possible outcomes and has analysed the nonlinearities and asymmetries within the Group's different portfolios to establish that the chosen scenarios are appropriately representative of the range of possible scenarios.

Economic variable assumptions

The most significant period-end assumptions used for the ECL estimate as at 31 December 2025 are set out below. The scenarios "base", "upside" and "downside" were used for all portfolios. The weightings assigned to each economic scenario were 50%, 20%, and 30% respectively.

Item	Forecast for current year	Forecast for previous year
Business climate and entrepreneur confidence index	96.40~124.54	94.45~142.16
Real estate climate index	87.73~100.82	89.06~104.94

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 January 2025 to 31 December 2025

(All amounts expressed in RMB unless otherwise stated)

IX. RISKS RELATED TO FINANCIAL INSTRUMENTS (CONTINUED)

1. Credit risk (Continued)

(2) Expected credit loss (ECL) measurement (Continued)

④ Forward-looking information incorporated in the ECL models (Continued)

Sensitivity analysis

The ECL outcome is sensitive to judgement and estimations made with regards to the formulation and incorporation of multiple forward-looking economic conditions described above. As a result, management assessed and considered the sensitivity of the ECL outcome against the forward-looking economic conditions as part of the ECL governance process by recalculating the ECL for selected portfolios where 100% weighting is assigned to each of the three scenarios described above. The weighting is reflected in the measurement of the resulting ECL. This analysis excludes any management adjustment. Further details on management adjustment is provided below.

The three economic scenarios are generated to capture the bank's view of a range of possible forecast economic conditions that is sufficient for the calculation of unbiased and probability weighted ECL. Therefore, the ECLs calculated for each of the scenarios represent a range of possible outcomes that is being evaluated while arriving at the ECL. As a result, the ECL calculated for the upside and downside scenarios should not be taken to represent the upper and lower limits of possible actual ECL outcomes. The ECL sensitivity below represents an estimate based on the underlying point-in-time distribution of economic scenarios which have the potential to change rapidly as economic conditions evolve where we operate. The recalculated ECLs for each of the scenarios should be read in the context of the sensitivity analysis as a whole.

The sensitivity of ECL of loans and advances, debt investments to the future economic condition is as follows:

Item	Closing balance	Opening balance
Impairment provision after weighted average of three scenarios	2,768,538,327.11	2,895,889,204.69
ECL provision under base scenario	2,759,221,181.87	2,874,910,154.47
ECL provision under upside scenario	2,730,104,206.24	2,832,826,944.47
ECL provision under downside scenario	2,809,656,812.89	2,973,054,137.74

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 January 2025 to 31 December 2025

(All amounts expressed in RMB unless otherwise stated)

IX. RISKS RELATED TO FINANCIAL INSTRUMENTS (CONTINUED)

1. Credit risk (Continued)

(3) Maximum credit risk exposure

① Financial instruments subject to impairment

The following table contains an analysis of the credit risk exposure of financial instruments for which an ECL allowance is recognised. The carrying amount of financial assets below also represents the Group's maximum exposure to credit risk on these assets.

Item	Original carrying amount	Closing Impairment provision	Net carrying amount
Monetary assets (Stage 1)	160,740,677.64		160,740,677.64
Financial assets purchased under resale agreements (Stage 1)	542,852,733.83		542,852,733.83
Loans and advances to customers (including accrued interests)	2,371,534,909.76	447,250,443.33	1,924,284,466.43
Stage 1	100,275,000.00	6,537,067.31	93,737,932.69
Stage 2			
Stage 3	2,271,259,909.76	440,713,376.02	1,830,546,533.74
Debt investments (including accrued interests)	6,647,134,323.18	2,401,789,031.29	4,245,345,291.89
Stage 1	900,000,000.00	47,090,153.17	852,909,846.83
Stage 2			
Stage 3	5,747,134,323.18	2,354,698,878.12	3,392,435,445.06
Other financial assets – measured at amortised cost	441,673,938.80	49,122,509.43	392,551,429.37
Stage 1	258,308,832.28	10,839,511.28	247,469,321.00
Stage 2	159,327,523.40	14,330,766.71	144,996,756.69
Stage 3	24,037,583.12	23,952,231.44	85,351.68
Total	10,163,936,583.21	2,898,161,984.05	7,265,774,599.16

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 January 2025 to 31 December 2025

(All amounts expressed in RMB unless otherwise stated)

IX. RISKS RELATED TO FINANCIAL INSTRUMENTS (CONTINUED)

1. Credit risk (Continued)

(3) Maximum credit risk exposure (Continued)

① Financial instruments subject to impairment (Continued)

(Continued)

Item	Original carrying amount	Opening impairment provision	Net carrying amount
Monetary assets (Stage 1)	591,667,910.19		591,667,910.19
Financial assets purchased under resale agreements (Stage 1)	390,000,000.00		390,000,000.00
Loans and advances to customers (including accrued interests)	2,558,195,725.00	399,143,369.79	2,159,052,355.21
Stage 1	636,234,956.02	32,922,801.46	603,312,154.56
Stage 2			
Stage 3	1,921,960,768.98	366,220,568.33	1,555,740,200.65
Debt investments (including accrued interests)	7,159,613,909.85	2,563,179,931.84	4,596,433,978.01
Stage 1	900,000,000.00	48,346,732.19	851,653,267.81
Stage 2			
Stage 3	6,259,613,909.85	2,514,833,199.65	3,744,780,710.20
Other financial assets – measured at amortised cost	320,403,025.34	48,138,600.69	272,264,424.65
Stage 1	134,452,121.88	5,740,767.10	128,711,354.78
Stage 2	155,455,453.83	12,851,814.07	142,603,639.76
Stage 3	30,495,449.63	29,546,019.52	949,430.11
Total	11,019,880,570.38	3,010,461,902.32	8,009,418,668.06

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 January 2025 to 31 December 2025

(All amounts expressed in RMB unless otherwise stated)

IX. RISKS RELATED TO FINANCIAL INSTRUMENTS (CONTINUED)

1. Credit risk (Continued)

(3) Maximum credit risk exposure (Continued)

② Loans to customers with credit loss

The original value and impairment of loans and advances to customers and the value of collateral held are as follows:

Item	Closing balance	Opening balance
Original amount of loans and advances to customers	2,271,259,909.76	1,921,960,768.98
Less: ECL	440,713,376.02	366,220,568.33
Net loans and advances to customers	1,830,546,533.74	1,555,740,200.65
Value of collateral	2,389,209,141.78	1,611,100,050.20

The value of collateral is determined in accordance with the latest available third-party evaluation result after taking into the liquidity and market conditions.

③ Debt investments with credit loss

The original value and impairment of debt investments and the value of collateral held are as follows:

Item	Closing balance	Opening balance
Original amount of debt investments	5,667,876,120.83	6,171,127,514.42
Less: ECL	2,275,440,675.77	2,426,346,804.22
Net debt investments	3,392,435,445.06	3,744,780,710.20
Value of collateral	4,285,990,450.62	4,490,153,847.59

The value of collateral is determined in accordance with the latest available third-party evaluation result after taking into the liquidity and market conditions.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 January 2025 to 31 December 2025

(All amounts expressed in RMB unless otherwise stated)

IX. RISKS RELATED TO FINANCIAL INSTRUMENTS (CONTINUED)

2. Market risk

(1) Market price risk

Market price risk refers to the risk that the fair value or future cash flow of financial instruments held by the Group will fluctuate due to market price factors other than market interest rate and foreign exchange rate. The Group mainly invests in stocks, funds and equity of unlisted companies, and the maximum market price risk is determined by the fair value of the financial instruments it held.

The Company selects and disperses the investment portfolio based on the investment limit set by the board of directors in order to manage the relevant price risks.

The following table summarises the Group's market price risk. For the balance sheet items, it shall be presented in accordance with its book value on balance sheet date.

Name of investors	Closing		Opening	
	Fair value	% of net asset	Fair value	% of net asset
Financial assets at FVTPL	4,413,485,462.45	39.26	4,372,519,376.33	38.91
Enterprises invested by the consolidated structured entities measured at fair value	264,435,124.00	2.35	319,638,687.35	2.84
Financial assets at FVTOCI	314,741,604.84	2.80		

The following tables illustrate the impact of an increase or decrease of 1% in price of financial assets at FVTPL and enterprises invested by the consolidated structured entities measured at fair value on the Group's net profit and shareholders' equity before tax, as well as the impact of an increase or decrease of 1% in price of financial assets at FVTOCI on the Group's shareholders' equity before tax.

Net profit	Year 2025	Year 2024
Increase 1%	35,084,404.40	35,191,185.48
Decrease 1%	-35,084,404.40	-35,191,185.48

(Continued)

Shareholders' equity	Closing balance	Opening balance
Increase 1%	37,444,966.43	35,191,185.48
Decrease 1%	-37,444,966.43	-35,191,185.48

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 January 2025 to 31 December 2025

(All amounts expressed in RMB unless otherwise stated)

IX. RISKS RELATED TO FINANCIAL INSTRUMENTS (CONTINUED)

2. Market risk (Continued)

(2) **Interest rate risk**

Interest rate risk refers to the possibility that the Group's financial position and cash flow fluctuates due to changes in market interest rate. The changes in market interest rate may lead to increase or decrease in interest income of the Group, which will impact the amount of total profit and shareholders' equity. The Group's interest rate risk management is mainly focused on cash flow interest rate risk management.

As of 31 December 2025, the main interest-bearing assets held by the Group include monetary assets, loans and advances to customers, debt investments and financial assets purchased under resale agreements which accounts 50.25% of total assets of the Group (31 December 2024: 54.18%). The majority of monetary assets, loans and advances to customers and financial assets purchased under repurchase agreements will mature within one year and thus the cash flow interest rate risk of the Group for holding these assets is not significant.

As of 31 December 2025, the Company's main interest-bearing liability includes borrowings from China Trust Protection Fund Co., Ltd. of RMB702 million, which amounted to 28.80% of total liabilities of the Group (31 December 2024: RMB982 million, which amounted to 32.28% of total liabilities of the Group). Such short-term borrowings or non-current funds are fixed rate, with no interest risk.

The Group also invests in certain financing trust schemes established and managed by itself. The underlying assets of these financing trust schemes are mainly loans to customers. The investors of these trust schemes including the Group are entitled to an expected investment return at fixed rate throughout the whole investment period. The Group is not subject to significant risk from the volatility of market interest rate or changes in benchmark interest rate.

(3) **Foreign exchange risk**

The Group's business is mainly operated in the PRC and settled in RMB. As of 31 December 2025, all proceeds from issuance of H shares were settled to the Company's domestic accounts, which was not expected to have a material impact on foreign exchange risk of the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 January 2025 to 31 December 2025

(All amounts expressed in RMB unless otherwise stated)

IX. RISKS RELATED TO FINANCIAL INSTRUMENTS (CONTINUED)

3. Liquidity risk

Liquidity risk is the risk that the Group may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

The Group forecasts its cash flows and monitors the short-term and long-term capital need to ensure it has sufficient cash reserve and securities that are readily convertible to cash. The Group holds sufficient unrestricted cash at bank to satisfy the capital need for the daily operations. As of 31 December 2025, the Group has non-current funds from China Trust Protection Fund Co., Ltd. amounting to RMB702 million (31 December 2024: RMB982 million).

The majority of the Group's financial liabilities on the consolidated balance sheet are amount attributable to third party beneficiaries of the trust schemes included in the scope of consolidation. Management is of the view that the Group is not subject to significant liquidity risk.

X. CAPITAL MANAGEMENT

The core of the Company's capital management is net capital and risk-based capital. The objectives of the Group's capital management policy are to meet external regulatory requirements, assure the Group's continuous operation and thus create returns for the shareholders. At the same time, the Group aims to benefit other stakeholders and maintain the optimal capital structure to reduce the capital cost.

The Company prudently determines the objectives of net capital and risk-based capital management which meet the regulatory requirements and are in line with its own risk exposure. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders or issue new shares.

The Company monitors the net capital and risk-based capital regularly based on regulations issued by the CBRC. Effective from 20 August 2010, the Company started to implement the CBRC'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 CBRC on a quarterly basis. Total risk-based capital is defined as the sum of 1) risk-based capital of our proprietary business; 2) risk-based capital of our trust business; and 3) risk-based capital of our other business, if any. The risk-based capital is calculated by applying a risk factor which ranges from 0% to 50% for proprietary business, and 0.1% to 9.0% for trust business.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 January 2025 to 31 December 2025

(All amounts expressed in RMB unless otherwise stated)

XI. DISCLOSURE OF FAIR VALUE

1. Fair value hierarchy

The level of the fair value measurement result is determined by the lowest level of the input value which is of great significance to the fair value measurement as a whole:

Level 1: unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2: direct or indirect observable inputs for underlying assets or liabilities other than inputs within Level 1.

Level 3: unobservable inputs for underlying assets or liabilities.

2. Closing fair value of assets and liabilities not measured at fair value

Financial assets and liabilities in the financial statement which are not measured at fair value mainly include: monetary assets, financial assets purchased under resale agreements, loans and advances to customers, debt investments, other assets, short-term borrowings, net assets attributable to third party investors of consolidated structured entities, and other payables. As of 31 December 2025 and 31 December 2024, their fair value approximated carrying amounts.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 January 2025 to 31 December 2025

(All amounts expressed in RMB unless otherwise stated)

XI. DISCLOSURE OF FAIR VALUE (CONTINUED)

3. Closing fair value of assets and liabilities measured at fair value

Item	Closing fair value			Total
	Fair value measurement at level 1	Fair value measurement at level 2	Fair value measurement at level 3	
I. Continuous fair value measurement				
(I) Financial assets held for trading	1,958,942,367.40	943,930,530.88	1,510,612,564.17	4,413,485,462.45
1. Financial assets at FVTPL	1,958,942,367.40	943,930,530.88	1,510,612,564.17	4,413,485,462.45
(1) Stock investment	1,801,404,297.11			1,801,404,297.11
(2) Equity investments in unlisted companies			271,103,304.94	271,103,304.94
(3) Bond investments		1,505.00		1,505.00
(4) Investments in asset management scheme			941,380,633.67	941,380,633.67
(5) Public fund investments	157,538,070.29			157,538,070.29
(6) Investments in trust schemes of equity products			160,933,628.34	160,933,628.34
(7) Trust Industry Protection Fund			137,194,997.22	137,194,997.22
(8) Bank wealth management		943,929,025.88		943,929,025.88
(II) Other equity instrument investments		314,741,604.84		314,741,604.84
1. Financial assets at FVTOCI		314,741,604.84		314,741,604.84
(1) Equity investments		314,741,604.84		314,741,604.84
(III) Long-term equity investments – Enterprises invested by the consolidated structured entities			264,435,124.00	264,435,124.00
Total assets with continuous fair value measurement	1,958,942,367.40	1,258,672,135.72	1,775,047,688.17	4,992,662,191.29

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 January 2025 to 31 December 2025

(All amounts expressed in RMB unless otherwise stated)

XI. DISCLOSURE OF FAIR VALUE (CONTINUED)

3. Closing fair value of assets and liabilities measured at fair value (Continued)

(Continued)

Item	Fair value measurement at level 1	Opening fair value		Total
		Fair value measurement at level 2	Fair value measurement at level 3	
I. Continuous fair value measurement				
(I) Financial assets held for trading	2,238,487,961.09	26,364,941.39	2,107,666,473.85	4,372,519,376.33
1. Financial assets at FVTPL	2,238,487,961.09	26,364,941.39	2,107,666,473.85	4,372,519,376.33
(1) Stock investment	1,723,067,586.73			1,723,067,586.73
(2) Equity investments in unlisted companies			910,100,285.69	910,100,285.69
(3) Bond investments		10,659,155.00		10,659,155.00
(4) Investments in asset management scheme			917,316,028.98	917,316,028.98
(5) Public fund investments	515,420,374.36			515,420,374.36
(6) Investments in trust schemes of equity products			163,999,597.09	163,999,597.09
(7) Trust Industry Protection Fund			116,250,562.09	116,250,562.09
(8) Bank wealth management		15,705,786.39		15,705,786.39
(II) Long-term equity investments – Enterprises invested by the consolidated structured entities			319,638,687.35	319,638,687.35
Total assets with continuous fair value measurement	2,238,487,961.09	26,364,941.39	2,427,305,161.20	4,692,158,063.68

The Group uses the date of the event that caused the transfer between each level as the time point for the recognition of transfer between each level. There was no transfer between different levels for the current year. The restricted shares held by the Company in 2023 were released on 26 November 2024, and the input values that were significant to the overall fair value measurement were no longer determined using valuation techniques but unadjusted quotes in an active market. The amount transferred from Level 2 to Level 1 for the previous year was RMB1,108,548,394.12.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 January 2025 to 31 December 2025

(All amounts expressed in RMB unless otherwise stated)

XI. DISCLOSURE OF FAIR VALUE (CONTINUED)

3. Closing fair value of assets and liabilities measured at fair value (Continued)

(1) Basis for determining the market price of continuous and non-continuous Level 1 items measured at fair value

The fair value of financial instruments traded in active markets is based on quoted market prices (unadjusted) at the balance sheet date. A market is regarded as active if quoted prices are readily available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions. The quoted market price used for financial assets held by the Group is the current bid price. Instruments included in Level 1 comprise primarily public funds and listed shares.

(2) Continuous and non-continuous Level 2 items measured at fair value, qualitative and quantitative information of valuation technique and important parameters adopted

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 January 2025 to 31 December 2025

(All amounts expressed in RMB unless otherwise stated)

XI. DISCLOSURE OF FAIR VALUE (CONTINUED)

3. Closing fair value of assets and liabilities measured at fair value (Continued)

(2) Continuous and non-continuous Level 2 items measured at fair value, qualitative and quantitative information of valuation technique and important parameters adopted (Continued)

For the current period, the additional restricted shares of the Company had a total market value of RMB314,741,604.84. The fair value measurement is classified under Level 2 of the fair value hierarchy.

Due to the trading restrictions on restricted shares during the lock-up period, it is not possible to use the public market closing price as the fair value of the restricted shares. Valuation techniques should be employed, which fall under Level 2 inputs in the fair value hierarchy. The valuation should consider the impact of trading restrictions on value, and a certain discount should be applied based on the length of time until the restriction is lifted, determined on the basis of freely tradable shares. For restricted shares, the Company uses the Average Price Asian Options Model to determine the fair value at the end of the period.

The inputs to the Average Price Asian Options Model include: 1) the fair value of the same stock listed on the stock exchange on the valuation date; 2) the length of the remaining lock-up period; 3) the expected annualised volatility of the stock price during the remaining lock-up period; 4) the expected annualised dividend yield of the stock.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 January 2025 to 31 December 2025

(All amounts expressed in RMB unless otherwise stated)

XI. DISCLOSURE OF FAIR VALUE (CONTINUED)

3. Closing fair value of assets and liabilities measured at fair value (Continued)

(3) **Continuous and non-continuous Level 3 items measured at fair value, qualitative and quantitative information of valuation technique and important parameters adopted**

The movement of Level 3 assets as follow:

Item	Financial assets at FVTPL	Long-term equity investments	Total
1 January 2025	2,107,666,473.85	319,638,687.35	2,427,305,161.20
Purchase/Transfer	-85,417,426.12		-85,417,426.12
Sale/Transfer	559,243,447.20		559,243,447.20
Changes of gain or loss through profit or loss in current year	47,606,963.64	-55,203,563.35	-7,596,599.71
31 December 2025	1,510,612,564.17	264,435,124.00	1,775,047,688.17
Assets held as at 31 December 2025 included in unrealised gain or loss of gains from change in fair value through profit or loss of 2025	36,173,653.02	-55,203,563.35	-19,029,910.33

Note: Gain or loss through profit or loss are included in items such as gains from change in fair value, investment income, credit impairment loss in the profit statement.

Information about Level 3 fair value measurement using important unobservable inputs is as follow:

Item	Fair value on 31 December 2025	Valuation technique	Unobservable input	Range
Financial assets at FVTPL – Investment in trust schemes	31,931,723.12	Discounted cash flow method	Discount rate	6%~14%
Long-term equity investments – Enterprises invested consolidated by the structured entities	264,435,124.00	Discounted cash flow method	Discount rate	12%~13%

As of 31 December 2025, remaining fair value classified as Level 3 investments amounted to RMB1,478,680,841.05, which was calculated on the basis of unobservable inputs such as net asset value of securities investment portfolio.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 January 2025 to 31 December 2025

(All amounts expressed in RMB unless otherwise stated)

XII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS

(I) Related party relations

1. Parent company of the Company

(1) Information of the Company's parent company

Name of parent	Place of registration	Business nature	Registered capital (RMB10,000)	Shareholding proportion in the Company	Percentage of voting rights in the Company
Shandong Lucion Investment Holdings Group Co., Ltd.	Jinan, Shandong	Foreign investment and management, investment consulting, asset management, custody operation, capital operation and guarantee	3,600,000	52.96%	52.96%

Note: Among which, Shandong Lucion Investment Holdings Group Co., Ltd. indirectly holds 4.83% through its subsidiary Shandong High-tech Investment Corporation (31 December 2024: 4.83%).

(2) Registered capital of parent and its changes

Name of parent	Opening balance	Increase in current year	Decrease in current year	Closing balance
Shandong Lucion Investment Holdings Group Co., Ltd.	36,000,000,000.00			36,000,000,000.00

(3) Shares or equity held by parent and its changes

Name of parent	Shareholding amount Closing balance	Opening balance	Shareholding Closing	Opening
Shandong Lucion Investment Holdings Group Co., Ltd.	2,242,202,578.74	2,242,202,578.74	52.96%	52.96%

Note: Among which, the shareholding of Shandong Lucion Investment Holdings Group Co., Ltd. indirectly holds through its subsidiary Shandong High-tech Investment Corporation amounted to 225,000,000.00 (31 December 2024: 225,000,000.00).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 January 2025 to 31 December 2025

(All amounts expressed in RMB unless otherwise stated)

XII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

(I) Related party relations (Continued)

2. **Subsidiaries**

Please refer to Note "VIII.1.(1) Composition of enterprise group" for details of subsidiaries.

3. **Other related parties**

Name of other related parties	Relationship with the Company
Luxin Science and Technology Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Jinan Luxin Asset Management Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Shandong Financial Asset Management Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Beijing Youan Guangtai Real Estate Development Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Hengfeng Bank Co., Ltd.	Associate of other enterprises controlled by the same controlling shareholder and ultimate controlling party
Shandong Credit Information Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Shenzhen Qianhai Runxin Investment Co., Ltd.	Associate of the Company
Taishan Property & Casualty Insurance Co., Ltd.	Associate of the Company

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 January 2025 to 31 December 2025

(All amounts expressed in RMB unless otherwise stated)

XII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

(II) Related party transactions

1. Transactions with trust schemes as related parties

Trust schemes controlled by the Group or Lucion Group are deemed to be the related parties of the Group:

Item	31 December 2025	31 December 2024
Number of trust schemes controlled by the Group (Note VIII.1.(2))	31	30
Number of trust schemes controlled by Lucion Group (except for the Group)	22	19

Trust schemes controlled by the Group have been included in the scope of consolidated financial statements, and the paid-up trusts scale of trust schemes controlled by Lucion Group (except for the Group) is as follow:

Item	31 December 2025	31 December 2024
Trust schemes controlled by Lucion Group	7,021,084,477.87	7,388,778,474.17

The trust remuneration obtained by the Group from the trust schemes controlled by Lucion Group (except for the Group) is as follow:

Item	31 December 2025	31 December 2024
Trust remuneration	9,729,477.97	5,600,674.82

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 January 2025 to 31 December 2025

(All amounts expressed in RMB unless otherwise stated)

XII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

(II) Related party transactions (Continued)

2. *Related parties as trustors of trust schemes*

In 2025, the related parties who invested in the consolidated trust scheme established and managed by the Company as trustor included Shandong Lucion Group and its subsidiaries, joint ventures and associates (2024: same).

(1) *Related parties as trustors of trust schemes included in the scope of consolidated financial statement*

Related parties' interests in these consolidated trust schemes are reported as other liabilities in the Group's consolidated balance sheet.

Item	31 December 2025	31 December 2024
Related parties as trustors of trust schemes	3	3
Interests entitled to related party	-8,157,408.81	-6,660,039.44

The trust income received by the related parties from the trust schemes included in the scope of consolidated financial statement is presented as the interest expenditure or gains from changes in net assets attributable to third-party investors in consolidated structured entities in the consolidated profit statement:

Item	2025	2024
Interest expenses	-1,521,686.29	-1,524,584.82
Gains from changes in net assets attributable to third-party investors in consolidated structured entities	24,630.69	-97,307.27

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 January 2025 to 31 December 2025

(All amounts expressed in RMB unless otherwise stated)

XII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

(II) Related party transactions (Continued)

2. Related parties as trustors of trust schemes (Continued)

(2) Related parties as trustors of trust schemes not included in the scope of consolidated financial statement

Item	31 December 2025	31 December 2024
Related parties as trustors of trust schemes	22	23
Interests entitled to related party	7,019,084,477.87	7,388,778,474.17
Total size of these trust schemes	7,021,084,477.87	7,388,778,474.17

The trust remuneration contributed by these trust schemes are presented as the fee and commission income in the consolidated profit statement:

Item	2025	2024
Fee and commission income	9,729,477.97	6,491,005.43

3. Related parties as counterparty of trust schemes not included in the scope of consolidated financial statement

Item	31 December 2025	31 December 2024
Number of trust schemes with related parties as counterparty	2	4
Amount financed by related parties	428,000,000.00	651,700,000.00
Total size of these trust schemes	787,860,000.00	1,014,060,000.00

The trust remuneration contributed by these trust schemes are presented as the fee and commission income in the consolidated profit statement:

Item	2025	2024
Fee and commission income	26,231.65	1,890,049.83

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 January 2025 to 31 December 2025

(All amounts expressed in RMB unless otherwise stated)

XII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

(II) Related party transactions (Continued)

4. *Related parties as counterparty of trust schemes included in the scope of consolidated financial statement*

Item	31 December 2025	31 December 2024
Number of trust schemes with related parties as counterparty	5	5
Amount financed by related parties	290,720,119.00	290,720,119.00
Total size of these trust schemes	351,642,276.62	351,642,276.62

The trust remuneration contributed by these trust schemes are presented as the interest income in the consolidated profit statement:

Item	2025	2024
Interest income	7,213.00	6,285.21

5. *Related parties transactions with key management personnel and their immediate family members*

Key management personnel are those persons who have the authority and responsibility to plan, direct and control the activities of the Group, including directors, supervisors, and other senior management personnel.

(1) *Key management compensation*

Item	2025	2024
Key management compensation	10,402,452.93	12,010,703.43

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 January 2025 to 31 December 2025

(All amounts expressed in RMB unless otherwise stated)

XII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

(II) Related party transactions (Continued)

5. **Related parties transactions with key management personnel and their immediate family members (Continued)**

- (2) *Investments of key management in trust schemes managed by the Company (as trustee of trust schemes)*

Item	31 December 2025	31 December 2024
Investment amount	409,267.88	413,174.75
Total size of these trust schemes	15,146,033.00	12,146,033.00

The trust remuneration contributed by these trust schemes are presented as the fee and commission income in the consolidated profit statement:

Item	2025	2024
Fee and commission income	28,826.41	528,995.33

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 January 2025 to 31 December 2025

(All amounts expressed in RMB unless otherwise stated)

XII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

(II) Related party transactions (Continued)

6. Other related party transactions

(1) Purchase of goods and receipt of services

Related party	Content	Year 2025	Year 2024
Lucion Science and Technology Co., Ltd.	System maintenance expenses	4,071,406.64	3,672,311.32
	Technical development expenses		457,547.17
	Equipment and software fee	2,192,500.00	988,116.13
Jinan Luxin Asset Management Co., Ltd.	Welfare fee	1,476,741.21	2,030,122.03
	Rental fee	20,172,883.55	19,546,048.44
	Utility fee	835,208.44	719,687.46
	Meeting fee	53,500.00	32,075.47
Shandong Lucion Investment Holding Group Co., Ltd.	Guarantee fee	3,500,000.00	4,036,268.68
Shandong Financial Asset Management Co., Ltd.	Financial product transfer Advances for litigation cost, property insurance premium and legal service fee		1,070,400.00
Beijing Youan Guangtai Real Estate Development Co., Ltd.	Collection and disposal service fee	118,226.84	
Hengfeng Bank Co., Ltd.	Consignment fee	3,498.44	
Shandong Credit Information Co., Ltd.	Data service fee	826,831.00	
Shenzhen Qianhai Runxin Investment Co., Ltd.	Trust supervision fee	849,863.01	
Taishan Property & Casualty Insurance Co., Ltd.	Property and casualty insurance	55,158.14	
Total		34,155,817.27	32,552,576.70

(III) Related parties' balances

1. Receivables

Item	Related party	Closing balance		Opening balance	
		Book balance	Provision for bad debts	Book balance	Provision for bad debts
Other receivables	Shandong Financial Asset Management Co., Ltd.	106,979,305.00	11,467,909.50	106,974,305.00	11,409,415.74
Prepayment	Shandong Lucion Investment Holding Group Co., Ltd.			2,598,184.93	
Prepayment	Jinan Luxin Asset Management Co., Ltd.			285,869.76	
Prepayment	Lucion Science and Technology Co., Ltd.	3,086,320.70		4,190,283.01	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 January 2025 to 31 December 2025

(All amounts expressed in RMB unless otherwise stated)

XII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

(III) Related parties' balances (Continued)

2. Payables

Item	Related party	Book balance at the end of the year	Book balance at beginning of the year
Accounts payable	Jinan Luxin Asset Management Co., Ltd.	6,497,395.59	8,686,219.56
Other payables	Lucion Science and Technology Co., Ltd.	8,558.40	4,800.00

XIII. CONTINGENCIES

As at the date of this report, the Company was involved in a business trust dispute with a trustor. The Jinan Intermediate People's Court of Shandong Province rendered a second-instance judgment on 22 November 2025, ruling that the Company was required to pay the principal amount of RMB8.3 million and the corresponding interest losses to the trustor, which the Company has performed the relevant accounting treatments in accordance with the judgment. As at the date of approval for issue of these financial statements, the Company was preparing relevant materials to apply to the Higher People's Court of Shandong Province for a retrial regarding the aforementioned judgment. The subsequent progress of the case and the result of retrial remain uncertain.

XIV. COMMITMENTS

As of 31 December 2025, the Group had no material commitments.

XV. MATTERS AFTER THE BALANCE SHEET DATE

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

XVI. OTHER IMPORTANT ISSUES

1. Segment information

The Group determines the operating segments based on the internal organisational structure, management requirements and internal reporting system, and determines the reporting segments based on the operating segments and discloses the segment information. The senior management represented by the general manager is the Group's chief operating decision maker.

Segment assets and liabilities, segment revenue, expenses and operating results are measured in accordance with the Group's accounting policies. There are no differences between the accounting policies used in preparing the operating segment information and those used in the preparation of the Group's financial statements.

Segment revenue, operating results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

The Group has two reporting segments, being proprietary business and trust business.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 January 2025 to 31 December 2025

(All amounts expressed in RMB unless otherwise stated)

XVI. OTHER IMPORTANT ISSUES (CONTINUED)

1. Segment information (Continued)

(1) Segment information for 2025 and 31 December 2025 is set out below:

Item	Year 2025			Total
	Proprietary business	Trust business	Undistributed	
Net fee and commission income		423,205,479.08		423,205,479.08
Net interest income	-9,996,382.57	261,674.59		-9,734,707.98
Gains from changes in fair value	69,042,662.38			69,042,662.38
Gains from changes in net assets attributable to third-party investors	22,978,722.78			22,978,722.78
Investment income	205,647,840.98			205,647,840.98
Other operating income	8,138,480.66	3,134,933.93		11,273,414.59
Gains on disposal of assets				
Exchange gains	-0.25			-0.25
Total operating income	295,811,323.98	426,602,087.60		722,413,411.58
Taxes and surcharges	2,094,453.75	4,985,602.90		7,080,056.65
Business and administrative expenses	4,240,552.75	285,622,140.15		289,862,692.90
Credit impairment losses	325,407,932.42			325,407,932.42
Impairment losses on other assets				
Other operating costs	14,513,122.78			14,513,122.78
Total operating costs	346,256,061.70	290,607,743.05		636,863,804.75
Non-operating income	49,798.46			49,798.46
Non-operating expenses	8,003.20	8,884,441.05		8,892,444.25
Total profit	-50,402,942.46	127,109,903.50		76,706,961.04

(Continued)

Item	Closing balance			Total
	Proprietary business	Trust business	Undistributed	
Total assets	12,910,155,262.68	744,682,598.42	23,808,785.31	13,678,646,646.41
Total liabilities	2,162,512,324.69	242,714,048.61	31,221,357.42	2,436,447,730.72

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 January 2025 to 31 December 2025

(All amounts expressed in RMB unless otherwise stated)

XVI. OTHER IMPORTANT ISSUES (CONTINUED)

1. Segment information (Continued)

(2) Segment information for 2024 and 31 December 2024 is set out below:

Item	Proprietary business	Year 2024		Total
		Trust business	Undistributed	
Net fee and commission income		455,105,515.87		455,105,515.87
Net interest income	-56,579,775.93	309,805.69		-56,269,970.24
Gains from changes in fair value	414,594,077.05			414,594,077.05
Gains from changes in net assets attributable to third-party investors	5,906,373.52			5,906,373.52
Investment income	67,155,385.78			67,155,385.78
Other operating income	7,554,762.26	11,057,479.84		18,612,242.10
Gains on disposal of assets	-125,872.65			-125,872.65
Exchange gains	0.22			0.22
Total operating income	438,504,950.25	466,472,801.40		904,977,751.65
Taxes and surcharges	2,475,518.17	3,477,135.73		5,952,653.90
Operation and administrative expense	5,184,478.52	289,753,845.56		294,938,324.08
Credit impairment losses	301,959,065.81			301,959,065.81
Impairment losses on other assets	2,064,588.45			2,064,588.45
Other operating costs	5,894,930.62			5,894,930.62
Total operating costs	317,578,581.57	293,230,981.29		610,809,562.86
Non-operating income	470,213.12			470,213.12
Non-operating expenses	72,939.99	80,971,498.74		81,044,438.73
Total profit	121,323,641.81	92,270,321.37		213,593,963.18

(Continued)

Item	Proprietary business	Opening balance		Total
		Trust business	Undistributed	
Total assets	13,474,934,981.35	773,862,247.15	30,540,463.32	14,279,337,691.82
Total liabilities	2,735,025,094.90	279,953,244.16	27,633,416.98	3,042,611,756.04

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 January 2025 to 31 December 2025

(All amounts expressed in RMB unless otherwise stated)

XVI. OTHER IMPORTANT ISSUES (CONTINUED)

2. Remuneration of the Directors, Supervisors and the five highest paid individuals

(1) **Details of the emoluments of the Directors and Supervisors are set out below:**

		2025			
		Salaries and allowances and other benefits		Defined contribution plans	
Name	Emoluments		Bonuses		Total
Executive Directors					
Yue Zengguang ⁽¹⁾⁽⁸⁾		563,028.78	505,510.09	129,208.30	1,197,747.17
Non-executive Directors ⁽²⁾					
Chen Liuyi ⁽⁹⁾⁽¹²⁾					
Chen Xuebin ⁽⁹⁾⁽¹²⁾					
Duan Xiaoxu ⁽³⁾⁽⁹⁾					
Wang Zengye ⁽⁹⁾⁽¹²⁾					
Independent non-executive Directors					
Zheng Wei ⁽⁹⁾	150,000.00				150,000.00
Liu Wanwen ⁽⁹⁾	100,000.00				100,000.00
Zhang Haiyan ⁽⁹⁾					
Supervisors					
Guo Xiangzhong ⁽⁴⁾⁽¹⁰⁾⁽¹³⁾					
He Shuguang ⁽⁴⁾⁽¹³⁾					
Diao Hongyi ⁽⁴⁾⁽¹⁰⁾⁽¹³⁾					
Han Zhe ⁽⁴⁾⁽¹⁰⁾⁽¹³⁾					
Wang Qian ⁽⁷⁾⁽¹⁰⁾⁽¹³⁾	68,505.78				68,505.78
Wu Yi ⁽⁵⁾⁽¹⁰⁾⁽¹³⁾		219,047.10	287,421.97	86,975.55	593,444.62
Wei Xiangyang ⁽⁵⁾⁽¹³⁾		218,908.86	296,642.23	86,975.55	602,526.64
Wang Zhimei ⁽⁴⁾⁽¹³⁾					
Li Yan ⁽⁵⁾⁽¹³⁾		238,665.18	568,353.87	42,812.16	849,831.21
Total	318,505.78	1,239,649.92	1,657,928.16	345,971.56	3,562,055.42

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 January 2025 to 31 December 2025

(All amounts expressed in RMB unless otherwise stated)

XVI. OTHER IMPORTANT ISSUES (CONTINUED)

2. Remuneration of the Directors, Supervisors and the five highest paid individuals (Continued)

(1) Details of the emoluments of the Directors and Supervisors are set out below: (Continued)

(Continued)

		2024			
Name	Emoluments	Salaries and allowances and other benefits	Bonuses	Defined contribution plans	Total
Executive Directors					
Yue Zengguang ⁽¹⁾⁽⁸⁾		494,666.16	327,378.09	128,297.00	950,341.25
Fang Hao ⁽⁸⁾⁽¹¹⁾		486,686.52	623,289.99	107,102.12	1,217,078.63
Non-executive Directors ⁽²⁾					
Wang Zengye ⁽⁹⁾⁽¹²⁾					
Zhao Zikun ⁽⁹⁾⁽¹¹⁾					
Wang Bailing ⁽⁶⁾⁽⁹⁾					
Duan Xiaoxu ⁽³⁾⁽⁹⁾					
Independent non-executive Directors					
Zheng Wei ⁽⁹⁾	146,458.02				146,458.02
Zhang Haiyan ⁽⁹⁾					
Liu Wanwen ⁽⁹⁾	101,532.53				101,532.53
Supervisors					
Wu Yi ⁽⁵⁾⁽¹⁰⁾⁽¹³⁾		189,986.87	307,436.44	85,894.50	583,317.81
Guo Xiangzhong ⁽⁴⁾⁽¹⁰⁾⁽¹³⁾					
Diao Hongyi ⁽⁴⁾⁽¹⁰⁾⁽¹³⁾					
Han Zhe ⁽⁴⁾⁽¹⁰⁾⁽¹³⁾					
Wu Chen ⁽⁴⁾⁽¹⁰⁾					
Guo Shougui ⁽⁴⁾⁽¹⁰⁾					
Chen Yong ⁽⁴⁾⁽¹⁰⁾					
Wang Zhimei ⁽⁴⁾⁽¹³⁾					
He Shuguang ⁽⁴⁾⁽¹³⁾					
Zhang Wenbin ⁽⁵⁾⁽¹⁰⁾		189,648.47	348,044.70	85,894.50	623,587.67
Wang Yan ⁽⁷⁾⁽¹⁰⁾	40,000.00				40,000.00
Wang Qian ⁽⁷⁾⁽¹⁰⁾⁽¹³⁾	40,000.00				40,000.00
Li Yan ⁽⁵⁾⁽¹³⁾		206,910.21	265,256.65	41,553.60	513,720.46
Wei Xiangyang ⁽⁵⁾⁽¹³⁾		189,848.62	352,901.79	85,894.50	628,644.91
Total	327,990.55	1,757,746.85	2,224,307.66	534,636.22	4,844,681.28

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 January 2025 to 31 December 2025

(All amounts expressed in RMB unless otherwise stated)

XVI. OTHER IMPORTANT ISSUES (CONTINUED)

2. Remuneration of the Directors, Supervisors and the five highest paid individuals (Continued)

(1) **Details of the emoluments of the Directors and Supervisors are set out below: (Continued)**

- (1) Mr. Yue Zengguang was elected as executive Director of the Company at the extraordinary general meeting held on 28 November 2023 and was elected by the Board of Directors as the chairperson, which was approved and became effective on 10 January 2024. His emolument disclosed above includes all the emoluments he receives from the Company.
- (2) These non-executive Directors did not receive any emoluments from the Company.
- (3) Duan Xiaoxu was elected as a non-executive Director on 27 June 2024, effective from 4 September 2024.
- (4) The Supervisor is shareholder representative Supervisor and the Supervisor did not receive any emoluments from the Company.
- (5) These Supervisors are the employees of the Company and their emoluments disclosed above include all the emoluments they receive from the Company.
- (6) Wang Bailing resigned as a non-executive Director on 8 August 2024.
- (7) The Supervisor is an external Supervisor and her emolument disclosed above include all the emolument she receives from the Company.
- (8) The emoluments represent the payments to the Directors in respect of their services in connection with management affairs of the Company.
- (9) The emoluments represent the payments to the Directors in respect of their services as Directors of the Company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 January 2025 to 31 December 2025

(All amounts expressed in RMB unless otherwise stated)

XVI. OTHER IMPORTANT ISSUES (CONTINUED)

2. Remuneration of the Directors, Supervisors and the five highest paid individuals (Continued)

(1) Details of the emoluments of the Directors and Supervisors are set out below: (Continued)

- (10) According to the resolutions of the 2023 annual general meeting announced on 27 June 2024, Guo Xiangzhong, Diao Hongyi and Han Zhe were appointed as shareholder representative Supervisors of the fourth session of the Board of Supervisors, and Wang Qian was appointed as an external Supervisor of the fourth session of the Board of Supervisors. Wu Yi was democratically elected as an employee representative Supervisor. At the same time, Zhang Wenbin, Guo Shougui, Chen Yong, Wu Chen and Wang Yan ceased to serve as Supervisors of the Company since 27 June 2024.
- (11) According to the resolutions of the 2023 annual general meeting announced on 27 June 2024, Fang Hao ceased to serve as an executive Director and Zhao Zikun ceased to serve as a non-executive Director due to the expiration of their terms of office.
- (12) According to the poll results of the 2024 first extraordinary general meeting announced on 26 December 2024, Chen Liuyi and Chen Xuebin were appointed as non-executive Directors and Wang Zengye ceased to serve as a non-executive Director. Chen Liuyi assumed office and Wang Zengye left office on 10 July 2025, while Chen Xuebin assumed office on 30 July 2025.
- (13) According to the poll results of the 2025 first extraordinary general meeting announced on 27 August 2025, the Company no longer establishes the Board of Supervisors. As approved by the Shandong Office of the NFRA, the Company no longer establishes the Board of Supervisors since 10 November 2025. Guo Xiangzhong, He Shuguang, Diao Hongyi, Han Zhe, Wang Qian, Wu Yi, Wei Xiangyang, Wang Zhimei and Li Yan served as Supervisors until 10 November 2025.

None of the Directors of the Company waived or agreed to waive any emoluments paid by the Company in 2025 (2024: same).

The bonus is based on business performance.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 January 2025 to 31 December 2025

(All amounts expressed in RMB unless otherwise stated)

XVI. OTHER IMPORTANT ISSUES (CONTINUED)

2. Remuneration of the Directors, Supervisors and the five highest paid individuals (Continued)

(2) Five highest paid individuals

Among the five highest paid individuals for the year, one was a Director or Supervisor (last year: two), whose emolument as a Director or Supervisor was set out in Note XVI.2.(1), and is already reflected in the emoluments of the Directors and Supervisors. The emoluments of the other four highest paid individuals (last year: three) were as follows:

Item	Year 2025	Year 2024
Salaries and allowances and other benefits	1,339,186.82	1,344,909.37
Bonuses	2,477,641.63	1,405,700.02
Defined contribution plans	280,329.80	238,299.50
Total	4,097,158.25	2,988,908.89

The emoluments of the five highest paid individuals (except for Directors and Supervisors) fell within the following bands:

Item	No. of individuals in 2025	No. of individuals in 2024
500,001 to 1,000,000	1	2
1,000,001 to 1,500,000	3	1
Total	4	3

No emoluments had been paid or payable by the Group to any of the Directors, Supervisors, senior management or the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office during the year of 2025 (2024: same).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 January 2025 to 31 December 2025

(All amounts expressed in RMB unless otherwise stated)

XVII. NOTES TO MAJOR ITEMS IN THE FINANCIAL STATEMENTS OF PARENT

1. Loans and advances to customers

(1) Information on loans and advances to customers

Item	Book balance	Closing balance	
		Loss allowance	Book value
Principal	67,223,839.59	8,631,137.69	58,592,701.90
Accrued interests			
Total	67,223,839.59	8,631,137.69	58,592,701.90

(Continued)

Item	Book balance	Opening balance	
		Loss allowance	Book value
Principal	72,926,333.49	3,993,903.48	68,932,430.01
Accrued interests	1,328,270.21	72,789.21	1,255,481.00
Total	74,254,603.70	4,066,692.69	70,187,911.01

Changes of impairment reserves for loans and advances to customers in current year

Item	Opening balance	Increase in current year	Decrease in current year	Closing balance
Principal	3,993,903.48	4,637,234.21		8,631,137.69
Accrued interests	72,789.21	-72,789.21		
Total	4,066,692.69	4,564,445.00		8,631,137.69

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 January 2025 to 31 December 2025

(All amounts expressed in RMB unless otherwise stated)

XVII.NOTES TO MAJOR ITEMS IN THE FINANCIAL STATEMENTS OF PARENT (CONTINUED)

1. Loans and advances to customers (Continued)

(2) Accrual of impairment reserves for loans and advances to customers

	Stage 1	Stage 2	Stage 3	
	Expected credit	Expected credit loss	Expected credit losses	
	loss for the	for the entire duration	for the entire duration	
	next 12 months	(no credit impairment)	(credit impairment	
Provision for bad debts			has occurred)	Total
Balance as at 1 January 2025	4,066,692.69			4,066,692.69
Balance as at 1 January 2025				
in current year				
- Transfer to stage 2				
- Transfer to stage 3	-4,066,692.69		4,066,692.69	
- Reverse to stage 2				
- Reverse to stage 1				
Accrual in current year			4,564,445.00	4,564,445.00
Reversal in current year				
Cancellation in current year				
Charge off in current year				
Other changes				
Balance as at 31 December 2025			8,631,137.69	8,631,137.69

(3) No loans and advances to customers were actually written off in current year

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 January 2025 to 31 December 2025

(All amounts expressed in RMB unless otherwise stated)

XVII. NOTES TO MAJOR ITEMS IN THE FINANCIAL STATEMENTS OF PARENT (CONTINUED)

2. Financial assets held for trading

Item	Closing balance	Opening balance
Financial assets at fair value through profit or loss	3,388,523,392.96	4,323,490,387.11
Including: Stock investments	1,801,404,297.11	1,722,930,786.73
Public fund investments	95,057,633.12	462,582,425.96
Investments in asset management plans	863,410,243.30	867,889,160.35
Bonds investment	1,505.00	10,659,155.00
Unlisted company equity investments	214,387,035.10	855,733,110.09
Trust Industry Protection Fund	115,497,848.68	113,962,480.55
Investment trust schemes	298,764,830.65	274,027,482.04
Wealth management products		15,705,786.39
Total	3,388,523,392.96	4,323,490,387.11

3. Debt investments

(1) Details of debt investments

Item	Book balance	Closing balance	
		Loss allowance	Book value
Principal	3,188,206,490.42	723,154,477.55	2,465,052,012.87
Accrued interests			
Total	3,188,206,490.42	723,154,477.55	2,465,052,012.87

(Continued)

Item	Book balance	Opening balance	
		Loss allowance	Book value
Principal	3,700,686,077.09	913,269,783.48	2,787,416,293.61
Accrued interests			
Total	3,700,686,077.09	913,269,783.48	2,787,416,293.61

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 January 2025 to 31 December 2025

(All amounts expressed in RMB unless otherwise stated)

XVII.NOTES TO MAJOR ITEMS IN THE FINANCIAL STATEMENTS OF PARENT (CONTINUED)

3. Debt investments (Continued)

(1) Details of debt investments (Continued)

Changes in impairment reserves of debt investment in current year

Item	Opening balance	Increase in current year	Decrease in current year	Closing balance
Principal	913,269,783.48	229,586,481.81	419,701,787.74	723,154,477.55
Accrued interests				
Total	913,269,783.48	229,586,481.81	419,701,787.74	723,154,477.55

(2) Accrual of impairment reserve for debt investment

	Stage 1 Expected credit losses for the next 12 months	Stage 2 Expected credit loss for the entire duration (no credit impairment)	Stage 3 Expected credit loss for the entire duration (credit impairment has occurred)	Total
Provision for bad debts				
Balance as at 1 January 2025			913,269,783.48	913,269,783.48
Balance as at 1 January 2025				
in current year				
– Transfer to stage 2				
– Transfer to stage 3				
– Reverse to stage 2				
– Reverse to stage 1				
Accrual in current year			229,586,481.81	229,586,481.81
Reversal in current year				
Cancellation in current year			419,701,787.74	419,701,787.74
Charge off in current year				
Other changes				
Balance as at 31 December 2025			723,154,477.55	723,154,477.55

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 January 2025 to 31 December 2025

(All amounts expressed in RMB unless otherwise stated)

XVII. NOTES TO MAJOR ITEMS IN THE FINANCIAL STATEMENTS OF PARENT (CONTINUED)

4. Other equity instrument investments

(1) Other equity instrument investments

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

5. Long-term equity investments

Item	Closing balance	Opening balance
Associates accounted for using equity method	410,731,783.51	403,743,498.92
Investment in structured equity – original value	4,852,448,925.50	3,933,938,925.50
Less: Impairment reserve for investment in structured equity	439,085,078.08	337,473,255.36
Investment in structured equity – net	4,413,363,847.42	3,596,465,670.14
Total	4,824,095,630.93	4,000,209,169.06

(1) Associates accounted for using equity method

Investee	Increase or decrease in current year									Closing balance	Balance of provision for impairment at the end of the year
	Opening balance (Book value)	Increase investment	Reduce investment	Investment profit confirmed under equity method	Adjustment of other comprehensive income	Change in other equities	Declared cash dividend or profit	Accrual of impairment reserve	Others		
Sinotruk Auto Finance Co., Ltd.	230,065,215.78			8,548,864.58	-25,576.91					238,588,503.45	
Taishan Property & Casualty Insurance Co., Ltd.	167,709,840.96			53,041.67	-1,890,711.90					165,872,170.73	
Anhui Luxin Private Equity Investment Fund Management Co., Ltd.	5,968,442.18			302,667.15						6,271,109.33	
Subtotal	403,743,498.92			8,904,573.40	-1,916,288.81					410,731,783.51	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 January 2025 to 31 December 2025

(All amounts expressed in RMB unless otherwise stated)

XVII.NOTES TO MAJOR ITEMS IN THE FINANCIAL STATEMENTS OF PARENT (CONTINUED)

5. Long-term equity investments (Continued)

(2) The invested structured entities

Item	Opening balance	Increase investment	Reduce investment	Cancellation in current year	Loss allowance	Closing balance
Investment in structured equity	3,596,465,670.14	946,510,000.00	28,000,000.00		101,611,822.72	4,413,363,847.42

6. Net interest income

Item	Year 2025	Year 2024
Interest income	19,069,015.49	-12,659,865.84
Including: Cash and deposits in bank	777,703.30	1,149,805.54
Loans and advances to customers	-1,253,085.11	-5,739,879.33
Debt investments	12,502,282.82	-14,538,716.01
Financial assets purchased under resale agreements	6,929,320.50	6,302,039.38
Others	112,793.98	166,884.58
Interest expense	42,695,617.18	48,534,235.04
Including: Borrowings	41,838,638.89	46,721,590.98
Others	856,978.29	1,812,644.06
Net interest income	-23,626,601.69	-61,194,100.88

7. Net fee and commission income

Item	Year 2025	Year 2024
Fee and commission income	435,061,535.82	450,635,390.03
Including: Trust remuneration	374,282,051.49	398,179,053.27
Others	60,779,484.33	52,456,336.76
Fee and commission expenses	5,964,398.52	4,320,806.66
Including: Guarantee fee	5,900,071.71	4,036,268.68
Others	64,326.81	284,537.98
Net fee and commission income	429,097,137.30	446,314,583.37

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 January 2025 to 31 December 2025

(All amounts expressed in RMB unless otherwise stated)

XVII.NOTES TO MAJOR ITEMS IN THE FINANCIAL STATEMENTS OF PARENT (CONTINUED)

8. Investment income

Item	Year 2025	Year 2024
Income from long-term equity investments accounted for using equity method	8,904,573.40	8,073,095.79
Investment income from holding financial assets	104,401,268.41	71,589,413.32
Investment income from disposal of long-term equity investments		6,818,678.42
Investment income from disposal of financial assets	93,119,368.71	-1,479,807.26
Total	206,425,210.52	85,001,380.27

9. Gains from changes in fair value

Sources of gains from changes in fair value	Year 2025	Year 2024
Financial assets held for trading	123,364,292.26	419,328,007.99
Total	123,364,292.26	419,328,007.99

Shandong International Trust Co., Ltd.
26 March 2026

ADDITIONAL INFORMATION DISCLOSURE REQUIRED BY REGULATORS

DISCLOSURE OF INFORMATION ON SUBSTANTIAL SHAREHOLDERS REQUIRED BY NFRA

“Substantial Shareholders” mentioned in this section are Shareholders who hold or control more than 5% of the Shares or voting rights of the Company or who hold less than 5% of the total capital or total share capital but have a material impact on the operation and management of the Company. “Material Impact” means, including but not limited to the nomination of Directors, Supervisors or senior management of the Company, affecting the decision-making of finance, operation and management of the Company by way of agreements or other ways, and other circumstances recognised by the NFRA or its designated authorities. “Acting in concert” refers to an act or a fact that an investor and other investors jointly enlarge the number of the shares with voting rights in a certain company by way of agreements or other arrangements. The investors who agree to act in concert are parties acting in concert. “Ultimate beneficiary” refers to the parties who actually hold the equity income of the Company.

Lucion Group

Lucion Group, established in the PRC in January 2002, is owned as to 90.75% by Shandong Provincial Finance Bureau and as to 9.25% by Shandong Caixin Assets Operation Co., Ltd. as at the date of this annual report, respectively. Its legal representative is Zhu Huajian. It has a registered capital of RMB36.0 billion, and its registered address is Tower A, No. 2788 Aoti West Road, Lixia District, Jinan, Shandong Province, the PRC. Lucion Group is an investment holding company whose business scope involve financial asset investment and management, venture capital, new energy and new materials, printing investment, oil and gas and other investment and operation businesses.

As at the end of the Reporting Period, the controlling shareholder of Lucion Group was Shandong Province Finance Bureau, and the de facto controller and the ultimate beneficiary thereof was the People’s Government of Shandong Province. Lucion Group was acting in concert with Shandong High-Tech. Lucion Group has reported its related parties to the Company in accordance with regulatory provisions.

As at the end of the Reporting Period, Lucion Group directly held 2,242,202,580 Domestic Shares of the Company and owned 225,000,000 Domestic Shares of the Company indirectly through its controlled company, holding 2,467,202,580 Shares in total, representing 52.96% of the total share capital of the Company. Mr. Yue Zengguang, Director of the Company, was nominated by Lucion Group. As at the date of this annual report, Lucion Group nominated Mr. Zhao Zikun and Mr. Tian Zhiguo as executive Directors of the Company, whose qualifications as Directors were subject to the approval by the regulatory authorities. Apart from the above, no other additional Directors were nominated by Lucion Group.

ADDITIONAL INFORMATION DISCLOSURE REQUIRED BY REGULATORS

CNPC Assets Management

CNPC Assets Management was established in the PRC in April 2000 as a wholly-owned subsidiary of CNPC Capital Company Limited. CNPC Capital Company Limited is a wholly-owned subsidiary of CNPC Capital Company Limited, which is an A share listed company whose controlling shareholder is CNPC. China National Petroleum Corporation is the largest oil and gas producer and supplier in the PRC and a limited liability company (wholly state-owned). Its legal representative is He Shaofeng, with a registered capital of RMB13,725,180,496, and its registered address is No. 9 Beidajie Street, Dongzhimen, Dongcheng District, Beijing, the PRC. CNPC Assets Management is principally engaged in investment and asset management.

As at the end of the Reporting Period, the controlling shareholder of CNPC Assets Management was CNPC Capital Company Limited, and the de facto controller and the ultimate beneficiary thereof was China National Petroleum Corporation. CNPC Assets Management did not have any party acting in concert or any acting-in-concert arrangement with any entity or individual. CNPC Assets Management has reported its related parties to the Company in accordance with regulatory provisions.

As at the end of the Reporting Period, CNPC Assets Management held 873,528,750 Domestic Shares in the Company, representing 18.75% of the total share capital of the Company. Mr. Chen Liuyi, a Director of the Company, was nominated by CNPC Assets Management. Apart from this, no other additional Directors were nominated by CNPC Assets Management.

Jinan Finance Holding

Jinan Finance Holding, established in May 2013, is a municipal enterprise and a liability state-owned company as approved to be established by Jinan Municipal Party Committee and Jinan Municipal People's Government. It is a wholly-owned subsidiary of Jinan Caijin Investment Holding Group Co., Ltd. Its legal representative is Zhang Xinbo, its registered capital is RMB10,086.8705 million, and its registered address is 25/F, Finance Holding Tower, No. 3-21 Jiefang East Road, Lixia District, Jinan, Shandong Province, the PRC. Jinan Finance Holding is principally engaged in asset investment, consulting, management and operation of state-owned assets as authorised by the government, capital operation and assets management, etc.

As at the end of the Reporting Period, the controlling shareholder of Jinan Finance Holding was Jinan Caijin Investment Holding Group Co., Ltd. The de facto controller and the ultimate beneficiary of Jinan Finance Holding was Jinan Finance Bureau and it did not have any party acting in concert or any acting-in-concert arrangement with any entity or individual. Jinan Finance Holding has reported its related parties to the Company in accordance with regulatory provisions.

At the end of the Reporting Period, Jinan Finance Holding held 252,765,000 H Shares of the Company, representing 5.43% of the total share capital of the Company. Mr. Chen Xuebin, a Director of the Company, was nominated by Jinan Finance Holding. As at the date of this annual report, Jinan Finance Holding nominated Mr. Chen Ping as a non-executive Director of the Company, whose qualifications as a Director were subject to the approval by the regulatory authorities. Apart from this, no other additional Directors were nominated by Jinan Finance Holding.

ADDITIONAL INFORMATION DISCLOSURE REQUIRED BY REGULATORS

Shandong High-Tech Venture Capital Co., Ltd.

Shandong High-Tech, established in the PRC in June 2000, is wholly-owned and established by Lucion Venture Capital, a subsidiary of Lucion Group. The legal representative is Ge Xiaohong, and the registered capital is RMB1,175.72 million. The registered address is No. 166 Jiefang Road, Jinan Municipal. It is mainly engaged in entrepreneurship investment.

As at the end of the Reporting Period, the controlling shareholder of Shandong High-Tech was Lucion Venture Capital, the party acting in concert thereof was Lucion Group, and the de facto controller and the ultimate beneficiary thereof was the People's Government of Shandong Province. Shandong High-Tech has reported its related parties to the Company in accordance with regulatory provisions.

As at the end of the Reporting Period, Shandong High-Tech held 225,000,000 Domestic Shares of the Company, representing 4.83% of the total share capital of the Company. As at the date of this annual report, Shandong High-Tech nominated Mr. Pan Liquan as a non-executive Director of the Company, whose qualifications as a Director were subject to the approval by the regulatory authorities. Apart from this, no other additional Directors were nominated by Shandong High-Tech.

TABLE OF USE AND DISTRIBUTION OF TRUST ASSETS

As at 31 December 2025

Unit: RMB0'000

Use of assets	Amount	Portion (%)	Distribution of assets	Amount	Portion (%)
Currency assets	186,747.75	0.89%	Basic industry	862,858.65	4.10%
Loans	4,509,900.28	21.42%	Real estates	1,016,392.71	4.83%
Tradable financial assets investment	13,119,027.97	62.32%	Securities market	6,704,631.56	31.85%
Debt investment	2,844,759.71	13.51%	Industry investment	5,608,109.51	26.64%
Long-term equity investments	56,494.19	0.27%	Financial institutions	5,450,341.45	25.89%
Others	335,534.93	1.59%	Others	1,410,130.95	6.69%
Total trust assets	21,052,464.83	100.00%	Total trust assets	21,052,464.83	100.00%

ADDITIONAL INFORMATION DISCLOSURE REQUIRED BY REGULATORS

COMBINED BALANCE SHEET OF TRUST PROJECTS

Prepared by: Shandong International Trust Co., Ltd.

31 December 2025

Unit: RMB0'000

Assets	Closing balance	Opening balance	Liabilities and equity	Closing balance	Opening balance
Assets:			Liabilities:		
Cash and bank deposits	178,293.26	126,716.05	Financial liabilities held for trading	0.00	–
Placement to banks and other financial institutions	0.00	–	Derivative financial liabilities	0.00	–
Clearing settlement funds	8,454.49	18,424.71	Disposal of repurchased financial assets	1,345,544.35	1,176,102.58
Financial assets held for trading	13,119,027.97	12,725,715.83	Account payable	0.00	–
Derivative financial assets	0.00	–	Redemption payables	5,311.75	2,512.76
Financial assets purchased under resale agreements	241,110.14	312,471.45	Trustee's remuneration payable	14,410.21	14,912.71
Account receivables	0.00	–	Beneficiaries' gains payable	1,992.67	539.19
Interest receivables	633.42	460.72	Custodian fees payable	2,302.99	2,687.19
Dividend receivables	9,234.08	4,506.99	Service fees for sales payable	4,831.19	2,710.34
Note receivables	0.00	–	Tax payable	5,947.94	8,405.98
Application payment receivables	0.00	–	Interests payable	0.00	–
Other receivables	83,852.09	51,051.58	Other payables	76,038.74	109,821.66
Refundable deposits	705.20	22,014.60	Other liabilities	7.68	–
Loans to customers	4,509,900.28	4,787,748.05	Total liabilities	1,456,387.52	1,317,692.41
Long-term receivables	0.00	–	Equity:		
Long-term equity investments	56,494.19	69,400.88	Paid-up trusts	19,184,098.83	19,750,787.07
Debt investment	2,844,759.71	3,263,742.01	Capital reserves		
Intangible assets	0.00	–	Other comprehensive income		
Long-term amortisation expenses	0.00	–	Undistributed profit	411,978.48	313,773.39
Other assets	0.00	–	Total equity	19,596,077.31	20,064,560.46
Total trust assets	21,052,464.83	21,382,252.87			
Total assets	21,052,464.83	21,382,252.87	Total liabilities and equity	21,052,464.83	21,382,252.87

ADDITIONAL INFORMATION DISCLOSURE REQUIRED BY REGULATORS

COMBINED STATEMENT FOR INCOME AND INCOME DISTRIBUTION OF TRUST BUSINESS

Prepared by: Shandong International Trust Co., Ltd.

Year of 2025

Unit: RMB0'000

Item	Aggregate for last year	Aggregate for this year
I. Revenue	929,306.88	906,608.61
Interest income	417,185.48	361,449.71
Investment income (losses indicated in "-")	247,994.88	288,112.81
Including: Income from investment in associates and joint ventures	—	—
Gains from change in fair value (losses indicated in "-")	263,996.11	224,304.32
Lease income	—	—
Exchange gains and losses (losses indicated in "-")	—	—
Other income	130.41	32,741.77
II. Expenses	325,473.26	191,798.19
Tax and surcharges	2,170.67	1,831.40
Trustees' remuneration	42,466.08	34,080.07
Custodian fees	5,399.52	5,240.60
Service fees for sale	10,803.61	14,689.63
Transaction costs	2,056.52	5,590.71
Interest expenses	—	—
Credit impairment losses	215,486.81	69,231.64
Other expenses	47,090.06	61,134.14
III. Net profit (net losses indicated in "-")	603,833.62	714,810.42
IV. Other comprehensive income	—	0
V. Comprehensive income	603,833.62	714,810.42
VI. Undistributed profit at the beginning of the period	116,361.77	313,773.39
VII. Distributed trust profit for the period	406,422.00	616,605.33
VIII. Undistributed profit at the end of the period	313,773.39	411,978.48

ADDITIONAL INFORMATION DISCLOSURE REQUIRED BY REGULATORS

MANAGEMENT OF TRUST ASSETS

Amount of trust assets at the beginning of the period and at the end of the period (by individual, collective and property right)

Unit: RMB0'000

Trust scheme	Amount at the beginning of the period	Amount at the end of the period
Collective	14,949,076.15	12,723,703.32
Individual	5,025,783.74	5,852,218.37
Property right	1,407,392.98	2,476,543.14
Total	21,382,252.87	21,052,464.83

Amount of trust assets at the beginning of the period and at the end of the period (by financing, investment and administrative)

Unit: RMB0'000

Trust scheme	Amount at the beginning of the period	Amount at the end of the period
Financing	3,927,600.44	3,429,193.53
Investment	12,696,085.60	11,354,989.45
Administrative	4,758,566.83	6,268,281.85
Total	21,382,252.87	21,052,464.83

ADDITIONAL INFORMATION DISCLOSURE REQUIRED BY REGULATORS

Collective and individual fund trust schemes and property right fund trust schemes which have been settled for the year

Unit: RMB0'000

Types of settled trust scheme	Number of schemes	Total amount of paid-up trust	Weighted average actual annualised yield rate
Collective	251	3,089,938.92	4.84%
Individual	176	1,157,631.11	4.65%
Property right	11	1,606,436.94	2.67%

Note: Weighted average actual annualised yield = (actual annualised yield of trust scheme 1 × total asset of trust scheme 1 + actual annualised yield of trust scheme 2 × total asset of trust scheme 2 + ... actual annualised yield of trust scheme n × total asset of trust scheme n) / (total asset of trust scheme 1 + total asset of trust scheme 2 + ... total asset of trust scheme n) × 100%

Financing, investment, and administrative management trusts scheme settled this year

Unit: RMB0'000

Types of settled trust scheme	Number of schemes	Total amount of paid-up trust	Weighted average actual annualised return rate	Weighted average actual annualised yield rate
Financing	82	2,101,083.26	0.91%	5.27%
Investment	160	893,549.66	0.11%	3.83%
Administrative	196	2,859,374.05	0.12%	3.82%

ADDITIONAL INFORMATION DISCLOSURE REQUIRED BY REGULATORS

Number of schemes and total amount of newly-added paid-in trusts of collective, individual and property management trust schemes for the year

Unit: RMB0'000

Newly-added trust scheme	Number of schemes	Total amount of paid-up trust
Collective	274	3,518,478.61
Individual	471	2,030,443.57
Property right	7	1,624,304.42
Total of newly-added schemes	752	7,173,226.60
Including: Actively managed	267	3,600,246.00
Administrative management	485	3,572,980.60

Trust assets and connected parties: aggregate amount of loans, investments, leasing, account receivables, guarantees and others at the beginning of the period, for the period and at the end of the period

Unit: RMB0'000

	Connected transactions between trust and connected parties			Amount at the end of the period
	Amount at the beginning of the period	Amount from borrowers	Amount from lenders	
Loans	73,538.91	3,800.00	25,000.00	52,338.91
Financial assets held for trading	50,735.53	64,167.94		114,903.47
Debt investment	16,487.72			16,487.72
Other debt investments				
Other equity instrument				
Long-term equity investments	7,404.51			7,404.51
Leasing				
Assets purchased under agreements to resell				
Interbank borrowings				
Others				
Total	148,166.67	67,967.94	25,000.00	191,134.61

ADDITIONAL INFORMATION DISCLOSURE REQUIRED BY REGULATORS

Aggregate amount of the transaction between proprietary properties and trust properties at the beginning of the period, for the period and at the end of the period

Unit: RMB0'000

Item	Transactions between proprietary properties and trust properties		
	Amount at the beginning of the period	Amount for the period	Amount at the end of the period
Total	447,529.10	91,614.70	539,143.80

Aggregate amount of the transaction between trust assets at the beginning of the period, for the period and at the end of the period

Unit: RMB0'000

Item	Transactions between trust assets and trust properties		
	Amount at the beginning of the period	Amount for the period	Amount at the end of the period
Total	2,525,809.63	-1,013,754.82	1,512,054.82

DEFINITIONS

In this annual report, unless the context otherwise requires, the following expressions shall have the following meanings:

“Articles of Association”	Articles of Association of the Company (as amended from time to time)
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Audit Committee”	the audit committee under the Board of Directors
“Board” or “Board of Directors”	the board of Directors of the Company
“Board of Supervisors”	the board of Supervisors of the Company
“CASBE”	China Accounting Standards for Business Enterprises
“CG Code”	the Corporate Governance Code set out in Appendix C1 to the Listing Rules. The amendments to the Corporate Governance Code took effect on 1 July 2025, and the new requirements under the Corporate Governance Code apply to corporate governance reports and annual reports for financial years commencing on or after 1 July 2025
“China” or “PRC”	the People's Republic of China, but for the purpose of this annual report and for geographical reference only and except where the context requires, references in this annual report to “China” and the “PRC” do not include, Hong Kong, Macau and Taiwan
“China Petroleum Finance”	China Petroleum Finance Company Limited (中油財務有限責任公司)
“CNPC”	China National Petroleum Corporation (中國石油天然氣集團公司)
“CNPC Assets Management”	CNPC Assets Management Co., Ltd. (中油資產管理有限公司)
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
“Company Law of the PRC”	the Company Law of the People's Republic of China 《中華人民共和國公司法》, as amended, supplemented or otherwise modified from time to time
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Controlling Shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“CSRC”	China Securities Regulatory Commission

DEFINITIONS

“Director(s)”	director(s) of the Company
“Domestic Share(s)”	ordinary share(s) issued by the Company with a nominal value of RMB1.00 each, which are subscribed for or credited as paid up in Renminbi
“Former CBIRC”	the Former China Banking and Insurance Regulatory Commission (原中國銀行保險監督管理委員) or the former China Banking Regulatory Commission (“ CBRC ”) and/or the former China Insurance Regulatory Commission, replaced by the NFRA since May 2023 (as the context requires)
“Group”	the Company and the trust schemes over which it has control
“H Share(s)”	overseas listed foreign share(s) in the ordinary share capital of the Company with a nominal value of RMB1.00 each, which are subscribed for and traded in Hong Kong dollars and listed on the Hong Kong Stock Exchange
“HK\$” or “Hong Kong dollars”	the lawful currency of Hong Kong
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Independent Shareholders”	Shareholders who are not required to abstain from voting at the general meeting
“Jinan Finance Holding”	Jinan Finance Investment Holding Group Co., Ltd. (濟南金投控股集團有限公司)
“Kunlun Trust”	Kunlun Trust Co., Ltd.
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited

DEFINITIONS

“Lucion Group”	Shandong Lucion Investment Holdings Group Co., Ltd. (山東省魯信投資控股集團有限公司)
“Lucion Venture Capital”	Lucion Venture Capital Group Co., Ltd. (魯信創業投資集團股份有限公司)
“Macau”	the Macau Special Administrative Region of the PRC
“MOF”	Ministry of Finance of the PRC (中華人民共和國財政部)
“NFRA”	the National Financial Regulatory Administration (國家金融監督管理總局)
“Nomination and Remuneration Committee”	the nomination and remuneration committee under the Board of Directors
“PBOC”	the People's Bank of China (中國人民銀行), the central bank of the PRC
“Procedural Rules for the Board of Directors”	the procedural rules for the Board of Directors adopted by the Company, as amended from time to time
“Procedural Rules for the Board of Supervisors”	the procedural rules for the Board of Supervisors adopted by the Company, as amended from time to time
“Procedural Rules for the General Meeting”	the procedural rules for the general meeting adopted by the Company, as amended from time to time
“Prospectus”	the prospectus issued on 28 November 2017 in connection with the Hong Kong Public Offering
“Related Party Transaction Control Committee”	the related party transaction control committee under the Board of Directors
“Reporting Period”	the period from 1 January 2025 to 31 December 2025
“RMB” or “Renminbi”	the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented from time to time or otherwise revised

DEFINITIONS

“Shandong High-Tech”	Shandong High-Tech Venture Capital Co., Ltd. (山東省高新技術創業投資有限公司)
“Shandong Office of the NFRA”	Shandong Office of the National Financial Regulatory Administration (國家金融監督管理總局山東監管局)
“SITC”, “Company”, “we” or “us”	Shandong International Trust Co., Ltd. (山東省國際信託股份有限公司), established in the PRC on 10 March 1987 and converted into a joint stock company with limited liability under the Company Law of the People's Republic of China on 30 July 2015, and, except where the context otherwise requires, the trust schemes over which it has control
“Shareholder(s)”	holder(s) of our shares
“Substantial Shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“State”	the central government of the PRC, including all governmental subdivisions (including provincial, municipal and other regional or local government entities) and its organs or, as the content requires, any of them
“State Council”	the State Council of the People's Republic of China (中華人民共和國國務院)
“Strategies and Risk Management Committee”	the strategies and risk management committee under the Board of Directors
“Supervisor(s)”	supervisor(s) of the Company
“Trust and Consumer Rights Protection Committee”	the trust and consumer rights protection committee under the Board of Directors

GLOSSARY OF TECHNICAL TERMS

This glossary contains definitions of certain terms used in this annual report in connection with our Company and our business. Some of these may not correspond to standard industry definitions or usage of these terms.

“AUM”	assets under management, which refers to the balance of the assets of trust schemes under the Company’s management
“commercial bank(s)”	include large commercial banks, joint-stock commercial banks, city commercial bank, rural commercial banks and foreign banks
“gross amount”	gross amount of a financial asset is the amount before deduction of any provision for impairment losses
“HNWI”	high-net-worth individual
“Net Assets Value”	net assets value, which means the value of an entity or trust scheme’s assets minus the value of its liabilities
“net capital”	a measure provided by the Net Capital Measures, being our net assets minus (i) risk deduction for each type of our assets, (ii) risk deduction for our contingent liabilities and (iii) other risk deductions determined by the NFRA while the risk deductions are determined by the NFRA
“Net Capital Measures”	the Administrative Measures on Net Capital of Trust Companies 《信託公司淨資本管理辦法》 promulgated by the CBRC in August 2010
“R&D”	research and development
“risk-based capital”	a financial measure provided by the Net Capital Measures which is calculated by applying a risk factor to our proprietary assets or trust assets used in the relevant business
“Trust Industry Protection Fund”	Trust Industry Protection Fund (信託業保障基金), a market-oriented risk mitigation system which was established to protect the legitimate interests of the trustees, effectively prevent the risk of the trust industry and facilitate the sound development of the trust industry

LUCION

山東省國際信託股份有限公司

Shandong International Trust Co., Ltd.



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