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# LUCION

**Shandong International Trust Co., Ltd.**

**山東省國際信託股份有限公司**

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

**(Stock Code: 1697)**

## **Profit Warning**

This announcement is made by Shandong International Trust Co., Ltd. (the “**Company**”, together with its trust schemes over which the Company has control, collectively, the “**Group**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the preliminary review of the unaudited management accounts of the Group for the six months ended 30 June 2022, the Group is expected to record a net loss attributable to the Shareholders of approximately RMB450 million to RMB500 million for the six months ended 30 June 2022 as compared to a net profit attributable to the Shareholders of approximately RMB401 million for the corresponding period in 2021. The Board expects that the loss is mainly due to the following factors: (i) in the first half of 2022, the Company conducted the transfer of all the debts under the Ruiyuan No.76 Trust Scheme (“**Ruiyuan No.76 Debt**”) under the public tender procedures. As at the date of this announcement, the debt transfer has not been completed. The Company recorded the expected losses arising from the transfer of the Ruiyuan No.76 Debt (being the difference between the carrying amount and the transfer price of the Ruiyuan No.76 Debt) as impairment losses on financial assets. Meanwhile, affected by multiple factors such as the impact of the COVID-19 pandemic, the macroeconomic downturn and strict regulatory policies, in order to mitigate risks, the Group increased the provision for impairment of assets based on the principle of prudence; and (ii) the net interest income from loans to customers of the Group decreased.

In the first half of 2022, the Company conducted the transfer of its 16.675% equity interest in Fullgoal Fund Management Co., Ltd. under the public tender procedures. As at the date of this announcement, the equity transfer has not been completed. The expected gains on the equity transfer to be materialised will be recognised upon the approval of the equity transfer by the superior competent authorities.

The Board is of the view that the expected loss for the interim results is temporary, it will not have any material impact on the cash flows and business operations of the Company for the full year, and the Company's operations and financial position remain stable.

The Company has been closely monitoring the changes in macroeconomy and regulatory policies and adjusting its business strategies in a timely manner to reduce the impact of the COVID-19 pandemic and regulatory policies on the business operations of the Company. In the first half of 2022, the Company promoted the transformation with reform, continued to optimise its business structure, deepened the transformation of wealth management, strengthened the disposal of risky projects, and vigorously developed the businesses that are in line with the regulatory guidance such as the capital markets and family trusts, resulting in positive progress in business transformation.

As the Company is still preparing and finalising the interim results of the Group for the six months ended 30 June 2022, the information contained in this announcement is only based on the preliminary assessment made by the management team of the Company in accordance with the unaudited management accounts of the Group for the six months ended 30 June 2022 and the information currently available to the Company, and such information has not been confirmed, reviewed or audited by the auditors of the Company nor reviewed by the audit committee of the Board and may therefore be subject to changes.

Shareholders and potential investors should carefully read the Company's interim results announcement for the six months ended 30 June 2022, which will be published by the end of August 2022.

By order of the Board  
**Shandong International Trust Co., Ltd.**  
**Wan Zhong**  
*Chairperson*

Jinan, the People's Republic of China  
22 August 2022

*As at the date of this announcement, the Board comprises Mr. Wan Zhong and Mr. Fang Hao as executive directors; Mr. Wang Zengye, Mr. Zhao Zikun and Ms. Wang Bailing as non-executive directors; and Mr. Yen Huai-chiang, Mr. Zheng Wei and Ms. Meng Rujing as independent non-executive directors.*