



中國外運

中國外運股份有限公司
SINOTRANS LIMITED

Stock Code: 00598HK 601598SH

INTERIM REPORT 2025



CUSTOMERS' SUCCESS
OUR ACHIEVEMENT

Important Notice

1. The Board and the Supervisory Committee and the Directors, Supervisors and members of the Senior Management of the Company warrant the truthfulness, accuracy and completeness of the contents in this Interim Report and confirm that there are no misrepresentations or misleading statements contained in or material omissions from this Interim Report, and accept several and joint legal responsibilities.
2. All Directors were present at the Board Meeting.
3. This Interim Report is unaudited.
4. Zhang Yi, person in charge of the Company; Li Xiaoyan, Chief Financial Officer; and Ding Guilin, person in charge of the Financial Department (person in charge of accounting), hereby make the statement that they warrant the financial statements contained in this Interim Report are true, accurate and complete.
5. Proposal for profit distribution or proposal for conversion of common reserve fund into share capital during the Reporting Period considered and approved by the Board.

As approved by the Board, the Company will pay an interim dividend of RMB0.145 per share (tax included) in cash for 2025, based on the total share capital registered on the record date of the equity distribution (the shares in the special account for repurchase of the Company deducted). As at the date of this Report, the total share capital was 7,272,197,875 shares, deducting the 94,714,181 shares in the special account for repurchase of the Company, based on which, the total amount of the interim dividend payment for 2025 is expected to be RMB1,040,735,135.63 (tax included).

6. Risk disclaimer of forward-looking statements

☒Applicable ☐Not applicable

Forward-looking statements including future plans and development strategies in this Report do not constitute substantive commitments of the Company to investors. Investors should be aware of the investment risks.

7. Whether the controlling shareholder or its related parties has misappropriated the Company's funds for purposes other than for business.

No

8. Whether the Company has provided external guarantees in violation of any prescribed decision-making procedures.

No

9. Whether more than half of the Directors cannot guarantee the truthfulness, accuracy and completeness of the Interim Report.

No

10. Significant risk alert

The Company has described the potential risks in detail in this Report. Please refer to "Chapter 3 Management Discussion and Analysis — V. OTHER DISCLOSURES — (I) Potential Risks" in this Report.

11. Others

☒Applicable ☐Not applicable

The Company's 2025 interim financial report has been prepared in accordance with Accounting Standards for Business Enterprises published by the Ministry of Finance of the People's Republic of China and related provisions. Unless otherwise specified, the reporting currency in this Report is Renminbi ("RMB").

Contents contained in this Report are prepared in compliance with all disclosure requirements of the SSE Listing Rules and SEHK Listing Rules. The Report is published in Simplified Chinese, Traditional Chinese and English. In case of any discrepancy, the Simplified Chinese version shall prevail.



CORPORATE MISSION

Creating a logistics ecology system
connecting the world to successfully
promote industrial progress

CORPORATE VISION

Becoming a world-class intelligent
logistics platform enterprise

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Documents Available for Check

1. Interim Report signed by the Chairman
2. Financial statements sealed and signed by person in charge of the Company, chief financial officer and the person in charge of the Financial Department
3. Original copies of all documents and announcements of the Company which have been disclosed to the public on the media meeting the requirements of the CSRC and the website of the SSE during the Reporting Period
4. The 2025 Interim Report disclosed on the websites of SSE and SEHK

Highlights of the First Half of 2025



Revenue

50.5

billion



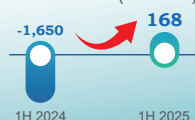
Profit Attributable to Shareholders' of the Company

1.95

billion



Net Cash Flow from Operating Activities (million)

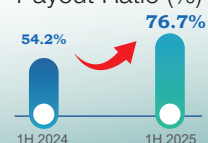


1H 2024

1H 2025



Payout Ratio (%)*



1H 2024

1H 2025

Oversea Business



Total Profit

▲ **18%**

Revitalizing the existing assets



Issued the first central SOE-asset-based logistics infrastructure REITs in China with the premium rate reached **16.16%**

Sea Freight Forwarding



Business Volume

▲ **6%**

Air Channel*



Controllable Capacity

159 thousand tons
▲ **21%**

* The dividend amount includes the interim dividend for 2025 and the amount of share repurchase in the first half of 2025

* Air channel = Air Freight Forwarding + Cross-border E-commerce Logistics

Chapter 1 Definitions

In this Report, unless the context otherwise indicates, the following terms shall have the following meanings:

A Share(s)	the domestic listed Share(s) of the Company with nominal value of RMB1.00 each, which are listed on the SSE and traded in RMB
Articles of Association	the Articles of Association of Sinotrans Limited
Board	the Board of Directors of the Company
CG Code	code provisions of Corporate Governance Code as set out in Appendix C1 to the SEHK Listing Rules
China Merchants	China Merchants Group Limited (招商局集團有限公司), a wholly state owned enterprise established under the laws of the PRC under direct control of the State-owned Assets Supervision and Administration Commission of the State Council, the actual controller of the Company, which aggregately holds 59.38% of the issued share capital of the Company as at the date of this Report
China Merchants Group	China Merchants and its subsidiaries
Companies Ordinance	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
Company or Sinotrans	Sinotrans Limited (中國外運股份有限公司), a joint stock limited company incorporated in the PRC with limited liability, whose H Shares are listed on the SEHK and A Shares are listed on the SSE
Company Law	the Company Law of the People's Republic of China
CSRC	China Securities Regulatory Commission
Director(s)/Supervisor(s)	Director(s)/Supervisor(s) of the Company
Finance Company	China Merchants Group Finance Co., Ltd. (招商局集團財務有限公司), a company owned as to 51% by China Merchants and 49% by Sinotrans & CSC as at the date of this Report
Group	the Company and its subsidiaries
H Share(s)	overseas listed foreign Share(s) with nominal value of RMB1.00 each in the issued share capital of the Company, which are listed on the Hong Kong Stock Exchange and traded in HK\$

Chapter 1

Definitions

Hong Kong	Hong Kong Special Administrative Region of the People's Republic of China
Hong Kong Stock Exchange/ SEHK	The Stock Exchange of Hong Kong Limited
Model Code	the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 to the SEHK Listing Rules
PRC	the People's Republic of China
Reporting Period	the period from 1 January 2025 to 30 June 2025
SEHK Listing Rules	Rules Governing the Listing of Securities on the SEHK
Senior Management	the Group's major operating decision-makers
SFO	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
Sinotrans & CSC	Sinotrans & CSC Holdings Co., Ltd. (中國外運長航集團有限公司), a wholly state-owned enterprise established under the laws of the PRC, a wholly owned subsidiary of China Merchants and the controlling shareholder of the Company, which aggregately holds 36.19% of the issued share capital of the Company as at the date of this Report
Sinotrans & CSC Group	Sinotrans & CSC and its subsidiaries
SSE	Shanghai Stock Exchange
SSE Listing Rules	Listing Rules of Shanghai Stock Exchange
Subsidiary(ies)	has the meaning ascribed to it under the SEHK Listing Rules
Supervisory Committee	the Supervisory Committee of the Company

Chapter 2 General Information and Key Financial Indicators

I. COMPANY INFORMATION

Chinese name of the Company	中國外運股份有限公司
Chinese abbreviation of the Company	中國外運
Foreign name of the Company	SINOTRANS LIMITED
Foreign abbreviation of the Company	SINOTRANS
Legal representative of the Company	Zhang Yi

II. CONTACT PERSONS AND CONTACT METHODS

	Secretary of the Board/Company Secretary	Representative of Securities Affairs
Name	Li Shichu	Li Chunyang
Address	China Merchants Plaza Tower B, Building 10, No. 5 Anding Road, Chaoyang District, Beijing, China	China Merchants Plaza Tower B, Building 10, No. 5 Anding Road, Chaoyang District, Beijing, China
Tel.	8610 52295721	8610 52295721
Fax	8610 52296519	8610 52296519
Email	ir@sinotrans.com	ir@sinotrans.com

III. BASIC INFORMATION

Initial date of registration of the Company	20 November 2002
Registered address of the Company	1101, 11th Floor of 101, 1st to 22nd Floor, Building 10, No. 5 Anding Road, Chaoyang District, Beijing, the PRC
Historical change of registered address of the Company	The Company has completed the change of registered address in November 2023. For details, please refer to the relevant announcements published on the SSE website (www.sse.com.cn) and the SEHK website (www.hkexnews.hk) dated 27 November 2023
Office address of the Company	China Merchants Plaza Tower B, Building 10, No. 5 Anding Road, Chaoyang District, Beijing, China
Postcode of office address of the Company	100029
Company website	www.sinotrans.com
Email	ir@sinotrans.com

Chapter 2

General Information and Key Financial Indicators

IV. CHANGES IN INFORMATION DISCLOSURE AND PREPARATION LOCATIONS

Newspapers selected by the Company for information disclosure	Securities Daily (www.zqrb.cn), Securities Times (www.stcn.com)
Websites publishing the Interim Report	www.sse.com.cn , www.hkexnews.hk
Location for Interim Report stock	10/F, China Merchants Plaza Tower B, Building 10, No. 5 Anding Road, Chaoyang District, Beijing, China

V. OVERVIEW OF COMPANY STOCK

Class of share	Stock exchange	Stock abbreviation	Stock code
H Share	SEHK	Sinotrans	00598
A Share	SSE	Sinotrans	601598

VI. OTHER RELEVANT INFORMATION

☒Applicable ☐Not applicable

Auditors appointed by the Company (Mainland China)	Name	ShineWing Certified Public Accountants LLP (a recognised public interest entity auditor under the Financial Reporting Council Ordinance)
	Office address	9/F, Block A, Fuhua Mansion, No. 8 Chaoyangmen North Street, Dongcheng District, Beijing
Legal advisers appointed by the Company (Mainland China)	Name	Jia Yuan Law Offices
	Office address	F408, Ocean Plaza 158 Fuxing Men Nei Street, Xicheng District, Beijing
Legal advisers appointed by the Company (Hong Kong China)	Name	Baker & McKenzie
	Office address	14/F One Taikoo Place, 979 King's Road, Quarry Bay, Hong Kong
A-Share registrar and transfer office of the Company	Name	China Securities Depository & Clearing Corp. Ltd. Shanghai Branch
	Office address	No. 188 Yanggao South Road, Pudong New Area, Shanghai
H-Share registrar and transfer office of the Company	Name	Computershare Hong Kong Investor Services Limited
	Office address	Shops 1712 – 1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong
Business address in Hong Kong	Office address	Rooms F and G, 20/F, MG Tower, No.133 Hoi Bun Road, Kwun Tong, Kowloon, Hong Kong
Principal banker	Name	Bank of China
	Office address	No. 1 Fuxingmen Nei Street, Xicheng District, Beijing

Chapter 2

General Information and Key Financial Indicators

VII. KEY ACCOUNTING DATA AND FINANCIAL INDICATORS OF THE COMPANY

(I) Key Accounting Data

Key accounting data	Reporting Period (January to June)	Corresponding period of last year			Change as compared to the corresponding period of last year (%)
		Restated	Before restatement		
Operating income	50,522,501,231.52	56,399,931,108.31	56,367,697,848.32		-10.42
Total profit	2,610,577,064.40	2,498,300,651.28	2,497,749,196.48		4.49
Net profits attributable to shareholders of the Company	1,946,948,727.20	1,945,361,508.34	1,945,058,469.75		0.08
Net profits net of non-recurring profit or loss attributable to shareholders of the Company	1,397,728,120.29	1,798,868,219.23	1,798,868,219.23		-22.30
Net cash flows from operating activities	167,722,861.82	-1,649,654,479.09	-1,648,411,275.83		N/A

	As at the end of the Reporting Period	As at the end of last year		Change as compared to the end of last year (%)
		Restated	Before restatement	
Net assets attributable to shareholders of the Company	40,166,596,099.16	39,567,594,762.30	39,567,594,762.30	1.51
Total assets	80,948,222,311.94	77,195,500,137.85	77,195,500,137.85	4.86

Chapter 2

General Information and Key Financial Indicators

(II) Key Financial Indicators

Key financial indicators	Reporting Period (January to June)	Corresponding period of last year		Change as compared to the corresponding period of last year (%)
		Restated	Before restatement	
Basic earnings per share (RMB)	0.2707	0.2681	0.2680	0.97
Diluted earnings per share (RMB)	0.2704	0.2675	0.2674	1.09
Basic earnings per share, net of non-recurring gains or losses (RMB)	0.1943	0.2479	0.2479	-21.61
Weighted average return on equity (%)	4.84	5.03	5.03	Decreased by 0.19 percentage point
Weighted average return on equity, net of non-recurring gains or losses (%)	3.48	4.66	4.66	Decreased by 1.18 percentage points

Explanations on the key accounting data and financial indicators of the Company

✓Applicable ☐Not applicable

In the first half of 2025, the Group achieved operating income of RMB50,523 million, representing a year-on-year decrease of 10.42%, which was primarily attributable to the year-on-year decline of sea freight and air freight rates.

The net profits attributable to shareholders of the Company amounted to RMB1,947 million, indicating a basically stable level as compared to that of the corresponding period of last year. The net profits net of non-recurring profit or loss attributable to shareholders of the Company amounted to RMB1,398 million, representing a year-on-year decrease of 22.30%. The above was primarily attributable to the year-on-year decrease of investment income from joint venture in the Reporting Period, but offset by the increase of non-recurring gains from disposal of equity.

Net cash flows from operating activities represent net inflow of RMB168 million, as compared to net outflow of RMB1,650 million in the corresponding period of last year, which was primarily attributable to the Group's further enhancement of accounts receivable and cash flow management in the Reporting Period.

VIII. ACCOUNTING DATA DIFFERENCES BETWEEN DOMESTIC AND OVERSEAS ACCOUNTING STANDARDS

☐Applicable ☒Not applicable

Chapter 2

General Information and Key Financial Indicators

IX. NON-RECURRING PROFIT OR LOSS ITEMS AND AMOUNTS

☒ Applicable ☐ Not applicable

Unit: RMB

Non-recurring gains and losses items	Amount	Note (if applicable)
Gains and losses from disposal of non-current assets, including the part offset with the provision for impairment of assets	491,118,127.84	
Government subsidies included in current profit or loss, except government subsidies which are closely related to the Company's normal business operations, which comply with national policies and can be obtained based on established standards and which have a continuing impact on the Company's profit or loss	197,437,337.08	
Profit or loss from changes in fair value arising from financial assets and financial liabilities held by non-financial enterprises, and profit or loss from disposal of financial assets and financial liabilities other than effective hedging business related to the Company's normal business operations	8,032,659.00	
Reversal of impairment of accounts receivables that had impairment test separately	4,943,564.27	
Other non-operating income and expenses other than the above items	10,509,929.29	
Other gains and losses classified to non-recurring profit or loss	4,076,834.77	
Less: Impact on income tax	97,709,616.16	
Impact on minority interests (after tax)	69,188,229.18	
Total	549,220,606.91	

Explanation on the Company's recognition of the items not listed in "Explanatory Announcement No. 1 on Information Disclosure of Companies Offering Securities to the Public — Non-recurring Profit or Loss" as non-recurring gains and losses items with significant amount and definition of the non-recurring gains and losses items listed in the "Explanatory Announcement No. 1 on Information Disclosure of Companies Offering Securities to the Public — Non-recurring Profit or Loss" as recurring gains or losses items.

☐ Applicable ☒ Not applicable

Chapter 2

General Information and Key Financial Indicators

X. NET PROFIT EXCLUDING THE EFFECT OF SHARE-BASED PAYMENT WHICH IS DISCLOSED BY THE ENTITY WITH SHARE INCENTIVE SCHEMES OR EMPLOYEE STOCK OWNERSHIP PLANS AT ITS OPTION

☒ Applicable ☐ Not applicable

Unit: RMB

Key accounting data	Reporting Period (January to June)	Corresponding period of last year		Change as compared to the corresponding period of last year (%)
		Restated	Before restatement	
Net profit excluding the effect of share-based payment	2,127,683,598.08	2,093,441,401.67	2,093,138,363.08	1.64

XI. OTHERS

☐ Applicable ☒ Not applicable

Chapter 3 Management Discussion and Analysis

I. DESCRIPTION OF THE INDUSTRY AND PRINCIPAL BUSINESS OF THE COMPANY DURING THE REPORTING PERIOD

(I) Principal Business of the Company and Its Business Model

Leveraging on its comprehensive service network, abundant logistics resources, strong professional capabilities of logistics solutions, and leading supply chain logistics model, the Group provides customers with customized logistics solutions and integrated whole supply chain logistics services. The Group's principal businesses include logistics, forwarding and related business and e-commerce business.

1. *Logistics*

Based on the different demands of customers, Sinotrans provides tailor-made integrated logistics solutions covering the entire value chain of customers, and ensures the smooth implementation of such solutions, including contract logistics, project logistics, chemical logistics and other logistics services.

Contract logistics mainly provides customers with whole supply chain logistics management services, including procurement logistics, production logistics, distribution logistics and reverse logistics, and also to provide value-added services such as logistics solution design and consultation, supply chain optimization, and supply chain finance. The contract logistics service of the Company has been managed according to the target industries and possess leading solution capabilities in multiple industries and fields, such as consumer goods and retail, automobile and new energy, technology electronics, medical and health and industrial products. The Company has established long-term cooperative relationships with many leading clients at home and abroad. Contract logistics is affected by changes in macroeconomy, domestic manufacturing industry, consumer market and other factors.

Project logistics provides design and implementation of end-to-end one stop logistics solutions to engineering equipment and materials for EPC enterprises in industries such as electric power, petrochemical, metallurgical mining, infrastructure and rail trains. The services include but are not limited to the provision of logistics solution design, arranging sea, air, and land transportation, warehousing, packaging, customs declaration and inspection, port transit, transportation of large items, import and export policy consultation, etc. The Company has operated many logistics projects in the world, and has extensive project experience. Project logistics is mainly affected by factors such as China's overseas contracting projects and the economic, political and security situation of various countries and regions in the world.

Chapter 3

Management Discussion and Analysis

Chemical logistics mainly serves refined chemical industry customers, and provides supply chain solutions and logistics services to customers, which mainly include warehousing, transportation and distribution, international freight forwarding and multi-modal transportation of hazardous chemicals and general packaged chemicals. The Company has a set of integrated chemical logistics service system for warehousing, transportation (including liquid tank container), freight forwarding, multi modal transport and bonded logistics, focuses on East China, North China and Southwest regions of China, forms a whole-network layout focusing on East China, North China and Southwest regions, and synergizing public resources in Northeast China and South China. In addition to being affected by the prosperity of the chemical industry, chemical logistics is also closely related to industry policies and safety supervision regulations.

The vision of the Company's logistics business is to transform into value chain consolidation. As the core business of the Company, logistics business will stick to the target of "customized solution, industrialized sale, consolidated service, and unified operation", letting the solution lead the whole process, focusing on selected target industries, to deepen and refine industrial chain, vertically extend the business, and horizontally replicate experience, to forge expertise and advantage of scale in target industries.



Chapter 3 Management Discussion and Analysis

2. *Forwarding and related business*

The forwarding and related business of Sinotrans mainly includes sea freight forwarding, air freight forwarding, railway freight forwarding, shipping agency, storage and terminal services and etc. Sinotrans is the largest freight forwarding company in China and has an extensive service network covering China and reaching the world.

In respect of **sea freight forwarding**, Sinotrans mainly provides customers with multilink logistics services related to shipping such as space booking, arranging transportation, container delivery, container loading, storage, port concentration and dispatch, customs declaration and inspection, distribution and delivery. Sinotrans is one of the world renowned sea freight forwarding service providers, and is capable of providing whole supply chain logistics services between major ports in China and all the trading countries and regions, and between third countries around the world.

In respect of **air freight forwarding**, Sinotrans mainly provides professional air freight forwarding services such as pick-up and dispatch, customs declaration and inspection, warehousing, packaging, booking and handling, trunk air-line freight forwarding and trucking transit services. As a world renowned air freight forwarding company in China, Sinotrans has accumulated extensive industrial experience and established stable strategic cooperative relationship with major domestic and international airlines, core overseas agents and domestic logistics service providers to ensure the stability of the supply chain. At the same time, the Company continues to promote the construction of a “new carrier” system, and through controllable capacity and resource, the Company provides customers with full-process, visualized and standardized whole supply chain air related logistics services.

In terms of **railway freight forwarding**, Sinotrans is a leading railway freight forwarding service provider in the PRC. It is able to provide customers with railway freight forwarding and information services in bulk cargo, containers and in a variety of ways, including integrated whole supply chain service like domestic railway freight forwarding, international railway freight forwarding (including transit railway freight forwarding) and sea-rail multimodal transportation. Self-operated international railway express platforms of the Company covers over 50 routes (including 16 routine weekly routes) from Changsha, Shenyang, Shenzhen, Xinxiang, Chifeng and other places. Meanwhile, the Company proactively participated in the construction of the China-Laos-Thailand railway channel, created products for the China-Laos-Thailand Railway Express with normalized operation, and provided the comprehensive service capacity of the China-Laos railway two-way transportation, cross-border transfer, container management, etc.

Chapter 3

Management Discussion and Analysis

In terms of **shipping agency**, Sinotrans is a leading shipping agency service provider in China, with branches in more than 70 ports along the coast of China and the Yangtze River. Sinotrans also has representative offices in Japan, Korea and Thailand, etc., providing shipping companies with services such as port arrival and departure, documentation, ship supplies and other ship related services at ports.

In terms of **storage and yard operation**, Sinotrans provides customers with services such as storage, container consolidating and devanning, cargo loading and unloading, dispatching and distribution, etc. Sinotrans has rich resources of warehouses and container yards, and 11 self operated river terminals in the provinces of Guangdong, Jiangsu, Anhui and Guangxi, which are important bases for the Company to provide high-quality and efficient freight forwarding and integrated logistics services.

The Company's forwarding and related business is mainly affected by factors such as global trade situation, China's port container throughput volume, air cargo and mail volume and balance between supply and demand.

Forwarding and related business is the cornerstone of business development, it will closely stick to the customers' demand, emphasize on customer-driven, valuation creation and model innovation, extend the service chain, mine the value of customers and suppliers, and push forward the construction of platform and products, so as to gradually turn the service to whole supply chain logistics.



Chapter 3 Management Discussion and Analysis

3. *E-commerce business*

Sinotrans' e-commerce business includes cross-border e-commerce logistics, logistics e-commerce platform and logistics equipment sharing platform. **The cross-border e-commerce logistics** business mainly refers to the development and design of standardized products by the integration of domestic terminals, trunk and overseas terminals resources, to satisfy the demand of cross border e-commerce customers. So far, the Company has launched B2C e-commerce package products and B2B air freight headend products to the countries and regions, such as Europe, the United States, South America, Africa, Japan and South Korea, and launch a "Sinoex trucking liner" product with whole vehicle and carpool to Central Asian. The scope of services includes door-to-door collection, domestic (bonded) warehouse management, import and export customs clearance, international transportation, overseas warehouse management, last mile distribution, etc. The cross-border e-commerce logistics business is mainly affected by factors such as the trade volume of cross-border e-commerce, and customs policy. **Logistics e-commerce platform** refers to the provision of various public online logistics services, which include online transaction and services in sea, land, air transport, customs clearance etc. and value added services including online insurance, full-process visualization etc., by the Company through the logistics e-commerce platform, namely Y2T. The whole supply chain products provide door-to-door services between China and the main cities of Japan, South Korea, as well as main countries of Southeast Asia and Central Asia, etc. **Logistics equipment sharing platform** refers to the Company providing logistics equipment leasing service, including containers and mobile fridge containers, tracking and monitoring services.

The Company will grasp the two main streams of logistics e-commerce and e-commerce logistics, consolidate internal and external resources by innovation of technologies and business model. Based on fully promoting the digitalized operation of principal business, we will intensify our efforts to develop the cross-border e-commerce logistics, actively explore logistics e-commerce platform model, strengthen scientific and technological innovation, and promote the industrial chain.

Explanation of significant new non-core businesses added during the reporting period

☐Applicable ☒Not applicable

Chapter 3

Management Discussion and Analysis

(II) Macroeconomic and Industry Development

1. *The global trade landscape was being reshaped, while the domestic economy remained stable with a positive outlook*

Amid rising tariffs and uncertainty over trade policies, **the global economic** outlook has deteriorated significantly. At the same time, the global economy faces downside risks arising from multiple factors, including escalating geopolitical tensions, elevated debt levels, heightened fiscal and financial vulnerabilities, and intensifying trade tensions. The rise of trade protectionism and deglobalization sentiment has eroded the authority and effectiveness of multilateral mechanisms, while the pace of trade intervention measures has continued to accelerate. The prolonged strategic competition between China and the U.S. has accelerated the restructuring of global industrial chains. Trends such as supply chain localization, regionalization, diversification, and green transformation have become increasingly pronounced, accelerating the reshaping of the global trade landscape. The International Monetary Fund (IMF) predicted that the global economic growth rate would grow by 3.0% in 2025.

China's domestic economy was generally stable with a positive outlook. In the first half of 2025, **gross domestic product (GDP)** amounted to RMB66.05 trillion, which represented a year-on-year increase of 5.3% based on constant prices, demonstrating the strong resilience and vitality of China's economy. In the face of a complex and challenging environment, China's economy has forged ahead under pressure, remained resilient in the face of difficulties, and maintained stable performance. Meanwhile, external instabilities and uncertainties persist, and domestic effective demand remains insufficient, indicating that the foundation for the continued economic recovery and improvement still requires further consolidation. **In terms of trade**, the imports and exports of China totaled USD3.03 trillion in the first half of 2025, representing a year-on-year increase of 1.8%, of which exports were USD1.81 trillion with a year-on-year increase of 5.9%, and imports were USD1.22 trillion with a year-on-year decrease of 3.9%. In terms of trading partners, in the first half of the year, China's imports from and exports to countries along the "Belt and Road" Initiative totaled USD1.57 trillion with a year-on-year increase of 3.5%, accounting for 51.8% of China's total import and export value, representing an increase of 0.9 percentage point over the same period last year. In terms of traded goods, exports of electromechanical products reached USD1.08 trillion, representing a year-on-year increase of 8.2%, accounting for 60% of China's total export value, representing an increase of 1.2 percentage points over the same period last year, of which high-end equipment, which is closely associated with new quality productivity, grew by over 20%, while the "new three" products, which represent green and low-carbon development, increased by 12.7%.

In addition, changes in the **U.S. tariff policies** have had the most significant impact on eastbound trans-Pacific routes, while also affecting other routes, thereby severely disrupting the stability and fluidity of international logistics channels. The combined effect of various policies and measures may lead to a substantial decline in global freight volumes. According to China's import and export data, the total value of goods traded between China and the United States from January to June 2025 (in U.S. dollar, unless otherwise specified) declined by 10.4% year-on-year, with exports declining by 10.9% and imports declining by 8.7%. At present, although U.S. tariff policies have shown signs of easing, their adverse impacts have yet fully dissipated. In the long term, the risk of fragmentation in the global trade system is expected to persist. Affected by U.S. tariff policies, the World Trade Organization (WTO) forecasts a global trade growth rate of 0.9% for 2025, lower than the 2.7% before the tariff increase.

Chapter 3

Management Discussion and Analysis

2. *A multi-pronged approach has been adopted to promote the development of the logistics industry*

In the first half of 2025, the government introduced a series of industry policies aimed at further reducing logistics costs, optimizing the layout of hubs, and promoting the development of intelligent logistics, green logistics, and cross-border logistics. In February, the National Development and Reform Commission issued the National Logistics Hub Layout Optimization and Adjustment Plan, which aims to enhance the balanced development of the national logistics hub network and improve the modern logistics operation system featuring “corridors + hubs + networks.” The plan also seeks to better integrate major national logistics corridors, comprehensive transportation corridors, key railway logistics bases, inland ports and other key logistics nodes, thereby improving the overall efficiency and service quality of logistics operations. In March, eight departments, including the Ministry of Commerce, jointly issued the Special Action Plan for Accelerating the Development of Digital and Intelligent Supply Chains, which aims to promote the integration of logistics with industry, trade, and consumption through digital-intelligent collaborative innovation, and to further reduce logistics costs by advancing intelligent logistics. Additionally, ten departments, including the Ministry of Transport, issued the Guiding Opinions on Promoting the Integrated Development of Transportation and Energy, which aim to accelerate the development and utilization of clean energy in transportation infrastructure and promoting green and low-carbon alternatives for transportation energy. According to the plan, electricity is expected to account for 10% of the transportation sector’s terminal energy consumption by 2027. In April, the General Administration of Customs took the lead in rolling out a special initiative to facilitate cross-border trade, with a focus on enhancing multi-modal transport coordination in coastal, inland, and border areas, further supporting the construction and development of hubs for cross-border freight trains, and establishing secure and smooth international straight road transport links.

Chapter 3

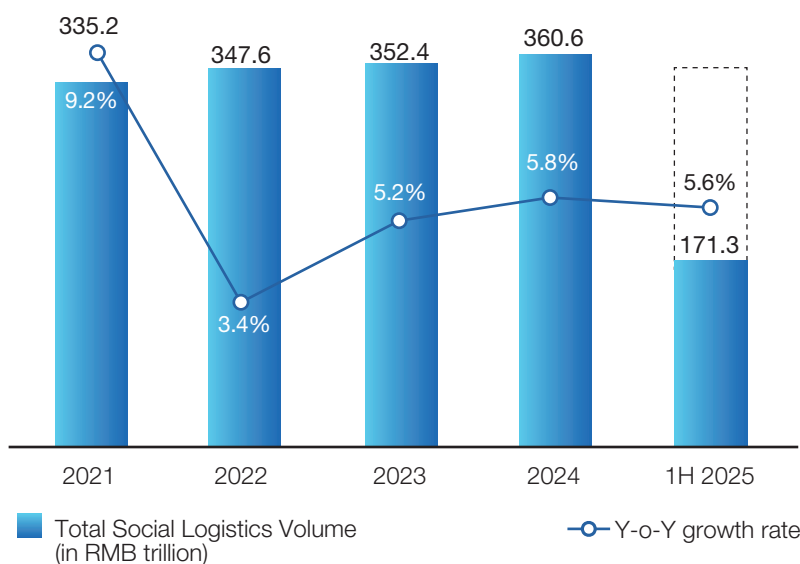
Management Discussion and Analysis

3. *China's logistics industry remained generally stable with steady progress, maintaining the positive momentum of improvements in both quality and efficiency*

From January to June 2025, the total value of China's social logistics reached RMB171.3 trillion, representing a year-on-year increase of 5.6% calculated at comparable prices. A comparison between the total value of social logistics and GDP shows a high degree of synchronicity in growth during the first half of the year, indicating that logistics demand and economic performance remained well-aligned. In the first half of the year, the growth rate of the total value of China's social logistics remained 0.3 percentage point higher than that of GDP, reflecting the sustained strength of logistics demand in supporting economic development.

The structure of the total value of social logistics indicated that logistics demand for industrial goods remained a stable foundation. In the first half of the year, the total logistics value from industrial products increased by 5.8% year-on-year, with a contribution rate of 85% in the growth of total value of social logistics, highlighting its role as a “ballast” in stabilizing the foundation. The continued trend toward diversification in international logistics demand was reflected in the significant rebound in integrated circuit imports, which rose by 8.9% year-on-year, while logistics demand driven by new quality productivity also maintained steady growth. In the first half of the year, logistics demand from the equipment manufacturing sector increased by 10.9% year-on-year, while demand from the high-tech manufacturing sector increased by 9.7% year-on-year, both emerging as key drivers of overall logistics demand growth. In terms of demand for green industry logistics, sectors related to the “new three”, namely new energy vehicles, lithium batteries, and solar cells, continued to grow at a strong pace. Driven by policies supporting the replacement of old consumer goods and subsidies for new purchases, the physical logistics volume of tablet computers and 5G smartphones recorded relatively rapid growth, each growing by more than 10% year-on-year.

Total Social Logistics Value from 2021 to 1H2025



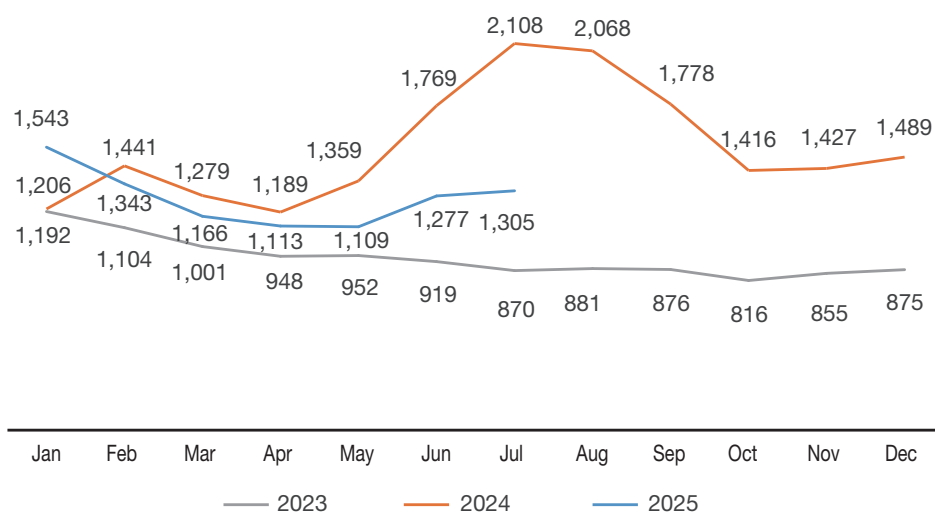
Chapter 3 Management Discussion and Analysis

4. *Sufficient capacity remains in the container shipping market, while demand is affected by changes in trade policy*

On the demand side, the shipping market has experienced notable impacts due to continued disturbances caused by U.S. tariff policies and global trade uncertainties. In the first quarter, market demand remained steady. However, following the U.S. announcement in April of “reciprocal tariffs” on multiple countries, uncertainty surrounding global trade and cargo volume growth increased, exerting downward pressure on the shipping market. **On the supply side**, the delivery of a large number of vessels in the first half of the year led to continued growth in shipping capacity. According to data from Alphaliner, the total global container capacity exceeded 32 million TEUs by the end of June. Although vessel rerouting, port congestion, and carrier adjustment measures have constrained capacity to some extent, overall market supply remains sufficient. **In terms of freight rates**, container shipping rates showed a general downward trend under the pressure of oversupply. However, in May and June, freight rates on certain routes such as those to North America and Europe rebounded and fluctuated due to factors including U.S. tariff policies and capacity adjustments. The CCFI in the first half of 2025 had an average value of 1,252.63 points, representing a year-on-year decrease of 8%.

From January to June 2025, China’s port container throughput was 173 million TEUs, representing a year-on-year growth of 6.9% (8.5% in the same period of 2024); and China’s port cargo throughput was 8,903 million tonnes, representing a year-on-year growth of 4%, with export cargo throughput increasing by 1.8% year-on-year.

CCFI, monthly average



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5. *The growth of global air freight market slowed down, resulting in a fluctuating decline in freight rates*

According to data from the International Air Transport Association (IATA), **on the demand side**, the global air cargo demand, which is measured in cargo tonne-kilometers (CTKs), marked an increase of 0.8% year-over-year from June 2024 (of which international demand increased by 1.6%). While the cargo demand in the Asia-Pacific region bucked the trend with strong growth of 9.0%, North America saw a significant decline of 8.3%. **On the supply side**, the air cargo capacity, which is measured in available cargo tonne-kilometers (ACTKs), grew by 1.7% year-over-year from June 2024 (of which international supply increased by 2.8%). **In terms of freight rates**, affected by tariff policies and the Lunar New Year holiday, American air route rates fell 30% quarter-on-quarter from January to April. Following the U.S. government's announcement of a 90-day tariff suspension window in mid-May, rates rebounded. However, as of June, freight rates still saw year-on-year decline. As capacity on American routes gradually shifted to Europe, Europe route rates declined quarter-on-quarter from January to April. However, with cross-border e-commerce rapidly expanding into the European market, rates began recovering in May and largely stabilized at prior-year levels by June.

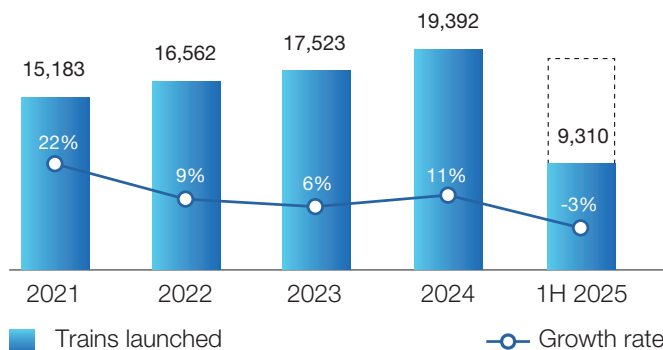
In the first half of 2025, the national civil aviation cargo and mail transportation volume totaled 4.784 million tonnes, representing a year-on-year increase of 14.6%. Of which, the International cargo and mail transportation volume amounted to 2.037 million tonnes, representing a year-on-year increase of 23.4%.

6. *China-Europe Railway Express experienced decline in cargo volume and China-Asia Railway achieved significant growth*

In the first half of 2025, the China-Europe Railway Express launched a total of 9,310 trains and transported 964 thousand TEUs of cargo, representing a year-on-year decrease of 3.3% and 7.4%, respectively. As of June 2025, the China-Europe Railway Express has launched exceeding 110 thousand in total, connecting 128 cities in China with 229 cities in Europe. 14 China-Europe Railway Express hubs have been established across seven major regions in China, accelerating the formation of an efficient transportation system combining “main routes and branch routes” and “hubs and distribution centers”. The number of trains launched by the China-Europe Railway Express through these hubs accounted for 88% of the total in the country. Domestic and international full timetable for China-Europe Railway Express launched 17 trains as scheduled per week, with the total running time reduced by more than 30% compared to ordinary trains in average.

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Volume of China-Europe Railway Express and Growth Rate



In the first half of 2025, the China-Asia Railway Express launched a total of 7,349 trains and transported 565.3 thousand TEUs of goods throughout the period, representing a year-on-year increase of 24.7% and 31.8%, respectively. Among them, a total of 119.9 thousand TEUs were transported via the China-Laos Railway (Mohan Port), representing a year-on-year increase of 11%, while a total of 22.8 thousand TEUs were transported via the China-Vietnam Railway (Pingxiang Port), representing a year-on-year increase of 350.5%.

7. The market size of cross-border e-commerce continued to expand with growth rate slowing down

In recent years, the scale of export cross-border e-commerce has been expanding, with its proportion to the GDP of the PRC rising year by year, increasing from 4.5% in 2020 to 6.7% in 2024. Export cross-border e-commerce have become an important force for driving export growth and stabilizing foreign trade. According to data from the General Administration of Customs, in the first half of 2025, the import and export volume of China's cross-border e-commerce was approximately RMB1.32 trillion, with a year-on-year increase of 5.7%, accounting for 6.1% of total goods imports and exports. However, affected by the U.S. tariff policies, the cross-border e-commerce industry is reshaping the competitive landscape of the air cargo market against the backdrop of the continuous penetration of the "sea transportation + overseas warehouse" semi-managed model.

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Management Discussion and Analysis

II. DISCUSSION AND ANALYSIS OF BUSINESS PERFORMANCE

(I) Overall Operations during the Reporting Period

In the first half of 2025, amid frequent global high-profile incidents, including heightened geopolitical tensions, technological breakthroughs, and adjustments to economic policies, the International Monetary Fund (IMF) slightly revised upward its forecast for global economic growth in 2025 to 3%. Nevertheless, overall tariff levels remained near historical highs, and the global policy environment continued to face significant uncertainty. Domestically, the Chinese economy maintained steady growth and demonstrated resilience in a shifting environment in the first half of the year, with GDP increasing by 5.3% year-on-year and the total value of goods imports and exports increasing by 1.8% year-on-year. However, effective domestic demand remained weak, and both prices and vacancy rates in the domestic warehousing market continued to experience sustained downward pressure.

In the face of weak domestic demand, intensifying involution, fluctuating external demand, and the restructuring of foreign trade, the Group responded promptly to the changing conditions and optimized its asset structure. In the first half of the year, the Company achieved revenue of RMB50.523 billion, net profit attributable to shareholders of the Company of RMB1.947 billion, which remained stable as compared with the corresponding period of the previous year.

1. *Upgrading the strategic marketing system to achieve improvement in both quality and quantity of market development*

In the first half of the year, the Company identified key industries and developed industry-specific marketing strategies. It piloted the optimization of a headquarters-led management model, progressively establishing a strategic marketing system featuring headquarters-led coordination and integrated operations across the entire network. These initiatives delivered breakthroughs in marketing performance, cooperation models, and value chain extension. The Company engaged in deep co-creation with **a client in the technology and electronics industry**, achieving innovations in both service models and product-level solutions, and extending the scope of cooperation to secure a breakthrough in end-to-end logistics services for overseas plant construction equipment. Furthermore, a customized full-chain solution was developed for **a automobile manufacturer**, achieving a breakthrough in business innovation.

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2. *Optimizing resource allocation continuously and delivering notable results in business model innovation*

In the first half of the year, the Company continued to **deepen collaboration with strategic resource partners**, accelerated the transformation of new carrier models, and continuously enhanced its capabilities in “control the cargo source, control the capacity and control the two ends”. In terms of **resource allocation**, the first central SOE-asset-based logistics infrastructure REITs in China, BOC Sinotrans REIT, was successfully listed on the Shanghai Stock Exchange. The premium rate of such issue amounted to 16.16%, underscoring capital market confidence in Sinotrans’ operational capabilities and the quality of its listed underlying assets.

3. *Advancing digital transformation systematically and highlighting the effectiveness of integrated operations*

In the first half of the year, the Company remained committed to the goal of network-wide operation and, through a systematic approach, standardised principles and a penetrating organisational structure, accelerated the development and implementation of its operational system. It continued to refine its digital transformation metric system, steadily promoted the customer management system and CRM application, and continued to push forward the product and quotation management system, as well as system construction. In addition, the enhancement of procurement capabilities supported the development of the resource management system.

4. *Activating new growth engines for overseas development and delivering notable results in the internationalisation strategy*

In the first half of the year, the Company actively implemented its internationalization strategy, continuously enhancing overseas capabilities and achieving an 18.1% year-on-year increase in total profit of overseas business. In **Hong Kong, China**, the Company launched the “Greater Bay Area Cross-border Green Express” direct-service offering to establish a cross-border road transportation ecosystem. In **Europe**, it developed the Liège hub in Belgium, established a subsidiary in Serbia, to form a synergistic network with the Romania node. In **Middle East and Latin America**, the Company continued to develop the Dubai-GCC countries cross-border road transportation corridor. In **Africa**, it reinforced the role of the Djibouti logistics hub, maintained cooperation with the Djibouti Free Trade Zone, and developed an African cross-border transportation corridor.

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5. *Strengthening technology-driven innovation and continuously consolidating competitive advantages*

In the first half of the year, the Company maintained its firm commitment to technology-driven innovation as the core driver, comprehensively advancing the transformation of its business towards intelligence and sustainability. It has initially established intelligent logistics solution capabilities covering multiple business scenarios and multiple technology combinations, and is advancing the upgrade of its technology applications to “AI+”. Notably, the Company’s commercial operation mileage of its autonomous driving fleet on highways has exceeded 3 million kilometers, solutions for horizontal transportation at ports have been newly rolled out and a “1+N” fleet autonomous driving solution is under exploration. Six new smart warehousing projects commenced construction, covering five major industries, and the Company commenced operations of its first smart warehouse in Europe. Multiple new “AI+” application initiatives were launched to jointly develop an “AI+” ecosystem with customers and partners. Green logistics maintained its industry-leading position. The Company updated the Green Logistics White Paper of Sinotrans, participated in the formulation of two national standards and one industry standard, and completed or commenced rooftop distributed photovoltaic installations with a total capacity exceeding 100MW. In the Yangtze River Delta and the Greater Bay Area, the Company developed new-energy heavy truck and charging networks, and launched pilot projects. It also upgraded and iterated its carbon management platform and carbon calculator to promote the full coverage of carbon statistics and business scenario carbon calculation functions, with an average of over 130,000 carbon calculation service calls per month. The Company achieved reductions in both total operational carbon emissions and carbon emission intensity, with decrease of 8% and 13% respectively compared with the baseline year.

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(II) Business Segments and Segment Profit (with the Segment Profit Being the Operating Profit of the Segment Deducting the Impact of Investment Income from Joint Ventures and Associates)

Logistics

In the first half of 2025, the external revenue from the Group's logistics business amounted to RMB14,323 million, representing a decrease of 5.86% as compared with that of the corresponding period of last year, and the segment profit amounted to RMB318 million, representing a year-on-year decrease of 22.35%, which were mainly due to the persistent lack of effective domestic demand, the overall pressure on the contract logistics market, and the historically low logistics and warehousing prices. Additionally, certain costs of the Company's contract logistics business remained rigid, causing the year-on-year decline in both revenue and segment profit.

Forwarding and Related Business

In the first half of 2025, the external revenue from the Group's forwarding and related business amounted to RMB29,628 million, representing a year-on-year decrease of 15.49%, and the segment profit amounted to RMB1,215 million, representing a slight decrease of 1.23%. The year-over-year decline in revenue was primarily attributable to lower international sea freight and air freight rates in the first half of 2025, coupled with significant volume reductions in air and land transportation due to market conditions. Meanwhile, the Company proactively advanced the construction of its new carrier model and strengthened cost controls across all business segments, maintaining relatively stable overall profitability.

E-commerce Business

In the first half of 2025, the external revenue from the Group's e-commerce business amounted to RMB6,571 million, representing a year-on-year increase of 7.28%, and the segment profit was RMB72 million, representing a year-on-year decrease of 36.71%. Revenue from the Network Cargo Platform increased year-over-year, driven by higher shipment volumes. However, air freight rates and cross-border e-commerce logistics volumes declined year-over-year due to market conditions and trade policy impacts. With certain capacity costs remaining relatively fixed, segment profit from the cross-border e-commerce logistics business saw a significant year-on-year decrease.

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RMB million		1H 2025	1H 2024
Logistics			
Contract Logistics	Revenue	10,997	12,150
	Segment Profit	240	312
Project Logistics	Revenue	2,430	1,976
	Segment Profit	16	7
Chemical Logistics	Revenue	975	927
	Segment Profit	46	67
Forwarding and Related Business			
Sea Freight Forwarding	Revenue	21,099	25,518
	Segment Profit	510	484
Air Freight Forwarding	Revenue	3,978	4,131
	Segment Profit	46	114
Railway Freight Forwarding	Revenue	4,317	5,425
	Segment Profit	21	39
Shipping Agency	Revenue	855	2,647
	Segment Profit	283	280
Storage and Yard Operation	Revenue	1,936	1,974
	Segment Profit	203	185
Air Channel	Revenue	7,969	9,052
	Segment Profit	77	188
E-commerce Business			
Cross-border E-commerce Logistics	Revenue	3,992	4,921
	Segment Profit	31	74
Logistics Equipment Sharing Platform	Revenue	72	73
	Segment Profit	27	27
Logistics E-commerce Platform	Revenue	3,673	2,722
	Segment Profit	15	13

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(III) Operation Statistics of Principal Business

In the first half of 2025, the volume of **contract logistics** (including cold chain logistics) was 24.22 million tonnes (24.93 million tonnes in 1H 2024); the volume of **project logistics** was 3.41 million tonnes (3.30 million tonnes in 1H 2024); the volume of **chemical logistics** was 2.03 million tonnes (1.86 million tonnes in 1H 2024).

In the first half of 2025, the volume of **sea freight forwarding** was 7.91 million TEUs (7.45 million TEUs in 1H 2024); the volume of **air channel** was 458 thousand tonnes (including 47 thousand tons of cross-border e-commerce logistics business), which was 533 thousand tonnes in 1H 2024 (including 120 thousand tons of cross-border e-commerce logistics business); the volume of **rail freight forwarding** was 214 thousand TEUs (284 thousand TEUs in 1H 2024); the volume of **shipping agency** was 36,327 vessel calls (31,647 vessel calls in 1H 2024); the volume of **storage and yard operation** was 12.79 million tonnes (11.50 million tonnes in 1H 2024).

In the first half of 2025, the volume of **cross-border e-commerce logistics** was 31.63 million shipments (117.03 million shipments in 1H 2024); the volume of **logistics e-commerce platform** was 1.90 million TEUs (1.27 million TEUs in 1H 2024); the volume of **logistics equipment sharing platform** was 85 thousand TEUs/day (84 thousand TEUs/day in 1H 2024).

Significant changes in the Company's operations and significant events that have a significant impact on the Company's operations and are expected to have a significant impact in the future during the Reporting Period

☐Applicable ☒Not applicable

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III. ANALYSIS OF CORE COMPETITIVENESS

✓Applicable ☐Not applicable

(I) Well-established Service Network and Rich Logistics Resources

The Group has an extensive and comprehensive domestic and overseas service network. The domestic service network covers 32 provinces, autonomous regions, municipalities and special administrative areas in China. Domestically the Group owns more than 13 million sq.m. of land resources, including more than 4.6 million sq.m. of warehouses, approximately 2.6 million sq.m. of yards and 11 river terminals with more than 4,400 meters of coastal line resources. The self-owned overseas network of the Group covers 45 countries and regions with 72 self-owned institutions worldwide, providing customers with access to global logistics services.

(II) A Clear and Definite Strategic Path, and A Network-wide Operation System of Strong Customers, Strong Products, and Strong Operations

The Company continues to promote the implementation of the “14th Five-Year” plan and strives to be the leader of intelligent logistics, the builder of supply chain ecology, and the promoter of China’s high-quality logistics industry. Under the strategic guidance, the Company will comprehensively strengthen the construction of the strategic marketing system, focusing on enhancing its customer service capabilities; continue to reinforce channel construction and network layout, systematically addressing shortcomings in logistics resources; systematically advance digital transformation, striving to build a network-wide operation system of strong customers, strong products and strong operations; continuously improve the overseas network, increasing investment in overseas resources to activate new engines for overseas development. In order to ensure the implementation of the strategy, the Company will deeply promote institutional and mechanism reforms with an aim to build an operational headquarters, and drive organizational restructuring to fully strengthen headquarters capabilities.

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(III) Strong Capabilities for Logistics Solutions

The Company is committed to building a highly adaptable and flexible supply chain logistics service system. It focuses on key industries, including consumer products, automobile and new energy, high-tech and electronics products, medical and health, industrial products, engineering, energy, chemical, etc., and provides tailor-made comprehensive, end-to-end global trade compliance logistics solutions and efficient, reliable and flexible supply chain support to numerous industry leading customers and their upstream and downstream partners. Also, the Company leverages the power of digital intelligence and green solutions to create high value-added services for customers. The Company has accumulated extensive operational experience in enhancing the efficiency of cargo and equipment deployment in all aspects of customers' production, manufacturing and engineering projects, thus ensuring that production resources around the world are delivered to their destinations punctually and accurately. Apart from its rich industrial experience in the fields of contract logistics, project logistics, chemical logistics, etc., Sinotrans has been constantly innovating and pursuing a green service philosophy. The Company has established leading advantages in full-value chain logistics services, and has made positive exploration and contributions to promote the integrated development of logistics and manufacturing, demonstrated the undertaking of the responsibilities as a leading logistics enterprise.

(IV) Leading Supply Chain Logistics Service Model

Following the development trend of the industry and in response to the changes in customer demand, Sinotrans kept innovating its logistics service model. To this end, it strengthened the product research development and design capabilities and channel capacity construction, continuously improved the standardized product systems and operation scheme and kept searching for solutions featured with cost-efficiency, high performance, good experience and services. Furthermore, Sinotrans also improved its information systems and promoted new products by digitalized marketing, which enabled it to provide end-to-end one-stop whole supply chain logistics service to domestic and international enterprises and satisfy comprehensive logistics demands of customers in a fast and high-efficient manner.

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(V) Leading Industry Position, Good Brand Image and Profound Resources of Brand Customers and Suppliers

With more than 70 years of history and experience, the Group has established good brand recognition in the logistics industry at home and abroad and has been granted many important awards in the industry. From an international perspective, in 2025, Sinotrans' sea freight forwarding ranks first globally, while its air freight forwarding ranks fifth globally and first in Asia. From a domestic perspective, as an AAAAA logistics enterprise rated by the China Federation of Logistics & Purchasing, Sinotrans has consecutively won the first prize of the Top 100 Logistics Enterprises in China and the first prize of the Top 100 International Freight Forwarding Logistics in China, and has been awarded as the “Most Competitive (Influential) Logistics Enterprises in China” for many times. As the leading third-party logistics service provider in China, the Company has good reputation and image among both customers and suppliers. On one hand, Sinotrans has established long-term and stable cooperative relationship with many well-known domestic enterprises and multinational corporations, and has been well recognized by customers. On the other hand, based on its own stable customer resources and strong logistics service capabilities, Sinotrans maintains good and stable partnership with many suppliers, such as internationally renowned shipping companies and airlines.

(VI) Strengthen the Empowerment of Intelligent Logistics and the Development of Green Logistics, Promote Business Transformation and Upgrading

Sinotrans has essentially established smart logistics service capabilities covering end-to-end business scenarios, with technological applications now comprehensively exploring an upgrade towards “AI+”. The Company is actively advancing its “AI+ Logistics” initiative by continuously building high-quality datasets and an intelligent agent matrix and initiating multiple new “AI+” application projects in business operations, customer service and other fields, while collaborating with customers and partners to co-create an “AI” ecosystem. Additionally, Sinotrans has commenced the construction of an innovation center for warehousing automation by continuously researching, developing and promoting smart warehousing hardware and software products. New smart warehousing construction projects have been deployed across industries such as telecommunications electronics, new retail, industrial products, healthcare and automobile, with the first smart warehousing project in Europe already put into operation. The cumulative commercial operation mileage of our autonomous driving fleet on highways has surpassed 3 million kilometers, solutions for horizontal container transportation at ports have been newly rolled out and a “1+N” fleet autonomous driving solution is under exploration.

Sinotrans continues to consolidate its industry-leading position in green logistics, releasing the 2025 Green Logistics White Paper of Sinotrans, continuing to participate in the formulation of 2 national standards and 1 industry standard. In the first half of the year, the contracted installed capacity of rooftop distributed photovoltaic systems increased by 15.05 MW. Construction of charging networks for new energy vehicles commenced and pilot projects were launched in the Yangtze River Delta and the Greater Bay Area, while the carbon management platform and carbon calculator were upgraded and iterated. Efforts are being made to achieve full coverage of carbon statistics and carbon calculation functions across all business scenarios.

Chapter 3 Management Discussion and Analysis

IV. MAJOR BUSINESS CONDITIONS DURING THE REPORTING PERIOD

(I) Analysis on Principal Businesses

1. Analysis Statement of Changes to Relevant Items in Financial Statements

Unit: RMB

Item	Amount for the Reporting Period	Amount for the corresponding period of last year	Change (%)
Operating income	50,522,501,231.52	56,399,931,108.31	-10.42
Operating cost	47,420,616,690.36	53,493,171,250.64	-11.35
Selling expenses	495,280,494.50	486,348,242.06	1.84
Administrative expenses	1,503,973,468.71	1,503,327,125.67	0.04
Research and development expenses	42,121,724.37	77,293,608.06	-45.50
Finance costs	60,511,947.36	126,565,349.57	-52.19
Net cash flows from operating activities	167,722,861.82	-1,649,654,479.09	N/A
Net cash flows from investment activities	-1,097,635,192.47	-621,067,208.90	N/A
Net cash flows from financing activities	-823,741,753.93	-2,656,413,638.26	N/A

The change in operating income was mainly due to the decline of freight rates.

The change in operating cost was mainly due to the decline of freight rates and the Group's further enhancement of cost control, resulting in a cost reduction that was greater than the revenue decrease.

The change in research and development expenses was mainly due to fewer R&D projects initiated by the Group in the period, leading to a decrease in the expensed R&D investment.

The change in finance costs was mainly due to the decline of debt cost under the Group's measures to control the scale of debts, further optimize the debt structure and advance swap of existing debts, which, together with the foreign exchange gains from foreign exchange rate fluctuations, led to a year-on-year decrease in finance costs.

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The change in net cash flows from operating activities was mainly due to the Group's further enhancement of accounts receivable and operating cash flow management.

The change in net cash flows from investment activities was mainly due to the increase of external equity investments and fixed asset investments in the period, including investment of RMB260 million for a 20% share in BOC Sinotrans Warehousing and Logistics Closed-end Infrastructure Securities Investment Fund (中銀中外運倉儲物流封閉式基礎設施證券投資基金).

The change in net cash flows from financing activities was mainly due to further optimization of debt structure in the Reporting Period, leading to significant decrease in net cash outflows for debt repayment as compared to the corresponding period of last year.

2. Particulars of Material Changes in the Company's Business Type, Profit Composition or Profit Sources during the Reporting Period

☐Applicable ☒Not applicable

(II) Significant Changes to the Profit Resulting from Non-principal Business

☐Applicable ☒Not applicable



Chapter 3 Management Discussion and Analysis

(III) Analysis of Assets and Liabilities

✓Applicable □Not applicable

1. Assets and Liabilities

Unit: RMB

Item	Amount at the end of the period	Amount at the end of the period as a percentage of total assets (%)	Amount at the end of the previous period	Amount at the end of the previous period as a percentage of total assets (%)	Year-on-year change (%)
Other receivables	4,036,633,274.38	4.99	2,799,184,855.60	3.63	44.21
Other non-current assets	294,644,077.65	0.36	149,785,291.62	0.19	96.71
Short-term borrowings	1,576,504,111.30	1.95	3,294,191,564.22	4.27	-52.14
Bills payable	103,495,009.99	0.13	183,554,323.76	0.24	-43.62
Other payables	2,935,927,952.13	3.63	1,996,258,400.91	2.59	47.07
Non-current liabilities due within one year	1,925,623,746.41	2.38	941,267,381.93	1.22	104.58
Bonds payable	4,017,677,887.24	4.96	2,018,912,428.80	2.62	99.00
Estimated liabilities	34,251,215.27	0.04	23,339,731.15	0.03	46.75

Other descriptions

The change in other receivables was mainly due to the Group's offering of BOC Sinotrans Warehousing and Logistics Closed-end Infrastructure Securities Investment Fund (中銀中外運倉儲物流封閉式基礎設施證券投資基金), with certain funds yet to be recovered as at the end of the Reporting Period.

The change in other non-current assets was mainly due to the increase in prepayment for land-use rights.

The change in short-term borrowings was mainly due to the Group's further optimization of debt structure, with revolving short-term borrowings repaid in the Reporting Period.

The change in bills payable was mainly due to the decrease in settlement of bills in the period.

The change in other payables was mainly due to the annual dividends of RMB1,040 million for 2024 declared but yet to be paid at the end of the Reporting Period.

The change in non-current liabilities due within one year was mainly due to the increase of lease liabilities due within one year and long-term borrowings in the period.

The change in bonds payable was mainly due to the Group's offering of RMB2,000 million corporate bonds in the period.

The change in estimated liabilities was mainly due to the increase of provision for certain pending lawsuits of the Group.

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2. Overseas Assets

☒Applicable ☐Not applicable

(1) *Asset Size*

Overseas assets was RMB21,032 million, accounting for 25.98% of total assets.

(2) *Description of Relatively High Proportion of Overseas Assets*

☐Applicable ☒Not applicable

3. Restriction on Material Assets as at the End of the Reporting Period

☒Applicable ☐Not applicable

Details are set out in Note IX. 22 of the Financial Statements in “Chapter 8 Financial Report” of this Report.

4. Other Descriptions

☐Applicable ☒Not applicable

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(IV) Analysis of Investments

1. Overall Analysis of External Equity Investments

☒Applicable ☐Not applicable

The Group's long-term equity investment at the end of the Reporting Period amounted to RMB10,146 million, representing an increase of RMB9,240 million or 9.81% as compared to the beginning of the year, which was mainly due to the adjustments to the carrying value of long-term equity investments based on the operating conditions of joint ventures and associates such as DHL-Sinotrans International Air Courier Ltd., Loscam International Co., Ltd. and Shenzhen Haixing Harbor Development Co., Ltd. In addition, the Group recorded additional investment in BOC Sinotrans Warehousing and Logistics Closed-end Infrastructure Securities Investment Fund (中銀中外運倉儲物流封閉式基礎設施證券投資基金) of to RMB262 million during the Reporting Period.

(1) Major equity investment

☐Applicable ☒Not applicable

(2) Major non-equity investment

☐Applicable ☒Not applicable

(3) Financial assets at fair value

☒Applicable ☐Not applicable

Unit: RMB

Asset	Opening balance	Gains and losses			Acquisition during the Reporting Period	Disposal/ Redemption during the Reporting Period	Other changes	Closing balance
		from changes in fair value for the Reporting Period	Accumulated changes in fair value recognised in equity	Impairment accrued during the Reporting Period				
Equity securities	141,924,656.59	7,362,419.73	-1,761,337.24					147,525,739.08
Others	1,921,674,260.46		117,998.05				18,460,364.84	1,940,252,623.35
Total	2,063,598,917.05	7,362,419.73	-1,643,339.19				18,460,364.84	2,087,778,362.43

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Securities Investment

☒ Applicable ☐ Not applicable

Unit: RMB

Type of securities	Stock code	Stock abbreviation	Initial investment cost	Source of funds	Opening carrying amount	Gains and losses from changes in fair value		Acquisition during the Reporting Period	Disposal during the Reporting Period	Investment gains or losses during the Reporting Period		Closing carrying amount	Accounting subjects
						during the Reporting Period	Accumulated changes in fair value recognised in equity						
Equity securities	SH601111	Air China	8,076,871.60	Self-financing	22,817,162.27		-57,691.94					22,759,470.33	Other equity instrument investments
Equity securities	HK02618	JD Logistics	184,647,154.48	Self-financing	118,533,120.00	3,135,412.00	-1,702,960.00					119,965,572.00	Other non-current financial assets
Equity securities	SH600179	Antong Holdings	777,684.20	Self-financing	470,371.47	-11,634.63						458,736.84	Held-for-trading financial assets
Equity securities	SZ001872	China Merchants Port	15,570.07	Self-financing	44,754.85	5,424.28	-685.30					49,493.83	Held-for-trading financial assets
Equity securities	SZ002766	Soling	121,222.65	Self-financing	59,248.00	-4,121.60						55,126.40	Held-for-trading financial assets
Equity securities	SZ001267	HLECO	-	Self-financing	-	4,237,339.68						4,237,339.68	Held-for-trading financial assets
Total	/	/	193,638,503.00	/	141,924,656.59	7,362,419.73	-1,761,337.24	-	-	-		147,525,739.08	/

Securities investment

☐ Applicable ☒ Not applicable

Private fund investment

☐ Applicable ☒ Not applicable

Derivatives investment

☐ Applicable ☒ Not applicable

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(V) Disposal of Major Assets and Equity

☒Applicable ☐Not applicable

On 26 June 2025, China Merchants Shipping and Enterprises Company Limited (a wholly-owned subsidiary of the Company, “China Merchants Shipping”), CITIC Capital Maneuver Holdings Limited (“CITIC Capital Maneuver”), FV Pallet Leasing Holding Ltd. (“FV Pallet”), the purchaser, MIC Industrial Investments 4 RSC LTD. (“MIC”) and Loscam International Holdings Co., Limited (“Loscam International”) entered into the share purchase agreement of Loscam International Holdings Co., Limited, pursuant to which MIC agreed to acquire 25% equity interests in Loscam International held by China Merchants Shipping (the “Transaction”), 3% and 2% equity interests in Loscam International held by CITIC Capital Maneuver and FV Pallet, respectively (collectively, the “Disposal”). The total consideration for the Disposal was US\$566.5950 million (approximately RMB4,057.9534 million) (based on the central parity rate of US\$1 to RMB7.1620 announced by the People’s Bank of China on 26 June 2025; the same below). In accordance with the respective proportion of each of the vendors in the sale shares, the consideration for the sale shares of China Merchants Shipping, CITIC Capital Maneuver and FV Pallet was US\$472.1625 million (approximately RMB3,381.6278 million), US\$56.6595 million (approximately RMB405.7953 million) and US\$37.7730 million (approximately RMB270.5302 million), respectively. Upon completion of the Disposal, China Merchants Shipping will hold a 20% equity interests in Loscam International; MIC will hold a 30% equity interests in Loscam International; CITIC Capital Maneuver will hold a 30% equity interests in Loscam International; and FV Pallet will hold a 20% equity interests in Loscam International. Loscam International will continue to be an associate of the Company. On the same date, MIC, China Merchants Shipping, CITIC Capital Maneuver, FV Pallet, and Loscam International entered into the shareholders agreement, which stipulated that following the equity transfer, the board of directors of Loscam International shall comprise five directors. Each of the four shareholders shall have the right to appoint one director, and MIC and CITIC Capital Maneuver shall collectively have the right to appoint one director. The senior management of the company shall be appointed and removed by its board of directors.

The Group is expected to record, after deducting the associated transaction expenses, a gain of approximately RMB1.793 billion (excluding the tax effect) from the Transaction, with expected cash inflows of approximately RMB4.442 billion (including cash inflows from equity transfer of approximately RMB3.382 billion and cash inflows from dividends of approximately RMB1.06 billion). The financial impact of the Transaction shall be ultimately subject to the audited financial statements of the Company.

Completion of the transactions contemplated under the share purchase agreement is conditional upon the satisfaction or, if applicable, waiver of the conditions precedent set out in such agreement. Accordingly, the transactions contemplated under the share purchase agreement may or may not proceed.

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(VI) Analysis of Major Subsidiaries, Joint Ventures and Associates of the Company

✓Applicable ☐Not applicable

Major subsidiaries and joint ventures and associates accounting for over 10% of the net profit of the Company

✓Applicable ☐Not applicable

Unit: RMB

Name of company	Type of company	Principal activities	Registered capital	Total assets	Net assets	Revenue	Operating profit	Net profit
Sinotrans Logistics Co., Ltd.	Subsidiary	Logistics	1,444,000,000.00	23,271,798,289.72	8,535,526,399.75	8,247,742,131.35	234,860,996.25	197,320,103.82
Sinotrans Air Transportation Development Co., Ltd.	Subsidiary	Air freight forwarding and cross-border e-commerce logistics	905,481,720.00	12,071,898,315.15	8,189,599,415.94	6,238,645,531.84	129,008,500.13	111,892,783.28
Sinotrans South China Co., Ltd.	Subsidiary	Freight forwarding, logistics, and storage and terminal services	1,349,668,931.90	11,521,652,878.69	4,633,996,378.95	6,313,962,598.07	338,597,643.87	259,119,794.12
Sinotrans Eastern Company Limited	Subsidiary	Freight forwarding, logistics, and storage and terminal services	1,120,503,439.18	7,427,643,362.44	3,726,653,370.81	7,507,669,063.67	297,735,617.84	229,325,661.70
Sinotrans Central China Co., Ltd.	Subsidiary	Freight forwarding, logistics, and storage and terminal services	1,000,000,000.00	7,559,114,334.88	2,931,326,439.02	7,114,690,113.23	327,581,938.99	267,633,316.31
Sinotrans Changjiang Co., Ltd.	Subsidiary	Freight forwarding, logistics, and storage and terminal services	969,665,712.00	4,821,302,434.34	2,231,118,748.41	4,476,887,135.22	474,837,551.36	356,103,363.21
DHL-Sinotrans International Air Courier Ltd.	Joint venture	International express service	USD14,500,000	6,655,513,816.69	4,294,685,256.26	8,759,668,865.08	1,196,901,299.27	912,286,168.82

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Acquisition and disposal of subsidiaries during the Reporting Period

✓Applicable ☐Not applicable

Name of company	Methods to acquire and dispose of subsidiaries during the Reporting Period	The difference between the disposal price and the share of the net assets of the subsidiary at the consolidated financial statement level corresponding to the disposal of the investment (Unit: RMB)
Tianjin Sinotrans Jianhe Warehousing Limited Co., Ltd.	Disposal	176,903,952.16
Sinotrans (Chengdu) Airport Logistics Co., Ltd.	Disposal	57,505,877.44
Ruida Zhihui Kunshan Storage Service Co., Ltd.	Disposal	122,353,052.84
Ruida (Jinhua) Warehousing Service Co., Ltd.	Disposal	174,961,613.62
Ruida Wuxi Storage Service Co., Ltd.	Disposal	133,145,081.08
Kunshan Sinotrans Supply Chain Co., Ltd.	Disposal	117,637,271.32
Ruiyundatong (Tianjin) Warehousing Service Co., Ltd.	Disposal	-201.06
Ruiyundatong (Chengdu) Warehousing Services Co., Ltd.	Disposal	-458.14
Ruiyundatong (Kunshan) Warehousing Service Co., Ltd.	Disposal	-112.91
Ruiyundatong (Jinhua) Warehousing Service Co., Ltd.	Disposal	-396.98
Ruiyundatong (Wuxi) Warehousing Co., Ltd.	Disposal	-454.39
Ruiyundatong Qiandeng (Kunshan) Warehousing Service Co., Ltd.	Disposal	-112.91

Other explanations

✓Applicable ☐Not applicable

Details of the financial information of the major joint ventures and associates of the Group are set out in Note IX. 10 of “Chapter 8 Financial Report”.

(VII) Structured Entities Controlled by the Company

☐Applicable ✓Not applicable

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V. OTHER DISCLOSURES

(I) Potential Risks

☒Applicable ☐Not applicable

1. *External Political and Economic Risks*

The turbulent international political situation, the intensified tariff wars, the rising trade barriers, the rising complexity, severity and uncertainty of the external environment, the lack of overall market demand and the intensified competition in the logistics industry may adversely affect the operating performance of the Company.

Countermeasures: The Company will adhere to the strategic focus, and strengthen core logistics channels across shipping, air and land transport networks, optimize the network and resource layout, accelerate the cultivation of emerging industries, diversify business scenarios to enhance business portfolio. Meanwhile, with market demand as the core orientation, the Company will optimize its strategic marketing system, build a penetrating marketing organization, and promote industrialized marketing.

2. *Overseas Business Risk*

Affected by several unpredictable factors such as the international situation and trade relations, overseas projects of the Company may face risks in respect of geopolitics, environmental and safe production, business environment and public opinion. In case that the Company fails to take effective countermeasures, it may adversely affect the expansion and the operations of its overseas business.

Countermeasures: The Company will improve its overseas system, strengthen internal management, as well as identify key risk control measures for key companies, key businesses and key fields. The Company will enhance the control of country-specific risks in overseas projects, conduct risk assessments for new projects, comprehensively adopt various measures to prevent and control relevant risks, focus on improving its foreign exchange planning capabilities, leverage exchange rate management systems to empower precise management of foreign currency positions, strengthen the effectiveness of investigation and monitoring of high-compliance-risk businesses. Meanwhile, it will accelerate the layout of resources in key overseas regions to continuously enhance its risk management capacity and advance its international operations.

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3. *Market Changes and Competition Risks*

Given that the products and services of the peers are highly homogenous, the competition in the industry is relatively fierce. If the Company fails to adjust its business strategy in a timely manner in response to market and customer demand changes, or fails to diversify methods such as improving service quality and product mix, it may experience weakened core competitiveness, with potential declines in business volume and market share.

Countermeasures: The Company will strengthen strategic cooperation with core resource providers and enhance control over controllable transportation resources. It will reengineer traditional logistics service into standardized, process-driven products through operational upgrades, thus establishing an industry-level customer system and creating industry-based solutions. The Company will proactively expand into emerging industries such as green technology and digital intelligence technology, strive to seize the commanding heights of the next round of competition, and enhance long-term competitiveness. It will also accelerate investment in and construction of key overseas logistics nodes and important channels, improve operational support capabilities, and improve the global network layout.

4. *Risks Associated with Product Development*

If the development of the product system fails to keep pace with market trends and customer demands, or does not align with the Company's integrated operation model, it may result in difficulties in achieving established strategic goals and affect the Company's future sustainable development.

Countermeasures: The Company will improve the network and resource layout and enhance the independent and controllable capabilities in key markets and key channels. Meanwhile, by combining digital transformation and technological empowerment, the Company will develop products of water, land, air and road transportation, and drive operational and management model transformation, thus systematically building a product matrix for Sinotrans.

5. *Credit Receivable Risk*

With the changes in the external political and economic environment, the stability of the international industrial and supply chains is facing challenges, and market fluctuations and policy changes are expected to persist. The Company faces the risk of receivables collection caused by the changes in customer's operation when business volume and freight rate fluctuate, and may increase the occurrence of credit default risk. In the case that credit risk accumulates or deteriorates, it will affect the Company's operating performance.

Countermeasures: The Company will continue to adjust its customer structure, strengthen the systematic management for the whole chain from credit granting to payment collection, optimize credit granting models and strictly control the accounts receivable that exceed the credit period and credit limit. By continuous optimization and upgrading of information technology means, the Company will closely track the risks during the performance process and regularly monitor the creditworthiness of the contract counterparty, so as to ensure tracking and early alerting in the process while strengthen the escalation mechanism for the collection of overdue accounts receivable and improve the efficiency of customer payment recovery, thereby effectively reducing the risk of bad debts.

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(II) Operating Plans for the Second Half of the Year

Affected by frequent adjustments in tariff policies, geopolitical tensions and other factors, global trade is facing increasing uncertainty and instability. Faced with profound transformations such as the landscape restructuring of global supply chains, the upgrading customer demands, and the reshaping of regulatory frameworks, the Company will continue to strengthen its market expansion capabilities and enhance management standards, making every effort to secure a successful conclusion to the “14th Five-Year Plan”. In the second half of the year, the Company will focus on the following key aspects of work:

- **Enhancing Strategy**

The Company will conduct in-depth research and systematic review to define its implementation path, refine its target measures, clarify its strategic orientation, and optimize its business structure, focusing on the high-end, international, digital intelligent and green development and preparing a high-quality strategic plan for the “15th Five-Year Plan”.

- **Expanding Market**

Firstly, focusing on key target industry markets. The Company will try to gain deep insights into the development trends in industrial chains and supply chains, and align with customers’ overseas expansion needs to allocate key industry resources and build differentiated industry competitiveness. The Company will concentrate its efforts on securing major clients to strive to achieve breakthroughs in market share. On the basis of business breakthroughs in existing target markets, the Company will try to achieve simultaneous improvement in industry solution capabilities. At the same time, the Company will swiftly study industry trends and customer demands in the markets that it newly entered into, clarifying its own business positioning and formulating feasible market strategies.

Secondly, to enhance sea freight business. ① Intensifying centralized purchase of capacity for existing businesses to improve integrated operation capabilities and further reduce operating costs, thereby maximizing profitability from existing businesses. ② Effectively coordinating with resource partners to strengthen control over controllable capacity on major routes and channels and enhance our own concentration and dispatch system operating capabilities. ③ Vigorously promoting the development of standardized products for sea freight channels. While addressing needs of large customers, we will adopt product-driven strategies to expand into small- and medium-sized customer groups and capture market growth opportunities.

Thirdly, to improve contract logistics business. ① Building business resilience amid the overall market downturn, reinforcing the leading function of solutions for major target industries, upgrading capabilities via the dual-core drive of technologies and green initiatives, and attracting new incremental businesses through industry-specific marketing. ② Focusing on high-value-added segments and capturing the supply chain extension needs of customers. ③ Realizing lean operation throughout the entire process from the perspectives of quality, project and resource, and gradually achieving structural cost reductions.

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Fourthly, to expand our overseas markets. In Southeast Asia, we will overcome external challenges, enhance our capabilities in multi-type businesses, and deepen our presence in the automotive, electronics and green energy industries to achieve steady growth in revenue and profit. **In Europe**, we will focus on serving local customers, deepen cooperation with core resource partners, actively develop overseas warehouse business in Germany, and build up our warehousing and distribution system in Hungary and other areas. **In the Middle East and Africa**, we will accelerate the replication of contract logistics scenarios in countries like Saudi Arabia and South Africa, expand into project logistics, shipping agency and freight forwarding businesses, and strive to sustain the profit growth momentum. **In the Eurasia Silk Road area**, we will prioritize enhancing local services capability of Railway Express and developing return-trip business. **In Central Asia**, we will improve wind power equipment transportation capabilities, enhance our self-operating capabilities.

- ***Strengthening Management***

Firstly, in terms of overseas management, the Company will enhance organizational leadership and build a solid risk control line to achieve full coverage of the risk control and compliance system for overseas national-level subsidiaries. The Company will realize standardized and internet-empowered business and financial audits for overseas operations, implementing online fund approval processes and ensuring visualized overseas fund flows.

Secondly, in terms of remuneration management, the Company will improve the remuneration management system and establish supporting supervision and inspection mechanisms. The Company will also incorporate control requirements into the entire remuneration management process, clarifying the list of rights and responsibilities for key nodes.

Thirdly, in terms of risk management, efforts will be made to further solidify the risk control and compliance responsibilities of key positions in front-line units, strengthening the foundation of risk control. Management requirements will be embedded into the informatized workflows to achieve automation, refinement, and strict enforcement, thereby serving the purpose of preemptive prevention. Additionally, technologies such as big data and artificial intelligence model will be utilized to enable real-time collection, scanning, and analysis of risk identification elements in the Company's operations, achieving in-process risk identification and control.

- ***Boosting Performance***

In the second half of the year, the Company will continue to intensify its market expansion efforts, strengthen cost control, implement asset revitalization in an orderly manner, optimize and standardize the accounts receivable assessment system, and improve the management requirements for credit control system implementation, striving to achieve sustained improvement in accounts receivable and cash flow performance.

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(III) Other Disclosures

✓Applicable ☐Not applicable

1. **Income Tax**

During the Reporting Period, the Group's income tax expenses amounted to RMB486 million, representing an increase of 17.34% as compared to RMB414 million for the corresponding period of last year. The main reason was the Group issued BOC Sinotrans Warehousing and Logistics Closed-end Infrastructure Securities Investment Fund (中銀中外運倉儲物流封閉式基礎設施證券投資基金), the transfer of equity interests resulted in higher income tax during the Reporting Period.

2. **Capital Expenditures**

During the Reporting Period, the Group's capital expenditure amounted to RMB830 million, among which RMB426 million was used for the construction of infrastructures, ports and terminals facilities and other projects; RMB180 million was used to purchase land use right and software; RMB165 million was used to purchase assets such as machinery, containers and vehicles; and RMB59 million was used for renovation and improvement of assets.

3. **Investment in Securities**

As at 30 June 2025, the listed equity investments held by the Group were RMB148 million, the details of which are set out in Note IX. 2 and 12 to the Financial Statements under "Chapter 8 Financial Report" of this Report.

4. **Contingent Liabilities and Guarantees**

As at 30 June 2025, contingent liabilities mainly comprised outstanding lawsuits of the Group arising from its ordinary course of business amounting to RMB111 million (as at 31 December 2024: RMB148 million). Please see "XI. MATERIAL CONTRACTS AND PERFORMANCE — 2. Significant Guarantees Performed and Unfulfilled During the Reporting Period" under "Chapter 5 Significant Matters" of this Report for details of the guarantees.

5. **Borrowings and Bonds**

As at 30 June 2025, the Group's total borrowings amounted to RMB4,788 million (as at 31 December 2024: RMB6,792 million), which comprised 2,382 million denominated in RMB, 207 million in US dollars, 1,560 million in Euro and 639 million in Hong Kong dollars. Of the above borrowings, RMB2,327 million was bank borrowings payable within a year.

As at 30 June 2025, the Group's total bonds payable amounted to RMB4,066 million (as at 31 December 2024: RMB2,030 million). Of the above bonds, RMB49 million was payable within a year.

Details of borrowings and bonds of the Group as at 30 June 2025 are set out in Note IX. 24, 33 and 34 to the Financial Statements under "Chapter 8 Financial Report" of this Report.

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6. ***Charges on Assets***

For details, please refer to “3. Restriction on Material Assets as at the End of the Reporting Period” in “IV. MAJOR BUSINESS CONDITIONS DURING THE REPORTING PERIOD (III) Analysis of Assets and Liabilities” under “Chapter 3 Management Discussion and Analysis” and Note IX. 22 to the Financial Statements under “Chapter 8 Financial Report” of this Report.

7. ***Debt-to-Asset Ratio***

As at 30 June 2025, the debt-to-asset ratio of the Group was 47.04% (as at 31 December 2024: 45.54%), which was calculated by dividing total liabilities by total assets of the Group as at 30 June 2025.

8. ***Government Subsidies***

During the Reporting Period, government subsidies received by the Group in relation to income amounted to RMB685 million in total, details of which are set out in Note IX. 60 to the Financial Statements under “Chapter 8 Financial Report” of this Report.

9. ***Employees***

Number of employees: 31,586 as at 30 June 2025 (as at 31 December 2024: 31,766).

Training plan: During the Reporting Period, the offline training of the Group accumulated to 555,686 hours with 29,940 person times, while 247,422 online courses were completed (653,325.81 learning hours in total). The training contents of the Group mainly included strategy and corporate culture, safety in production, employee basic work skills, employee business knowledge, management skills and leadership improvement, new employee induction, employee self-learning, etc. With the development of the Group, to ensure the constant elevation of the staff quality, the Group will increase the employees’ access to training and continuously review and improve the training courses to meet the requirement of the business operation and the development needs of our workforce.

Remuneration policy: A remuneration and benefit management system that matches the Company’s characteristics has been established pursuant to the Labour Contract Law and relevant laws and regulations to formalize remuneration management. Emolument will be paid for the position and performance of the staffs and the talents. The remuneration standards and adjustment plans will be determined based on the Company’s cost and budget management range, with reference to market statistics.

Details of employees’ remuneration are set out in Note IX. 28 and 37 to the Financial Statements under “Chapter 8 Financial Report” of this Report.

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10. Interim Dividend

(1) *Interim dividend plan and schedule*

Pursuant to the authorization of the 2024 Annual General Meeting, the Board has considered and approved the Resolution in Relation to Profit Distribution Plan for the First Half of 2025 at the 16th meeting of the fourth session of the Board. The Company will pay the interim dividend of RMB0.145 per share (tax included) in cash for 2025, based on the total share capital registered on the record date of the equity distribution (the shares in the special account for repurchase of the Company deducted). As at the date of this Interim Report, the total share capital was 7,272,197,875 shares, deducting the 94,714,181 shares in the special account for repurchase of the Company, based on which, the total dividend payout is expected to be RMB1,040,735,135.63 (tax included), accounting for 53.45% of the net profit attributable to the shareholders of the Company in the first half of 2025. The Company's cash dividend in the first half of 2025 is approximately RMB1,494 million (tax inclusive) in aggregate (including the interim dividend and cash used for share repurchases in the first half of 2025), accounting for 76.7% of the net profit attributable to shareholders of the listed Company in the first half of 2025. For details, please refer to the Announcement of the Company on the Profit Distribution Plan for the First Half of 2025 disclosed by the Company on the website of the SSE (www.sse.com.cn).

Pursuant to the Articles of Association of the Company, dividends payable to the holders of A Shares of the Company shall be paid in RMB, and dividends payable to the holders of H Shares of the Company shall be calculated and declared in RMB, and paid in HK\$ or RMB. The interim dividend of 2025 for H Shares will be paid in HK\$. The exchange rate in HK\$ is the central parity rate of RMB to HK\$ published by the People's Bank of China on the trading day before the date of approved distribution of the first half of 2025 dividend by the Board (25 August 2025), namely RMB1=HK\$1.09810. Accordingly, the amount of interim dividend for each H Share of the Company is HK\$0.15922. The recommended interim dividend will be paid on or before 20 October 2025 to the Shareholders as registered on the record date.

The record date of H shareholders for the interim dividend is at the close of business on 17 September 2025. For determining the entitlement to the interim dividend, the register of members of the Company will be closed from 12 September 2025 to 17 September 2025, both days inclusive. For H Shareholders to qualify for the interim dividend, all share transfers accompanied by the relevant share certificates must be lodged with the Company's H Share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on 11 September 2025, for registration.

(2) *Policies in relation to withholding tax applied to the interim dividend for H Shareholders*

In accordance to the Enterprise Income Tax Law of the People's Republic of China and its implementation regulations which took effect on 1 January 2008, the Company is obliged to withhold and pay enterprise income tax at a tax rate of 10% on behalf of non-resident corporate shareholders on its H share register when making payments of dividend to these shareholders. Shares registered in the name of non-individual shareholders, including HKSCC Nominees Limited, other nominees or trustees or other organisations or bodies shall be deemed as shares held by non-resident corporate shareholders. Such shareholders will receive their dividend net of the enterprise income tax.

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The Company will withhold and pay on behalf of the individual holders of H Share the income tax in accordance with the tax regulations of the PRC. Pursuant to the letter titled “Tax arrangements on dividends paid to Hong Kong residents by Mainland companies” issued by the Hong Kong Stock Exchange to the issuers on 4 July 2011, for nonforeign investment companies of the Mainland which are listed in Hong Kong distributing dividends to their shareholders, the individual shareholders in general will be subject to a withholding tax rate of 10%. They do not have to make any applications for entitlement to the above-mentioned tax rate. However, for shareholders who are residents of other countries and whose home countries have reached an agreement with China on an applicable withholding tax rate higher or lower than 10%, they have to follow the bilateral tax agreement in paying tax in connection with dividends paid by Mainland companies listed in Hong Kong. When making payments of dividend, the Company acting like a withholding agent in general will withhold 10% of the dividend on behalf of the individual H shareholders as individual income tax. If the relevant tax regulations and tax agreements have otherwise provisions, the Company will withhold individual income tax of such dividend in accordance with the tax rates and according to the relevant procedures as specified by the relevant regulations.

In addition, the Company signed the Agreement on Distribution of Cash Dividends of H shares for Southbound Trading (港股通H股股票現金紅利派發協議) with China Securities Depository and Clearing Corporation Limited, pursuant to which, China Securities Depository and Clearing Corporation Limited, as the nominee of the holders of H shares for Southbound Trading, will receive all cash dividends distributed by the Company and distribute the cash dividends to the relevant investors of H shares of Southbound Trading through its depository and clearing system. The cash dividends for investors of H shares of Southbound Trading will be paid in RMB.

The record date and the date of distribution of interim dividends and other arrangements for the investors of Southbound Trading will be the same as those for the holders of H shares of the Company. Pursuant to the relevant requirements under the Notice on the Tax Policies Related to the Pilot Program of Shenzhen-Hong Kong Stock Market (關於深港股票市場交易互聯互通機制試點有關稅收政策的通知) (Caishui [2016] No.127), for dividends received by domestic investors from investing in H shares listed on the Hong Kong Stock Exchange through Shenzhen-Hong Kong Stock Connect, the company of such H shares shall withhold and pay individual income tax at the rate of 20% on behalf of the investors. For dividends received by domestic securities investment funds from investing in H shares listed on the Hong Kong Stock Exchange through Shenzhen-Hong Kong Stock Connect, the tax payable shall be the same as that for individual investors. The company of such H shares will not withhold and pay the income tax of dividends for domestic enterprise investors and those domestic enterprise investors shall report and pay the relevant tax themselves.

11. Foreign Exchange Risk

The Group's turnover and transportation and related expenses are partially settled in foreign currencies. The Group's exposure to foreign exchange risk is mainly from the exchange rate fluctuation of foreign currencies, such as US dollars, Hong Kong dollars and Euro. Details are set out in Note XI to the Financial Statements under “Chapter 8 Financial Report” of this Report.

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12. Repurchase, Sale or Redemption of Securities

(1) Repurchase of A Shares

On 15 November 2024, the 2024 Second Extraordinary General Meeting, the 2024 Second A Shareholders' Class Meeting and the 2024 Second H Shareholders' Class Meeting respectively reviewed and approved the Resolution in Relation to the Plan on Repurchase of A Shares through Centralized Bidding Trading, and agreed that the Company proposes to use its self-owned or self-financed funds of no less than RMB271 million (inclusive) and no more than RMB542 million (inclusive) to repurchase A Shares through centralized price bidding, with the repurchase price not exceeding RMB7.43 per Share within 12 months from the date of approval by the Shareholders at such general meetings, and all repurchased A Shares will be cancelled and the registered capital of the Company will be reduced. Such repurchases were out of the confidence of the Company's future development prospects and the recognition of the Company's value, with an aim at aligning the interests of investors, enhancing investors' confidence in the Company, stabilizing and enhancing the value of the Company.

During the Reporting Period, the Company has repurchased 76,873,414 A Shares, accounting for approximately 1.05% of the number of total Shares and approximately 1.46% of the number of total A Shares issued by the Company as at 30 June 2025. Details of repurchase of A Shares are as follows:

Month of repurchase	Number of shares repurchased (shares)	Maximum price per Share (RMB)	Lowest price per Share (RMB)	Total amount (RMB) (excluding transaction costs)
January 2025	29,528,697	5.32	5.03	152,577,808.13
February 2025	21,946,598	5.25	5.03	112,821,241.42
March 2025	797,500	5.05	5.04	4,025,277.00
April 2025	22,910,619	4.95	4.67	111,099,017.60
May 2025	1,690,000	4.71	4.69	7,942,131.18
Total	76,873,414	/	/	388,465,475.33

Such repurchased A Shares will be cancelled but were not yet cancelled as at the date of the disclosure of this Report.

(2) Repurchase of H Shares

On 7 June 2024, the 2023 Annual General Meeting, the 2024 First A Shareholders' Class Meeting and the 2024 First H Shareholders' Class Meeting respectively reviewed and approved the general mandate to authorize the Board to repurchase the Company's H Shares with the total number not exceeding 203,830,000 H Shares, and shall be subject to the relevant requirements of the SEHK Listing Rules on sufficient public float, repurchase price and so on.

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Management Discussion and Analysis

During the Reporting Period, the Company has repurchased 18,964,000 H Shares, accounting for approximately 0.26% of the number of total Shares and approximately 0.93% of the number of total H Shares issued by the Company as at 30 June 2025. Such repurchases boosted the market confidence and were in the interests of the Company and its shareholders as a whole. Details of repurchase of H Shares are as follows:

Month of repurchase	Number of shares repurchased (shares)	Maximum price per Share (HK\$)	Lowest price per Share (HK\$)	Total amount (HK\$) (excluding transaction costs)
January 2025	18,964,000	3.84	3.52	69,915,070

Such repurchased H Shares has been cancelled on 29 July 2025.

Save as disclosed above, neither the Company nor any of its subsidiaries repurchased, sold or redeemed any listed securities of the Company during the Reporting Period.

13. **Assessment of the “2024 Action Plan for Quality Enhancement, Efficiency Improvement and Emphasis on Returns”**

On 17 July 2024, the Company disclosed the “Announcement in relation to 2024 Action Plan for Quality Enhancement, Efficiency Improvement, and Emphasis on Returns” on the Shanghai Stock Exchange website. Since 2024, the Company has consistently advanced high-quality development, with key progress as follows:

Firstly, focusing on core business to drive high-quality growth. Amid complex and challenging domestic and international economic conditions, Sinotrans swiftly adapted to market changes and demonstrated its resilience in maintaining a stable development. Revenue for 2024 reached RMB105.621 billion, with turnover days of accounts receivable reduced by two days and interest-bearing debt ratio declining by 2.78 percentage points, maintaining a sound and healthy financial position. For the first half of 2025, revenue totaled RMB50.523 billion, while net profit attributable to shareholders of the Company remained stable at RMB1.950 billion, staying flat comparing to the same period of last year.

Secondly, strengthening innovation to foster new quality productive forces. The Company has been firmly committed to taking technological innovation as its core driving force, comprehensively advancing its business toward greater intelligence and sustainability. The Company has preliminary developed smart logistics solutions spanning multiple business scenarios and technologies, with ongoing upgrades to “AI+” applications. Since 2024, the Company has steadily promoted AI applications, multiple new “AI+” application initiatives were launched to jointly develop an “AI+” ecosystem with customers and partners, and its automated document service has an annual processing capacity of over 15 million transactions, significantly enhancing service efficiency. The Company’s commercial operation mileage of its autonomous driving fleet on highways exceeded 3 million kilometers and its first smart warehousing in Europe has been established and commenced operation; and it accumulatively holds 235 patents and 428 software copyrights.

Chapter 3

Management Discussion and Analysis

Thirdly, enhancing investor engagement and shareholder returns. In terms of returns to the Shareholders, the Company distributed total dividend for the full year 2024 in cash of RMB0.29 per share (tax-inclusive, including interim and final dividends), amounting to RMB2.092 billion (tax-inclusive). The Company's total cash distributions for the full year 2024 (including the 2024 interim dividend, final dividend, and share repurchase amounts) amounted to approximately RMB2.162 billion (tax-inclusive), representing 55.2% of the 2024 consolidated net profit attributable to the Company's shareholders. In terms of share repurchase, since July 2024, the Company has repurchased an aggregate of 88.25 million A Shares for a total consideration of RMB448 million (excluding transaction costs), and 22.02 million H Shares for a total consideration of HK\$79.91 million (excluding transaction costs). In terms of communication with the Shareholders, the Company organized quarterly, interim, and annual results conferences, participated in the China Merchants Group's collective results briefing for listed companies, conducted over 20 management roadshows, and hosted reverse roadshows in Beijing, Zhangjiagang and other locations, engaging with more than 400 investor participants in total. These efforts were recognized through awards including the "New Fortune Best IR of Hong Kong Listed Companies List" honor.

Fourthly, adhering to standardized operations and upholding governance excellence. Since July 2024, the Company has formulated and amended Working Rules for Independent Directors' Special Meetings of Sinotrans, Audit Management System of Sinotrans, Authorization Management System of the Board of Directors of Sinotrans and other systems in compliance with the latest laws and regulations and in consideration of actual circumstances, further refining its corporate governance framework and continuously enhancing standardized operations. The Company has also maintained close communication with its "key minority" stakeholders, including the actual controllers, controlling shareholders, Directors, Supervisors, and senior management. Through initiatives such as disseminating regulatory updates and organizing specialized training programs, the Company has continuously enhanced their governance capabilities and compliance awareness.

Fifthly, "CarbonX" green logistics initiative driving the development of ESG system. Sinotrans has consistently upheld its commitment to green and low-carbon logistics, positioning itself as both "a practitioner and innovator in sustainable logistics ecosystem development." In 2024, the Company provided customized green logistics solutions to clients, launched China's first GLEC (Global Logistics Emissions Council)-certified public carbon calculator for the logistics industry, with a record over 4.3 million annual accesses, and expanded renewable energy applications and technical upgrade, with nine carbon-neutral parks established, spanning logistics parks, freight stations, and terminals. In the first half of 2025, the Company updated the Sinotrans' Green Logistics White Paper, participated in the formulation of two national standards and one industry standard, and completed or commenced rooftop distributed photovoltaic installations with a total capacity exceeding 100 MW. In the Yangtze River Delta and the Greater Bay Area, the Company developed new-energy heavy truck and charging networks, and launched pilot projects. It also upgraded and iterated its carbon management platform and carbon calculator to promote the full coverage of carbon statistics and business scenario carbon calculation functions, with carbon calculation services averaging over 130,000 calls per month. The Company achieved reductions in both total operational carbon emissions and carbon intensity, with decrease of 8% and 13% respectively, as compared with the baseline year. Additionally, Sinotrans has consistently advanced its ESG framework development and has published annual ESG reports for 11 consecutive years.

Chapter 4 Corporate Governance, Environment and Social

I. CHANGES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT OF THE COMPANY

✓Applicable ☐Not applicable

Name	Position	Changes
Zhang Yi (Note 1)	Chairman, Director	Elected
Gao Xiang (Note 2)	Director, President	Elected/Appointed
Huang Chuanjing (Note 3)	Director	Elected
Wang Xiufeng (Note 4)	Chairman, Director	Resigned
Song Rong (Note 5)	Director, President	Resigned
Tao Wu (Note 6)	Director	Resigned
Gao Xiang (Note 2)	Vice-president	Redesignation

Details of changes of Directors, Supervisors and Senior Management of the Company

✓Applicable ☐Not applicable

- On 3 April 2025, the first extraordinary general meeting of 2025 of the Company considered and approved the “Proposal on the Election of the Director”, at which, Mr. Zhang Yi was elected as the Director, with a term of office from the date of the approval of the Shareholders at the general meeting of the Company to the date of conclusion of the fourth session of the Board. The ninth meeting of the fourth session of the Board of the Company held on the same date, considered and approved the “Proposal on the Election of Mr. Zhang Yi as the Chairman (Legal Representative) of the Company”, at which Mr. Zhang Yi was elected as the Chairman (Legal Representative) of the Company, with a term of office from 3 April 2025 to the date of conclusion of the fourth session of the Board.
- On 7 May 2025, the eleventh meeting of the fourth session of the Board of the Company considered and approved the “Proposal on the Appointment and Removal of Senior Management”, at which Mr. Gao Xiang was redesignated from the vice president to the president of the Company, with a term of office from the date of the approval of the Board to the date of conclusion of the fourth session of the Board. On 30 June 2025, the second extraordinary general meeting of 2025 of the Company, considered and approved the “Proposal on the Election of the Director”, at which Mr. Gao Xiang was elected as the Director, with a term of office from the date of the approval of the Shareholders at the general meeting of the Company to the date of conclusion of the fourth session of the Board.
- On 5 June 2025, the 2024 Annual General Meeting of the Company considered and approved “Proposal on the Election of the Director”, at which Mr. Huang Chuanjing was elected as the Director, with a term of office from the date of the approval of the Shareholders at the general meeting of the Company to the date of conclusion of the fourth session of the Board.

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4. In March 2025, the Board received the resignation letter from Mr. Wang Xiufeng, due to the work re-allocation, Mr. Wang Xiufeng resigned as the Chairman and the Director with effect from 14 March 2025. Accordingly, Mr. Wang Xiufeng also ceased to be the member of the Nomination Committee and the chairman of the Strategy and Sustainable Development Committee of the Board.
5. In March 2025, the Board received the resignation letter from Mr. Song Rong, due to the work re-allocation, Mr. Song Rong resigned as the President with effect from 14 March 2025. In June 2025, the Board received the resignation letter from Mr. Song Rong, due to the work re-allocation, Mr. Song Rong resigned as the Director with effect from 6 June 2025. Accordingly, Mr. Song Rong also ceased to be the member of the Strategy and Sustainable Development Committee of the Board.
6. In May 2025, the Board received the resignation letter from Mr. Tao Wu, due to the work re-allocation, Mr. Tao Wu resigned as the Director with effect from 12 May 2025.

II. PROPOSALS OF PROFIT DISTRIBUTION OR CONVERSION OF COMMON RESERVE FUND INTO SHARE CAPITAL

(I) Profit Distribution Proposal and Proposal of Conversion of Common Reserve Fund into Share Capital for the Half Year

Whether to distribute or to convert	No
Number of bonus share per 10 shares (share)	0
Amount of dividend per 10 shares (tax included)	1.45
Number of shares converted per 10 shares (share)	0

Notes to proposals of profit distribution or conversion of capital reserve fund into share capital

Please see “Chapter 3 Management Discussion and Analysis – V. OTHER DISCLOSURES – (III) Other Disclosures – 10. Interim dividend”

(II) Implementation of the Profit Distribution Plan for the Year 2024

The 2024 Annual Profit Distribution Plan of the Company has been considered and approved at the 2024 Annual General Meeting of the Company on 5 June 2025, to distribute 2024 annual dividend of RMB0.145 per Share (tax included) to all shareholders on the basis of 7,294,216,875 Shares of the total share capital registered minus 94,714,181 A Shares and 22,019,000 H Shares repurchased in the repurchase account on the record date for the dividend distribution. The aforesaid cash dividend has been distributed on 21 July 2025, the payment amounting to RMB1,038 million in total.

On 15 October 2024, the Company distributed the 2024 interim dividend of RMB0.145 per Share (tax included) in cash, the payment totaling RMB1,054 million.

Thus, the Company's total cash dividend per Share for 2024 was RMB0.29 (tax included), the payment totaling RMB2,092 million. The Company's annual cash dividend for 2024 was approximately RMB2,162 million (tax included) in aggregate (including the distributed 2024 interim dividend, the amount of 2024 annual dividend and the cash used for Share repurchases in the year 2024), accounting for 55.2% of the net profit attributable to shareholders of the listed Company in the 2024 annual consolidated statement.

Chapter 4

Corporate Governance, Environment and Social

III. THE COMPANY'S EQUITY INCENTIVE SCHEME, EMPLOYEE STOCK OWNERSHIP SCHEME OR OTHER EMPLOYEE INCENTIVES AND THE IMPACT THEREOF

(I) Incentives Disclosed in the Temporary Announcements without Progress or Changes in Subsequent Implementation

✓Applicable ☐Not applicable

Summary of Events

Enquiry Index

On 24 January 2025, the Company held the sixth meeting of the fourth session of the Board, on which the Resolution on the Fulfillment of the Exercise Conditions for the Second Exercise Period of Share Option Incentive Scheme (Phase I) of the Company and the Proposed Cancellation of Part of Share Options. The exercise conditions for the second exercise period of the Share Option Incentive Scheme (Phase I) of the Company have been fulfilled, with 167 participants having fulfilled the exercise conditions for the second exercise period of the Share Option Incentive Scheme (Phase I) of the Company, and the Company proposed to cancel the 3.8121 million share options which have been granted but not permitted to be exercised or not yet been exercised.

For details, please refer to the announcements of the Company dated 24 January 2025, 11 February 2025, 31 March 2025, respectively, on the websites of the SSE (www.sse.com.cn) and the SEHK (www.hkexnews.hk).

In February 2025, upon review and confirmation of China Securities Depository and Clearing Corporation Shanghai Branch, 3.8121 million share options that have been granted but not permitted to be exercised or not yet been exercised have been cancelled.

On 28 March 2025, a total of 164 participants exercised 20,431,890 share options, which has been completed the registration of share transfer in the first exercise of the second exercise period of the Share Option Incentive Scheme (Phase I) of the Company.

Pursuant to the Share Option Incentive Scheme (Phase I) adopted by the Company on 24 January 2022, participants are not required to pay any amount for the application for or acceptance of the share options, and no period for payment or for repayment of any loan related to the application is applicable.

Chapter 4

Corporate Governance, Environment and Social

(II) Incentives Undisclosed in Temporary Announcements or with Progress in Subsequent Implementation

Equity incentives

☐Applicable ☒Not applicable

Other explanations

☐Applicable ☒Not applicable

Employee share ownership scheme

☐Applicable ☒Not applicable

Other incentives

☐Applicable ☒Not applicable

IV. CORPORATE GOVERNANCE

During the Reporting Period, the Company strictly abided by the Company Law, the Securities Law, the Code of Corporate Governance for Listed Companies in China promulgated by the CSRC and other applicable laws and regulations, as well as the requirements on corporate governance by the SSE and SEHK, kept improving its corporate governance structure and enhanced the level of corporate governance by promoting the standardized and systematic management. The Company has reviewed and adopted the principles and provisions of the CG Code as set out in Appendix C1 of the SEHK Listing Rules during the period from 1 January 2025 to 30 June 2025 as our code on corporate governance, and has complied with all code provisions set out in the CG Code.

(I) The Board

The Company has published the list of the Board members with their roles and positions on the websites of SEHK, SSE and the Company. Each Director of the Company acknowledges his/her responsibilities as a Director and is aware of the Company's operation procedure, business activities and development. During the Reporting Period, the Company convened 9 Board meetings and considered/heard 39 resolutions such as periodic reports, the profit distribution, the fulfillment of the exercise conditions, cancellation of part of share options, election of directors, appointment of senior management, and partial disposal of equity interests in an investee company.

Chapter 4 Corporate Governance, Environment and Social

(II) Changes in Information of Directors, Supervisors and Senior Management

During the Reporting Period, the Company has changed 3 Directors and the President. For details, please refer to “I. CHANGES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT OF THE COMPANY” in this chapter. As at 30 June 2025, the Board of Directors comprised eleven members: Mr. Zhang Yi (Chairman), Mr. Gao Xiang, Mr. Yang Guofeng, Ms. Luo Li, Mr. Yu Zhiliang, Mr. Huang Chuanjing, and Mr. Jerry Hsu (all being Directors); and Ms. Wang Xiaoli, Ms. Ning Yaping, Mr. Cui Xinjian, and Mr. Cui Fan (all being independent non-executive Directors).

Other than the above mentioned information, there were no disclosable changes regarding the Directors, Supervisors or the Senior Management as required by the Rule 13.51B of the SEHK Listing Rules during the Reporting Period.

(III) Strategy and Sustainable Development Committee

As at 30 June 2025, Strategy and Sustainable Development Committee comprised the Chairman Mr. Zhang Yi (being the chairman), Directors Mr. Yang Guofeng, Mr. Yu Zhiliang and independent non-executive Director Mr. Cui Xinjian. During the Reporting Period, the Strategy Committee held one meeting, at which it considered and approved the ESG Report of 2024.

Note: Mr. Wang Xiufeng and Mr. Song Rong resigned as the Chairman and member of the Strategy and Sustainable Development Committee on 14 March 2025 and 6 June 2025, respectively. Mr. Zhang Yi and Mr. Gao Xiang were appointed as the Chairman and member of the Strategy and Sustainable Development Committee on 3 April 2025 and 31 July 2025, respectively.

(IV) Audit Committee

As at 30 June 2025, the Audit Committee comprised all independent non-executive Directors of the fourth session of the Board, namely Ms. Ning Yaping (being the chairman), Ms. Wang Xiaoli, Mr. Cui Xinjian and Mr. Cui Fan. During the Reporting Period, the Company convened 3 Audit Committee meetings and considered and approved proposals such as periodic reports, internal control evaluation reports and re-appointment of auditor, etc. The Audit Committee of the Company and ShineWing Certified Public Accountants LLP, the Company's auditor, have reviewed the unaudited consolidated interim financial statements of the Group for the six months ended 30 June 2025.

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Corporate Governance, Environment and Social

(V) Remuneration Committee

As at 30 June 2025, the Remuneration Committee comprised all independent non-executive Directors of the fourth session of the Board, namely Mr. Cui Fan (being the chairman), Ms. Wang Xiaoli, Ms. Ning Yaping and Mr. Cui Xinjian. During the Reporting Period, the Company convened 2 Remuneration Committee meetings, considered and approved the proposals on the fulfillment of the exercise conditions of the share options and the performance appraisal and remuneration distribution of Senior Management, etc.

(VI) Nomination Committee

As at 30 June 2025, the Nomination Committee comprised all independent non-executive Directors and Chairman of the Board, namely Mr. Cui Xinjian (being the chairman), Mr. Zhang Yi, Ms. Wang Xiaoli, Ms. Ning Yaping and Mr. Cui Fan. During the Reporting Period, the Company held 5 Nomination Committee meetings, considered and approved the proposals on election of Directors and the appointment of the President, etc.

Note: Mr. Wang Xiufeng resigned as the member of the Nomination Committee on 14 March 2025. On 3 April 2025, Mr. Zhang Yi was appointed as the member of the Nomination Committee.

(VII) Supervisory Committee

As at 30 June 2025, the Supervisory Committee comprises Ms. Zhang Zhiyi (being the chairman), Mr. Fu Bulin and Mr. Fan Zhaoping. During the Reporting Period, the Company held 3 meetings of the Supervisory Committee, considered and approved 9 resolutions, such as periodic reports, the profit distribution, the fulfillment of the exercise conditions and cancellation of part of share options, etc.

(VIII) Model Code for Securities Transactions by Directors and Supervisors

The Company has adopted the Model Code contained in Appendix C3 to the SEHK Listing Rules as the code of conduct for securities transactions by the Company's Directors and Supervisors. The Directors and Supervisors have confirmed, following specific enquiries made by the Company that they have complied with the required standards set out in the Model Code and the Company's code of conduct regarding securities transactions by Directors and Supervisors for the six months from 1 January 2025 to 30 June 2025.

V. ENVIRONMENTAL INFORMATION OF LISTED COMPANIES AND THEIR MAJOR SUBSIDIARIES INCLUDED IN THE LEGALLY MANDATED ENVIRONMENTAL DISCLOSURE LIST

☐ Applicable ☒ Not applicable

Other Information

☐ Applicable ☒ Not applicable

Chapter 4 Corporate Governance, Environment and Social

VI. DETAILS ON CONSOLIDATING AND EXPANDING THE ACHIEVEMENTS IN POVERTY ALLEVIATION, RURAL REVITALIZATION AND OTHER WORKS

✓Applicable □Not applicable

Sinotrans continued to take the China Merchants Foundation as a professional and unified public welfare platform. In the first half of 2025, it focused on supporting counties such as Weining of Guizhou and Qichun of Hubei to promote rural revitalization in an all-round way in terms of sticking to revitalizing rural industries, cultural revitalization and financial assistance. The main projects are described as follows:

- Guizhou Weining Rural Industrial Revitalization Project.** The annual plan is to invest RMB6.5 million to support the implementation of the “Family Livestock Farm” (家庭牧場) program across Mazha Town, Niupeng Town, Xueshan Town, and Guanfenghai Town in Weining County. Adopting a “farmer-built, post-construction subsidy” (農民自建、先建後補) model, it engages beneficiaries in full-cycle project design and construction, thereby enhancing self-management capabilities, organizational competencies, and sustainable development capacities.
- Guizhou Weining Cultural Revitalization Project.** The annual plan is to invest RMB0.6 million to implement the “Reading for Growth Initiative” (悅讀成長計劃) across Weining County. This project will establish classroom mini-libraries in 230 classrooms, deliver tailored teacher training programs, cultivate pedagogical competencies in reading instruction and foster students’ self-directed reading habits, thus enabling educators and learners to experience the transformative power of literacy (閱讀的力量).
- Hubei Qichun Industrial Revitalization Project.** The annual plan is to invest RMB1.6 million to support Qichun County to advance the upgrade of Qichun’s specialty industries, in which, RMB1 million used to support tea plantation infrastructure enhancement in Xiaozhuchong Village, Datong Town, elevate “Qichun Tea” (蘄茶) as a county-designated specialty industry, RMB0.6 million used to fund the Industrial Connectivity Bridge in Xuetanggang Village, Guanyao Town, thus resolving critical challenges of transport barriers, agricultural product logistics bottlenecks and operational inefficiencies in production for local agriculture-related entities.
- Hubei Qichun Financial Assistance Project.** The annual plan is to invest RMB0.3 million to implement an agricultural credit guarantee subsidy program targeting agricultural SMEs. Designed to bolster new-type agribusinesses, it drives deeper participation of local agriculture-related entities in farmer-inclusive value chains, generating demonstrable socioeconomic benefits.

Chapter 5 Significant Matters

I. PERFORMANCE OF COMMITMENTS

(I) Commitments during or Carried forward to the Reporting Period by the Actual Controllers, Shareholders, Related Parties, Acquirers of the Company and the Company and Other Relevant Parties

✓Applicable ☐Not applicable

Commitment background	Commitment type	Commitment party	Summary of the commitment	Time and term of the commitment	Is there a term for fulfilment	Is there timely and strict fulfilment
Commitments related to material asset restructuring	Others	Sinotrans & CSC, China Merchants	Note 1	28 February 2018; Effective permanently	No	Yes
	Resolving related-party transaction	Sinotrans & CSC, China Merchants	Note 2	28 February 2018; Effective permanently	No	Yes
	Others	the Company	Note 3	13 April 2018; Effective permanently	No	Yes
	Others	Sinotrans & CSC, China Merchants	Note 4	13 April 2018; Effective permanently	No	Yes
	Others	All Directors, Supervisors and senior management of the Company	Note 5	13 April 2018; Effective permanently	No	Yes
	Others	the Company	Note 6	13 April 2018; Effective permanently	No	Yes
	Avoiding horizontal competition	Sinotrans & CSC	Note 7	13 April 2018; Effective permanently	No	Yes
	Avoiding horizontal competition	China Merchants	Note 8	13 April 2018; Effective permanently	No	Yes
	Resolving defective title of lands and other items	Sinotrans & CSC	Note 9	13 April 2018; Effective permanently	No	Yes
	Resolving defective title of lands and other items	China Merchants	Note 10	13 April 2018; Effective permanently	No	Yes
	Others	Sinotrans & CSC, China Merchants	Note 11	13 April 2018; Effective permanently	No	Yes
	Others	Sinotrans & CSC, China Merchants	Note 12	14 January 2019; Effective permanently	No	Yes

Chapter 5 Significant Matters

- Note 1: The covenantor shall maintain mutual independence in terms of personnel, finance, asset, business and organization in accordance with the provisions of the relevant laws, regulations and normative documents.
- Note 2: The covenantor undertakes to avoid and reduce related-party transactions with the Company. For related party transactions that are unavoidable or where there are sufficient reasons, the covenantor shall sign a standard and formal related-party transaction agreement, shall perform the transactions in accordance with a fair and reasonable market price, and shall fulfil the related-party transaction decision-making process and information disclosure obligation; the covenantor shall not prejudice the legitimate interests of the Company and other non-related shareholders through related-party transactions. The covenantor undertakes to procure corporates under its control (except the Company) to comply with the aforementioned commitment.
- Note 3: The covenantor undertakes to accelerate the development of the principal business of the Company; to boost the profitability of the Company; to enhance the internal management of the Company and cost control; to continuously improve corporate governance so as to provide institutional safeguard for the development of the Company; to further improve the profit distribution system and strengthen the investor return mechanism.
- Note 4: The covenantor undertakes not to go beyond its power and interfere the operation management activities of the Company and to not impair the interests of the Company.
- Note 5: The covenantors undertake to perform their duties faithfully and diligently to protect lawful interests of the Company and all Shareholders; not to transfer benefits to other entities or individuals without compensation or on unfair terms; to constrain the consumption if it is business-related; not to invest with or spend the Company's assets outside the performance of their duties; that the Board shall formulate salary system which is in line with the implementation of the return remedial measures; that if a share option policy shall be implemented, the conditions for exercising the option under the policy to be announced shall be in line with the implementation of the return remedial measures; that if the CSRC promulgates new rules for regulating return remedial measures and their commitments, the covenantors shall issue supplementary commitments.
- Note 6: Except in the case of special circumstances, the Company may distribute dividend in cash, provided that the Company is profitable in that year and the aggregate undistributed profit is positive. The profits distributed in cash for each year shall not be less than 10% of the distributable realized profit in that year. In connection with the dividend payment, the Board shall put forward a policy of differentiated cash dividend distribution according to the circumstances, pursuant to the procedures set forth in the Articles of Association.
- Note 7: The covenantor shall take effective measures to avoid horizontal competition. The covenantor has some subsidiaries that are engaged in integrated logistics business (the "Excluded Companies"). As at the date of this letter of commitment, the Excluded Companies have blemishes in terms of their asset ownership, subject qualification, profitability and other aspects, and, therefore, do not meet the requirement for injection to the Company. The covenantor undertakes to gradually realize the withdrawal of the Excluded Companies from integrated logistics business operation within three years from the listing date of A shares of the Company so as to thoroughly resolve the issue of substantial competition. Except for the companies entrusted to the Company, there is no competition between the covenantor and other companies under its control and the Company. The covenantor and other companies under its control do not, directly or indirectly, engage in any business or activity, in any form, that competes with or may compete with the principal business of the Company. During the period when the covenantor is the controlling shareholder of the Company, if the regulatory authority or the Company believes that there is substantial competition between the covenantor and the Company, the covenantor shall offer the Company the right of first refusal. The commitment of controlling shareholder, to gradually realize the withdrawal of the Excluded Companies from integrated logistics business operation within three years from the listing date of A shares of the Company so as to thoroughly resolve the issue of substantial competition has been postponed until 17 January 2025, which has been approved by the general meeting. The above commitment has been fully performed within the extended period. For details, please refer to the relevant announcements of the Company dated 27 October 2021, 11 November 2021 and 30 November 2021 disclosed on the websites of the SSE (www.sse.com.cn) and the SEHK (www.hkexnews.hk).

Chapter 5

Significant Matters

- Note 8: The covenantor shall take effective measures to avoid horizontal competition. There is no competition between the covenantor and other companies under its control (China Merchants and its subsidiaries) and the Company. The covenantor and other companies under its control do not, directly or indirectly, engage in any business or activity, in any form, that competes with or may compete with the principal business of the Company. During the period where the covenantor is the actual controller of the Company, if the regulatory authority or the Company believes that there is substantial horizontal competition between the covenantor and the Company, the covenantor shall offer the Company the right of first refusal.
- Note 9: The covenantor shall fully support and facilitate the Company and its subsidiaries to achieve completeness of the certificates of title for assets including lands, estates and properties. After the completion of the merger by absorption, where the Company suffers actual loss from the problem that exist in the land use rights and the ownership of property assets held prior to the merger by absorption, or where there are indemnities, penalties, taxes or other fees that arise from the operation of defective land use rights and property assets by the Company and its subsidiaries after the merger by absorption, the covenantor undertakes to fully compensate the Company and its subsidiaries in a timely manner by way of cash within 30 days after the Company have determined the actual loss or relevant fees legally.
- Note 10: The covenantor shall fully support and facilitate the Company and its subsidiaries to achieve completeness of the certificates of title for assets including lands and properties. After the completion of the merger by absorption, where the Company and its subsidiaries suffer actual loss from the problems that exist in the land use rights and the ownership of property assets held prior to the merger by absorption, the Company and its subsidiaries shall be fully compensated in a timely manner by way of cash within 180 days after the Company and its subsidiaries have determined the relevant fees legally.
- Note 11: After the completion of the merger by absorption, if the Company suffers loss or assumes any responsibility from the payment issue of social insurance or housing provident fund prior to the merger by absorption, the covenantor undertakes to assume the corresponding indemnity after determining that loss or responsibility legally.
- Note 12: If the covenantor reduced its directly and indirectly held shares (excluding H shares) issued by Sinotrans before the merger by absorption within two years after the expiration of the lockup period, the reduction price shall not be lower than the issue price (if ex-rights and/or ex-dividend adjustments is carried out due to the distribution of cash dividends, shares dividends, share capital conversion, issuance of new shares, etc., the reduction price shall be adjusted accordingly in accordance with the relevant provisions of the CSRC and the SSE); in the meanwhile, the covenantor shall comply with the relevant provisions of the CSRC and the SSE on the reduction of shares.
- Note 13: For the full text of the above commitments, please refer to the “Section I Important Statements and Tips” in the “Announcement on the Listing through the merger by absorption of Sinoair by Sinotrans Limited and the Financial Statements for the Third Quarter of 2018” issued by the Company on the website of SSE (www.sse.com.cn) on 15 January 2019.

Chapter 5 Significant Matters

II. NON-OPERATING CAPITAL OCCUPIED BY CONTROLLING SHAREHOLDERS AND OTHER RELATED PARTIES DURING THE REPORTING PERIOD

☐Applicable ☒Not applicable

III. IRREGULAR OF GUARANTEES

☐Applicable ☒Not applicable

IV. AUDIT OF THE INTERIM REPORT

☐Applicable ☒Not applicable

V. CHANGES AND HANDLING OF MATTERS INVOLVED IN NONSTANDARD AUDIT OPINIONS OF ANNUAL REPORT IN THE LAST YEAR

☐Applicable ☒Not applicable

VI. MATTERS RELATED TO BANKRUPTCY AND REORGANIZATION

☐Applicable ☒Not applicable

VII. MAJOR LITIGATION AND ARBITRATION MATTERS

☐ The Company was involved in major litigation or arbitration proceedings during the Reporting Period

☒ The Company was not involved in major litigation or arbitration proceedings during the Reporting Period

VIII. PENALTIES AND RECTIFICATION OF LISTED COMPANY, ITS DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT, CONTROLLING SHAREHOLDERS AND ACTUAL CONTROLLERS

☐Applicable ☒Not applicable

IX. EXPLANATION ON THE INTEGRITY OF THE COMPANY AND ITS CONTROLLING SHAREHOLDERS AND ACTUAL CONTROLLERS DURING THE REPORTING PERIOD

☐Applicable ☒Not applicable

Chapter 5

Significant Matters

X. MATERIAL RELATED PARTY TRANSACTIONS

(I) Material Related Party Transactions

The material related party transactions undertaken by the Group during the Reporting Period are set out in Note X to the Financial Statements under “Chapter 8 Financial Report”.

(II) The Related Party Transactions in Relation to The Daily Operations

1. Events Disclosed in the Temporary Announcements and without Progress or Changes in Subsequent Implementation

☐ Applicable ☒ Not applicable

2. Events Disclosed in the Temporary Announcements but with Progress or Changes in Subsequent Implementation

☒ Applicable ☐ Not applicable

- (1) On 26 October 2023, the Company has renewed the Master Services Agreement and Master Lease Agreement with China Merchants which revised the annual caps of the provision and receiving of transportation and logistics services and leasing service with the term commencing from 1 January 2024 to 31 December 2026. The estimated annual caps and the actual amount incurred during the Reporting Period are as follows:

Unit: RMB hundred million

Categories	Annual cap of 2024	Annual cap of 2025	Annual cap of 2026	Actual amount of the Reporting Period
The provision of transportation and logistics services	25.00	32.50	42.25	2.72
The receiving of transportation and logistics services	35.00	45.50	59.15	7.10
The lease of properties and storage facilities as the lessee from the related party	6.50	7.48	8.60	1.61
The lease of properties and storage facilities as the lessor to the related party	0.40	0.46	0.53	0.07
The lease of containers and other equipment as the lessee from the related party	0.18	0.21	0.23	0.07
The lease of containers and other equipment as the lessor to the related party	2.00	2.30	2.65	0.28

Chapter 5 Significant Matters

- (2) On 26 October 2023, the Board considered and approved the resolution on the renewal of the continuing related party transaction between the Company and China Merchants Bank from 2024 to 2026, and the maximum outstanding balance of deposits placed by the Group with China Merchants Bank is RMB6 billion and the maximum outstanding balance of loans granted by China Merchants Bank to the Group is RMB10 billion. During the Reporting Period, the Group's maximum daily deposit balance at China Merchants Bank was RMB1,881 million, and the Group's outstanding loan balance granted by the China Merchants Bank to the Group was RMB576 million.

The above-mentioned daily related party transactions have been reviewed and approved by the Company's Extraordinary General Meeting of Shareholders on 15 December 2023. For details, please refer to relevant announcements dated 26 October 2023 and 15 December 2023 published by the Company on the websites of SSE (www.sse.com.cn) and SEHK (www.hkexnews.hk).

3. *Events Not Disclosed in the Temporary Announcements*

☐Applicable ☒Not applicable

(III) Related Party Transactions from Acquisition and Disposal of Assets or Equity Interests

1. *Events Disclosed in the Temporary Announcements and without Progress or Changes in Subsequent Implementation*

☐Applicable ☒Not applicable

2. *Events Disclosed in the Temporary Announcements but with Progress or Changes in Subsequent Implementation*

☐Applicable ☒Not applicable

3. *Events Not Disclosed in the Temporary Announcements*

☐Applicable ☒Not applicable

4. *The Performance Achievements during the Reporting Period Shall be Disclosed if Undertakings on Performance is Involved*

☐Applicable ☒Not applicable

Chapter 5

Significant Matters

(IV) Material Related Party Transactions involving Joint External Investments

1. Events Disclosed in the Temporary Announcements and without Progress or Changes in Subsequent Implementation

☐Applicable ☒Not applicable

2. Events Disclosed in the Temporary Announcements but with Progress or Changes in Subsequent Implementation

☐Applicable ☒Not applicable

3. Events Not Disclosed in the Temporary Announcements

☐Applicable ☒Not applicable

(V) Claims and Liabilities with Related Parties

1. Events Disclosed in the Temporary Announcements with No Progress or Changes in Subsequent Implementation

☐Applicable ☒Not applicable

2. Events Disclosed in the Temporary Announcements with Progress or Changes in Subsequent Implementation

☐Applicable ☒Not applicable

3. Events Not Disclosed in the Temporary Announcements

☒Applicable ☐Not applicable

Unit: RMB

Related parties	Capital provided to related parties			Capital provided by related parties to listed company		
	Opening balance	Amount of the transaction	Closing balance	Opening balance	Amount of the transaction	Closing balance
Other companies controlled by the same parent company and ultimate controlling party	5,912,719,552.47	-466,081,371.44	5,446,638,181.03	1,102,430,298.30	340,340,361.06	1,442,770,659.36
Joint ventures and associates	869,018,596.83	1,175,548,363.09	2,044,566,959.92	847,054,039.98	85,445,760.78	932,499,800.76
Total	6,781,738,149.30	709,466,991.65	7,491,205,140.95	1,949,484,338.28	425,786,121.84	2,375,270,460.12
Reasons for related claims and debts	Balances with related companies.					
The impact of related claims and debts on the Company	Related claims and debts are conducted based on the time agreed under the contract or agreement in accordance with the financial settlement process and have no material effect on the operation results and financial position of the Company.					

Chapter 5 Significant Matters

(VI) Financial Business between the Company and its Related Finance Company, and between the Finance Company Controlled by the Company and its Related Parties

☒Applicable ☐Not applicable

On 26 October 2023, the Company entered into a Financial Services Agreement with the Finance Company, the term of which is from 1 January 2024 to 31 December 2026. According to the agreement, for the years from 2024 to 2026, the maximum daily outstanding balance of the deposit placed by the Group with the Finance Company each year (excluding loan amounts provided by the Finance Company) is RMB6 billion, the maximum daily outstanding balance of the loan (including accrued interest and handling fees) granted by the Finance Company to the Group is RMB10 billion and the annual cap for other financial service fees at the Finance Company shall not exceed RMB20 million. During the Reporting Period, the Group's maximum daily deposit balance at Finance Company and outstanding loan balance granted by the Finance Company to the Group were RMB5,919 million and RMB176 million respectively, and the total fees of other financial service was RMB49.3 thousand.

The above-mentioned daily related party transaction has been reviewed and approved by the Company's Extraordinary General Meeting of Shareholders on 15 December 2023. For details, please refer to relevant announcements dated 26 October 2023 and 15 December 2023 published by the Company on the websites of SSE (www.sse.com.cn) and SEHK (www.hkexnews.hk).

1. Deposit

☒Applicable ☐Not applicable

Unit: RMB

Related party	Related relationship	The cap of daily outstanding deposit balance	Deposit interest rate range	Balances at the beginning of the period	Amount of the transaction of the period		Balances at the end of the period
					Total deposits of the period	Total withdrawals of the period	
China Merchants Group Finance Co., Ltd.	Other company controlled by the same parent company and ultimate controlling party	6,000,000,000.00	0.55%-4%	5,787,029,280.41	53,791,664,188.34	54,271,788,828.69	5,306,904,640.06
Total	/	/	/	5,787,029,280.41	53,791,664,188.34	54,271,788,828.69	5,306,904,640.06

Chapter 5

Significant Matters

2. Loan

☒Applicable ☐Not applicable

Unit: RMB

Related party	Related relationship	The cap of daily Outstanding deposit balance	Loan interest rate range	Balances at the beginning of the period	Amount of the transaction of the period		Balances at the end of the period
					Total loans of the period	Total repayments of the period	
China Merchants Group Finance Co., Ltd.	Other company controlled by the same parent company and ultimate controlling party	10,000,000,000.00	2.22%-3.35%	176,163,104.18	58,948,669.45	211,094,440.30	24,017,333.33
Total	/	/	/	176,163,104.18	58,948,669.45	211,094,440.30	24,017,333.33

(3) Credit or other financial business

☒Applicable ☐Not applicable

Unit: RMB

Related party	Related relationship	Business type	Total	Actual amount
China Merchants Group Finance Co., Ltd	Other company controlled by the same parent company and ultimate controlling party	Comprehensive credit	8,000,000,000.00	24,017,333.33

(4) Other explanation

☐Applicable ☒Not applicable

(VII) Other Material Related Party Transactions

☐Applicable ☒Not applicable

(VIII) Others

☐Applicable ☒Not applicable

Chapter 5 Significant Matters

XI. MATERIAL CONTRACTS AND PERFORMANCE

(I) Entrustment, Contracting and Leasing

☐Applicable ☒Not applicable

(II) Significant Guarantees Performed and Unfulfilled During the Reporting Period

☒Applicable ☐Not applicable

Unit: RMB

External guarantee of the Company (excluding those provided to subsidiaries)															
Guarantors	Relation between the guarantors and the listed company	The guaranteed party	The guaranteed amount	Date of the guarantee (the date of the agreement)	Guarantee beginning date	Guarantee maturity date	Type of guarantee	Main debt situation	Collateral (if any)	Whether the guarantee has been fulfilled	Is the guarantee overdue	Guarantee overdue amount	Counter Guarantee situation	Guarantee provided to the related parties	Related relationships
Sinotrans South China Company Limited	Wholly-owned subsidiaries	Shenzhen Haixing Harbor Development Co., Ltd.	423,644,110.95	1 July 2019	1 July 2019	1 July 2037	Financing guarantee/ Joint liability guarantee	Performed Normally	No	No	No	-	No	Yes	Associates
Total guaranteed amount during the Reporting Period (excluding guarantees provided to subsidiaries)															-14,121,470.36
Balance of total guarantees as at the end of the Reporting Period (A) (excluding guarantees provided to subsidiaries)															423,644,110.95
Guarantees provided by the Company to subsidiaries															
Total guaranteed amount to subsidiaries during the Reporting Period															19,610,314.00
Total guaranteed balance to subsidiaries as at the end of the Reporting Period (B)															1,559,634,954.08
Total guarantees (including guarantees to subsidiaries) provided by the Company															
Total guaranteed amount (A+B)															1,983,279,065.03
Total guaranteed amount as a percentage of the net asset value of the Company (%)															4.63
Of which:															
Guaranteed amount provided for shareholders, actual controller and their related parties (C)															0
Debt guaranteed amount provided directly or indirectly to parties with gearing ratio exceeding 70% (D)															0
Total guaranteed amount in excess of 50% of net asset value (E)															0
Total guaranteed amount of the above three items (C+D+E)															0
Statement on the contingent joint liability in connection with unexpired guarantees															
Details of guarantee															
Nil															
In addition to the above guarantees, the Company and its subsidiaries provide guarantees for the credit lines applied for by companies within the scope of the consolidated statements. As at 30 June 2025, the total credit guarantees was RMB3.865 billion.															

(III) Other Material Contracts

☐Applicable ☒Not applicable

Chapter 5

Significant Matters

XII. PROGRESS STATEMENT ON THE USE OF RAISED FUNDS

☐Applicable ☒Not applicable

XIII. EXPLANATION OF OTHER SIGNIFICANT MATTERS

☐Applicable ☒Not applicable



Chapter 6

Changes of Shares and Particulars of Shareholders

I. CHANGES IN SHARE CAPITAL

(I) Table of Changes in Shares

1. *Table of Changes in Shares*

During the Reporting Period, there were no changes in the total number of shares and share capital structure of the Company.

2. *Description of Share Changes*

☐ Applicable ☒ Not applicable

3. *Effect of Changes in Shares on Financial Indicators such as Earnings per Share and Net Assets per Share within the Period from the End of the Reporting Period to Disclosure Date of the Interim Report (if any)*

☐ Applicable ☒ Not applicable

4. *Other Contents that the Company Deems Necessary or Security Regulatory Authorities Require to Disclose*

☒ Applicable ☐ Not applicable

Pursuant to the authorization of the general meeting of the Company, the Company repurchased 22,019,000 H Shares of the Company from 29 November 2024 to 22 January 2025, which were cancelled on 29 July 2025. Therefore, the total share capital of the Company was reduced by 22,019,000 shares to 7,272,197,875 shares. For details, please refer to the relevant announcements of the Company dated 29 July 2025 disclosed on the websites of the SSE (www.sse.com.cn) and the SEHK (www.hkexnews.hk).

(II) Changes in Restricted Shares

☐ Applicable ☒ Not applicable

II. PARTICULARS OF SHAREHOLDERS

(I) Number of Shareholders:

Total number of ordinary Shareholders at the end of the Reporting Period (shareholders)	50,497
Of which: Total number of A Shares Shareholders	50,374
Total number of H Shares Shareholders	123
Total number of preferred Shareholders with restored voting rights at the end of the Reporting Period (shareholders)	/

Chapter 6

Changes of Shares and Particulars of Shareholders

(II) The Shareholding Status of the Top 10 Shareholders and the top 10 Outstanding Shareholders (or Holders of Unrestricted Shares) as at the End of the Reporting Period

Unit: Share

Name of Shareholders (Full Name)	Shareholding of the Top 10 Shareholders (Excluding Shares Lent through Refinancing)						
	Increase or Decrease during the Reporting Period	Number of Shares Held at the End of the Reporting Period	Percentage (%)	Number of Restricted Shares	Pledged, Marking or Frozen Status Number		Nature of Shareholders
Sinotrans & CSC Holdings Co., Ltd.	0	2,525,339,831	34.62	0	Nil	0	State-owned legal person
HKSCC NOMINEES LIMITED	-85,000	2,000,690,389	27.43	0	Unknown	Unknown	Overseas legal person
China Merchants Group Limited	0	1,600,597,439	21.94	0	Nil	0	State-owned legal person
Hong Kong Securities Clearing Company Limited (香港中央結算有限 公司)	-26,381,599	45,622,309	0.63	0	Nil	0	Overseas legal person
China Southern Airlines Group Capital Holdings Company Limited (Note) (中國南航集團資本控股有限公司)	36,057,264	36,057,264	0.49	0	Nil	0	State-owned legal person
DEUTSCHE POST BETEILIGUNGEN HOLDING	0	35,616,000	0.49	0	Unknown	Unknown	Overseas legal person
Bank of China E Fund Stable Yield Bond Securities Investment Fund (中國銀行－易方達穩健 收益債券型證券投資基金)	-10,722,800	28,686,590	0.39	0	Nil	0	Unknown
China Life Insurance Co., Ltd. Traditional General Insurance Products 005L CT001 SH (中國人壽保險股份有限公司－傳統－ 普通保險產品－005L CT001滬)	-12,633,100	25,010,227	0.34	0	Nil	0	Unknown
Agricultural Bank of China Co., Ltd.- China Securities 500 Open-end Trading Index Securities Investment Fund (中國農業銀行股 份有限公司－中證 500 交易型開放式 指數證券投資基金)	1,051,787	23,502,434	0.32	0	Nil	0	Unknown
China International Capital Corporation Limited (中國國際金融股份有限公司)	-1,546,556	20,061,055	0.28	0	Frozen	19,082,451	State-owned legal person

Chapter 6

Changes of Shares and Particulars of Shareholders

Shareholding of the Top 10 Holders of Unrestricted Shares (Excluding Shares Lent through Refinancing or restricted of Senior Management)

Name of shareholders	Number of shares unlock-up	Class and number of shares	
		Class	Number
Sinotrans & CSC Holdings Co., Ltd.	2,525,339,831	Ordinary shares denominated in RMB	2,525,339,831
HKSCC NOMINEES LIMITED	2,000,690,389	Foreign shares listed overseas	2,000,690,389
China Merchants Group Limited	1,600,597,439	Ordinary shares denominated in RMB	1,600,597,439
Hong Kong Securities Clearing Company Limited (香港中央結算有限公司)	45,622,309	Ordinary shares denominated in RMB	45,622,309
China Southern Airlines Group Capital Holdings Company Limited (中國南航集團資本控股有限公司)	36,057,264	Ordinary shares denominated in RMB	36,057,264
DEUTSCHE POST BETEILIGUNGEN HOLDING	35,616,000	Foreign shares listed overseas	35,616,000
Bank of China E Fund Stable Yield Bond Securities Investment Fund (中國銀行－易方達穩健收益債券型證券投資基金)	28,686,590	Ordinary shares denominated in RMB	28,686,590
China Life Insurance Co., Ltd. Traditional General Insurance Products 005L CT001 SH (中國人壽保險股份有限公司 －傳統－普通保險產品－005L CT001滙)	25,010,227	Ordinary shares denominated in RMB	25,010,227
Agricultural Bank of China Co., Ltd.-China Securities 500 Open-end Trading Index Securities Investment Fund (中國農業銀行股份有限 公司－中證 500 交易型開放式指數證券投資基金)	23,502,434	Ordinary shares denominated in RMB	23,502,434
China International Capital Corporation Limited (中國國際金融股份有限公司)	20,061,055	Ordinary shares denominated in RMB	20,061,055
Explanations of the repurchase of special accounts among the top 10 shareholders	As at the end of the Reporting Period, the number of shares held in the Sinotrans Special Securities Account for Repurchase (中國外運股份有限公司回購專用證券帳戶) was 94,714,181 A Shares, accounting for approximately 1.30% of the total issued share capital of the Company, among which, 6,459,645 A Shares for share options incentives, 88,254,536 A Shares for cancellation; and 22,019,000 H Shares which has been cancelled on 29 July 2025.		
Explanation of the above-mentioned shareholders' entrusted voting rights, been entrusted voting rights, and waiver of voting rights	Nil		
Explanations on the related-party relations or acting in concert among the above shareholders	China Merchants and its subsidiary held a total of 4,125,937,270 A Shares of the Company.		
Explanations on the shares and voting rights restored of preferred shareholders	Nil		

Note: According to the disclosure of interests form submitted by China Southern Airlines Group Co., Ltd. on the website of the SEHK on 23 June 2025, it holds 142,732,000 H Shares through its subsidiary China Southern Airlines Group Capital Holdings Company Limited; such Shares are included in the Shares held by HKSCC NOMINEES LIMITED as shown in the above.

Chapter 6

Changes of Shares and Particulars of Shareholders

Shareholders holding more than 5% of the shares, top 10 shareholders and top 10 holders of unrestricted shares' Participation in Refinancing and Securities Lending Business

☐ Applicable ☒ Not applicable

The changes of top 10 shareholders and top 10 holders of unrestricted shares compared to the previous period due to reasons for lending/returning through refinancing

☐ Applicable ☒ Not applicable

Shareholdings of Top 10 Shareholders with Restrictions and Conditions of Such Restrictions

☐ Applicable ☒ Not applicable

(III) Shareholdings of Substantial Shareholders Disclosed as Required by SFO

As at 30 June 2025, so far as the Directors of the Company were aware, the following parties (other than Directors, Supervisors and chief executives) had interests and short positions in the Shares of the Company which were required to be disclosed to the Company and Hong Kong Stock Exchange pursuant to the provisions in Divisions 2 and 3 of Part XV of SFO, or to be recorded in the register kept by the Company pursuant to Section 336 of SFO.

Name	Corporate interests	Class of Shares	Percentage in total issued Share capital	Percentage in issued H Share capital
China Merchants (Note 1)	4,125,937,270 (L)	A Shares	56.56%	–
	192,478,000 (L)	H Shares	2.64%	9.44%
Pandanus Associates Inc (Note 2)	203,410,000 (L)	H Shares	2.79%	9.98%
China Southern Airlines Group Company Limited (Note 3)	142,732,000 (L)	H Shares	1.96%	7.00%
LSV ASSET MANAGEMENT (Note 4)	142,573,600 (L)	H Shares	1.95%	6.99%

Chapter 6

Changes of Shares and Particulars of Shareholders

Note: (L) Long Position, (P) Lending Pool

- (1) As at 30 June 2025, China Merchants Group held 59.20% of the Company's total issued shares aggregately. China Merchants directly held 1,600,597,439 A Shares (long position), indirectly held 2,525,339,831 A Shares (long position) and 106,683,000 H Shares (long position) through Sinotrans & CSC (its direct wholly-owned subsidiary) and Sinotrans (Hong Kong) Holdings Limited (its indirect wholly-owned subsidiary), respectively, and indirectly held 85,795,000 H Shares (long position) through China Merchants Innovation and Technology (Hong Kong) Co., Ltd. (named China Merchants Investment Development (Hong Kong) Limited formerly) (its wholly-owned subsidiary).
- (2) According to the Disclosure of Interests Form submitted by Pandanus Associates Inc. on the website of Hong Kong Stock Exchange, 203,410,000 H Shares (long position) are interests of corporations controlled by substantial shareholders, of which 26,859,000 H Shares (long position) are reported as unlisted derivatives settled in cash.
- (3) According to the Disclosure of Interests Form submitted by China Southern Airlines Group Company Limited on the website of Hong Kong Stock Exchange, 142,732,000 H Shares (long position) are interests of corporations controlled by substantial shareholders, namely China Southern Airlines Group Capital Holdings Company Limited.
- (4) According to the Disclosure of Interests Form submitted by LSV ASSET MANAGEMENT on the website of Hong Kong Stock Exchange, LSV ASSET MANAGEMENT held 110,886,600 H Shares (long position) in the capacity of investment manager, and 31,687,000 H Shares (long position) are deemed interest through its general partnership interest in certain limited partnerships.

Save as disclosed above, as at 30 June 2025, so far as the Directors were aware, there was no other parties (other than Directors, Supervisors or chief executives) who had any interests and short positions in the Shares of the Company which would fall to be recorded in the register kept by the Company pursuant to Section 336 of SFO and disclosed to the Company and Hong Kong Stock Exchange pursuant to the provisions in Divisions 2 and 3 of Part XV of SFO.

(IV) Strategic Investors or General Corporations Become Top 10 Shareholders Due to the Placement of New Shares

☐ Applicable ☒ Not applicable



Chapter 6

Changes of Shares and Particulars of Shareholders

III. PARTICULARS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

(I) Changes in Shareholding of Current and Resigned Directors, Supervisors and Senior Management During the Reporting Period

✓Applicable ☐ Not applicable

Unit: Shares

Name	Position	Number of Shares Held at the Beginning of the Reporting Period	Number of Shares Held at the End of the Reporting Period	Increase or Decrease during the Reporting Period	The Reasons of Changes
Gao Xiang	Director, President, Chief Digital Officer	210,000	300,000	90,000	Exercise of Share Option Incentive
Li Shichu	Vice President, Secretary of the Board, General Counsel (Chief Compliance Officer)	256,267	512,534	256,267	Exercise of Share Option Incentive
Wang Dupeng	Vice President	285,267	514,134	228,867	Exercise of Share Option Incentive
Wang Jian	Vice President	160,000	300,000	140,000	Exercise of Share Option Incentive

Other situation explanations

✓Applicable ☐ Not applicable

During the Reporting Period, the changes in the shareholding of the Director and Senior Management were mainly due to the implementation of the first exercise of the Second Exercise Period under Share Option Incentive Scheme (Phase I) of the Company in March 2025. The source of exercisable Shares is A Shares repurchased by the Company.

Chapter 6

Changes of Shares and Particulars of Shareholders

(II) The Equity Incentives Granted to the Directors, Supervisors and Senior Management During the Reporting Period

✓Applicable ☐ Not applicable

Unit: Shares

Name	Position	Number of Share Options Held at the Beginning of the Reporting Period	Number of Share Options Granted During the Reporting Period	Number of Share Options Exercisable During the Reporting Period	Number of Share Options Exercised During the Reporting Period	Number of Share Options Held at the End of the Reporting Period
Gao Xiang	Director, President, Chief Digital Officer	688,800	0	299,600	90,000	509,200
Li Shichu	Vice President, Secretary of the Board, General Counsel (Chief Compliance Officer)	512,533	0	256,267	256,267	256,266
Wang Dupeng	Vice President	457,733	0	228,867	228,867	228,866
Wang Jian	Vice President	526,600	0	228,867	140,000	317,733
Song Rong (Resigned)	Director, President	1,186,800	0	428,933	0	428,933
Tian Lei (Resigned)	General Counsel	557,200	0	278,600	0	557,200
Total	/	3,929,666	0	1,721,134	715,134	2,298,198

Chapter 6

Changes of Shares and Particulars of Shareholders

(III) Other Information

✓Applicable ☐ Not applicable

Interests and Short Positions of the Directors, Supervisors and the Chief Executive

As at 30 June 2025, so far as the Directors of the Company were aware, the interests or short positions of the Directors, Supervisors, chief executive or their associates in the shares or debentures of the Company or any associated corporation of the Company which were required to be notified to the Company and Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of SFO (including interests and short positions which they are deemed to have under such provisions of the SFO), or which were required pursuant to Section 352 of SFO to be recorded in the register kept by the Company referred to therein, or which were required to be notified to the Company and Hong Kong Stock Exchange pursuant to the Model Code were as follows:

Name	Position	Category of Shares	Nature of interests	Number of Shares interested (Note 1)	Approximate percentage of the total number of the relevant class of Shares of the Company as at 30 June 2025 (%)	Approximate percentage of the issued share capital of the Company as at 30 June 2025 (%)
Gao Xiang	Director, President, Chief Digital Officer	A Shares	Beneficial Owner	809,200(L) (Note 2)	0.02	0.01
Song Rong (Resigned)	Director, President	A Shares	Beneficial Owner	528,933(L) (Note 3)	0.01	0.01

Note 1: (L) means long position in the shares.

Note 2: On 25 January 2022, Mr. Gao Xiang was granted 898,800 Share Options pursuant to Share Option Incentive Scheme of the Company. Among them, 300,000 Share Options have completed exercise registration on 27 March 2024 and 28 March 2025, 89,600 Share Options have been cancelled due to not exercised within the Exercisable period.

Note 3: Mr. Song Rong has resigned as President and Director of the Company on 14 March 2025 and 6 June 2025, respectively. On 25 January 2022, Mr. Song Rong was granted 1,286,800 Share Options pursuant to Share Option Incentive Scheme of the Company. Among them, the 428,934 Share Options granted for the third Exercise period have automatically lapsed due to resignation, 100,000 Share Options have completed exercise registration on 27 March 2024, 328,933 Share Options have been cancelled due to not exercised within the Exercisable period.

Chapter 6

Changes of Shares and Particulars of Shareholders

Save as disclosed above, as at the end of the Reporting Period, so far as the Directors of the Company were aware, none of the Directors, Supervisors, the chief executive or their associates had any interests in any shares or debentures and short positions of the Company or any associated corporation of the Company which were required to be notified to the Company and Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of SFO (including interests and short positions which they are deemed to have under such provisions of the SFO), or which were required pursuant to Section 352 of SFO to be recorded in the register kept by the Company referred to therein, or which were required to be notified to the Company and Hong Kong Stock Exchange pursuant to the Model Code.

IV. CHANGES OF CONTROLLING SHAREHOLDERS OR ACTUAL CONTROLLERS

☐ Applicable ☒ Not applicable

V. PARTICULARS OF PREFERRED SHARES

☐ Applicable ☒ Not applicable



Chapter 7

Particulars of Bonds

I. CORPORATE BONDS (INCLUDING ENTERPRISE BONDS) AND DEBT FINANCING INSTRUMENTS OF NON-FINANCIAL ENTERPRISES

☒ Applicable ☐ Not applicable

(I) Corporate Bonds (Including Enterprise Bonds)

☒ Applicable ☐ Not applicable

1. Basic Information of Corporate Bonds

Unit: RMB

Name of bond	Short name	Code	Date of issuance	Value date	Latest sell-back date after		Balance of bond	Interest rate (%)	Manner of payment of principal and interest	Transaction site	Lead underwriter	Trustee	Investor suitability arrangements (if any)	Trading mechanism	Whether there is a risk of terminating the listing transaction
					31 August 2025	Maturity date									
Sinotrans Limited 2021 Corporate Bonds Publicly Issued to Professional Investors (First Tranche)	21 Sinotrans 01	188446	23 July 2021	26 July 2021	-	26 July 2026	20,000,000.00	From 26 July 2021 to 25 July 2024, Coupon rate : 3.15% ; From 26 July 2024 to 25 July 2026, Coupon rate : 2.15%	Annual interest, no compound interest, repayment of principal upon maturity	SSE	CITIC Securities Company Limited, China Merchants Securities Company Limited	CITIC Securities Company Limited	Issued to Professional institutional investor	Match transaction, click to transaction, inquiry and transaction, bidding transaction, negotiated transaction	No
Sinotrans Limited 2025 Technological Innovation Corporate Bonds Publicly Issued to Professional Investors (First Tranche)	25 Sinotrans K1	242340	20 January 2025	21 January 2025	-	21 January 2028	2,000,000,000.00	1.79	Annual interest, no compound interest, repayment of principal upon maturity	SSE	CITIC Securities Company Limited, China Merchants Securities Company Limited	CITIC Securities Company Limited	Issued to Professional institutional investor	Match transaction, click to transaction, inquiry and transaction, bidding transaction, negotiated transaction	No

Counter measure of the Company for the risk of terminating the listing transaction of the bonds

☐ Applicable ☒ Not applicable

Chapter 7

Particulars of Bonds

2. Triggering and Implementation of Issuer or Investor Option Clauses and Investor Protection Clauses

☐Applicable ☒Not applicable

3. Adjustment of Credit Rating Results

☐Applicable ☒Not applicable

4. The Implementation and Changes of Guarantees, Debt Repayment Plans and Other Debt Repayment Safeguard Measures during the Reporting Period and Their Impact

☒Applicable ☐Not applicable

Status	Implementation	Change	Situation before the change	Reasons for the change	Whether the change has been approved by the authority	The impact of the change on the rights and interests of bond investors
After the issuance of the Corporate Bonds, the Company has formulated safeguard measures for the use of funds as planned, the safe payment of interest and redemption of bonds, the details of which are set out in the "Other Explanation" below.	During the Reporting Period, the debt repayment plan and other debt repayment safeguard measures have not been changed and are implemented normally, which are in line with the relevant undertakings in the prospectus.	No	Nil	Nil	No	Nil

Other Explanation

After the issuance of the Corporate Bonds, the Company further strengthens the management of assets and liabilities, liquidity management and the management of the use of proceeds according to the debt structure, ensures that the funds are used as planned, and timely and fully prepares the funds for the annual interest payment and principal repayment upon maturity, so as to fully protect the interests of investors. The Company has formulated a series of work plans for ensuring the timely and full repayment of corporate bonds, including formulating the Rules for Bondholders' Meetings, giving full play to the role of bond trustee manager, setting up a special repayment working group, strictly fulfilling the information disclosure obligations and the Company's commitments, etc., striving to form guarantee measures to ensure the safe payment of interest and redemption of bonds.

Chapter 7

Particulars of Bonds

(II) Proceeds from Corporate Bonds

- ☒ Corporate bonds involve use of proceeds or change of the purposes of proceeds during the Reporting Period
- ☐ All of the Company's corporate bonds didn't involve the use of proceeds or change of the purposes of proceeds during the Reporting Period

1. Basic Information

Unit: Hundred million Currency: RMB

Bond code	Bond abbreviation	Whether special-purpose bonds or not	Particular type of special-purpose bonds	Gross proceeds raised	Balance of proceeds as at the end of the Reporting Period	Balance of special account of proceeds as at the end of the Reporting Period
242340	25 Sinotrans K1	Yes	Technology Innovation Corporate Bonds	20.00	20.00	0.00

Note: In 2025, the proceeds of "25 Sinotrans K1" corporate bonds amounting to RMB2.0 billion were used to repay maturing debts and have been fully utilized during the Reporting Period.

2. Changes and Adjustment to the Use of Proceeds

☐ Applicable ☒ Not applicable

3. Usage of Proceeds

(1) Actual Usage (Excluding Temporary Liquidity Replenishment)

Unit: Hundred million Currency: RMB

Bond code	Bond abbreviation	Amount of actual usage of proceeds during the Reporting Period	Amount of repayment of interest-bearing debts (excluding corporate bonds)	Amount of repayment of corporate bonds	Amount of Replenishment of liquidity	Amount involved in fixed assets investment	Amount involved in equity investment, debt investment or asset acquisition	Amount for other usage
242340	25 Sinotrans K1	20.00	20.00	/	/	/	/	/

Chapter 7

Particulars of Bonds

(2) *Proceeds Used for Repayment of Corporate Bonds and Other Interest-bearing Debts*

☒Applicable ☐Not applicable

Bond code	Bond abbreviation	Particulars of repayment of corporate bonds	Particulars of repayment of interest-bearing debts (excluding corporate bonds)
242340	25 Sinotrans K1	/	RMB2.0 billion was used to repay maturing debts: of which, RMB1.98 billion was used to repay borrowings from Bank of China, and RMB20 million was used to repay borrowings of China Merchants Logistics Shenzhen Co., Ltd. from Agricultural Bank of China.

(3) *Proceeds Used for Replenishment of Liquidity (Excluding Temporary Liquidity Replenishment)*

☐Applicable ☒Not applicable

(4) *Proceeds Used for Special Purposes*

☐Applicable ☒Not applicable

(5) *Proceeds Used for Other Purposes*

☐Applicable ☒Not applicable

(6) *Temporary Liquidity Replenishment*

☐Applicable ☒Not applicable

Chapter 7

Particulars of Bonds

4. Compliance of Use of Proceeds

Bond code	Bond abbreviation	Use of proceeds agreed in the prospectus	Actual use of proceeds as at the end of the Reporting Period (including actual usage and temporary liquidity replenishment)	Whether the actual use is consistent with the agreed use (including the use agreed in the prospectus and the use after compliant changes)	Whether the use of proceeds and the management of special account of proceeds are in compliance during the Reporting Period	Whether the use of proceeds is in compliance with the management regulations of local government
242340	25 Sinotrans K1	Used to repay interest-bearing debts	Used to repay interest-bearing debts	Yes	Yes	Yes

Non-compliance in respect of the use of proceeds and the management of account of proceeds

☐Applicable ☒Not applicable

Penalties and disciplines imposed due to the illegal use of proceeds

☐Applicable ☒Not applicable

(III) Other Matters to be Disclosed in Relation to Special-purpose Bonds

☒Applicable ☐Not applicable

1. The Company as an Issuer of Convertible Corporate Bonds

☐Applicable ☒Not applicable

2. The Company as an Issuer of Green Corporate Bonds

☐Applicable ☒Not applicable

3. The Company as an Issuer of Renewable Corporate Bonds

☐Applicable ☒Not applicable

4. The Company as an Issuer of Corporate Bonds for Poverty Alleviation

☐Applicable ☒Not applicable

5. The Company as an Issuer of Corporate Bonds for Rural Revitalization

☐Applicable ☒Not applicable

Chapter 7

Particulars of Bonds

6. The Company as an Issuer of Corporate Bonds for the Belt and Road Initiative

☐ Applicable ☒ Not applicable

7. The Company as an Issuer of Technological Innovation Corporate Bonds or Innovation and Entrepreneurship Corporate Bonds

☒ Applicable ☐ Not applicable

Unit: Hundred million Currency: RMB

Category of issuers applicable to the bond	☒ Sci-tech Innovation Enterprise ☐ Sci-tech Innovation Upgrade ☐ Sci-tech Innovation Investment ☐ Sci-tech Innovation Incubation ☐ Financial Institution
Bond code	242340
Bond abbreviation	25 Sinotrans K1
Balance of Bond	20.00
Progress of innovation and technology projects	The issuer is a scientific and technological innovation enterprise issuer
Effectiveness in promoting development of science, technology and innovation	Good
Operation of ITF products (if any)	Not applicable
Other matters	Nil

8. The Company as an Issuer of Corporate Bonds of Low-Carbon Transformation (Linked)

☐ Applicable ☒ Not applicable

9. The Company as an Issuer of Relief Corporate Bonds

☐ Applicable ☒ Not applicable

10. The Company as an Issuer of Micro, Small and Medium-Sized Enterprise (MSME) Backed Bonds

☐ Applicable ☒ Not applicable

11. Other Special-purpose Corporate Bonds

☐ Applicable ☒ Not applicable

Chapter 7

Particulars of Bonds

(IV) Important Matters Related to Corporate Bonds during the Reporting Period

☒Applicable ☐Not applicable

1. **Non-Operating Current Accounts and Lending**

(1) *Balance of the Non-Operating Current Accounts and Lending*

As at the beginning of the Reporting Period, the balance of the Company's consolidated current accounts and lending/borrowing receivable to other parties were not directly attributable to operating activities (the "Non-Operating Current Accounts and Lending"): RMB32.05 million;

Whether the Non-Operating Current Accounts and Lending have breached the relevant covenants or undertakings provided in the prospectus during the Reporting Period

☐Yes ☒No

As at the end of the Reporting Period, the Non-Operating Current Accounts and Lending not recovered total: RMB32.02 million

(2) *Details of the Non-Operating Current Accounts and Lending*

As at the end of the Reporting Period, the ratio of the consolidated Non-Operating Current Accounts and Lending not recovered to the consolidated net assets: 0.07%

Whether the item has exceeded 10% of the consolidated net assets: ☐Yes ☒No

(3) *Implementation of recovery arrangements disclosed in the previous reporting periods*

☒Fully implemented ☐Not fully implemented

Chapter 7

Particulars of Bonds

2. Debt Situation

(1) Interest-bearing debts and the related changes

1.1 Debt structure

The balance of the Company's interest-bearing debts (not in its consolidated statements) amounted to RMB4.581 billion as at the beginning of the Reporting Period and RMB4.976 billion as at the end of the Reporting Period, indicating an increase of 8.62%.

Unit: Hundred million Currency: RMB

Categories of interest-bearing debts	Past due	Maturity Within one year (inclusive)	Over one year (exclusive)	Aggregate amount	Proportion in interest-bearing debts (%)
Unsecured debentures	-	0.49	40.18	40.66	81.72
Bank loans	-	3.51	0.67	4.18	8.39
Loans of non-bank financial institutions	-	0.20	4.72	4.92	9.89
Other interest-bearing debts	-	0.20	4.72	4.92	9.89
Total	-	4.20	45.57	49.76	-

In the unsecured debentures subsisting as at the end of the Reporting Period, the balance of corporate bonds is RMB2.035 billion, the balance of enterprise bonds is RMB0, and the balance of the debt financing instruments of non-financial enterprises is RMB2.031 billion.

Chapter 7

Particulars of Bonds

1.2 Structure of consolidated interest-bearing debts

The balance of the Company's interest-bearing debts included in the consolidated statements amounted to RMB11.430 billion as at the beginning of the Reporting Period and RMB12.261 billion as at the end of the Reporting Period, indicating an increase of 7.28% during the Reporting Period.

Unit: Hundred million Currency: RMB

Categories of interest-bearing debts	Past due	Maturity Within one year (inclusive)	Over one year (exclusive)	Aggregate amount	Proportion in interest- bearing debts (%)
Unsecured debentures	-	0.49	40.18	40.66	33.16
Bank loans	-	22.51	23.06	45.57	37.16
Loans of non-bank financial institutions	-	-	0.24	0.24	0.20
Other interest-bearing debts	-	8.28	27.86	36.14	29.48
Total	-	31.28	91.34	122.61	-

In the consolidated unsecured debentures subsisting as at the end of the Reporting Period, the balance of corporate bonds was RMB2.035 billion, the balance of enterprise bonds was RMB0, and the balance of the debt financing instruments of non-financial enterprises was RMB2.031 billion.

Chapter 7

Particulars of Bonds

1.3 Offshore bonds

As at the end of the Reporting Period, the balance of offshore bonds issued and included in the consolidated statements was RMB0.

- (2) *Details of interest-bearing debts or unsecured debentures of the Company and its subsidiaries with overdue amount of over RMB10 million as at the end of the Reporting Period*

☐Applicable ☒Not applicable

- (3) *Details of prioritized repayment of liabilities against any third party*

As at the end of the Reporting Period, the Company has prioritized repayment of liabilities against any third party recorded in the consolidated statements:

☐Applicable ☒Not applicable

- (4) *Violation of regulations and agreements*

Violation of laws, regulations, self-regulatory rules, the articles of association, the administration policies on information disclosure and other provisions, as well as the agreements or undertakings in the prospectus of bonds, and the impact of related situations on the rights and interests of bond investors during the Reporting Period

☐Applicable ☒Not applicable



Chapter 7

Particulars of Bonds

(V) Debt Financing Instruments of Non-Financial Enterprises in the Inter-bank Bond Market

☒Applicable ☐Not applicable

1. Basic Information of Debt Financing Instruments of Non-Financial Enterprises

Unit: RMB

Name of bond	Short name	Code	Date of issuance	Value date	Maturity date	Balance of bond	Interest rate (%)	Manner of payment of principal and interest	Transaction site	Investor suitability arrangements (if any)	Trading mechanism	Whether there is a risk of terminating the listing transaction
Sinotrans Limited First Tranche of Medium-term Notes in 2024	24 Sinotrans MTN001	102484134	13 September 2024	18 September 2024	18 September 2027	2,000,000,000.00	2.08	Annual interest, no compound interest, repayment of principal upon maturity	Inter-bank market	Nil	Nil	No

Counter measure of the Company for the risk of terminating the listing transaction of the bonds

☐Applicable ☒Not applicable

Overdue bonds unredeemed

☐Applicable ☒Not applicable

Explanations of overdue bonds

☐Applicable ☒Not applicable

2. Triggering and Implementation of Issuer or Investor Option Clauses and Investor Protection Clauses

☐Applicable ☒Not applicable

3. Adjustment of Credit Rating Results

☐Applicable ☒Not applicable

Chapter 7

Particulars of Bonds

4. *The Implementation and Changes of Guarantees, Debt Repayment Plans and Other Debt Repayment Safeguard Measures during the Reporting Period and Their Impact*

☒Applicable ☐Not applicable

Status	Implementation	Change	Situation before the change	Reasons for the change	Whether the change has been approved by the authority	The impact of the change on the rights and interests of bond investors
After the issuance of the medium-term notes, the Company further strengthens the management of assets and liabilities, liquidity management and the management of the use of proceeds according to the debt structure, ensures that the funds are used as planned, and timely and fully prepares the funds for the annual interest payment and principal repayment upon maturity, so as to fully protect the interests of investors.	During the Reporting Period, the debt repayment plan and other debt repayment supporting measures have not been changed and have been implemented normally, which are in line with the relevant undertakings in the prospectus.	No	Nil	Nil	No	Nil

5. *Explanation of Other Situations of Debt Financing Instruments of Non-financial Enterprises*

☐Applicable ☒Not applicable

(VI) *The Company's Loss in the Scope of Consolidated Statements during the Reporting Period Exceeded 10% of Its Net Assets at the End of the Previous Year*

☐Applicable ☒Not applicable

Chapter 7

Particulars of Bonds

(VII) Key Accounting Data and Financial Indicators

✓Applicable □Not applicable

Unit: RMB

Main indicators	As at the end of the Reporting Period	As at the end of last year	Changes as compared to the end of last year (%)
Current ratio	1.36	1.32	3.03
Quick ratio	1.36	1.32	3.03
Debt-asset ratio (%)	47.04	45.54	Increased by 1.5 percentage points

	Reporting Period (January to June)	Corresponding period of last year	Changes as compared to the corresponding period of last year (%)
Net profits net of non-recurring profit or loss attributable to the parent company	1,397,728,120.29	1,798,868,219.23	-22.30
EBITDA to total debt ratio	0.33	0.37	-10.59
Interest coverage ratio	16.38	12.85	27.50
Cash interest coverage ratio	10.93	-6.86	N/A
EBITDA interest coverage ratio	24.21	18.74	29.19
Loan repayment ratio (%)	100.00	100.00	-
Interest payment ratio (%)	100.00	100.00	-

Notes:

The year-on-year increase in interest coverage ratio was mainly attributable to the ongoing optimization of the Group's debt structure, which resulted in a considerable decrease in interest expenses during the Reporting Period.

The year-on-year increase in cash interest coverage ratio was mainly attributable to the Group's strengthened management of cash and receivables and ongoing optimization of its debt structure, which resulted in a considerable decrease in interest expenses while the net cash flows from operating activities improved significantly during the Reporting Period.

The year-on-year increase in EBITDA interest coverage ratio was mainly attributable to the ongoing optimization of the Group's debt structure, which resulted in a considerable decrease in interest expenses during the Reporting Period.

II. PARTICULARS OF CONVERTIBLE CORPORATE BONDS

□Applicable ✓Not applicable

Chapter 8

Consolidated Statement of Financial Position

30 June 2025

		<i>Unit: RMB</i>	
Item	Note	30 June 2025	31 December 2024
Current assets			
Cash and bank balances	IX.1	11,780,380,964.73	13,467,664,505.98
Including: Deposits with finance companies	IX.1	5,306,904,640.06	5,787,029,280.41
Financial assets held for trading	IX.2	563,357.07	574,374.32
Derivative financial assets			
Bills receivable	IX.3	130,844,725.75	164,294,636.42
Accounts receivable	IX.4	15,529,735,257.79	13,051,800,450.54
Receivables financing	IX.5	449,351,104.32	430,890,739.48
Prepayments	IX.6	5,783,781,042.43	5,198,591,002.95
Centralized management of receivables			
Other receivables	IX.7	4,036,633,274.38	2,799,184,855.60
Including: Interest receivable	IX.7	1,240,547.07	1,243,805.82
Dividends receivable	IX.7	1,860,983.72	9,080,009.80
Inventories	IX.8	56,546,756.66	56,259,409.64
Including: Raw materials	IX.8	29,136,462.49	31,233,482.82
Goods in stock (finished goods)	IX.8	9,985,419.88	7,559,958.00
Data resources			
Contract assets			
Assets held for sale			
Non-current assets due within one year			
Other current assets	IX.9	450,001,266.07	465,737,666.82
Total current assets		38,217,837,749.20	35,634,997,641.75
Non-current assets			
Debt investments			
Other debt investments			
Long-term receivables			
Long-term equity investments	IX.10	10,146,432,031.33	9,239,887,191.07
Other equity instrument investments	IX.11	416,809,970.33	416,867,662.27
Other non-current financial assets	IX.12	1,221,053,930.71	1,215,266,140.98
Investment properties	IX.13	2,633,234,067.73	2,793,232,058.42
Fixed assets	IX.14	15,176,959,814.94	15,492,824,879.87
Including: Original value of fixed assets	IX.14	27,158,580,897.64	27,299,921,882.91
Accumulated depreciation	IX.14	11,629,605,219.74	11,452,254,190.06
Provision for impairment of fixed assets	IX.14	352,021,502.63	354,844,086.59
Construction in progress	IX.15	795,191,197.31	656,542,638.70
Right-of-use assets	IX.16	2,830,796,869.58	2,560,132,246.21
Intangible assets	IX.17	6,214,007,729.17	6,262,438,876.05
Including: Data resources			
Development expenditure	IX.67	290,344,466.76	266,352,514.14
Including: Data resources			
Goodwill	IX.18	2,156,584,945.61	1,965,569,500.96
Long-term prepaid expense	IX.19	209,847,160.12	221,218,439.51
Deferred tax assets	IX.20	344,478,301.50	320,385,056.30
Other non-current assets	IX.21	294,644,077.65	149,785,291.62
Total non-current assets		42,730,384,562.74	41,560,502,496.10
Total assets		80,948,222,311.94	77,195,500,137.85

The notes form an integral part of the financial statements.

The financial statements are signed by the following persons-in-charge:

Zhang Yi
Person-in-charge of
the Company

Li Xiaoyan
Person-in-charge of
accounting work

Ding Guilin
Person-in-charge of
Accounting Department

Chapter 8

Consolidated Statement of Financial Position

30 June 2025

		Unit: RMB	
Item	Note	30 June 2025	31 December 2024
Current liabilities			
Short-term borrowings	IX.24	1,576,504,111.30	3,294,191,564.22
Financial liabilities held for trading			
Derivative financial liabilities			
Bills payable	IX.25	103,495,009.99	183,554,323.76
Accounts payable	IX.26	14,551,318,273.35	12,756,894,871.90
Advances from customers			
Contract liabilities	IX.27	4,317,718,121.65	4,585,965,980.09
Employee benefits payable	IX.28	1,831,038,080.89	2,296,944,005.93
Including: Wages payable	IX.28	1,685,549,160.34	2,122,559,108.60
Welfare payable	IX.28	30,827.09	229,429.43
Taxes and dues payable	IX.29	606,267,177.03	583,591,440.86
Including: Taxes payable	IX.29	604,098,469.97	578,114,070.11
Other payables	IX.30	2,935,927,952.13	1,996,258,400.91
Including: Interest payable	IX.30		
Dividends payable	IX.30	1,095,706,290.79	73,788,729.28
Liabilities held for sale			
Non-current liabilities due within one year	IX.31	1,925,623,746.41	941,267,381.93
Other current liabilities	IX.32	287,928,960.50	288,628,327.10
Total current liabilities		28,135,821,433.25	26,927,296,296.70
Non-current liabilities			
Long-term borrowings	IX.33	2,460,705,991.74	3,268,291,437.12
Bonds payable	IX.34	4,017,677,887.24	2,018,912,428.80
Including: Preferred shares			
Perpetual bonds			
Lease liabilities	IX.35	2,635,355,244.74	2,084,448,674.98
Long-term payables	IX.36	20,000,000.00	20,000,000.00
Long-term employee benefits payable	IX.37	3,536,235.21	3,564,107.17
Estimated liabilities	IX.38	34,251,215.27	23,339,731.15
Deferred income	IX.39	518,545,515.94	525,236,135.58
Deferred tax liabilities	IX.20	250,097,049.10	283,733,107.86
Other non-current liabilities			
Total non-current liabilities		9,940,169,139.24	8,227,525,622.66
Total liabilities		38,075,990,572.49	35,154,821,919.36

Chapter 8

Consolidated Statement of Financial Position

30 June 2025

		<i>Unit: RMB</i>	
Item	Note	30 June 2025	31 December 2024
Shareholders' equity			
Share capital	IX.40	7,294,216,875.00	7,294,216,875.00
Other equity instruments			
Including: Preferred shares			
Perpetual bonds			
Capital reserves	IX.41	6,611,441,787.86	6,633,448,432.77
Less: Treasury shares	IX.42	547,558,469.75	174,944,256.65
Other comprehensive income	IX.43	-55,482,993.60	-124,006,478.09
Including: Translation difference of the financial statements in foreign currency		-181,383,107.00	-211,520,552.91
Special reserves	IX.44	159,627,965.24	143,045,162.87
Surplus reserves	IX.45	2,371,553,765.05	2,371,553,765.05
Including: Statutory surplus reserves		2,371,553,765.05	2,371,553,765.05
Discretionary surplus reserves			
Undistributed profits	IX.46	24,332,797,169.36	23,424,281,261.35
Total equity attributable to shareholders of the Company		40,166,596,099.16	39,567,594,762.30
Non-controlling interests		2,705,635,640.29	2,473,083,456.19
Total shareholders' equity		42,872,231,739.45	42,040,678,218.49
Total liabilities and shareholders' equity		80,948,222,311.94	77,195,500,137.85

The notes form an integral part of the financial statements.

Chapter 8

Statement of Financial Position of the Company

30 June 2025

		<i>Unit: RMB</i>	
Item	Note	30 June 2025	31 December 2024
Current assets			
Cash and bank balances	XVII.1	4,276,166,980.96	5,511,666,937.58
Including: Deposits with finance companies	XVII.1	1,908,611,017.80	1,773,650,375.40
Financial assets held for trading			
Derivative financial assets			
Bills receivable			
Accounts receivable	XVII.2	1,028,770,097.36	970,447,124.41
Receivables financing	XVII.3	31,980,447.67	8,812,734.22
Prepayments		183,298,774.57	135,720,188.70
Centralized management of receivables			
Other receivables	XVII.4	14,914,035,585.24	14,194,714,562.24
Including: Interest receivable			
Dividends receivable	XVII.4	34,135,672.11	25,553,731.83
Inventories		128,961.41	124,161.41
Including: Raw materials			
Goods in stock (finished goods)			
Data resources			
Contract assets			
Assets held for sale			
Non-current assets due within one year		235,497,580.53	255,529,660.53
Other current assets		80,027,320.47	75,461,431.54
Total current assets		20,749,905,748.21	21,152,476,800.63
Non-current assets			
Debt investments		2,473,383,787.45	2,239,631,254.91
Other debt investments			
Long-term receivables			
Long-term equity investments	XVII.5	20,535,899,687.51	19,717,302,059.82
Other equity instrument investments			
Other non-current financial assets		1,846,036,299.53	1,918,936,299.53
Investment properties		8,433,299.69	8,674,408.91
Fixed assets		15,102,899.16	18,187,612.90
Including: Original value of fixed assets		128,453,093.15	129,881,752.08
Accumulated depreciation		113,350,193.99	111,694,139.18
Provision for impairment of fixed assets			
Construction in progress		28,616,532.03	22,719,347.54
Right-of-use assets		414,438,035.20	427,275,810.84
Intangible assets		144,800,256.31	174,645,530.64
Including: Data resources			
Development expenditure		227,752,868.82	206,043,329.64
Including: Data resources			
Goodwill			
Long-term prepaid expense		3,810,984.24	4,332,582.74
Deferred tax assets			
Other non-current assets			
Total non-current assets		25,698,274,649.94	24,737,748,237.47
Total assets		46,448,180,398.15	45,890,225,038.10

The notes form an integral part of the financial statements.

Chapter 8

Statement of Financial Position of the Company

30 June 2025

		<i>Unit: RMB</i>	
Item	Note	30 June 2025	31 December 2024
Current liabilities			
Short-term borrowings	XVII.6	350,620,465.51	1,981,557,305.56
Financial liabilities held for trading			
Derivative financial liabilities			
Bills payable			
Accounts payable		707,055,426.58	791,795,819.59
Advances from customers			
Contract liabilities		76,390,758.47	62,882,087.50
Employee benefits payable		114,117,691.35	134,866,935.74
Including: Wages payable		99,394,402.67	119,094,635.83
Welfare payable			
Taxes and dues payable		1,585,408.74	1,298,899.18
Including: Taxes payable		1,560,494.92	1,273,985.36
Other payables		14,125,722,545.60	12,911,672,741.26
Including: Interest payable			
Dividends payable		1,039,763,184.55	
Liabilities held for sale			
Non-current liabilities due within one year		68,973,583.80	31,666,287.67
Other current liabilities			
Total current liabilities		15,444,465,880.05	15,915,740,076.50
Non-current liabilities			
Long-term borrowings	XVII.7	67,000,000.00	67,000,000.00
Bonds payable	XVII.8	4,017,677,887.24	2,018,912,428.80
Including: Preferred shares			
Perpetual bonds			
Lease liabilities		472,112,022.39	482,189,902.91
Long-term payables			
Long-term employee benefits payable			
Estimated liabilities		1,731,676.33	1,731,676.33
Deferred income		9,000,000.00	9,000,000.00
Deferred tax liabilities			
Other non-current liabilities			
Total non-current liabilities		4,567,521,585.96	2,578,834,008.04
Total liabilities		20,011,987,466.01	18,494,574,084.54

Chapter 8

Statement of Financial Position of the Company

30 June 2025

Item	Note	30 June 2025	31 December 2024
Shareholders' equity			
Share capital		7,294,216,875.00	7,294,216,875.00
Other equity instruments			
Including: Preferred shares			
Perpetual bonds			
Capital reserves	XVII.9	10,710,156,824.54	10,716,935,076.39
Less: Treasury shares		547,558,469.75	174,944,256.65
Other comprehensive income		-55,624,328.05	-55,624,328.05
Including: Translation difference of the financial statements in foreign currency			
Special reserves		5,952,010.08	5,442,533.15
Surplus reserves		2,371,553,765.05	2,371,553,765.05
Including: Statutory surplus reserves		2,371,553,765.05	2,371,553,765.05
Discretionary surplus reserves			
Undistributed profits	XVII.10	6,657,496,255.27	7,238,071,288.67
Total shareholders' equity		26,436,192,932.14	27,395,650,953.56
Total liabilities and shareholders' equity		46,448,180,398.15	45,890,225,038.10

The notes form an integral part of the financial statements.

Chapter 8

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the period ended 30 June 2025

Unit: RMB

Item	Note	Amount in current period	Amount in prior period
I. Total operating income	IX.47	50,522,501,231.52	56,399,931,108.31
Including: Operating income	IX.47	50,522,501,231.52	56,399,931,108.31
II. Total operating cost		49,688,947,022.58	55,839,571,045.14
Including: Operating costs	IX.47	47,420,616,690.36	53,493,171,250.64
Tax and surcharges	IX.48	166,442,697.28	152,865,469.14
Selling expenses	IX.49	495,280,494.50	486,348,242.06
Administrative expenses	IX.50	1,503,973,468.71	1,503,327,125.67
Research and development expenses	IX.51	42,121,724.37	77,293,608.06
Finance costs	IX.52	60,511,947.36	126,565,349.57
Including: Interest expenses	IX.52	165,888,001.44	210,853,549.97
Interest income	IX.52	74,720,895.19	88,781,339.28
Net exchange loss (net gains denoted by "-")	IX.52	-53,863,941.56	-17,173,029.51
Add: Other income	IX.53	698,665,363.77	1,008,588,896.50
Investment income (loss denoted by "-")	IX.54	1,168,103,837.04	975,046,770.36
Including: Share of results of associates and joint ventures		687,496,907.41	976,888,371.48
Income from derecognition of financial assets measured at amortised cost			
Hedging income (loss denoted by "-")			
Gain from changes in fair value (loss denoted by "-")	IX.55	7,362,419.73	-12,760,961.67
Credit impairment loss (loss denoted by "-")	IX.56	-118,787,438.84	-100,111,356.22
Impairment of assets (loss denoted by "-")	IX.57		5,044.87
Income from disposal of assets (loss denoted by "-")	IX.58	5,912,389.77	12,065,190.24
III. Operating profit (loss denoted by "-")		2,594,810,780.41	2,443,193,647.25
Add: Non-operating income	IX.59	35,397,131.45	33,678,139.73
Including Government grants	IX.60	1,500,654.55	1,692,872.26
Less: Non-operating expenses	IX.61	19,630,847.46	-21,428,864.30
IV. Total profit (total loss denoted by "-")		2,610,577,064.40	2,498,300,651.28
Less: Income tax expenses	IX.62	485,616,006.10	413,842,371.82
V. Net profit (net loss denoted by "-")		2,124,961,058.30	2,084,458,279.46
(I) Classified by attribution of ownership			
1. Net profit attributable to shareholders of the Company (net loss denoted by "-")		1,946,948,727.20	1,945,361,508.34
2. Profit or loss attributable to non-controlling interests (net loss denoted by "-")		178,012,331.10	139,096,771.12
(II) Classified by the continuity of operations			
1. Net profit from continuing operations (net loss denoted by "-")		2,124,961,058.30	2,084,458,279.46
2. Net profit from discontinued operations (net loss denoted by "-")			

The notes form an integral part of the financial statements.

Chapter 8

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the period ended 30 June 2025

Item	Note	Unit: RMB	
		Amount in current period	Amount in prior period
VI. Other comprehensive income, net of tax		70,374,182.48	-211,497,960.76
Other comprehensive income attributable to shareholders of the Company, net of tax		68,523,484.49	-210,144,270.20
(I) Other comprehensive income not to be subsequently reclassified to profit or loss		-43,268.95	86,537.91
1. Change in amount arising from re-measurement of the defined benefit plan			
2. Other comprehensive income not to be reclassified to profit or loss under the equity method			
3. Changes in fair value of other equity instrument investments		-43,268.95	86,537.91
4. Changes in fair value attributable to changes in credit risk			
5. Others			
(II) Other comprehensive income to be subsequently reclassified to profit or loss		68,566,753.44	-210,230,808.11
1. Other comprehensive income to be reclassified to profit or loss under the equity method		38,429,307.53	-162,978,326.01
2. Changes in fair value of other debt investments			
3. Reclassification of financial assets			
4. Credit impairment provision of other debt investments			
5. Cash flow hedge reserve (effective portion of gains or losses from cash flow hedges)			
6. Translation difference of the financial statements in foreign currency		30,137,445.91	-47,252,482.10
7. Others			
Other comprehensive income attributable to non-controlling interests, net of tax		1,850,697.99	-1,353,690.56
VII. Total comprehensive income		2,195,335,240.78	1,872,960,318.70
Total comprehensive income attributable to shareholders of the Company		2,015,472,211.69	1,735,217,238.14
Total comprehensive income attributable to non-controlling interests		179,863,029.09	137,743,080.56
VIII. Earnings per share:			
Basic earnings per share		0.2707	0.2681
Diluted earnings per share		0.2704	0.2675

The notes form an integral part of the financial statements.

Chapter 8

Statement of Profit or Loss and Other Comprehensive Income of The Company

For the period ended 30 June 2025

Unit: RMB

Item	Note	Amount in current period	Amount in prior period
I. Operating income	XVII.11	2,135,820,447.85	2,769,847,772.79
Less: Operating costs	XVII.11	2,053,345,007.68	2,649,493,505.05
Tax and surcharges		348,328.79	460,284.74
Selling expenses		32,586,882.34	29,453,023.10
Administrative expenses		136,748,363.39	145,020,896.63
Research and development expenses		16,291,759.94	57,896,835.87
Finance costs	XVII.12	26,215,937.16	38,033,137.60
Including: Interest expenses	XVII.12	85,050,545.65	161,257,159.69
Interest income	XVII.12	68,372,490.22	122,469,164.32
Net exchange loss		7,441,365.70	-1,233,942.51
(net gains denoted by "-")	XVII.12		
Add: Other income		666,038.43	758,031.49
Investment income		617,981,782.41	942,964,421.47
(loss denoted by "-")	XVII.13		
Including: Share of results of associates and joint ventures	XVII.13	457,936,033.12	749,914,354.16
Income from derecognition of financial assets measured at amortised cost			
Hedging income (loss denoted by "-")			
Gain from changes in fair value (loss denoted by "-")			
Credit impairment loss (loss denoted by "-")		-31,535,738.94	-24,493,906.95
Impairment of assets (loss denoted by "-")			
Income from disposal of assets (loss denoted by "-")		11,716.37	202,842.93
II. Operating profit (loss denoted by "-")		457,407,966.82	768,921,478.74
Add: Non-operating income		420,263.06	127,566.71
Including: Government grants			
Less: Non-operating expenses		10,488.11	1,446,628.34
III. Total profit (total loss denoted by "-")		457,817,741.77	767,602,417.11
Less: Income tax expenses		213.28	
IV. Net profit (net loss denoted by "-")		457,817,528.49	767,602,417.11
Net profit from continuing operations (net loss denoted by "-")		457,817,528.49	767,602,417.11
Net profit from discontinued operations (net loss denoted by "-")			

Chapter 8

Statement of Profit or Loss and Other Comprehensive Income of The Company

For the period ended 30 June 2025

Item	Note	Amount in current period	Amount in prior period
V. Other comprehensive income, net of tax			
(I) Other comprehensive income not to be subsequently reclassified to profit or loss			
1. Change in amount arising from re-measurement of the defined benefit plan			
2. Other comprehensive income not to be reclassified to profit or loss under the equity method			
3. Changes in fair value of other equity instrument investments			
4. Changes in fair value attributable to changes in credit risk			
5. Others			
(II) Other comprehensive income to be subsequently reclassified to profit or loss			
1. Other comprehensive income to be reclassified to profit or loss under the equity method			
2. Changes in fair value of other debt investments			
3. Reclassification of financial assets			
4. Credit impairment provision of other debt investments			
5. Cash flow hedge reserve (effective portion of gains or losses from cash flow hedges)			
6. Translation difference of the financial statements in foreign currency			
7. Others			
VI. Total comprehensive income		457,817,528.49	767,602,417.11

The notes form an integral part of the financial statements.

Chapter 8

Consolidated Statement of Cash Flows

For the period ended 30 June 2025

Item	Note	Unit: RMB	
		Amount in current period	Amount in prior period
I. Cash flows from operating activities:			
Cash received from sales of goods and provision of services		50,370,488,613.09	54,160,450,308.72
Tax rebate received		164,077,227.87	172,881,304.25
Cash received from other operating activities	IX.65	1,155,838,511.39	1,161,803,097.04
Sub-total of cash inflows from operating activities		51,690,404,352.35	55,495,134,710.01
Cash paid for goods and services		45,310,695,580.60	51,083,296,470.19
Cash paid to and on behalf of employees		4,180,717,609.29	4,207,518,425.47
Cash paid for taxes and dues		1,225,383,274.41	1,144,816,017.40
Cash paid for other operating activities	IX.65	805,885,026.23	709,158,276.04
Sub-total of cash outflows from operating activities		51,522,681,490.53	57,144,789,189.10
Net cash flows from operating activities	IX.65	167,722,861.82	-1,649,654,479.09
II. Cash flows from investment activities:			
Cash received from disposal of investments		1,943,904.17	213,400.00
Cash received from investment income		13,394,732.63	48,487,484.24
Net cash received from disposal of fixed assets, intangible assets, and other long-term assets		55,072,496.17	96,565,941.19
Net cash received from disposal of subsidiaries and other operating units			
Cash received from other investment activities	IX.65	44,844,890.55	4,508,123.00
Sub-total of cash inflows from investment activities		115,256,023.52	149,774,948.43
Cash paid for acquisition of fixed assets, intangible assets, and other long-term assets		828,310,816.30	706,081,387.96
Cash paid for investments		304,690,000.00	63,792,000.00
Net cash paid for acquisition of subsidiaries and other operating units			
Cash paid for other investment activities	IX.65	79,890,399.69	968,769.37
Sub-total of cash outflows from investment activities		1,212,891,215.99	770,842,157.33
Net cash flows from investment activities		-1,097,635,192.47	-621,067,208.90

Chapter 8

Consolidated Statement of Cash Flows

For the period ended 30 June 2025

Item	Note	Amount in current period	Amount in prior period
III. Cash flows from financing activities:			
Cash received from capital contributions		2,975,000.00	27,850,000.00
Including: Cash received by subsidiaries from capital contributions of non-controlling interests		2,975,000.00	27,850,000.00
Cash received from borrowings		3,271,751,030.32	2,517,017,720.73
Cash received from other financing activities	IX.65	71,000,855.00	79,129,307.00
Sub-total of cash inflows from financing activities		3,345,726,885.32	2,623,997,027.73
Cash paid for repayment of debts		3,004,689,403.23	4,583,830,451.16
Cash paid for distribution of dividends, profits, or settlement of interest		178,518,423.75	264,547,901.29
Including: Dividends and profits paid by the subsidiaries to non-controlling interests		112,566,673.26	119,265,976.02
Cash paid for other financing activities	IX.65	986,260,812.27	432,032,313.54
Sub-total of cash outflows from financing activities		4,169,468,639.25	5,280,410,665.99
Net cash flows from financing activities		-823,741,753.93	-2,656,413,638.26
IV. Effect of foreign exchange rate changes		11,823,505.98	2,840,640.25
V. Net increase in cash and cash equivalents	IX.65	-1,741,830,578.60	-4,924,294,686.00
Add: Balance of cash and cash equivalents at the beginning of the period		13,440,376,824.37	13,826,301,140.45
VI. Balance of cash and cash equivalents at the end of the period	IX.66	11,698,546,245.77	8,902,006,454.45

The notes form an integral part of the financial statements.

Chapter 8

Statement of Cash Flows of the Company

For the period ended 30 June 2025

Item	Note	Unit: RMB	
		Amount in current period	Amount in prior period
I. Cash flows from operating activities:			
Cash received from sales of goods and provision of services		1,900,900,742.82	2,661,600,213.06
Tax rebate received			
Cash received from other operating activities		96,613,273.41	191,267,548.84
Sub-total of cash inflows from operating activities		1,997,514,016.23	2,852,867,761.90
Cash paid for goods and services		2,031,353,135.57	2,666,447,318.32
Cash paid to and on behalf of employees		157,352,380.73	170,608,040.66
Cash paid for taxes and dues		1,289,648.76	1,799,253.71
Cash paid for other operating activities		131,469,967.03	108,762,487.66
Sub-total of cash outflows from operating activities		2,321,465,132.09	2,947,617,100.35
Net cash flows from operating activities	XVII.14	-323,951,115.86	-94,749,338.45
II. Cash flows from investment activities:			
Cash received from disposal of investments			
Cash received from investment income		459,006.00	
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		363,717.36	251,555.82
Net cash received from disposal of subsidiaries and other operating units			
Cash received from other investment activities		82,369,016.62	57,164,192.59
Sub-total of cash inflows from investment activities		83,191,739.98	57,415,748.41
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets		26,745,495.20	45,929,687.72
Cash paid for investments		358,340,000.00	182,500,000.00
Net cash paid for acquisition of subsidiaries and other operating units			
Cash paid for other investment activities		640,256,870.32	2,663,989,465.31
Sub-total of cash outflows from investment activities		1,025,342,365.52	2,892,419,153.03
Net cash flows from investment activities		-942,150,625.54	-2,835,003,404.62

Chapter 8

Statement of Cash Flows of the Company

For the period ended 30 June 2025

Item	Note	Amount in current period	Amount in prior period
III. Cash flows from financing activities:			
Cash received from capital contributions			
Cash received from borrowings		2,350,460,000.00	1,200,000,000.00
Cash received from other financing activities		182,468,060.48	79,701,514.79
Sub-total of cash inflows from financing activities		2,532,928,060.48	1,279,701,514.79
Cash paid for repayment of debts		1,980,000,000.00	2,000,000,000.00
Cash paid for distribution of dividends, profits, or settlement of interest		6,610,452.50	72,158,700.00
Cash paid for other financing activities		513,302,429.88	315,270,829.90
Sub-total of cash outflows from financing activities		2,499,912,882.38	2,387,429,529.90
Net cash flows from financing activities		33,015,178.10	-1,107,728,015.11
IV. Effect of foreign exchange rate changes		-5,588,355.51	13,518,163.38
V. Net increase in cash and cash equivalents	XVII.14	-1,238,674,918.81	-4,023,962,594.80
Add: Balance of cash and cash equivalents at the beginning of the period		5,506,139,347.79	6,678,660,070.77
VI. Balance of cash and cash equivalents at the end of the period		4,267,464,428.98	2,654,697,475.97

The notes form an integral part of the financial statements.

Chapter 8 s in Equity

For the period ended 30 June 2025

Unit: RMB

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Chapter 8

Consolidated Statement of Changes in Equity

For the period ended 30 June 2025

Unit: RMB

Item	Amount in current period													
	Equity attributable to shareholders of the Company										Total shareholders' equity			
	Other equity instruments			Including: Translation difference of the financial statements in foreign currency							Subtotal	Non-controlling interests		
Share capital	Preferred shares	Perpetual bonds	Others	Capital reserves	Treasury shares	Less: comprehensive income	Other	Special reserves	Surplus reserves	Undistributed profits				
(V) Internal transfers of shareholders' equity														
1. Share capital transferred from capital reserves														
2. Share capital transferred from surplus reserves														
3. Recovery of losses														
4. Transfer of changes in defined benefit plans into retained earnings														
5. Transfer of other comprehensive income into retained earnings														
6. Others														
IV Balance at the end of current period	7,294,216,875.00				6,611,441,787.86	547,558,469.75	-55,482,993.60	-181,383,107.00	159,827,965.24	2,371,553,765.05	24,332,797,169.36	40,166,596,099.16	2,705,635,640.29	42,872,231,739.45

The notes form an integral part of the financial statements.

Chapter 8

Consolidated Statement of Changes in Equity

For the period ended 30 June 2025

Unit: RMB

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Chapter 8

Consolidated Statement of Changes in Equity

For the period ended 30 June 2025

Unit: RMB

Item	Other equity instruments				Equity attributable to shareholders of the Company				Amount in prior period				Total shareholders' equity	
	Share capital	Preferred shares	Perpetual bonds	Others	Capital reserves	Less: Treasury shares	Other comprehensive income	Including: Translation difference of the financial statements in foreign currency	Special reserves	Surplus reserves	Undistributed profits	Subtotal		Non-controlling interests
(V) Internal transfers of shareholders' equity														
1. Share capital transferred from capital reserves														
2. Share capital transferred from surplus reserves														
3. Recovery of losses														
4. Transfer of changes in defined benefit plans into retained earnings														
5. Transfer of other comprehensive income into retained earnings														
6. Others					6,637,388,352.38	111,234,609.84	-241,589,918.35	-307,939,935.80	143,855,046.55	2,076,495,475.54	22,786,276,074.15	38,585,410,295.43	2,352,781,799.86	40,938,192,095.29
IV. Balance at the end of current period	7,294,216,875.00													

The notes form an integral part of the financial statements.

Chapter 8

Statement of Changes in Equity of the Company

For the period ended 30 June 2025

Unit: RMB

Item	Amount in current period										Total shareholders' equity		
	Share capital	Other equity instruments			Less:			Other comprehensive income	Including: Translation difference of the financial statements in foreign currency	Special reserves		Surplus reserves	Undistributed profits
		Preferred shares	Perpetual bonds	Others	Capital reserves	Treasury shares	Others						
I. Closing balance of the prior period	7,294,216,875.00				10,716,935,076.39	174,944,256.65	-55,624,328.05			5,442,533.15	2,371,533,765.05	7,238,071,288.67	27,395,650,953.56
Add: Changes in accounting policies													
Correction of prior errors													
Others													
II. Balance at the beginning of current period	7,294,216,875.00				10,716,935,076.39	174,944,256.65	-55,624,328.05			5,442,533.15	2,371,533,765.05	7,238,071,288.67	27,395,650,953.56
III. Increases/decreases in current period (decreases denoted by "-")					-6,776,251.85	372,614,213.10				509,476.93		-580,575,033.40	-959,458,021.42
(I) Total comprehensive income													
(II) Capital contributed and reduced by shareholders					-6,776,251.85	372,614,213.10						457,817,528.49	457,817,528.49
1. Ordinary shares contributed by shareholders												-379,392,464.95	-379,392,464.95
2. Capital invested by holders of other equity instruments					15,938,954.64								15,938,954.64
3. Amount of share-based payments included in shareholders' equity													
4. Others					-22,717,206.49								-22,717,206.49
(III) Appropriation and use of special reserves						372,614,213.10							-372,614,213.10
1. Appropriation of special reserves										509,476.93			509,476.93
2. Use of special reserves										2,108,312.25			2,108,312.25
										-1,598,835.32			-1,598,835.32

For the period ended 30 June 2025

Unit: RMB

Item	Amount in current period										Total shareholders' equity	
	Share capital	Other equity instruments			Less: Treasury shares	Other comprehensive income	Including: Translation difference of the financial statements in foreign currency	Special reserves	Surplus reserves	Undistributed profits		
		Preferred shares	Perpetual bonds	Others								Capital reserves
(IV) Profit distribution												
1. Appropriation of surplus reserves including Statutory surplus reserves												
Discretionary surplus reserves												
2. Distribution to shareholders												
3. Others												
(V) Internal transfers of shareholders' equity												
1. Share capital transferred from capital reserves												
2. Share capital transferred from surplus reserves												
3. Recovery of losses												
4. Transfer of changes in defined benefit plans into retained earnings												
5. Transfer of other comprehensive income into retained earnings												
6. Others												
IV Balance at the end of current period	7,294,216,875.00				10,710,155,824.54	547,558,468.75		-55,624,328.05	5,952,010.08	2,371,553,765.05	6,657,486,255.27	26,436,192,932.14

The notes form an integral part of the financial statements.

Chapter 8

Statement of Changes in Equity of the Company

For the period ended 30 June 2025

Unit: RMB

Item	Amount in prior period							Including: Translation difference of the financial statements in foreign currency	Undistributed profits	Total shareholders' equity
	Share capital	Preferred shares	Other equity instruments	Capital reserves	Treasury shares	Less: comprehensive income	Other income			
			Perpetual bonds	Others				Special reserves	Surplus reserves	
I. Closing balance of the prior period										
Add: Changes in accounting policies	7,294,216,875.00				10,713,308,264.02	193,951,597.00	-14,059,679.72	6,336,078.00	2,076,495,475.54	26,568,626,193.68
Correction of prior errors										
Others										
II. Balance at the beginning of current period	7,294,216,875.00				10,713,308,264.02	193,951,597.00	-14,059,679.72	6,336,078.00	2,076,495,475.54	26,568,626,193.68
III. Increases/decreases in current period (decreases denoted by "-")					-1,837,379.29	-82,716,987.16		302,284.00	-282,108,851.33	-201,926,959.46
(I) Total comprehensive income										
(II) Capital contributed and reduced by shareholders					-1,837,379.29	-82,716,987.16				
1. Ordinary shares contributed by shareholders										
2. Capital invested by holders of other equity instruments										
3. Amount of state-based payments included in shareholders' equity					8,983,122.21					8,983,122.21
4. Others					-10,820,501.50	-82,716,987.16				71,896,465.66
(III) Appropriation and use of special reserves								302,284.00		302,284.00
1. Appropriation of special reserves								1,772,680.44		1,772,680.44
2. Use of special reserves								-1,470,396.44		-1,470,396.44

Chapter 8

Statement of Changes in Equity of the Company

For the period ended 30 June 2025

Item	Amount in prior period							Total shareholders' equity
	Share capital	Preferred shares	Other equity instruments	Less: Treasury shares	Other comprehensive income	Including: Translation difference of the financial statements in foreign currency	Surplus reserves	
			Perpetual bonds	Capital reserves			Special reserves	Undistributed profits
Unit: RMB								
(IV) Profit distribution								
1. Appropriation of surplus reserves								
Including: Statutory surplus reserves								
Discretionary surplus reserves								
2. Distribution to shareholders								
3. Others								
(V) Internal transfers of shareholders' equity								
1. Share capital transferred from capital reserves								
2. Share capital transferred from surplus reserves								
3. Recovery of losses								
4. Transfer of changes in defined benefit plans into retained earnings								
5. Transfer of other comprehensive income into retained earnings								
6. Others								
IV. Balance at the end of current period	7,294,216,875.00			10,711,470,884.73	111,234,609.84	-14,059,679.72	6,638,362.00	6,404,171,926.51
							2,076,495,475.54	26,367,699,234.22

The notes form an integral part of the financial statements.

Chapter 8

Notes to the Financial Statements

For the period ended 30 June 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

I. GENERAL INFORMATION OF THE COMPANY

Sinotrans Limited (hereinafter referred to as “the Company”) is a limited liability company established in the People’s Republic of China (hereinafter referred to as “PRC”) on 20 November 2002, initiated by China National Foreign Trade Transportation (Group) Corporation (hereinafter referred to as “China Foreign Transportation Group Company”).

According to the Approval on the Conversion of Sinotrans Limited into an Overseas Fund-raising Company (GJMQG [2002] No.870) issued by the State Economy and Trade Commission and the Approval on the Issuance of Overseas Listed Foreign Capital Shares by Sinotrans Limited (ZJGHZ [2002] No.35) issued by the China Securities Regulatory Commission (hereinafter referred to as “CSRC”), the Company shall issue no more than 1,787,407,050 overseas listed foreign capital shares (including 233,140,050 over-allotment shares) and convert to an overseas fund-raising company in November 2002. In February 2003, the Company completed its initial public offering on the Stock Exchange of Hong Kong.

In 2009, China Foreign Transportation Group Company changed its name to SINOTRANS & CSC HOLDINGS Co., Ltd. (hereinafter referred to as “SINOTRANS & CSC”) after merging with China Changjiang National Shipping (Group) Corporation. Since then, the Company has become a subsidiary of SINOTRANS & CSC.

On 29 December 2015, after the State-owned Assets Supervision and Administration Commission of the State Council (hereinafter referred to as “SASAC”) reported to the State Council and was approved by the State Council, SINOTRANS & CSC and China Merchants Group (hereinafter referred to as “China Merchants”) implemented a strategic restructuring. SINOTRANS & CSC merged into China Merchants as a whole through free transfer and became its wholly-owned subsidiary. The Company has therefore become a listed subsidiary of China Merchants.

On 31 May 2018, a motion for the exchange of shares and the consolidation by the merger of Sinotrans Air Transportation Development Co., Ltd. (hereinafter referred to as “Sinoair”) as a subsidiary by the Company was considered and adopted at the Company’s extraordinary general meeting and the general meeting of H-share class shareholders in 2018, which approved the issuance of A shares by the Company to all the shareholders of Sinoair (excluding the Company) in exchange for the shares of Sinoair held by it. On 1 November 2018, the China Securities Regulatory Commission issued the Reply on the Approval of the Application of Sinotrans Limited for Consolidation by Merger of Sinotrans Air Transportation Development Co., Ltd. (ZJXK [2018] No. 1772), approving the issuance by the Company of 1,351,637,231 shares for the consolidation by the merger of Sinoair. On 10 January 2019, the Company completed the issuance of A shares, and it was officially listed on the Shanghai Stock Exchange on 18 January 2019.

Chapter 8

Notes to the Financial Statements

For the period ended 30 June 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

I. GENERAL INFORMATION OF THE COMPANY (CONTINUED)

The registered address of the Company: 1101, 11th Floor, 101, Building No. 10, No. 5 Anding Road, Chaoyang District, Beijing. Legal representative: Zhang Yi.

The Company and its subsidiaries (hereinafter referred to as “the Group”) are principally engaged in the provision of specialized logistics, agency and related businesses, and e-commerce businesses. Among them, specialized logistics includes contract logistics, project logistics, chemical logistics, cold chain logistics, and other specialized logistics services; agency and related businesses mainly include services such as ocean freight agency, air freight agency, railway agency, shipping agency, and depot station services; e-commerce businesses include cross-border e-commerce logistics, logistics e-commerce platform, and logistics equipment sharing platform.

The Group’s principal businesses are located within the PRC with its head office in Beijing, which is the same as its registered office.

II. BASIS FOR THE PREPARATION

The Group has evaluated its ability to continue as a going concern for the 12 months from 30 June 2025 and has not identified any events or circumstances that may cast significant doubt over its ability to continue as a going concern. Therefore, the financial statements are prepared on a going concern basis according to the actual transactions and events that occurred, in accordance with the Accounting Standards for Business Enterprises and other relevant regulations issued by the Ministry of Finance (hereinafter referred to as “Accounting Standards for Business Enterprises”), the relevant disclosures required by the Preparation Rules for Information Disclosure by Companies Offering Securities to the Public No. 15 – General Provisions on Financial Reports (2023 Revision) of CSRC and relevant provisions, and the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities (the “Listing Rules”) on the Stock Exchange of Hong Kong, and based on the accounting policies and accounting estimates as described in “Note IV. Significant Accounting Policies and Accounting Estimates of the Company”.

III. STATEMENT OF COMPLIANCE WITH ACCOUNTING STANDARDS FOR BUSINESS ENTERPRISES

The financial statements prepared by the Company are in compliance with the Accounting Standards for Business Enterprises, and present truly and completely the consolidated and parent company’s financial position of the Company as of 30 June 2025; as well as the consolidated and the Company’s financial performance and cash flows between January and June 2025.

IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES OF THE COMPANY

1. ACCOUNTING YEAR

The Group’s accounting year is based on the calendar year, i.e., from 1 January to 31 December of each year.

2. OPERATING CYCLE

The Group’s normal operating cycle is shorter than 12 months, and the Group uses 12 months as the liquidity classification standard for assets and liabilities.

Chapter 8

Notes to the Financial Statements

For the period ended 30 June 2025
(Unless indicated otherwise, all amounts are expressed in RMB)

IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES OF THE COMPANY (CONTINUED)

3. FUNCTIONAL CURRENCY

Renminbi is the currency in the principal economic environment in which the Company and its domestic subsidiaries operate. The functional currency of the Company and its domestic subsidiaries is Renminbi. The overseas subsidiaries of the Company determine their functional currencies according to the currency in the principal economic environment in which they operate. The currency used by the Company in preparing these financial statements is Renminbi.

4. ACCOUNTING BASIS AND MEASUREMENT

The accounting of the Group is based on the accrual basis. The financial statements have been prepared on a historical cost basis, except for certain financial instruments that are measured at fair values. Where an asset is impaired, the corresponding impairment shall be made in accordance with the applicable standard.

Under the historical cost basis, assets are measured according to the amount of cash or cash equivalents paid at the time of acquisition or the fair value of the consideration paid. Liabilities are measured according to the amount of cash or value of assets actually received due to the assumption of current obligations, or the contract amount of the current obligation, or in accordance with the amount of cash or cash equivalents expected to be paid in daily activities to discharge such liabilities.

Fair value is the price that market participants can receive in selling an asset or need to pay in transferring a liability in an orderly transaction on the measurement date. Whether the fair value is observable or estimated by using valuation techniques, the fair value measured and disclosed in the financial statements is determined on this basis.

When measuring non-financial assets at fair value, consideration is given to the ability of a market participant to generate economic benefits from the use of the asset for its best use or the ability to generate economic benefits from the sale of the asset to other market participants who are able to use it for its best use.

For financial assets for which the transaction price is used as the fair value at initial recognition and for which a valuation technique involving unobservable inputs is used in the subsequent measurement of fair value, the valuation technique is corrected during the valuation process so that the initial recognition result determined by the valuation technique is equal to the transaction price.

The fair value measurement is divided into three levels based on the observability of the input value of the fair value and the importance of the input value to the fair value measurement as a whole:

- Level I input value: the unadjusted quotation of the identical assets or liabilities that can be obtained on the measurement date in the active market.
- Level II input value: the direct or indirect observable input value of related assets or liabilities other than the Level I input value.
- Level III input value: the unobservable input value of related assets or liabilities.

Chapter 8

Notes to the Financial Statements

For the period ended 30 June 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES OF THE COMPANY (CONTINUED)

5. METHODS FOR DETERMINING MATERIALITY CRITERIA AND BASIS FOR SELECTION

Matters involving judgements on materiality criteria determined by the Group on the basis of the materiality principle in the preparation and disclosure of financial reports are set out below:

Item	Materiality Criteria
Material receivables with individual credit loss provisions	The Group gives a summary disclosure of accounts receivable and other receivables for which provision for credit losses has been made individually at the end of the period, with the names of the organizations disclosed for accounts receivable with an individual book balance of more than RMB5 million and other receivables with an individual book balance of more than RMB1 million (non-related parties are represented by serial numbers).
Receivables for which the amount of provision for credit losses recovered or reversed during the period is material	The Group summarizes and discloses the provision for credit losses on accounts receivable and other receivables recovered or reversed during the period, with the names of the organizations disclosed in the reversal of the provision for credit losses on accounts receivable and other receivables with a single transaction amount of more than RMB500,000 (non-related parties are represented by serial numbers).
Material receivables write-offs during in current period	The Group summarizes and discloses write-offs of accounts receivable and other receivables during the period, with the names of the organizations disclosed for write-offs of accounts receivable and other receivables with a single transaction amount of more than RMB500,000 (non-related parties are represented by serial numbers).
Material prepayments/accounts payable/other payables aged over one year	When prepayments/accounts payable/other payables to individual suppliers aged over one year are greater than RMB5 million, the Group discloses them as material prepayments/accounts payable/other payables aged over one year (non-related parties are represented by serial numbers).
Material constructions in process	The Group discloses construction in progress projects as material if any one of the opening balance, the closing balance, and the amount transferred to fixed assets during the period is greater than RMB100 million.
Material goodwill	The Group discloses in detail the impairment testing process for goodwill as material if the book value at the end of the period (or the book value before impairment if impairment has been provided for in the current period) is more than 1% of the Group's total consolidated assets.
Material non-wholly owned subsidiaries	The Group discloses non-wholly owned subsidiaries as material non-wholly owned subsidiaries if any one of the operating revenue, total profit, and total assets of the non-wholly owned subsidiaries account for more than 5% of the Group's consolidated amount.

Chapter 8

Notes to the Financial Statements

For the period ended 30 June 2025
(Unless indicated otherwise, all amounts are expressed in RMB)

IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES OF THE COMPANY (CONTINUED)

5. METHODS FOR DETERMINING MATERIALITY CRITERIA AND BASIS FOR SELECTION (CONTINUED)

Item	Materiality Criteria
Material capitalised research and development projects	The Group discloses capitalised research and development projects as material capitalised research and development projects if any one of the opening balance, the closing balance, and the amount transferred to intangible assets during the period is greater than RMB50 million.
Material associates/joint ventures	The Group discloses associates/joint ventures as material associates/joint ventures when the investment income based on the equity method for the period exceeds 5% of the Group's consolidated total profit or when the book value of the investment at the end of the period exceeds 1% of the Group's consolidated total assets.
Material cash received/paid in relation to investing activities	In addition to cash from investing activities that has been disclosed in cash received/paid in other cash relating to investing activities, net cash received/paid on disposal/acquisition of subsidiaries and other operating units, the Group discloses cash from individual investing activities as cash received/paid in material cash relating to investing activities when it is more than RMB100 million.
Material pending litigations, arbitrations, and cargo damage disputes	The Group discloses pending litigations, arbitrations, and cargo damage disputes as material pending litigations, arbitrations, and cargo damage disputes if the involved amounts are greater than RMB10 million.
Material overseas operating entities	The Group discloses overseas operating entities as material overseas operating entities if any one of the operating revenue, total profit, and total assets of the overseas operating entities account for more than 5% of the Group's consolidated amount.
Material asset groups with indications of impairment (or further impairment)	The Group discloses in detail the impairment testing process for asset groups (warehouses, land and ancillary equipment, etc.) for which there is an indication of impairment (or further impairment) if the book value at the end of the period (or the book value before impairment if impairment has been provided for in the current period) is greater than RMB100 million.
Investees with more than half of the voting rights but not included in the scope of consolidation	At the end of the period, if the book value of investments in investees over which the Group has voting rights exceeding 50% but which are not consolidated is greater than RMB100 million, or the operating income of such investees exceeds RMB500 million, the Group discloses such investees as significant investees over which it holds more than 50% of voting rights but which are not included in the scope of consolidation.

Chapter 8

Notes to the Financial Statements

For the period ended 30 June 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES OF THE COMPANY (CONTINUED)

6. BUSINESS COMBINATION

Business combination includes business combinations involving entities under common control and business combinations not involving entities under common control.

6.1 Business combination involving entities under common control

A business combination involving entities under common control is a business combination in which all of the combining entities are ultimately controlled by the same party or parties both before and after the combination, and that control is not transitory.

Assets and liabilities of the merging party acquired from the business combination are measured at the book value in the ultimate controlling party's consolidated financial statements at the combination date. The difference between the share of the book value of the net assets acquired by the merging party and the consideration paid for the combination (or total face value of the issued shares) is adjusted to the capital (or share) premium in capital reserves. If the capital (or share) premium is not sufficient to absorb the difference, surplus reserves and undistributed profits shall be written off in sequence.

Costs that are directly attributable to the business combination are charged to current profits and losses when incurred. The combination date is the date on which the merging party obtains actual control over the combined party.

6.2 Business combination not involving entities under common control

A business combination not involving entities under common control is a business combination in which all of the combining enterprises are not ultimately controlled by the same party or parties before and after the combination.

The consideration paid for a business combination is measured at fair value of the assets transferred, liabilities incurred or assumed, and the equity interests issued by the acquirer in exchange for control of the acquiree. Acquisition-related costs incurred, including the expenses for audit, legal services, agency expenses such as assessment and consultation, and other relevant administrative expenses, are recognized in the current profits and losses as incurred.

Identifiable assets, liabilities, and contingent liabilities of the acquiree acquired by the acquirer in business combinations that meet the conditions for recognition are measured at fair value at the acquisition date. The acquisition date is the date on which the acquirer obtains actual control over the acquiree.

Chapter 8

Notes to the Financial Statements

For the period ended 30 June 2025
(Unless indicated otherwise, all amounts are expressed in RMB)

IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES OF THE COMPANY (CONTINUED)

6. BUSINESS COMBINATION (CONTINUED)

6.2 Business combination not involving entities under common control (Continued)

The excess of the consideration paid for the business combination over the share of the fair value of the acquiree's identifiable net assets acquired in the business combination is recognised as an asset and initially measured at cost as goodwill after considering the related deferred income tax effect. If the consideration paid for the business combination is less than the fair value share of the acquiree's identifiable net assets acquired in the business combination, the fair value of each of the acquiree's identifiable assets, liabilities, and contingent liabilities acquired and the measurement of the consideration paid for the business combination are reviewed. If, after review, the consideration paid for the business combination remains less than the fair value share of the acquiree's identifiable net assets acquired in the business combination, it is recognised in the current profits and losses.

7. GOODWILL

Goodwill resulting from business combinations shall be separately presented in the consolidated financial statements and shall be measured on the basis of its costs less the accumulated impairment losses. Goodwill shall be tested for impairment at least at the end of each year.

Impairment testing of goodwill is performed in conjunction with the asset group or portfolio of asset groups to which it relates. That is, the book value of goodwill is apportioned on a reasonable basis from the date of acquisition to the asset groups or portfolio of assets groups that can benefit from the synergies of the business combination, and if the recoverable amount of the asset groups or portfolio of asset groups that contain the apportioned goodwill is less than its book value, a corresponding impairment loss is recognised. The amount of the impairment loss is first setting off against the book value of goodwill allocated to the asset groups or portfolio of asset groups, and then against the book value of each other asset in the asset groups or portfolio of asset groups pro rata according to the proportionate share of the book value of each other asset in the asset groups or portfolio of asset groups other than goodwill.

The recoverable amount is the higher of the asset's fair value less costs of disposal and the present value of the asset's expected future cash flows.

Goodwill impairment losses are recognised in profit or loss when incurred and are not reversed in subsequent accounting periods.

Chapter 8

Notes to the Financial Statements

For the period ended 30 June 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES OF THE COMPANY (CONTINUED)

8. CRITERIA FOR JUDGING CONTROL AND THE PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

8.1 Criteria for judging control

Control is achieved where the Group has: the power over the investee; exposure, or rights, to variable returns from its involvement with the investee; and the ability to use its power over the investee to affect the amount of the Group's returns. The Group reassesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of these elements of control stated above.

The Group will consider the following factors (including but not limited to) when assessing control:

- (1) The purpose and design of the investee.
- (2) What the relevant activities of the investee are and how decisions are made in relation to those activities.
- (3) Whether the rights obtained by the Group give the Group the current ability to dominate relevant activities.
- (4) Whether the Group is exposed to the risk of or has the right to, variable returns as a result of its involvement in the underlying activities of the investee.
- (5) Whether the Group has the ability to influence the amount of the return by using its power over the investee.

8.2 The preparation of consolidated financial statements

The scope of consolidation of the consolidated financial statements is determined on a control basis. The consolidation of a subsidiary begins when the Group obtains control of the subsidiary and ends when the Group loses control of the subsidiary.

For subsidiaries disposed of by the Group, the operating results and cash flows prior to the disposal date (the date of loss of control) shall be properly included in the consolidated statement of profit or loss and other comprehensive income and consolidated statement of cash flows.

For subsidiaries acquired through a business combination not under common control, in preparing the financial statements for the period to which the combination belongs, the fair value of each of the identifiable assets and liabilities of the acquired subsidiaries determined at the acquisition date is used as the basis for including the acquired subsidiaries in the scope of consolidation of the Group from the acquisition date. Their operating results and cash flows since the acquisition date (the date of control) have been properly included in the consolidated statement of profit or loss and other comprehensive income and consolidated statement of cash flows.

Chapter 8

Notes to the Financial Statements

For the period ended 30 June 2025
(Unless indicated otherwise, all amounts are expressed in RMB)

IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES OF THE COMPANY (CONTINUED)

8. CRITERIA FOR JUDGING CONTROL AND THE PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

8.2 The preparation of consolidated financial statements (Continued)

For subsidiaries acquired through a business combination under common control, in preparing the financial statements for the period to which the combination belongs, the book value of each asset and liability of the acquired subsidiaries in the financial statements of the ultimate controlling party is used as the basis. Whether the business combination occurs at any point in the reporting period, it is deemed that the subsidiaries or combined parties are included in the scope of consolidation of the Group from the date when they are under the control of the ultimate controlling party, and their operating results and cash flows have been properly included in the consolidated statement of profit or loss and other comprehensive income and consolidated statement of cash flows from the beginning of the earliest period of the reporting period or the date of control by the ultimate controlling party.

The major accounting policies and accounting periods adopted by the subsidiaries are determined in accordance with the Company's uniformly prescribed accounting policies and accounting periods.

The effects of internal transactions between the Company and its subsidiaries and between subsidiaries on the consolidated financial statements are eliminated upon consolidation.

Interests in the subsidiaries that do not belong to the Company are accounted for as non-controlling interests and shall be presented as "non-controlling interests" under the owners' equity line item in the consolidated statement of financial position. The share of the current net profit or loss of a subsidiary belonging to non-controlling interests shall be presented as "non-controlling interests" under the net profit line item in the consolidated statement of profit or loss and other comprehensive income. The share of current comprehensive income of a subsidiary belonging to non-controlling interests shall be presented as "total comprehensive income attributable to non-controlling interests" under the line item of total comprehensive income in the consolidated statement of profit or loss and other comprehensive income.

The excess of subsidiaries' loss shared by the non-controlling interests over the initial interests is still adjusted to non-controlling interests.

For the transaction of acquiring non-controlling interests of the subsidiary or disposing of part of an equity investment without losing control of the subsidiary, it is regarded as equity transaction accounting, and the book value of the Company's owners' equity and non-controlling interests is adjusted to reflect the changes of related equity in the subsidiary. The difference between the adjustment of non-controlling interests and the fair value of the consideration received is adjusted to capital reserves. If the difference exceeds the capital reserves, surplus reserves and undistributed profits shall be written off in sequence.

Chapter 8

Notes to the Financial Statements

For the period ended 30 June 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES OF THE COMPANY (CONTINUED)

8. CRITERIA FOR JUDGING CONTROL AND THE PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

8.2 The preparation of consolidated financial statements (Continued)

When a business combination is achieved through multiple transactions of acquiring the acquiree's equity in stages and does not involve entities under common control, it is further determined if the transactions belong to a "package deal" or not: if they belong to a "package deal", each transaction is accounted for as a single transaction in which control is acquired. If they do not belong to a "package deal", the transactions are accounted for as the transactions of acquiring control on the acquisition date, the equity of the acquiree held before the acquisition date shall be remeasured according to the fair value of the equity on the acquisition date, and the difference between the fair value and the book value shall be recorded into the current profits and losses; where the equity of the acquiree held prior to the acquisition date involves other comprehensive income and other changes in owners' equity under the equity accounting method, it shall be transferred to profit or loss for the period to which the acquisition date belongs.

When the Group loses control of a subsidiary due to the disposal of part of the equity investment or other reasons, the retained interest shall be remeasured at fair value at the date when control is lost. The difference between (1) the aggregate of the consideration received for the equity disposal and the fair value of any retained interest and (2) the share of the former subsidiary's net assets accumulated from the acquisition date based on the original proportion of ownership interest shall be included in the investment income in the period when control is lost and relevant goodwill shall be written off at the same time. Other comprehensive income related to the equity investment of the former subsidiary shall be reclassified into profit or loss when the control is lost.

In the case of step-by-step disposal of an equity investment in a subsidiary through multiple transactions until the loss of control, the terms, conditions, and economic effects of each transaction for the disposal of the equity investment in the subsidiary are consistent with one or more of the following, which generally indicates that the multiple transactions belong to a package deal: (1) These transactions were entered into simultaneously or with consideration of their mutual effects; (2) These transactions as a whole to achieve a complete business result; (3) The occurrence of a transaction is dependent on the occurrence of at least one other transaction; (4) A transaction is not economical when viewed individually, but is economical when considered together with other transactions. If the transactions for the disposal of an equity investment in a subsidiary until the loss of control are a package deal, each transaction is accounted for as a disposal of a subsidiary and loss of control, and the difference between the disposal price and the share of the net assets of the subsidiary calculated on an ongoing basis from the acquisition date corresponding to each disposal prior to the loss of control is recognised as other comprehensive income. It is transferred to profit or loss in the period in which control is lost. If the transactions of the disposal of the equity investment in the subsidiary until the loss of control are not a package deal, each transaction is accounted for as a separate transaction.

Chapter 8

Notes to the Financial Statements

For the period ended 30 June 2025
(Unless indicated otherwise, all amounts are expressed in RMB)

IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES OF THE COMPANY (CONTINUED)

9. JOINT ARRANGEMENT

A joint arrangement refers to an arrangement under the joint control of two or more participants. The joint arrangement of the Group has the following characteristics: (1) Each participant is bound by the arrangement; (2) Two or more participants have joint control over the arrangement. No participant can control the arrangement independently, and any participant with joint control over the arrangement can prevent other participants or a combination of participants from controlling the arrangement independently.

Joint control refers to the sharing of control over an arrangement according to relevant agreements, and the related activities of the arrangement can only be decided after the unanimous consent of the participants sharing the control.

A joint arrangement is classified into a joint operation and a joint venture. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

10. CASH AND CASH EQUIVALENTS

Cash refers to cash on hand and deposits that are available for payment at any time. Cash equivalents refer to investments held by the Group with a short term (generally refers to expiration within three months from the date of purchase), strong liquidity, easily convertible into a known amount of cash, and with minimum risk of value change.

11. FINANCIAL INSTRUMENTS

When the Group becomes a party to a financial instrument, it shall recognise a financial asset or financial liability.

For the regular-way purchase or sale of financial assets, the assets to be received and the liabilities to be borne for this shall be recognised on the trading day, or the assets to be sold shall be derecognised on the trading day.

Financial assets and financial liabilities are measured at fair value at initial recognition. For financial assets and financial liabilities measured at fair value through profit or loss, related transaction costs are directly included in the current profits and losses; for other types of financial assets and financial liabilities, related transaction costs are included in the initially recognised amount. When the Group initially recognises contract assets, bills receivable, and accounts receivable that do not contain significant financing components or do not consider financing components in contracts not exceeding one year in accordance with Accounting Standards for Business Enterprises No. 14 – Revenue (hereinafter referred to as “Revenue Standards”), their initial measurement is based on the transaction price as defined by the Revenue Standards.

Chapter 8

Notes to the Financial Statements

For the period ended 30 June 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES OF THE COMPANY (CONTINUED)

11. FINANCIAL INSTRUMENTS (CONTINUED)

When the fair value of a financial asset or financial liability initially recognised differs from the transaction price, no gain or loss is recognised on initial recognition of the financial asset or financial liability if the fair value is not based on quoted prices in active markets for identical assets or liabilities or on valuation techniques that use only observable market data.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating the interest income or interest expense to each accounting period.

The effective interest rate is the rate used to discount the estimated future cash flows of a financial asset or financial liability through its expected life to the book balance of the financial asset or the amortised cost of the financial liability. In determining the effective interest rate, the expected cash flows are estimated with reference to all contractual terms of the financial asset or financial liability (such as early repayment, rollover, a call option, or other similar options, etc.), but not the expected credit losses.

The amortised cost of a financial asset or financial liability is the accumulated amortisation resulting from the initially recognised amount of the financial asset or financial liability, less the principal repaid, plus or minus the difference between that initially recognised amount and the maturity amount using the effective interest method, less accumulated provision for losses (applicable only to financial assets).

11.1 Classification and measurement of financial assets

After the initial recognition, the Group's financial assets of various categories are subsequently measured at amortised cost, at fair value through other comprehensive income, or at fair value through profit or loss.

The contract terms of financial assets stipulate that the cash flow generated on a specific date is only the payment of principal and interest based on the outstanding principal amount, and that the business model of the Group for managing the financial asset is to collect contract cash flows as the goal. The Group classifies the financial asset as a financial asset measured at amortised cost. Such financial assets mainly include cash and bank balances, accounts receivable, other receivables, and long-term receivables, etc.

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IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES OF THE COMPANY (CONTINUED)

11. FINANCIAL INSTRUMENTS (CONTINUED)

11.1 Classification and measurement of financial assets (Continued)

The contract terms of financial assets stipulate that the cash flows generated on a specific date are only payments of principal and interest based on the outstanding principal amount, and that the business model of the Group for managing the financial assets is both to collect contract cash flows and for the purpose of selling the financial asset, the financial asset is classified as a financial asset at fair value through other comprehensive income. The accounts receivable and bills receivable that are classified as at fair value through other comprehensive income at the time of acquisition are shown in “receivables financing”, and the remaining items with a maturity of one year or less at the time of acquisition are shown in “other current assets”. Other such financial assets with maturities of more than one year from the date of acquisition are shown as “other debt investments”, and those with maturities of one year or less from the balance sheet date are shown as “non-current assets due within one year”.

On initial recognition, the Group may irrevocably designate investments in non-tradable equity instruments other than contingent consideration recognised in a business combination not under common control as financial assets at fair value through other comprehensive income on the basis of a single financial asset. Such financial assets are presented as “other equity instrument investments”.

A financial asset is said to be held by the Group for trading purposes if it meets one of the following conditions:

- The underlying financial assets were acquired primarily for the purpose of a recent sale;
- The underlying financial asset is part of a portfolio of centrally managed identifiable financial instruments at initial recognition, and there is objective evidence of a recent actual pattern of short-term profit-taking;
- The underlying financial assets are derivatives, except for derivatives that meet the definition of a financial guarantee contract and those designated as effective hedging instruments.

Financial assets at fair value through profit or loss comprise financial assets classified as at fair value through profit or loss and financial assets designated as at fair value through profit or loss:

- Financial assets that do not qualify for classification as financial assets at amortised cost and financial assets at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss;
- At initial recognition, in order to eliminate or significantly reduce accounting mismatches, the Group may irrevocably designate financial assets as financial assets at fair value through profit or loss.

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IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES OF THE COMPANY (CONTINUED)

11. FINANCIAL INSTRUMENTS (CONTINUED)

11.1 Classification and measurement of financial assets (Continued)

Financial assets at fair value through profit or loss, other than derivative financial assets, are presented as “financial assets held for trading”. Those with a maturity of more than one year from the balance sheet date (or with no fixed maturity) and expected to be held for more than one year are presented as “other non-current financial assets”.

11.1.1 *Financial assets at amortised cost*

Financial assets at amortised cost are subsequently measured at amortised cost using the effective interest method. Gains or losses arising from impairment or derecognition are recognised in the current profits and losses.

The Group recognises interest income for financial assets at amortised cost based on the effective interest method. The Group determines interest income based on the book balance of the financial assets multiplied by the effective interest rate, except for the following cases:

- For purchased or originated credit-impaired financial assets, the Group calculates its interest income from the initial recognition of the financial asset based on the amortised cost of the financial asset and the effective interest rate adjusted for credit;
- For financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets, the Group calculates its interest income in the subsequent periods based on the amortised cost of the financial asset and the effective interest rate. If the financial instrument has no credit impairment due to an improvement in its credit risk in subsequent periods, and this improvement can be linked to an event that occurs after the application of the above provisions, the Group will multiply the book balance of the financial asset by the effective interest rate to calculate and determine interest income.

11.1.2 *Financial assets at fair value through other comprehensive income*

For a financial asset at fair value through other comprehensive income, its impairment losses or gains, interest income calculated using the effective interest rate, and exchange gains and losses are included in the current profits and losses. Otherwise, changes in the fair value of the financial asset are included in other comprehensive income. The amount of this financial asset included in the profit or loss of each period is equal to the amount that has been included in the profit or loss of each period as if it had been measured at amortised cost. When the financial asset is derecognised, the accumulated gains or losses previously recorded in other comprehensive income are transferred from other comprehensive income to the current profits and losses.

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IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES OF THE COMPANY (CONTINUED)

11. FINANCIAL INSTRUMENTS (CONTINUED)

11.1 Classification and measurement of financial assets (CONTINUED)

11.1.2 *Financial assets at fair value through other comprehensive income (Continued)*

After a non-tradable equity instrument investment is designated as a financial asset at fair value through other comprehensive income, the changes in the fair value of the financial asset are recognised in other comprehensive income. The accumulated gains or losses included in other comprehensive income are transferred from other comprehensive income to retained earnings when the financial asset is derecognised. During the period when the Group holds investments in these non-tradable equity instruments, the Group's right to receive dividends has been established, and economic benefits related to dividends are likely to flow into the Group, and when the amount of dividends can be reliably measured, dividend income is recognised and calculated into the current profits and losses.

11.1.3 *Financial assets at fair value through profit or loss*

Financial assets at fair value through profit or loss are subsequently measured at fair value. Gains or losses resulting from changes in fair value, dividends, and interest income related to the financial assets are included in the current profits and losses.

11.2 Impairment of financial instruments

The Group accounts for impairment of financial assets at amortised cost, financial assets classified as at fair value through other comprehensive income, lease receivables, loan commitments that are not financial liabilities at fair value through profit or loss, financial liabilities that are not financial liabilities at fair value through profit or loss, and financial guarantee contracts that are financial liabilities that do not meet the conditions for derecognition arising from the transfer of financial assets or continuing involvement in the transferred financial assets on the basis of expected credit losses and recognizes loss provisions.

For all contract assets, bills receivable and accounts receivable formed by transactions regulated by the Revenue Standards, and lease receivables formed by transactions regulated by Accounting Standards for Business Enterprises No. 21 – Leasing, the Group measures loss provision equivalent to the amount of expected credit losses throughout the duration period.

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IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES OF THE COMPANY (CONTINUED)

11. FINANCIAL INSTRUMENTS (CONTINUED)

11.2 Impairment of financial instruments (Continued)

For other financial instruments, except the purchased or originated credit-impaired financial assets, the Group shall evaluate the credit risk changes of the relevant financial instruments since the initial recognition at each balance sheet date. If the credit risk of the financial instrument has increased significantly since the initial recognition, the Group shall measure its loss provision according to the amount equivalent to the expected credit loss of the financial instrument throughout the duration period; If the credit risk of the financial instrument has not increased significantly since the initial recognition, the Group shall measure its loss provision at an amount equivalent to the expected credit loss of the financial instruments within the next 12 months. Except for financial assets measured at fair value through other comprehensive income, the increased or reversed amount of credit loss provision shall be recorded in the current profits and losses as an impairment loss or gain. For financial assets measured at fair value through other comprehensive income, the Group shall recognise its credit loss provision in other comprehensive income, and record impairment losses or gains into the current profits and losses, without reducing the book value of the financial assets listed in the statement of financial position.

The Group measures loss provisions equivalent to the amount of expected credit losses throughout the duration period of the financial instruments in the prior accounting period. However, at the current balance sheet date, for the above financial instruments, due to failure to qualify as a significant increase in credit risk since initial recognition, the Group measures loss provisions for the financial instruments at 12-month expected credit loss at the current balance sheet date. Relevant reversal of loss provisions is included in the current profits and losses as impairment gains.

11.2.1 Significant increase in credit risk

By comparing the default risk of financial instruments at the balance sheet date with that on the initial recognition date, the Group uses reasonable and well-founded forward-looking information available to determine whether the credit risk of financial instruments has increased significantly since initial recognition. For loan commitments and financial guarantee contracts, when applying the provision of impairment of financial instruments, the Group shall take the date when it becomes the party making an irrevocable commitment as the initial recognition date.

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IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES OF THE COMPANY (CONTINUED)

11. FINANCIAL INSTRUMENTS (CONTINUED)

11.2 Impairment of financial instruments (Continued)

11.2.1 Significant increase in credit risk (Continued)

The Group considers the following factors in assessing whether there is a significant increase in credit risk:

- (1) Whether there is a significant change in the internal price index caused by the change in credit risk.
- (2) If an existing financial instrument is originated or issued as a new financial instrument at the balance sheet date, whether the interest rate or other terms of the financial instrument have changed significantly (such as more stringent contract terms, increased collateral or security, or higher yield, etc.).
- (3) Whether the external market indicators of the credit risk of the same financial instrument or similar financial instrument with the same expected duration have changed significantly. These indicators include credit spreads, the price of credit default swaps for borrowers, the length and extent to which the fair value of financial assets is less than their amortised cost, and other market information related to borrowers (such as the price changes of borrowers' debt instruments or equity instruments).
- (4) Whether there is any significant change in the actual or expected external credit rating of the financial instruments.
- (5) Whether the actual or expected internal credit rating of the debtor is downgraded.
- (6) Adverse changes in business, financial, or economic conditions that are expected to result in a significant change in the ability of the debtor to meet its obligations.
- (7) Whether the actual or expected operating results of the debtor have changed significantly.
- (8) Whether the credit risk of other financial instruments issued by the same debtor increases significantly.
- (9) Whether there has been a significant adverse change in the regulatory, economic, or technological environment of the debtor.
- (10) Whether there has been a significant change in the value of the collateral or the quality of the collateral, or credit enhancement provided by a third party as collateral for a debt. These changes are expected to reduce the debtor's financial incentive to repay the debt within the time limit specified in the contract or affect the probability of default.
- (11) Whether there is a significant change in the borrower's economic motivation to repay the loan within the agreed term.

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IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES OF THE COMPANY (CONTINUED)

11. FINANCIAL INSTRUMENTS (CONTINUED)

11.2 Impairment of financial instruments (Continued)

11.2.1 Significant increase in credit risk (Continued)

- (12) Anticipated changes to the loan contract, including whether the anticipated breach of contract may result in the release or amendment of contractual obligations, the granting of interest-free periods, interest rate hikes, the demand for additional collateral or security, or other changes to the contractual framework of the financial instrument.
- (13) Whether the expected performance and repayment behavior of the debtor changes significantly.
- (14) Whether the Group has changed the credit management method of financial instruments.

The Group assumes that the credit risk of a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have a low credit risk at the balance sheet date. If the default risk of financial instruments is low, the borrower's ability to fulfill its contractual cash flow obligations in the short term is strong, and even if there are adverse changes in the economic situation and operating environment over a long period, the borrower's performance of its contractual cash obligations may not necessarily be reduced, the financial instrument is considered to have a lower credit risk.

11.2.2 Credit-impaired financial assets

A financial asset is credit-impaired when one or more events of the Group are expected to have adverse effects on the future cash flow of the financial asset. Evidence of a financial asset that is credit-impaired includes the following observable information:

- (1) The issuer or debtor has major financial difficulties.
- (2) Breaches of contract by the debtor, such as breach or delay in payment of interest or principal.
- (3) The creditor gives the debtor concessions that would not be made under any other circumstances for economic or contractual reasons in connection with the debtor's financial difficulties.
- (4) The debtor is likely to go bankrupt or undergo other financial restructuring.
- (5) The financial difficulties of the issuer or debtor result in the disappearance of the active market for the financial asset.
- (6) Purchase or originate a financial asset at a substantial discount that reflects a credit loss.

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IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES OF THE COMPANY (CONTINUED)

11. FINANCIAL INSTRUMENTS (CONTINUED)

11.2 Impairment of financial instruments (Continued)

11.2.2 Credit-impaired financial assets (Continued)

Based on the Group's internal credit risk management, when the internally recommended or externally obtained information indicates that the debtor of the financial instrument cannot fully pay its creditors including the Group (regardless of any guarantees obtained by the Group), the Group believes that a default event has occurred.

11.2.3 Determination of expected credit losses

The Group determines the credit losses of lease receivables on the basis of individual assets and uses the impairment matrix to determine the credit losses of related financial instruments on a portfolio basis for receivables such as bills receivable, receivables financing, accounts receivable, other receivables, and debt investments. The Group divides financial instruments into different groups based on common risk characteristics. Common credit risk characteristics adopted by the Group include: type of financial instrument, credit risk rating, type of collateral, initial recognition date, remaining contract term, industry in which the debtor operates, geographical location of the debtor, and value of collateral relative to financial assets, etc. When receivables are involved in disputes or litigations, or when the debtors are in operating difficulties, reorganisation, or bankruptcy, the Group accrues credit losses on an individual basis.

The Group determines the expected credit loss of the relevant financial instruments according to the following methods:

- For financial assets, the credit loss shall be the present value of the difference between the contractual cash flow to be collected by the Group and the expected cash flow to be collected.
- For lease receivables, the credit loss shall be the present value of the difference between the contractual cash flow to be collected by the Group and the expected cash flow to be collected.
- For financial assets that are not purchased or originated credit-impaired financial assets but have become credit-impaired as at the balance sheet date, the credit loss is the difference between the book balance of the financial assets and the present value of the estimated future cash flow discounted at the original effective interest rate.

The Group considers the following factors in measuring the expected credit losses of financial instruments: an unbiased probabilistic weighted average amount determined by evaluating a range of possible outcomes; time value of money; reasonable and evidence-based information about past events, current conditions, and projections of future economic conditions that can be obtained at the balance sheet date without unnecessary additional cost or effort.

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IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES OF THE COMPANY (CONTINUED)

11. FINANCIAL INSTRUMENTS (CONTINUED)

11.2 Impairment of financial instruments (Continued)

11.2.4 Specific recognition criteria and accrual method for credit losses on major receivables

Item	Accrual method	Types of portfolio	Basis/criteria for portfolio determination	Criteria/explanations for accrual
Bills receivable	Accrual on an individual basis	—	When bills receivable are involved in disputes or litigations, or when the debtor is in operating difficulties, reorganisation, or bankruptcy, the Group accrues credit losses on an individual basis.	Individual recognition
	Accrual by portfolio	Commercial acceptance bills portfolio	The commercial acceptance bills held by the Group are mainly from customers with good credit and have maintained long-term and stable cooperation with the Group, which have similar credit risk characteristics.	0%. All of the bills receivable held by the Group have a maturity of less than 360 days. The Group considers that the bills receivable held by the Group are not subject to significant credit risk and will not incur significant losses due to default (the bills receivable are expected to be recovered in full), and the Group has not made any provision for credit losses based on materiality considerations.
Receivables financing	Accrual by portfolio	Bank acceptance bills portfolio	The acceptors of bank acceptance bills held by the Group at fair value through other comprehensive income are mainly large commercial banks and listed commercial banks with high credit ratings, and such bank acceptance bills have similar credit risk characteristics.	

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IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES OF THE COMPANY (CONTINUED)

11. FINANCIAL INSTRUMENTS (CONTINUED)

11.2 Impairment of financial instruments (Continued)

11.2.4 Specific recognition criteria and accrual method for credit losses on major receivables (Continued)

Item	Accrual method	Types of portfolio	Basis/criteria for portfolio determination	Criteria/explanations for accrual
Accounts receivable	Accrual on an individual basis	—	When accounts receivable are involved in disputes or litigations, or when the debtor is in operating difficulties, reorganisation, or bankruptcy, the Group accrues credit losses on an individual basis.	Individual recognition
	Accrual by portfolio	Low-risk portfolio	The accounts receivable in the Group's low-risk portfolio are mainly accounts receivable from related parties, joint ventures, associates, and their subsidiaries within the scope of China Merchants' consolidated financial statements, etc., which have similar credit risk	0%. The above organizations have low credit risk, and the Group has not accrued for credit losses based on materiality considerations. If the credit risk of the above organisations deteriorates, the Group adjusts them to the aging portfolio or accounts receivable with credit losses accrued on an individual basis.
		Aging portfolio	The Group's aging portfolio consists of accounts receivable other than low-risk portfolio items and items with credit losses accrued on an individual basis, the aging of which reflects their credit risk	1.45 % within 1 year; 41.68 % for 1 to 2 years; 88.26 % for 2 to 3 years; and 100 % over 3 years. The aging is based on transaction dates, and the expected credit loss rates determined by the forward-looking adjustments to the age-based migration rates and historical loss rates represent a reasonable estimate of the expected credit losses. The Group evaluates the expected credit loss rate of the aging portfolio of receivables annually and does not adjust the rate

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11. FINANCIAL INSTRUMENTS (CONTINUED)

11.2 Impairment of financial instruments (Continued)

11.2.4 Specific recognition criteria and accrual method for credit losses on major receivables (Continued)

Item	Accrual method	Types of portfolio	Basis/criteria for portfolio determination	Criteria/explanations for accrual
Other receivables	Accrual on an individual basis (phase III)	—	When other receivables are involved in disputes or litigations, or when the debtor is in operating difficulties, reorganisation, or bankruptcy, the Group accrues credit losses on an individual basis.	Individual recognition
	Accrual by portfolio (phase I and phase II)	Low-risk portfolio (phase I)	Other receivables in the Group's low-risk portfolio are mainly receivables from government entities, related entities within the scope of China Merchants' consolidated statements of operations, joint ventures, associates, and their subsidiaries, etc., as well as deposits, guarantees, reserves, and advances, which have similar credit risk characteristics.	0%. The above categories of payments have low credit risk, and the Group has not accrued for credit losses based on materiality considerations. If the credit risk of the debtors involved in the above receivable categories deteriorates, the Group adjusts them to other receivables with credit loss provisions, either in the aging portfolio or individually.
		Aging portfolio within 1 year (phase I)	The Group's aging portfolio of other receivables is other receivables, except for low-risk portfolio items and items with credit loss accrued on an individual basis, the aging of which reflects their credit risk characteristics.	3.90%. Aging is determined on the basis of the date of incurrence, and the Group evaluates the expected credit loss rate of other receivables in the aging portfolio annually. If the evaluation result is lower than the previous year's accrual level, no adjustment is made. If the evaluation result is higher than the previous year's accrual level, the accrual rate is increased.
		Aging portfolios more than 1 year (phase II)		32.51 % for 1 to 2 years; 57.40 % for 2 to 3 years; 100 % for over 3 years. Aging is determined on the basis of the date of incurrence, and the Group evaluates the expected credit loss rate of other receivables in the aging portfolio annually. If the evaluation result is lower than the previous year's accrual level, no adjustment is made. If the evaluation result is higher than the previous year's accrual level, the accrual rate is increased.

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IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES OF THE COMPANY (CONTINUED)

11. FINANCIAL INSTRUMENTS (CONTINUED)

11.2 Impairment of financial instruments (Continued)

11.2.5 Write-off of financial assets

When the Group no longer has a reasonable expectation that the contractual cash flows from a financial asset will be fully or partially recovered, the book balance of the financial asset is written down directly. Such write-down constitutes derecognition of the related financial asset.

11.3 Transfer of financial assets

Financial assets that meet one of the following conditions shall be derecognised: (1) The contractual right to collect the cash flow of the financial assets is terminated; (2) The financial assets have been transferred, and almost all the risks and rewards in the ownership of the financial assets have been transferred to the transferee; (3) The financial assets have been transferred, though the Group neither transfers nor retains almost all the risks and rewards in the ownership of the financial assets, it does not retain control over the financial assets.

If the Group neither transfers nor retains almost all the risks and rewards in the ownership of the financial assets, and retains control over the financial assets, it shall continue to recognise the transferred financial assets according to the extent to which it continues to be involved in the transferred financial assets and recognise the relevant liabilities accordingly. The Group measures the related liabilities in the following ways:

- For the transferred financial assets at amortised cost, the book value of the related liabilities is equal to the book value of the continued involvement in the transferred financial assets less the amortised cost of the rights retained by the Group (if the Group retains the relevant rights due to the transfer of financial assets) and the amortised cost of the obligations undertaken by the Group (if the Group assumes the relevant obligations due to the transfer of financial assets). Relevant liabilities are not designated as financial liabilities measured at fair value through profit or loss;
- For the transferred financial assets at fair value, the book value of the related liabilities is equal to the book value of the continued involvement in the transferred financial assets minus the fair value of rights retained by the Group (if the Group retains the relevant rights due to the transfer of financial assets) and the obligations undertaken by the Group (if the Group assumes the relevant obligations due to the transfer of financial assets). The fair value of the right and obligation shall be the fair value measured on an independent basis.

If the overall transfer of financial assets meets the conditions for derecognition, the difference between the book value of the transferred financial assets on the date of derecognition and the sum of the consideration received due to the transfer and the cumulative amount of changes in fair value originally recorded in other comprehensive income is recorded in the current profits and losses. If the transferred financial assets are non-tradable equity instrument investments designated by the Group to be measured at fair value through other comprehensive income, the accumulated gains or losses previously recorded in other comprehensive income shall be transferred from other comprehensive income and be recorded in retained earnings.

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IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES OF THE COMPANY (CONTINUED)

11. FINANCIAL INSTRUMENTS (CONTINUED)

11.3 Transfer of financial assets (Continued)

If the partial transfer of financial assets meets the conditions for derecognition, the total book value of the financial assets before the transfer shall be allocated between the part of the derecognition and the part of the continuing recognition according to their respective relative fair value on the transfer date, the difference between the sum of the consideration received for the part of the derecognition and the accumulative amount of the fair value changes originally recorded in other comprehensive income corresponding to the part of the derecognition and the book value allocated to the part of the derecognition on the date of derecognition shall be recorded into the current profits and losses. If the transferred financial assets are non-tradable equity instrument investments designated by the Group to be measured at fair value through other comprehensive income, the accumulated gains or losses previously recorded in other comprehensive income shall be transferred from other comprehensive income and be recorded in retained earnings.

If the overall transfer of financial assets fails to meet the conditions for derecognition, the Group shall continue to recognise the transferred financial assets in full, and the consideration received due to the transfer of assets shall be recognised as a liability upon receipt.

11.4 Classification of financial liabilities and equity instruments

The Group classifies a financial instrument or its components as financial liabilities or equity instruments at the time of initial recognition in accordance with the contractual terms of the financial instrument issued and the economic substance reflected therein, rather than only in legal form, in combination with the definition of financial liabilities and equity instruments.

11.4.1 Classification, recognition, and measurement of financial liabilities

Financial liabilities are classified into financial liabilities at fair value through profit or loss and other financial liabilities upon initial recognition.

11.4.1.1 Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss, including financial liabilities held for trading (including derivatives that are financial liabilities) and financial liabilities designated as at fair value through profit or loss. Except that the derivative financial liabilities are separately listed, financial liabilities at fair value through profit or loss are listed as “financial liabilities held for trading”.

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IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES OF THE COMPANY (CONTINUED)

11. FINANCIAL INSTRUMENTS (CONTINUED)

11.4 Classification of financial liabilities and equity instruments (Continued)

11.4.1 Classification, recognition, and measurement of financial liabilities (Continued)

11.4.1.1 Financial liabilities at fair value through profit or loss (Continued)

The financial liabilities meet one of the following conditions, indicating that the purpose of the financial liabilities of the Group is transactional:

- The purpose of undertaking related financial liabilities is mainly for recent repurchases.
- At the time of initial recognition, relevant financial liabilities were part of a centrally managed identifiable financial instrument portfolio, and there was objective evidence that a short-term profit model actually exists in the near future.
- Related financial liabilities are derivatives, except for derivatives that meet the definition of a financial guarantee contract and those designated as effective hedging instruments.

The financial liabilities that meet one of the following conditions can be designated at initial recognition as financial liabilities at fair value through profit or loss: (1) the designation can eliminate or significantly reduce accounting mismatches; (2) management and performance evaluation of financial liability portfolios or financial asset and financial liability portfolios is based on fair value according to the risk management or investment strategy stated in the Group's official written documents, and on this basis, report to the key management personnel within the Group; (3) eligible mixed contracts with embedded derivatives.

Financial liabilities held for trading are subsequently measured at fair value. Gains or losses arising from changes in fair value and dividends or interest expenses related to these financial liabilities are included in the current profits and losses.

For financial liabilities designated as at fair value through profit or loss, changes in the fair value of such financial liabilities arising from changes in the Group's own credit risk are recognised in other comprehensive income, and other changes in the fair value are recognised in the current profits and losses. On derecognition of the financial liabilities, the cumulative change in fair value attributable to changes in own credit risk previously recognised in other comprehensive income is transferred to retained earnings. Dividends or interest expenses related to these financial liabilities are recognised in the current profits and losses. If the treatment of the effects of changes in the own credit risk of such financial liabilities as described above would cause or enlarge an accounting mismatch in profit or loss, the Group recognises the entire gain or loss on such financial liabilities (including the amount of the effect of changes in own credit risk) in the current profits and losses.

For financial liabilities resulting from contingent consideration recognised by the Group as the purchaser in a business combination not under common control, the Group measures the financial liabilities at fair value and recognises the change in the current profits and losses.

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IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES OF THE COMPANY (CONTINUED)

11. FINANCIAL INSTRUMENTS (CONTINUED)

11.4 Classification of financial liabilities and equity instruments (Continued)

11.4.1 Classification, recognition, and measurement of financial liabilities (Continued)

11.4.1.2 Other financial liabilities

Other financial liabilities, except those arising from the transfer of financial assets that do not meet the conditions for derecognition or continuing involvement in the transferred financial assets, shall be classified as financial liabilities measured at amortised costs and shall be subsequently measured at amortised costs. The profits or losses generated by derecognition or amortisation shall be recorded in the current profits and losses.

If the Group revises or renegotiates the contract with the counterparty, which does not result in the derecognition of financial liabilities that are subsequently measured at amortised cost, but results in changes in contractual cash flows, the Group recalculates the book value of the financial liability, and gains or losses are included in the current profits and losses. The recalculated book value of the financial liability is determined based on the discounted present value of the contractual cash flow to be renegotiated or modified at the original effective interest rate of the financial liability. For all costs or expenses incurred by revising or renegotiating the contract, the Group adjusts the book value of the revised financial liability and amortises it over the remaining period of the revised financial liability.

11.4.1.2.1 Financial guarantee contract

A financial guarantee contract is a contract that requires the issuer to pay a specific amount to the contract holder who has suffered a loss when a specific debtor fails to repay the debt in accordance with the terms of the original or modified debt instrument. Subsequent to initial recognition, financial guarantee contracts that are not designated as financial liabilities at fair value through profit or loss or financial liabilities formed by failing to meet derecognition or continuing to be involved in the transferred financial assets, are measured at the higher of the amount of loss provisions and the initial recognition amount after deducting the accumulated amortisation amount determined in accordance with the relevant provisions of the Revenue Standards.

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Notes to the Financial Statements

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IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES OF THE COMPANY (CONTINUED)

11. FINANCIAL INSTRUMENTS (CONTINUED)

11.4 Classification of financial liabilities and equity instruments (Continued)

11.4.2 *Derecognition of financial liabilities*

If all or part of the current obligation of the financial liabilities has been released, the recognition of the financial liabilities or part thereof shall be terminated. The Group (the debtor) and the creditor enter into an agreement to replace the original financial liabilities with new financial liabilities, and if the contract terms of the new financial liabilities and the original financial liabilities are substantially different, the Group derecognises the original financial liabilities and simultaneously recognises the new financial liabilities.

If the recognition of financial liabilities is derecognised in whole or in part, the difference between the book value of the part to be derecognised and the consideration paid (including the transferred non-cash assets or the new financial liabilities) shall be recorded in the current profits and losses. In supplier financing arrangements, the Group makes unconditional payments to the bank (the provider of the financing) when due (but at the same time and in the same amount as the original accounts payable), and therefore, the Group derecognizes accounts payable to suppliers and recognizes short-term borrowings from banks. Due to the short maturity of these loans and the immateriality of the discounting difference, the Group does not discount the loans and does not recognize any gain or loss on derecognition of accounts payable at the time of initial recognition.

11.4.3 *Equity instruments*

Equity instruments are contracts that prove ownership of the residual interest in the Group's assets after deducting all liabilities. The Group's issues (including refinancing), repurchases, sales, or write-offs of equity instruments are treated as changes in equity. When the Group issues equity instruments, the actual issue price is recognized in owners' equity, and the related transaction costs are deducted from owners' equity (capital reserves). If capital reserves are insufficient to be deducted, surplus reserves and undistributed profits shall be written off in sequence. For the consideration and transaction costs paid by the Group to repurchase equity instruments, the owners' equity shall be reduced.

The distribution of equity instrument holders by the Group is treated as profit distribution, and the stock dividends issued by the Group do not affect the total amount of shareholders' equity.

11.5 Derivative instruments and embedded derivative instruments

Derivative instruments include forward foreign exchange contracts, currency exchange rate swap contracts, interest rate swap contracts, and foreign exchange options contracts, etc. Derivative instruments are initially measured at fair value on the signing date of relevant contracts and are subsequently measured at fair value.

For the mixed contracts composed of the embedded derivative instruments and the main contract, if the main contract belongs to financial assets, the Group does not split the embedded derivative instruments from the mixed contracts but applies the accounting standards for the classification of financial assets as a whole to the mixed contracts.

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Notes to the Financial Statements

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IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES OF THE COMPANY (CONTINUED)

11. FINANCIAL INSTRUMENTS (CONTINUED)

11.5 Derivative instruments and embedded derivative instruments (Continued)

If the main contract contained in the mixed contracts does not belong to financial assets and meets the following conditions, the Group will split the embedded derivative instruments from the mixed contracts and deal with them as separate derivative financial instruments.

- (1) The economic characteristics and risks of embedded derivative instruments are not closely related to those of the main contract;
- (2) Separate instruments with the same terms as the embedded derivative instruments comply with the definition of derivative instruments;
- (3) Mixed contracts are not measured at fair value through profit or loss.

Where the embedded derivative instruments are split from the mixed contracts, the Group shall account for the main contract of the mixed contracts in accordance with the applicable accounting standards. If the Group is unable to reliably measure the fair value of the embedded derivative instruments according to the terms and conditions of the embedded derivative instruments, the fair value of the embedded derivative instruments shall be determined according to the difference between the fair value of the mixed contracts and the fair value of the main contract. After using the above method, if the fair value of the embedded derivative instruments still cannot be measured separately either on the acquisition date or subsequent balance sheet dates, the Group will designate the mixed contracts as financial instruments at fair value through profit or loss.

11.6 Offset of financial assets and financial liabilities

When the Group has legal rights to offset recognised financial assets and liabilities, and this legal right is currently executable, at the same time, when the Group plans to settle or simultaneously realise the financial assets and liquidate the financial liabilities in the net amount, the financial assets and financial liabilities are shown in the consolidated statement of financial position with the amount offset by each other. Except for the above circumstances, financial assets and financial liabilities are shown separately in the statement of financial position and shall not be offset against each other.

11.7 Compound instrument

Convertible bonds issued by the Group that contain both a liability and a conversion option to convert the liability into its equity instrument are initially recognised separately by splitting them. Of these, conversion options that are settled by exchanging a fixed amount of cash or other financial assets for a fixed number of equity instruments are accounted for as equity instruments.

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IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES OF THE COMPANY (CONTINUED)

11. FINANCIAL INSTRUMENTS (CONTINUED)

11.7 Compound instrument (Continued)

On initial recognition, the fair value of the liability portion is determined at the current market price of a similar bond that does not have a conversion option. The difference is that the overall issue price of the convertible bonds, less the fair value of the liability portion, is included in other equity instruments as the value of the conversion option for bondholders to convert the bonds into equity instruments.

For subsequent measurement, the liability portion of convertible bonds is measured at amortised cost using the effective interest method; the value of the conversion option is classified as an equity instrument and continues to be retained in the equity instrument. No loss or gain arises upon maturity or conversion of the convertible bonds.

Transaction costs incurred for the issuance of convertible bonds are apportioned between the liability portion and the equity instrument portion based on their respective relative fair values. Transaction costs related to the equity instrument portion are recognised directly in the equity instrument; those related to the liability portion are recognised in the book value of the liability and amortised over the term of the convertible bonds using the effective interest method.

12. INVENTORIES

12.1 Inventory categories, issue valuation method, inventory system, amortization method for low-value consumables and packages

The Group's inventories mainly include raw materials, finished goods, and revolving materials, etc. Inventories are initially measured at cost. The cost of inventories includes purchase cost, processing cost, and other expenses incurred to bring the inventories to their current location and state.

When inventories are dispatched, the actual cost of inventories dispatched is determined mainly using the first-in-first-out method and the month-end lump-sum weighted average method.

The Group adopts a perpetual inventory system as the inventory accounting system.

Packaging and low-value consumables are expensed by the one-off amortisation method.

12.2 Criteria for recognizing and providing provisions for value reduction of inventories

At the balance sheet date, inventories are measured at the lower of cost and net realisable value. When the net realisable value is lower than the cost, a provision is made for the decline in value.

The net realisable value represents the estimated selling price for inventories less all estimated costs of completion, costs necessary to make the sale, and related taxes. The net realisable value of inventories is determined based on the concrete evidence obtained, with reference to the purpose of holding inventory and the impact of events after the balance sheet date.

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IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES OF THE COMPANY (CONTINUED)

12. INVENTORIES (CONTINUED)

12.2 Criteria for recognizing and providing provisions for value reduction of inventories (Continued)

The inventories held by the Group mainly consist of fuel for vehicles and vessels, spare parts, and packaging used in the course of providing transportation and logistics services, which have low unit prices and small overall amounts and are not material to the Group. At the end of the period, the Group does not make provisions for value reduction of the inventories which are still in their normal useful lives and functioning properly; for those inventories beyond their useful lives or damaged, the Group makes provisions for value reduction in batches or on the basis of individual inventory items.

When the provisions for value reduction of inventories have been made and the factors that previously caused inventories to be written down no longer exist, which results in the net realisable value being higher than the book value, the original amount of the write-down is reversed to the extent of the original provisions and charged to the current profits and losses.

13. LONG-TERM EQUITY INVESTMENTS

13.1 Criteria for determining joint control and significant influence

Control is achieved where the Group has: the power over the investee; exposure, or rights, to variable returns from its involvement with the investee; and the ability to use its power over the investee to affect the amount of the Group's returns. Joint control refers to the joint control over an arrangement according to relevant agreements, and the related activities of the arrangement can only be decided after the consensus of the parties sharing the control. Significant influence refers to the power to participate in the decision-making of the financial and operational policies of the investee, but cannot control or jointly control the determination of these policies with other parties. In determining whether it is possible to exercise control over or exert significant influence over the investee, it has taken into account the potential voting right factors such as the current convertible bonds of the investee and the current executable warrants held by the investor and other parties.

13.2 Determination of initial investment cost

For the long-term equity investment acquired through a business combination involving entities under common control, the initial investment cost of the long-term equity investment shall be the share of the owners' equity of the acquiree in the book value of the ultimate controlling party's consolidated financial statements on the acquisition date. The difference between the initial investment cost and the book value of cash paid, non-cash assets transferred, and liabilities assumed is adjusted to capital reserves. If the capital reserves are not sufficient, surplus reserves and undistributed profits shall be written off in sequence. To issue equity securities as the consideration of the business combination, the initial investment cost of the long-term equity investment shall be the share of the owners' equity of the acquiree in the book value of the ultimate controlling party's consolidated financial statements on the acquisition date, the total face value of the issued shares is recognised as share capital. The difference between the initial investment cost and the total face value of the issued shares is adjusted to capital reserves. If the capital reserves are not sufficient, surplus reserves and undistributed profits shall be written off in sequence.

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IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES OF THE COMPANY (CONTINUED)

13. LONG-TERM EQUITY INVESTMENTS (CONTINUED)

13.2 Determination of initial investment cost (Continued)

As for the long-term equity investment acquired through a business combination not involving entities under common control, the initial investment cost of the long-term equity investment shall be the cost of the business combination on the acquisition date.

The intermediary fees, such as auditing, legal services, evaluation, and consultation, and other related administrative expenses incurred by the merging party or the acquirer for the business combination shall be recorded in the current profits and losses when incurred.

The initial measurement of the long-term equity investment obtained by means other than the long-term equity investment formed by the business combination shall be based on its cost. When the entity is able to exercise significant influence or joint control (but not control) over an investee due to additional investment, the cost of long-term equity investments is the sum of the fair value of previously-held equity investments determined in accordance with Accounting Standards for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments and the additional investment cost.

13.3 Subsequent measurement and profit or loss recognition method

13.3.1 Long-term equity investment accounted for using the cost method

The Company's financial statements adopt the cost method to calculate the long-term equity investment in subsidiaries. Subsidiaries refer to invested entities over which the Group has control.

The long-term equity investment accounted for using the cost method is measured by the initial investment cost. When additional investment is made or the investment is recouped, the cost of the long-term equity investment is adjusted accordingly. The current investment income is recognised according to the cash dividend or profit distributions declared by the investee.

13.3.2 Long-term equity investment accounted for using the equity method

In addition to investments in associates and joint ventures classified in whole or in part as assets held for sale, the Group's investment in associates and joint ventures is accounted for using the equity method. Associates refer to invested entities on which the Group can exert a significant influence, and a joint venture is a joint arrangement whereby the Group has only the right to the net assets of the arrangement.

When adopting equity method, if the initial investment cost of the long-term equity investment is greater than the fair value share of identifiable net assets of the investee at the time of the investment, the initial investment cost of the long-term equity investment shall not be adjusted; If the initial investment cost is less than the fair value share of the identifiable net assets of the investee at the time of the investment, the difference shall be recorded into the current profits and losses, and the long-term equity investment cost shall be adjusted accordingly.

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Notes to the Financial Statements

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IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES OF THE COMPANY (CONTINUED)

13. LONG-TERM EQUITY INVESTMENTS (CONTINUED)

13.3 Subsequent measurement and profit or loss recognition method (Continued)

13.3.2 Long-term equity investment accounted for using the equity method (Continued)

When adopting the equity method, the investment income and other comprehensive income shall be recognised respectively according to the share of net profit or loss and other comprehensive income of the investee. The book value of the long-term equity investment shall be adjusted accordingly. The book value of the long-term equity investment shall be reduced accordingly by calculating the share of the profit distribution or cash dividend declared by the investee. The book value of the long-term equity investment shall be adjusted, and other changes in the owners' equity of the investee rather than net profit or loss, other comprehensive income, and profit distribution shall be included in capital reserves. When recognising the share of the net profit and loss of the investee, the net profit of the investee shall be adjusted and recognised on the basis of the fair value of each of the identifiable assets of the investee at the time the investment is acquired. If the accounting policies and periods adopted by the investee are inconsistent with those of the Group, the financial statements of the investee shall be adjusted in accordance with the accounting policies and periods of the Group, and the investment income and other comprehensive income shall be recognised accordingly. For transactions occurring between the Group and its associates and joint ventures, where the assets contributed or sold do not constitute a business, unrealised profit or loss on internal transactions are recognised as investment income or loss to the extent that those attributable to the Group's equity interest are eliminated. However, unrealized losses resulting from the Group's transactions with its investee which represent impairment losses on the transferred assets are not eliminated.

When it is recognised that the net loss of the investee shall be shared, the book value of the long-term equity investment and other long-term interests that substantially constitute the net investment of the investee shall be written down to zero. In addition, if the Group has the obligation to bear additional losses to the investee, it shall recognise the estimated liabilities according to the expected obligations and record them in the current investment loss. Where net profits are subsequently made by the investee, the Group resumes recognising its share of those profits only after its share of the profits exceeds the share of losses previously not recognised.

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IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES OF THE COMPANY (CONTINUED)

13. LONG-TERM EQUITY INVESTMENTS (CONTINUED)

13.4 Disposal of long-term equity investment

At the time of the disposal of a long-term equity investment, the difference between its book value and the actual price obtained shall be recorded in the current profits and losses. For a long-term equity investment accounted for using the equity method, the remaining shares after disposal are still accounted for using the equity method. Other comprehensive income recognised by the equity method is accounted for on the same basis as the assets or liabilities directly disposed of by the investee and is carried forward proportionately to the current profits and losses. Owners' equity recognised as a result of changes in the investee's owners' equity other than net profit or loss, other comprehensive income, and profit distribution is carried forward proportionately to the current profits and losses. For long-term equity investments accounted for using the cost method, if the remaining equity after disposal is still accounted for using the cost method, other comprehensive income recognised due to the use of the equity method or the recognition and measurement standard of financial instruments before gaining control over the investee is accounted for on the same basis as the relevant assets or liabilities directly disposed of by the investee and is carried forward proportionately to the current profits and losses. Owners' equity recognised as a result of changes in the owners' equity of the investee's net assets measured using the equity method, other than net profit or loss, other comprehensive income, and profit distribution, is carried forward proportionately to the current profits and losses.

Where the Group loses control over the investee due to the disposal of part of its equity investment when preparing individual financial statements, the remaining equity after disposal can exercise joint control or exert significant influence on the investee, it shall be accounted for using the equity method instead, and the residual equity shall be accounted for using the equity method when it is deemed to be acquired; if the residual equity after disposal cannot exercise joint control or exert significant influence on the investee, it shall be accounted for according to the relevant provisions of the financial instrument recognition and measurement standards, and the difference between its fair value and book value on the date of loss of control shall be included in the current profits and losses. Other comprehensive income recognised as a result of the equity method of accounting before the Group acquired control over the investee is accounted for on the same basis as the assets or liabilities associated with the direct disposal of the investee when control over the investee is lost. Changes in owners' equity of the investee's net assets measured using the equity method, other than net gains and losses, other comprehensive income, and profit distribution, are carried forward to the current profits and losses when the control of the investee is lost. Among them, if the residual equity after disposal is accounted for by the equity method, other comprehensive income and other owners' equity are carried forward proportionally; if the residual equity after disposal is accounted for according to the criteria of recognition and measurement of financial instruments, all other comprehensive income and other owners' equity are carried forward.

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IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES OF THE COMPANY (CONTINUED)

13. LONG-TERM EQUITY INVESTMENTS (CONTINUED)

13.4 Disposal of long-term equity investment (Continued)

If the Group loses joint control or significant influence on the investee due to the disposal of part of its equity investment, the remaining equity after disposal shall be accounted for according to the criteria of recognition and measurement of financial instruments, and the difference between the fair value and book value on the date of the loss of joint control or significant impact shall be included in the current profits and losses. Other comprehensive income recognised by the original equity method shall be accounted for on the same basis as the assets or liabilities directly disposed of by the investee when the equity method is terminated. Owners' equity recognised as a result of changes in the investee's owners' equity other than net profit or loss, other comprehensive income, and profit distribution shall be fully transferred to the current investment income when the equity method is terminated.

The Group disposes of its equity investment in a subsidiary step by step through multiple transactions until it loses control. If the aforementioned transactions belong to a package deal, each transaction shall be treated as a single transaction dealing with the subsidiary's equity investment and loss of control. Before losing control, the difference between the book value of each disposal price and the long-term equity investment corresponding to the disposal equity shall be recognised as other comprehensive income. When losing control, the difference shall be transferred from other comprehensive income to profits and losses for the period when the control is lost.

14. INVESTMENT PROPERTIES

Investment properties refer to the properties held by the Group to earn rent or capital appreciation, or both, including leased land use rights, leased buildings, etc.

Investment properties are initially measured at cost. Subsequent expenditures related to investment properties are included in the cost of investment properties if the economic benefits related to the asset are likely to flow in and its cost can be measured reliably. Other subsequent expenditures shall be recorded in the current profits and losses when incurred.

The Group uses the cost model for subsequent measurement of investment properties and depreciates or amortises in accordance with policies consistent with those for buildings or land use rights.

An investment property is derecognised when it is disposed of, or permanently withdrawn from use, and no economic benefits are expected from its disposal.

The difference in the disposal income of the sale, transfer, scrap, or destruction of the investment properties after deducting their book value and relevant taxes and fees shall be recorded in the current profits and losses.

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IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES OF THE COMPANY (CONTINUED)

15. FIXED ASSETS AND DEPRECIATION

Fixed assets refer to the tangible assets held for the production of goods, provision of labour services, lease or management, and whose service life exceeds one fiscal year. Fixed assets are recognised only when their economic benefits are likely to flow to the Group and their costs can be measured reliably. Fixed assets are initially measured in terms of cost and with reference to the impact of expected disposal costs.

Subsequent expenditures related to fixed assets, if the economic benefits related to the fixed assets are likely to flow in and their costs are measured reliably, shall be included in the cost of fixed assets and the book value of the replaced part shall be derecognised. Other subsequent expenditures, when incurred, shall be included in the current profits and losses.

Fixed assets shall be depreciated within their service life by the straight-line method from the next month when they reach their intended usable state. The useful life, estimated residual value rates, and annual depreciation rate of all types of fixed assets are as follows:

Category	Useful life (years)	Estimated residual value rate (%)	Annual depreciation rate (%)
Buildings	5-30	5.00	3.17-19.00
Port and terminal facilities	20-40	5.00	2.38-4.75
Motor vehicles and vessels	5-25	5.00	3.80-19.00
Machinery, equipment, furniture, appliances and other equipment	5-20	5.00	4.75-19.00

Estimated residual value refers to the amount obtained by the Group from the disposal of the fixed asset after deducting the estimated disposal expenses, assuming that the expected service life of the fixed asset has been completed and is in the expected state at the end of its service life.

When a fixed asset is disposed of or is not expected to generate economic benefits through use or disposal, the recognition of the fixed asset shall be terminated. The difference in the disposal income from the sale, transfer, scrapping, or destruction of fixed assets after deducting their book value and relevant taxes and fees shall be recorded in the current profits and losses.

The Group shall, at least at the end of the year, review the service life, estimated residual value, and depreciation method of the fixed assets, and shall treat any change as an accounting estimation change.

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IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES OF THE COMPANY (CONTINUED)

16. CONSTRUCTION IN PROGRESS

Construction in progress is measured by actual cost, which includes the expenditure incurred during the construction period, the capitalised borrowing cost before the project reaches its intended usable state, and other related costs. There is no depreciation for construction in progress. Construction in progress is transferred to fixed assets when the asset is ready for its intended use.

The Group's construction in progress mainly consists of newly built or renovated logistics centres, logistics zones, piers, warehouses, and large-scale logistics equipment, and the specific criteria and points in time for their conversion to fixed assets are set out below:

Category	Specific criteria and points in time for their conversion to fixed assets
Logistics centres, logistics zones, piers, warehouses	The earlier of the completion of construction and passing of mandatory acceptance, and the beginning of actual use
Large-scale logistics equipment	The earlier of the completion of installation and passing of testing, and the beginning of actual use

17. INTANGIBLE ASSETS

17.1 Intangible assets

The intangible assets of the Group include land use rights, software, customer relationships, etc.

Intangible assets are initially measured at cost. When intangible assets with a definite useful life are available for use, their original values, less the accumulated amount of the provision for impairment, are amortized using the straight-line method over their estimated useful life in equal installments. Intangible assets with uncertain service life shall not be amortised.

The useful lives of major intangible assets, and their basis and estimates, are set out below:

Category	Item	Useful life (years)	Basis for determination
Intangible assets with a definite useful life	Land use rights	20–99	Determined on the basis of the remaining useful life recorded in the land use right certificate at the acquisition date of the land
	Software	5	Determined on the basis of actual usage and updating of the Group's software with reference to market practice
	Customer relationship	9, 10	Determined on the basis of the expected number of years of earnings from the customer relationship in the purchase price apportionment report issued by the valuation agency

At the end of the year, the useful life and amortisation method of intangible assets shall be reviewed and adjusted if necessary.

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IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES OF THE COMPANY (CONTINUED)

17. INTANGIBLE ASSETS (CONTINUED)

17.2 Research and development expenditures

The Group's research and development projects mainly involve various business, management, and data systems related to its principal businesses. The scope of research and development expenditure is mainly attributable to commissioned external research and development expenditure and the remuneration expenditure of the Group's full-time research and development staff.

The Group takes the completion of feasibility studies, the budget and plan preparation for development, internal formal project approval of research and development projects, and the beginning of substantial development activities as the criteria for distinguishing the research stage from the development stage.

Expenditure incurred during the research stage is recognised in profit or loss when incurred.

Expenditures during the development phase are recognised as intangible assets if all of the following conditions are met, and expenditures during the development phase that do not meet the following conditions are recognised in the current profits and losses:

- (1) Completion of an intangible asset so that it can be used or sold is technically feasible.
- (2) Intention to complete the intangible asset for use or for sale.
- (3) How intangible assets generate economic benefits includes proving the existence of a market for the products produced by using the intangible assets or the existence of a market for the intangible assets themselves.
- (4) Having sufficient technical, financial, and other resources to support the completion of the development of the intangible assets, and having the ability to use or sell the intangible assets.
- (5) Expenditure attributable to the development stage of the intangible asset can be measured reliably.

If it is not possible to distinguish between research-stage expenditures and development-stage expenditures, all research and development expenditures incurred are recognised in the current profits and losses. The cost of intangible assets resulting from internal development activities includes only the total amount of expenditure incurred from the point at which the capitalisation condition is met until the intangible asset reaches its intended use. No adjustment is made to the expenditure that has been expensed to profit or loss before the capitalisation condition is met for the same intangible asset in the development process.

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IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES OF THE COMPANY (CONTINUED)

18. LONG-TERM PREPAID EXPENSE

Long-term prepaid expenses represent expenditures incurred that should be recognised as expenses over one year and should be allocated in current and subsequent periods. Long-term prepaid expenses are amortised on a straight-line basis over the estimated beneficial period.

19. IMPAIRMENT OF NON-FINANCIAL ASSETS OTHER THAN GOODWILL

At each balance sheet date, the Group inspects whether there are signs of possible impairment of long-term equity investments, investment properties measured using the cost method, fixed assets, construction in progress, right-of-use assets, long-term prepaid expenses, intangible assets with a definite useful life, and assets related to contract costs. If there is an indication that such assets are impaired, the recoverable amount is estimated. For intangible assets with an uncertain service life and intangible assets that have not yet reached the usable state, the impairment test shall be conducted every year regardless of whether there are signs of impairment.

If it is difficult to estimate the recoverable amount of a single asset, the recoverable amount of the asset group shall be determined on the basis of the asset group to which the asset belongs. The recoverable amount is the higher of the net amount of the fair value of the asset or group of assets minus the disposal expenses and the present value of the expected future cash flow.

The present value of the expected future cash flow of an asset is determined by discounting the asset at an appropriate pre-tax discount rate based on the expected future cash flows arising from its continuing use and eventual disposal.

If the recoverable amount of an asset is less than its book value, the difference between the amount and the book value of the asset shall be calculated and the asset impairment provision shall be included in the current profits and losses.

In determining impairment losses on assets related to contract costs, impairment losses are first determined for other assets recognised in accordance with other relevant Accounting Standards for Business Enterprises and related to the contract; then, for assets related to contract costs, if the book value of the assets is higher than the difference between the following two items, the excess is provided for impairment and recognised as an asset impairment loss: (1) The residual consideration that the Group expects to receive for the transfer of the goods or services associated with the asset; (2) Estimated costs to be incurred for the transfer of the relevant goods or services.

Except for impairment losses on assets related to contract costs, the above-mentioned impairment losses on assets, once recognised, are not reversed in subsequent accounting periods. After the provision for impairment of assets related to contract costs is made, if the factors of impairment in previous periods change so that the difference between the above two items is higher than the book value of the asset, the original provision for impairment of the asset is reversed and recognised in the current profits and losses, provided that the book value of the asset after the reversal does not exceed the book value of the asset at the date of reversal assuming no provision for impairment was made.

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20. ESTIMATED LIABILITIES

When the contingent obligation is the current obligation undertaken by the Group, and the performance of the obligation is likely to lead to the outflow of economic benefits, and the amount of the obligation can be measured reliably, it is recognised as an estimated liability.

At the balance sheet date, the estimated liabilities are measured in accordance with the best estimate of the expenditure required to fulfil the relevant current obligations, with reference to the risk, uncertainty, and time value of money related to contingencies. If the time value of money has a significant impact, the best estimate is determined by the amount discounted by the expected future cash outflow.

If all or part of the expenditure required to pay off the estimated liabilities is expected to be compensated by a third party, the amount of compensation shall be recognised as an asset when it is basically confirmed that it can be received, and the confirmed amount of compensation shall not exceed the book value of the estimated liabilities.

21. EMPLOYEE BENEFITS

Employee benefits refer to the remuneration or compensation in various forms provided by the Group to obtain the service provided by the employee or the termination of labour relations. Employee benefits include short-term benefits, post-employment benefits, termination benefits, and other long-term employee benefits.

In addition to the compensation for the termination of the labour relationship with the employee, the Group shall recognise the employee benefits payable as liabilities during the accounting period when the employee provides services.

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(Unless indicated otherwise, all amounts are expressed in RMB)

IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES OF THE COMPANY (CONTINUED)

21. EMPLOYEE BENEFITS (CONTINUED)

The Group shall participate in the employee social security system established by government institutions according to the regulations, including basic endowment insurance, medical insurance, housing provident fund, and other social security systems, and the corresponding expenditure shall be included in the cost of related assets or the current profits and losses when incurred.

Short-term benefits refer to all the employee remunerations that the Group needs to pay to employees within 12 months after the end of the annual reporting period for the relevant services provided by employees, with the exception of post-employment benefits and termination benefits. Short-term benefits include employee wages, bonuses, allowances and subsidies, employee welfare benefits, social insurance premiums such as medical insurance, work-related injury insurance and maternity insurance, housing provident fund, trade union funds and staff education funds, short-term paid absences, short-term profit-sharing schemes, non-monetary benefits, and other short-term benefits. During the accounting period when employees provide services, the Group shall recognise the short-term benefits payable as a liability and record them in the cost or expense of related assets according to the beneficiaries of the services provided by the employees.

Post-employment benefits refer to the various forms of remuneration and welfare provided by the Group after the employee retires or dissolves labour relations with the enterprise in order to obtain the services provided by the employee, with the exception of short-term benefits and termination benefits. Post-employment benefits include pension insurance, annuity, unemployment insurance, internal retirement benefits, and other post-employment benefits.

The Group classifies post-employment benefit plans into defined contribution plans and defined benefit plans. Post-employment benefit plan refers to the agreement reached between the Group and the employee on the post-employment benefit, or the regulations or measures formulated by the Group for the provision of post-employment benefits to the employee. A defined contribution plan is a post-employment benefit plan in which the Group no longer undertakes the further payment obligation after the fixed fee is deposited into the independent fund. Defined benefit plans refer to post-employment benefit plans other than defined contribution plans. During the accounting period when the employee provides services for the Group, the amount due for deposit calculated according to the defined contribution plan shall be recognised as a liability and recorded in the current profits and losses or the cost of related assets.

The Group provides internal retirement benefits to employees who accept internal retirement arrangements. Internal retirement benefits refer to the wages and social insurance contributions paid to employees who have not reached the retirement age set by the state and have been approved to voluntarily withdraw from their jobs. For internal retirement benefits, if the conditions related to the recognition of internal retirement benefits are met, the internal retirement benefits to be paid by the Group during the period when the employee stops providing the service until the employee normally retires will be recognised as liabilities according to the present value and recorded in the current profits and losses.

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For the period ended 30 June 2025
(Unless indicated otherwise, all amounts are expressed in RMB)

IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES OF THE COMPANY (CONTINUED)

21. EMPLOYEE BENEFITS (CONTINUED)

Termination benefit means that the Group terminates the labor relationship with the employee before the expiration of the employee's labor contract or compensates the employee to encourage the employee to voluntarily accept the reduction. Where the Group provides termination benefits to the employees, the liability arising from the termination benefits shall be recognised at the earlier of the following dates and recorded into the current profits and losses: (1) The Group cannot unilaterally withdraw the termination benefits provided by the termination plan or reduction proposal; (2) When the Group has a detailed, formal restructuring plan involving the payment of termination benefits and the restructuring plan has been initiated, or the parties to be affected by the plan have been notified of the main contents of the plan, therefore all parties have reasonably expected that the restructuring will be implemented by the Group.

Other long-term employee benefits refer to all employee benefits except short-term benefits, post-employment benefits, and termination benefits.

22. SHARE-BASED PAYMENT

Share-based payments are transactions that grant equity instruments for obtaining services rendered by employees or other parties. The Group's share-based payments are equity-settled share-based payments.

The equity-settled share-based payment in exchange for services rendered by employees shall be measured at the fair value of equity instruments granted by the Group to employees at the grant date. The amount of fair value shall be included in related cost or expense by the straight-line method during the vesting period based on the best available estimate of the number of equity instruments expected to vest; if the equity instruments granted vest immediately, they shall be recognised in related cost or expense at the grant date, with a corresponding increase in capital reserves.

23. BONDS PAYABLE

The initial recognition of the bonds payable by the Group shall be measured at the fair value, and the relevant transaction expenses shall be included in the initial recognition amount. Bonds payable are measured at amortised cost subsequently.

The difference between the issue price of the bonds and the total face value of the bonds shall be regarded as the bond premium or discount, which shall be amortised at the time of interest withdrawal according to the effective interest method within the duration of the bonds and shall be handled according to the principle of borrowing costs. When the coupon rate of a bond is close to the effective interest rate and the amount of premium or discount is small, the Group uses the simplified method to amortise the amount of premium or discount equally over the life of the bond.

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(Unless indicated otherwise, all amounts are expressed in RMB)

IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES OF THE COMPANY (CONTINUED)

24. REVENUE RECOGNITION

Revenue is the total inflow of economic benefits arising from the Group's ordinary activities that result in an increase in owners' equity and are not related to the owners' contribution of capital.

The Group recognises revenue at the transaction price apportioned to the performance obligation in the contract when it is satisfied, i.e., when the customer acquires control of the relevant goods or services. A performance obligation is a contractual commitment by the Group to transfer clearly distinguishable goods or services to the customer. The transaction price is the amount of consideration that the Group expects to be entitled to receive as a result of the transfer of goods or services to the customer, but excluding amounts collected on behalf of third parties and amounts that the Group expects to be returned to the customer. In determining the transaction price, the Group considers factors such as the impact of variable consideration, significant financing components embedded in the contract, non-cash consideration, and consideration payable to customers. The transaction price recognized by the Group does not exceed the amount for which it is highly probable that there will be no material reversal of the cumulative revenue recognized when the relevant uncertainty is eliminated.

The Group's contracts (agreements, orders, etc.) with its customers usually specify the content and price of the services, which may consist of a single logistics step or involve multiple logistics steps. When multiple logistics steps are involved, the Group decides whether to treat them as a single performance obligation with reference to factors such as the degree of interconnectedness and dependence of the various logistics steps.

Where a contract contains two or more performance obligations, the Group allocates the transaction price to each performance obligation in proportion to the relative proportions of the individual sale price of the goods or services committed to by each performance obligation at the commencement date of the contract. However, where there is conclusive evidence that the contractual discount or variable consideration relates to only one or more (but not all) of the performance obligations in the contract, the Group apportions the contractual discount or variable consideration to the relevant one or more performance obligations. The individual selling price is the price at which the Group sells goods or services to a customer individually. Where individual selling prices are not directly observable, the Group estimates the individual selling price, with reference to all relevant information that is reasonably available and using observable inputs to the maximum extent possible.

Where there is variable consideration in a contract, the Group determines the best estimate of the variable consideration based on expectations or the most likely amount to occur. The transaction price that includes variable consideration does not exceed the amount by which it is highly unlikely that there will be a material reversal of the cumulative recognised revenue at the time the related uncertainty is eliminated. At each balance sheet date, the Group re-estimates the amount of the variable consideration that should be included in the transaction price.

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Notes to the Financial Statements

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IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES OF THE COMPANY (CONTINUED)

24. REVENUE RECOGNITION (CONTINUED)

Where the customer pays non-cash consideration, the Group determines the transaction price by reference to the fair value of the non-cash consideration. If the fair value of the non-cash consideration cannot be reasonably estimated, the Group determines the transaction price indirectly by reference to the separate selling price of the goods or services that the Group promises to transfer to the customer.

Where there is consideration payable to a customer under a contract, unless the consideration is to obtain other distinguishable goods or services from the customer, the Group offsets the consideration payable against the transaction price and reduces current revenue at the later of the point at which the related revenue is recognised and the customer consideration is paid (or promised to be paid).

For sales with a quality assurance clause, the quality assurance constitutes a single performance obligation if it provides a separate service in addition to the assurance to the customer that the goods or services sold comply with established standards. Otherwise, the Group accounts for the quality assurance obligation in accordance with the provisions of Accounting Standards for Business Enterprises No. 13 – Contingencies.

Where there is a significant financing element in a contract, the Group determines the transaction price based on the amount that would be payable in cash, assuming that the customer paid for the goods or services at the time it acquired control. The difference between this transaction price and the contract consideration is amortised over the term of the contract using the effective interest method. Significant financing elements of the contract are not taken into account when the Group expects that the interval between the customer's acquisition of control of the goods or services and the customer's payment of the price will not exceed one year at the contract start date.

When the Group receives advance payments from customers for the sale of goods or services, it first recognises the payments as a liability and then converts them to revenue when the related performance obligations are fulfilled. When the Group's advance receipts are not required to be returned and it is probable that the customer will waive all or part of its contractual rights, the Group recognises the above amount as revenue on a pro-rata basis in accordance with the pattern of the customer's exercise of contractual rights, if the Group expects to be entitled to the amount related to the contractual rights waived by the customer; otherwise, the Group transfers the relevant balance of the above liability only when it is highly unlikely that the customer will demand performance of the remaining performance obligation to revenue.

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Notes to the Financial Statements

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(Unless indicated otherwise, all amounts are expressed in RMB)

IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES OF THE COMPANY (CONTINUED)

24. REVENUE RECOGNITION (CONTINUED)

A performance obligation is a performance obligation that is performed over a period of time, and the Group recognises revenue over a period of time in accordance with the progress of the performance, when one of the following conditions is met: (1) The customer acquires and consumes the economic benefits from the Group's performance as the Group performs; (2) The customer is able to control the goods under construction in the Group's performance; (3) The goods or services produced by the Group's performance are irreplaceable, and the Group is entitled to receive payment for the portion of the performance that has been accumulated to date throughout the contract period. Otherwise, the Group recognises revenue at the point at which the customer acquires control of the relevant goods or services.

The Group's logistics, e-commerce, and agency and its related businesses, based on the identity as a principal, usually provide point-to-point logistic services to customers. Customers obtain and consume the economic interests brought by the performance at the same time as the Group's performance. As the above services provided by the Group are usually completed within a relatively short period of time within an accounting period, the services provided across accounting periods are not material to the Group and therefore the Group recognises the realisation of revenue at the point of completion for the above services.

The Group recognises revenue for its agency and related businesses carried out in the role of an agent when the relevant agency act is completed.

The Group determines whether its identity at the time of performing a transaction is that of a principal or an agent based on whether it has control over the goods or services prior to transferring the goods or services to the customer. In the case of agency and related businesses, the Group's status as a principal or agent is determined primarily by considering whether it has assumed the corresponding risks and liabilities. If the Group is a principal, revenue is recognised on the basis of the total consideration received or receivable; otherwise, the Group is an agent and recognises revenue on the basis of the amount of commission or fee to which it expects to be entitled, which is determined either on the basis of the net amount of the total consideration received or receivable after deducting the price due to other related parties or on the basis of an established amount or percentage of the commission, among other things.

A contract asset is a right to receive consideration for goods or services that the Group has transferred to a customer and that is dependent on factors other than the passage of time. For the accounting policy regarding contract asset impairment, please refer to Note IV. 11. The Group's unconditional (that is, time-dependent) right to collect considerations from customers is presented separately as receivables.

A contract liability is an obligation to transfer goods or services to a customer for consideration received or receivable by the Group from the customer.

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IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES OF THE COMPANY (CONTINUED)

24. REVENUE RECOGNITION (CONTINUED)

Contract assets and contract liabilities under the same contract are shown on a net basis.

The cost of obtaining a contract

An asset is recognised when the Group expects to recover the incremental costs incurred to obtain the contract (i.e., costs that would not have been incurred but for the contract). If the asset is amortised over a period of less than one year, it is charged to the current profits and losses as incurred. Other expenses incurred to acquire a contract are charged to the current profits and losses when incurred, except when clearly borne by the customer.

The cost of performing a contract

Costs incurred by the Group to perform a contract, which is outside the scope of corporate accounting standards other than the Revenue Standards, are recognised as an asset when the following conditions are met: (1) The cost is directly related to a current or expected contract; (2) The cost increases the Group's future resources available to meet its performance obligations; and (3) The cost is expected to be recoverable. These assets are amortised using the same basis as revenue recognition for the goods or services to which the asset relates and are recognised in the current profits and losses.

25. GOVERNMENT GRANTS

Government grants are monetary and non-monetary assets that the Group acquires from the government at no cost. Government grants are recognised when the conditions attached to the grants can be met and the grants can be received.

Where government grants are monetary assets, they are measured at the amount received or receivable. Where government grants are non-monetary assets, they are measured at fair value; where fair value cannot be obtained reliably, they are measured at nominal amounts. Government grants measured at nominal amounts are directly recognised in the current profits and losses.

Government grants relating to assets should be recognised as deferred income and charged to profit or loss over the useful life of the related assets in a reasonable and systematic manner. Government grants measured at nominal amounts are directly recognised in the current profits and losses. If the relevant asset is sold, transferred, scrapped, or destroyed before the end of its useful life, the undistributed balance of the relevant deferred income should be transferred to the current profits and losses for the period when the asset is disposed of.

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IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES OF THE COMPANY (CONTINUED)

25. GOVERNMENT GRANTS (CONTINUED)

Revenue-related government grants which are used to compensate the Group for related costs or losses in future periods are recognised as deferred income and charged to the current profits and losses for the period when the related costs or losses are recognised; those used to compensate the Group for related costs or losses already incurred are charged directly to the current profits and losses.

For government grants that contain both asset-related parts and revenue-related parts, the different parts are distinguished for separate accounting treatment; if it is difficult to distinguish, the whole is classified as revenue-related government grants.

Government grants related to the Group's daily activities are included in other income or offsetting related costs in accordance with the substance of economic operations. Government grants not related to the Group's daily activities are included in non-operating income.

26. BORROWING COSTS

The capitalisation of borrowing costs directly attributable to the acquisition or production of a capitalisation-eligible asset begins when expenditures for the asset have been incurred, borrowing costs have been incurred, and the acquisition or production activities necessary to bring the asset to its intended useable or marketable condition have commenced; the capitalisation of a capitalisation-eligible asset acquired or produced ceases when the asset reaches its intended useable or marketable condition. If an abnormal interruption in the acquisition or production of a capitalisation-eligible asset occurs and the interruption lasts for more than three consecutive months, the capitalisation of borrowing costs is suspended until the acquisition or production of the asset is restarted.

The remaining borrowing costs are recognised as an expense in the period in which they are incurred.

The amount of interest expenses actually incurred during the period of special borrowing, less the interest income earned by depositing unused borrowed funds with banks or investment income earned by making temporary investments, is capitalized; the amount of capitalisation for general borrowing is determined by multiplying the weighted average of the cumulative asset expenses in excess of the portion of special borrowing by the capitalisation rate of the general borrowing used. The capitalisation rate is determined based on the calculation of the weighted average interest rate on general borrowing. During the capitalisation period, all exchange differences on foreign-currency special borrowings are capitalized; exchange differences on foreign-currency general borrowings are recorded in the current profits and losses.

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Notes to the Financial Statements

For the period ended 30 June 2025
(Unless indicated otherwise, all amounts are expressed in RMB)

IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES OF THE COMPANY (CONTINUED)

27. INCOME TAXES

Income taxes consist of current income taxes and deferred income taxes.

27.1 Current income tax

At the balance sheet date, for current tax liabilities (or assets) arising from current and prior periods, the amount of income tax expected to be paid (or refunded) is measured at the amount calculated in accordance with the tax laws.

27.2 Deferred tax assets and deferred tax liabilities

Deferred tax assets and deferred tax liabilities are recognised using the balance sheet liability method for temporary differences arising from differences between the book value of certain items of assets and liabilities and their tax bases and from differences between the book value and tax bases of items that are not recognised as assets and liabilities but whose tax bases can be determined in accordance with the provisions of the tax laws.

Generally, all temporary differences are recognised for related deferred income tax purposes. However, for deductible temporary differences, the Group recognises a related deferred tax asset to the extent that it is more likely than not that the Group will be able to realize the taxable income used to offset the deductible temporary differences. In addition, related deferred tax assets or liabilities are not recognised for temporary differences that relate to the initial recognition of goodwill and to the initial recognition of assets or liabilities arising from transactions that are not business combinations, when they occur, do not affect accounting profit and taxable income (or deductible losses) and do not result in equal taxable temporary differences and deductible temporary differences.

A corresponding deferred tax asset is recognised to the extent that it is probable that future taxable income will be available against which the deductible losses and tax credits can be carried forward to future years.

The Group recognises deferred tax liabilities arising from taxable temporary differences related to investments in subsidiaries, associates, and joint ventures unless 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. For deductible temporary differences related to investments in subsidiaries, associates, and joint ventures, the Group recognises a deferred tax asset only when it is probable that the temporary differences will reverse in the foreseeable future and it is probable that future taxable income will be available against which the deductible temporary differences can be utilized.

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IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES OF THE COMPANY (CONTINUED)

27. INCOME TAXES (CONTINUED)

27.2 Deferred tax assets and deferred tax liabilities (Continued)

At the balance sheet date, deferred tax assets and deferred tax liabilities are measured at the tax rates that are expected to apply in the period in which the related asset is recovered or the related liability is settled, in accordance with the provisions of the tax laws.

Current income taxes and deferred income taxes are recorded in the current profits and losses, except for current income taxes and deferred income taxes related to transactions and events directly recognised in other comprehensive income or owners' equity, which are included in other comprehensive or owners' equity, and the deferred income taxes resulting from business combinations used to adjust the book value of goodwill.

At the balance sheet date, the book value of deferred tax assets is reviewed and the book value of deferred tax assets is written down to the extent that it is more likely than not that sufficient taxable income will not be available in the future to offset the benefit of the deferred tax assets. To the extent that it is probable that sufficient taxable income will be available, the amount of the write-down is reversed.

27.3 Offset of income taxes

When there is a legal right to settle on a net basis and the intention is to settle on a net basis or to acquire assets and settle liabilities simultaneously, the Group's current tax assets and current tax liabilities are presented on a net basis after offsetting.

The Group's deferred tax assets and deferred tax liabilities are presented after offsetting when there is a legally enforceable right to settle current tax assets and current tax liabilities on a net basis and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity or different taxable entities, provided that in each future period in which significant deferred tax assets and liabilities reverse, the taxable entity involved intends to settle current tax assets and liabilities on a net basis or to acquire the assets and settle the liabilities simultaneously.

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Notes to the Financial Statements

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IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES OF THE COMPANY (CONTINUED)

28. FOREIGN CURRENCY OPERATIONS AND TRANSLATION OF FOREIGN CURRENCY STATEMENTS

28.1 Foreign currency operations

Foreign currency transactions are translated at initial recognition using the spot exchange rate at the date of the transaction.

At the balance sheet date, monetary items denominated in foreign currencies are translated into those in functional currency using the spot exchange rate at that date, and exchange differences resulting from differences between the spot exchange rate at that date and the spot exchange rate at initial recognition or at the previous balance sheet date are recognised in profit or loss, except (1) Exchange differences on foreign currency special borrowings eligible for capitalisation are capitalised to the cost of the related assets during the capitalisation period; (2) Exchange differences on hedging instruments that are hedged to avert the foreign exchange risk are accounted for under the hedge accounting method; (3) Exchange differences on monetary items classified as at fair value through other comprehensive income are included in other comprehensive income, except for those arising from changes in book balance other than the amortised cost.

If the preparation of the consolidated financial statements involves foreign operations, and if there are foreign currency monetary items that substantially constitute a net investment in foreign operations, exchange differences resulting from changes in exchange rates are included in “translation difference of the financial statements in foreign currency” under other comprehensive income; when foreign operations are disposed of, they are included in profit or loss for the period of disposal.

Foreign currency non-monetary items measured at historical cost continue to be measured at the functional currency amount translated at the spot exchange rate at the date of the transaction. Foreign currency non-monetary items measured at fair value are translated using the spot exchange rate at the date the fair value is determined, and the difference between the functional currency amount after translation and the original recorded local currency amount is treated as a change in fair value (including exchange rate changes) and recognised in the current profits and losses or other comprehensive income.

Chapter 8

Notes to the Financial Statements

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(Unless indicated otherwise, all amounts are expressed in RMB)

IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES OF THE COMPANY (CONTINUED)

28. FOREIGN CURRENCY OPERATIONS AND TRANSLATION OF FOREIGN CURRENCY STATEMENTS (CONTINUED)

28.2 Translation of foreign currency statements

For the purpose of preparing consolidated financial statements, foreign currency financial statements of foreign operations are translated into RMB as follows: All assets and liability items in the statement of financial position are translated at the spot exchange rate at the balance sheet date; owners' equity items, except for the translation difference items of foreign currency financial statements included in undistributed profits and other comprehensive income, are translated at the spot exchange rate at the time of occurrence; all items in the statement of profit or loss and other comprehensive income and those items reflecting the occurrence of profit distribution are translated at the exchange rate approximate to the spot exchange rate at the date of the transaction; the difference between the translated asset items and the sum of liability items and owners' equity items is recognised as other comprehensive income and included in owners' equity.

Cash flows in foreign currencies and the cash flows of foreign subsidiaries are translated using the exchange rate approximate to the spot exchange rate at the date of the cash flows, and the effect of exchange rate changes on cash and cash equivalents is shown as a reconciling item in the statement of cash flows as "effect of foreign exchange rate changes".

Closing balances of the prior year and prior year actuals are presented in accordance with the amounts translated from the prior year's financial statements.

Upon the disposal of the Group's entire owners' equity in a foreign operation or the loss of control over the foreign operation due to the disposal of a portion of the equity investment or otherwise, the translation differences of the financial statements in foreign currency that are shown under other comprehensive income in the statement of financial position and that are related to that foreign operation and attributable to the owners' equity of the Company are transferred in full to profit or loss for the period of disposal.

Where the disposal of a portion of an equity investment or otherwise results in a reduction in the proportion of equity interest held in a foreign operation but without loss of control over the foreign operation, the translation differences of the financial statements in foreign currency related to the disposal portion of the foreign operation will be attributed to non-controlling interests and will not be transferred to the current profits and losses. When the foreign operation disposed of is part of the equity in an associate or joint venture, the translation differences of the financial statements in foreign currency related to that foreign operation are transferred to profit or loss for the period of disposal in proportion to the disposal of the foreign operation.

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IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES OF THE COMPANY (CONTINUED)

29. LEASES

A lease is a contract in which the lessor gives the right to use an asset to the lessee for a certain period of time in return for consideration.

At the contract commencement date, the Group assesses whether the contract is a lease or contains a lease. A contract is a lease or contains a lease if one party of the contract transfers the right to control the use of one or more identified assets for a certain period of time in exchange for consideration. The Group does not reassess whether a contract is a lease or contains a lease unless there is a change in the terms and conditions of the contract.

29.1 The Group as lessee

29.1.1 Separation of leases

Where a contract contains one or more lease and non-lease components, the Group separates all lease and non-lease components and apportions the contract consideration in relative proportions of the sum of the separate prices of each lease component and the separate prices of the non-lease components.

29.1.2 Right-of-use asset

With the exception of short-term leases and leases of low-value assets, the Group recognises right-of-use assets for leases at the start date of the lease term. The start date of the lease term is the date on which the lessor makes the leased asset available for use by the Group.

Right-of-use assets are initially measured at cost, which comprises:

- The initial measurement amount of the lease liability.
- Lease payments made on or before the start date of the lease term, less the amount of lease incentives already enjoyed, if any.
- Initial direct costs incurred by the Group.
- The Group's costs are expected to be incurred from dismantling and removing the leased asset, rehabilitating the site where the leased asset is located, or restoring the leased asset to the condition agreed under the terms of the lease.

The Group depreciates right-of-use assets with reference to the relevant depreciation provisions of Accounting Standards for Business Enterprises No. 4 – Fixed Assets. Where it is reasonably certain that the Group will obtain ownership of a leased asset at the end of the lease term, the right-of-use asset is depreciated over the remaining useful life of the leased asset. Where it is not reasonably certain that ownership of a leased asset can be obtained at the end of the lease term, depreciation is charged over the shorter of the lease term and the remaining useful life of the leased asset.

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Notes to the Financial Statements

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IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES OF THE COMPANY (CONTINUED)

29. LEASES (CONTINUED)

29.1 The Group as lessee (Continued)

29.1.3 Lease liabilities

Except for short-term leases and leases of low-value assets, the Group initially measures the lease liability at the start date of the lease term based on the present value of the lease payments outstanding at that date. In calculating the present value of the lease payments, the Group uses the interest rate implicit in the lease as the discount rate and, where the interest rate implicit in the lease cannot be determined, the incremental borrowing rate as the discount rate.

Lease payments are payments made by the Group to the lessor relating to the right to use the leased asset over the lease term, including:

- Fixed payments and substantive fixed payments, net of amounts related to lease incentives if lease incentives exist.
- Variable lease payments that depend on an index or rate.
- The exercise price of the purchase option if the Group reasonably determines that the purchase option will be exercised.
- The amount to be paid to exercise the lease termination option if the lease term reflects that the Group will exercise the lease termination option.
- Expected payments based on the residual value of guarantees provided by the Group.

Variable lease payments that are index-or rate-dependent are determined at initial measurement based on an index or rate at the start date of the lease term. Variable lease payments that are not included in the measurement of lease liabilities are recognised in the current profits and losses or costs of the related assets when they are actually made.

After the start date of the lease term, the Group calculates the interest expense of the lease liability for each period during the lease term at a fixed periodic interest rate and records it in the current profits and losses or costs of the related assets.

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IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES OF THE COMPANY (CONTINUED)

29. LEASES (CONTINUED)

29.1 The Group as lessee (Continued)

29.1.3 Lease liabilities (Continued)

After the lease term starts, the Group remeasures the lease liability and adjusts the corresponding right-of-use asset if any of the following occurs; if the book value of the right-of-use asset has been reduced to zero but the lease liability is subject to further reduction, the Group recognises the difference in the current profits and losses:

- In the event of a change in the lease term or a change in the appraisal result of the purchase option, the Group remeasures the lease liability at the present value of the changed lease payments and the revised discount rate;
- Where there is a change in the amount expected to be payable based on the residual value of guarantees or in the index or rate used to determine the lease payments, the Group remeasures the lease liability at the present value of the changed lease payments and the original discount rate. Where changes in the lease payments result from changes in floating interest rates, the revised discount rate is used.

29.1.4 Short-term leases and low-value asset leases

The Group elects not to recognise right-of-use assets and lease liabilities for short-term leases and low-value asset leases. Short-term leases are leases with a lease term of less than 12 months at the start date of the lease term and do not include purchase options. Leases of low-value assets are leases where the value of a single leased asset does not exceed RMB50,000 when the asset is brand new. The Group recognises the lease payments for short-term leases and low-value asset leases in the current profits and losses or the cost of the related assets in each period of the lease term on a straight-line basis or by other systematic and reasonable methods.

29.1.5 Lease modification

When a lease modification occurs and the following conditions are also met, the Group accounts for the lease modification as a separate lease:

- The lease modification expands the scope of the lease by adding the right to use one or more leased assets;
- The increased consideration is equal to the separate price of the expanded portion of the lease, adjusted for that contract.

If the lease modification is not accounted for as a separate lease, the Group reapportions the consideration for the changed contract at the effective date of the lease modification, redetermines the lease term, and remeasures the lease liability at the present value of the modified lease payments and the revised discount rate.

If the lease modification results in a reduction in the scope of the lease or a shortening of the lease term, the Group reduces the book value of the right-of-use asset accordingly and recognises the gain or loss relating to the partial or complete termination of the lease in the current profits and losses. If other lease changes result in the remeasurement of the lease liability, the Group adjusts the book value of the right-of-use asset accordingly.

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IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES OF THE COMPANY (CONTINUED)

29. LEASES (CONTINUED)

29.2 The Group as lessor

The Group recognises lease receipts under operating leases as rental income on a straight-line basis from period to period over the lease term, unless another systematic and rational method better reflects the pattern of depletion of economic benefits arising from the use of the leased asset. Initial direct costs incurred by the Group in connection with operating leases are capitalised and amortised over the lease term on the same basis as rental income recognition and are recognised in the current profits and losses.

29.2.1 *Separation of leases*

Where the contract contains both lease and non-lease components, the Group apportions the contract consideration in accordance with the provisions of Revenue Standards on transaction price apportionment, based on the separate prices of each of the lease and non-lease components.

29.2.2 *Classification of leases*

A lease that transfers substantially all the risks and rewards of ownership of the leased asset is a finance lease. Leases other than finance leases are operating leases.

29.2.3 *The Group records operating lease business as a lessor*

During each period over the lease term, the Group recognises lease receipts for operating leases as rental income using the straight-line method or other systematic and reasonable method. Initial direct costs incurred by the Group in connection with operating leases are capitalised as incurred and are amortised over the lease term on the same basis as rental income recognition and charged to profit or loss for the corresponding period.

Variable lease receipts acquired by the Group in connection with operating leases that are not included in lease receipts are charged to profit or loss for the period when they are incurred.

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(Unless indicated otherwise, all amounts are expressed in RMB)

IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES OF THE COMPANY (CONTINUED)

29. LEASES (CONTINUED)

29.2 The Group as lessor (Continued)

29.2.4 The Group records finance lease business as a lessor

At the start date of the lease term, the Group records the net lease investment as the value of the finance lease receivables and derecognises the finance lease asset. The net lease investment is the sum of the unguaranteed residual value and the present value of the lease receipts not yet received at the start date of the lease term, discounted at the interest rate implicit in the lease.

Lease receipts represent amounts that the Group shall receive from lessees in connection with the assignment of the right to use a leased asset during the lease term, including:

- Fixed payments and substantive fixed payments are to be paid by the lessees less the amount related to lease incentives, if lease incentives exist.
- Variable lease payments that depend on an index or rate.
- The exercise price of the purchase option provided that it is reasonably certain that the lessee will exercise the option.
- The amount to be paid by the lessee to exercise the lease termination option provided that the lease term reflects that the lessee will exercise the lease termination option.
- The residual value of the guarantee provided to the Group by the lessee, a party related to the lessee, and an independent third party with the financial ability to meet the guarantee obligations.

Variable lease receipts that are index-or rate-dependent are determined at initial measurement based on an index or rate at the start date of the lease term. Variable lease receipts that are not included in the net lease investment measurement are charged to profit or loss for the period when they are incurred.

The Group calculates and recognises interest income at a fixed periodic interest rate for each period of the lease term.

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Notes to the Financial Statements

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IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES OF THE COMPANY (CONTINUED)

29. LEASES (CONTINUED)

29.2 The Group as lessor (Continued)

29.2.5 Sublease

The Group, as a sublease lessor, accounts for the original lease and sublease contracts as two separate contracts. The Group classifies subleases based on the right-of-use assets arising from the original lease, rather than the underlying assets of the original lease.

29.2.6 Lease modification

Where there is a modification in an operating lease, the Group accounts for it as a new lease from the effective date of the modification, and the amount of lease receipts received in advance or receivable relating to the pre-modification lease is treated as receipts under the new lease.

When a modification in a finance lease occurs and the following conditions are also met, the Group accounts for the modification as a separate lease:

- The modification expands the scope of the lease by adding the right to use one or more leased assets.
- The increased consideration is equal to the separate price of the expanded portion of the lease, adjusted for that contract.

If a modification in a finance lease is not accounted for as a separate lease, the Group treats the modified lease as follows:

- Where the lease would have been classified as an operating lease had the modification been effective at the lease start date, the Group accounts for the lease as a new lease from the effective date of the lease modification, and the book value of the leased asset is the net lease investment before the effective date of the lease modification.
- Had the modification been effective at the lease start date, the lease would have been classified as a finance lease, and the Group would have accounted for it in accordance with the provisions of Accounting Standards for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments on the modification or renegotiation of contracts.

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IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES OF THE COMPANY (CONTINUED)

29. LEASES (CONTINUED)

29.3 Sale and leaseback transactions

29.3.1 *The Group as seller and lessee*

The Group assesses whether the transfer of an asset in a sale and leaseback transaction is a sale in accordance with the provisions of Revenue Standards. If the asset transfer is not a sale, the Group continues to recognise the transferred asset and meanwhile recognises a financial liability equal to the amount of the transfer proceeds, and accounts for the financial liability in accordance with the Accounting Standards for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments. If the asset transfer is a sale, the Group measures the right-of-use asset resulting from the sale and leaseback based on the portion of the book value of the original asset that relates to the right of use acquired through leaseback and recognises a gain or loss only on the right transferred to the lessor.

29.3.2 *The Group as buyer and lessor*

Where the asset transfer in a sale and leaseback transaction is not a sale, the Group does not recognise the transferred asset, but recognises a financial asset equal to the amount of the transfer proceeds, and accounts for the financial asset in accordance with the Accounting Standards for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments. If the asset transfer is a sale, the Group accounts for the purchase of the asset and the lease of the asset in accordance with other applicable business accounting standards.

30. NON-CURRENT ASSETS HELD FOR SALE OR DISPOSAL GROUPS

30.1 Recognition criteria and accounting treatment for non-current assets held for sale or disposal groups

The Group classifies as held for sale when it recovers the book value of a non-current asset or disposal group primarily through a sale, including a non-monetary asset exchange with commercial substance, rather than through the continued use of the non-current asset or disposal group.

A non-current asset or disposal group classified as held for sale is subject to both: (1) Immediate sale in its current condition, as is customary for the sale of such an asset or disposal group in similar transactions, and (2) a sale is highly probable, i.e., the Group has resolved on a plan to sell and has received firm purchase commitments and the sale is expected to be completed within one year.

The Group measures non-current assets or disposal groups held for sale at the lower of their book value or fair value less selling expenses. If the book value is higher than the fair value less selling expenses, the book value is written down to the fair value less selling expenses, and the amount of the write-down is recognised as an impairment of assets in the current profits and losses. An impairment provision is also made for assets held for sale. If the fair value of non-current assets held for sale, net of selling expenses, increases at subsequent balance sheet dates, the amount previously written down is restored and reversed within the impairment amounts of the assets recognised after classification as held for sale, and the reversed amount is recognised in the current profits and losses.

Non-current assets held for sale or non-current assets in disposal groups are not depreciated or amortised, and interest and other charges on liabilities in the disposal groups held for sale continue to be recognised.

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Notes to the Financial Statements

For the period ended 30 June 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES OF THE COMPANY (CONTINUED)

30. NON-CURRENT ASSETS HELD FOR SALE OR DISPOSAL GROUPS (CONTINUED)

30.1 Recognition criteria and accounting treatment for non-current assets held for sale or disposal groups (Continued)

Equity investments in associates or joint ventures are classified in whole or in part as assets held for sale, and the portion classified as held for sale is no longer accounted for under the equity method from the date it is classified as held for sale.

30.2 Recognition criteria and presentation of discontinued operations

A discontinued operation is a component of the Group that can be separately distinguished, has been disposed of or classified as held for sale, and meets one of the following conditions:

- (1) The component represents a separate major business or a major area of operations.
- (2) The component is part of a single coordinated plan to dispose of a separate major business or a separate major area of operations.
- (3) The component is a subsidiary acquired exclusively for resale.

Gains and losses from discontinued operations and those from continuing operations are presented separately in the statement of profit or loss and other comprehensive income, with operating gains and losses, such as impairment losses and reversals from discontinued operations and gains and losses on disposals being reported as discontinued operations. For discontinued operations presented in the current period, the Group restates the information previously presented as gains and losses from continuing operations in the current financial statements as discontinued operations in the comparable accounting periods.

31. SAFETY PRODUCTION COSTS

In accordance with the Administrative Measures on the Withdrawal and Use of Safety Production Costs by Enterprises No. 136 of Caizi [2022] jointly issued by the Ministry of Finance and the Ministry of Emergency Management on 13 December 2022, the Group extracts safety production costs which will be credited to the cost of relevant products or current profits and losses, and at the same time be transferred to the special reserve. When the extracted safety production costs are used as expenses, they are directly deducted from the special reserve. When the extracted safety production costs are used to form fixed assets, the expenses incurred are collected under the account “Construction in progress” and recognised as fixed assets when the safety projects are completed and ready for use; at the same time, the cost of the fixed assets is deducted from the special reserve, and the same amount of accumulated depreciation is recognised. Such fixed assets are not depreciated in subsequent periods.

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IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES OF THE COMPANY (CONTINUED)

32. ASSET SECURITISATION BUSINESS

When a financial asset is transferred, it is judged on the basis of the transfer of substantially all the risks and rewards of ownership of the relevant financial asset. If substantially all the risks and rewards of ownership of the relevant financial asset have been transferred, the corresponding financial asset is derecognised. If substantially all the risks and rewards of ownership of the relevant financial asset have not been transferred but have been retained, the financial asset is not derecognised. If substantially all the risks and rewards of ownership of the relevant financial asset have been transferred or retained, derecognition is determined based on the extent of control over the financial asset. If control over the financial asset is relinquished, the financial asset is derecognised; if control over the financial asset is not relinquished, the financial asset is recognised to the extent of its continuing involvement in the financial asset, and the related liability is recognised accordingly.

If the transfer of the financial asset meets the criteria for derecognition of the whole financial asset, the difference between the consideration received for the transfer and the corresponding book value is recognised in the current profits and losses, and the cumulative change in fair value of the relevant financial asset originally recognised directly in shareholders' equity is also recognised in the current profits and losses. If the conditions for derecognition of the partial transfer are met, the book value of the whole financial asset involved in the transfer is apportioned between the part that is derecognised and the part that is not derecognised based on the relative fair value of each part, and the part that is derecognised is treated based on the apportioned book value and with reference to the overall transfer treatment. If the conditions for derecognition are not met, the consideration received is recognised as a financial liability.

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Notes to the Financial Statements

For the period ended 30 June 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES OF THE COMPANY (CONTINUED)

33. NON-MONETARY ASSET EXCHANGE

A non-monetary asset exchange is measured at fair value if the non-monetary asset exchange has commercial substance and the fair value of the exchange-in asset or exchange-out asset can be measured reliably. For the exchange-in asset, the fair value of the exchange-out asset and the related tax payable are initially measured as the cost of the exchange-in asset; for the exchange-out asset, the difference between the fair value and the book value of the exchange-out asset is recognised in the current profits and losses upon derecognition. If there is sufficient evidence that the fair value of the exchange-in asset is more reliable, the fair value of the exchange-in asset plus the relevant tax payable is used as the initial measurement amount of the exchange-in asset; for the exchange-out asset, the difference between the fair value of the exchange-in asset and the book value of the exchange-out asset is charged to the current profits and losses upon derecognition.

Non-monetary asset exchanges that do not meet the condition of being measured at fair value are measured at book value. For the exchange-in asset, the book value of the exchange-out asset plus the relevant tax payable is used as the initial measurement amount of the exchange-in asset; for the exchange-out asset, no gain or loss is recognised upon derecognition.

When there is a discrepancy between the point of recognition of the exchange-in asset and the point of derecognition of the exchange-out asset, the exchange-in asset meets the asset recognition condition and, if the exchange-out asset has not yet met the derecognition condition, the obligation to deliver the exchange-out asset is recognised as a liability at the same time as the exchange-in asset is recognised; if the exchange-in asset has not yet met the asset recognition condition and the exchange-out asset meets the derecognition condition, the right to acquire the exchange-in asset is recognised as an asset at the same time as the exchange-out asset is derecognised.

Where multiple assets are received simultaneously in a non-monetary asset exchange that is measured at fair value, the net amount of the total fair value of the exchange-out assets less the fair value of the exchange-in financial assets is apportioned according to the relative proportion of the fair value of each exchange-in asset other than the exchange-in financial assets, and the amount apportioned to each exchange-in asset plus the relevant tax payable is initially measured as the cost of each exchange-in asset. If there is sufficient evidence that the fair value of the exchange-in assets is more reliable, the fair value of each exchange-in asset and the related tax payable are initially measured as the cost of each exchange-in asset. Where the non-monetary asset exchange is measured at book value, the total book value of the exchange-out asset is apportioned to each exchange-in asset according to the relative proportion of the fair value of each exchange-in asset, and the amount apportioned plus the relevant tax payable is recognised as the initial measurement amount of each exchange-in asset. If the fair value of the exchange-in asset cannot be measured reliably, the book value of the exchange-out asset is apportioned according to the relative proportion or other reasonable proportion of the original book value of each exchange-in asset.

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Notes to the Financial Statements

For the period ended 30 June 2025
(Unless indicated otherwise, all amounts are expressed in RMB)

IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES OF THE COMPANY (CONTINUED)

33. NON-MONETARY ASSET EXCHANGE (CONTINUED)

Where multiple assets are given up simultaneously in a non-monetary asset exchange measured at fair value, the difference between the fair value of each exchange-out asset and its book value is recognised in the current profits and losses upon the derecognition of each exchange-out asset. If there is sufficient evidence that the fair value of the exchange-in asset is more reliable, the total fair value of the exchange-in asset is apportioned to each exchange-out asset according to the relative proportion of the fair value of each exchange-out asset. The difference between the amount apportioned to each exchange-out asset and the book value of each exchange-out asset is recognised in the current profits and losses on the derecognition of each exchange-out asset. Where the non-monetary asset exchange is measured at book value, no gain or loss is recognised on the derecognition of each exchange-out asset.

34. DEBT RESTRUCTURING

34.1 Recording debt restructuring obligations as a debtor

A debt restructuring in which the debt is settled by assets is derecognised when the relevant assets and the settled debt meet the conditions for derecognition, and the difference between the book value of the settled debt and the book value of the transferred assets is recognised in the current profits and losses.

A debt restructuring that converts a debt into an equity instrument is derecognised when the settled debt meets the conditions for derecognition. The equity instrument is measured by the Group at its fair value upon initial recognition, and if the fair value cannot be reliably measured, it is measured at the fair value of the settled debt. The difference between the book value of the settled debt and the amount recognised for the equity instrument is recognised in the current profits and losses.

For a debt restructuring in the form of modifying other terms, the restructured debt shall be recognised and measured by the Group in accordance with the Accounting Standards for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments and Accounting Standards for Business Enterprises No. 37 – Presentation of Financial Instruments.

If a debt restructuring is carried out by using multiple assets to pay off debts or by means of a combination, equity instruments and restructured debts shall be recognised and measured according to the above-mentioned methods. The difference between the book value of the settled debts and the book value of the transferred assets and the sum of the recognised amounts of the equity instruments and restructured debts shall be included in the current profits and losses.

34.2 Recording debt restructuring obligations as a creditor

When a debt restructuring is carried out by means of settlement of a debt with assets or conversion of a debt into an equity instrument, the Group recognizes the related assets when they meet the definition and recognition criteria.

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Notes to the Financial Statements

For the period ended 30 June 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES OF THE COMPANY (CONTINUED)

34. DEBT RESTRUCTURING (CONTINUED)

34.2 Recording debt restructuring obligations as a creditor (Continued)

For a debt restructuring in which assets are used to pay off debts, assets other than the transferred financial assets are initially recognised at cost. The cost of inventory includes the fair value of the abandoned creditors' rights and other costs directly attributable to the assets, such as taxes, transportation costs, handling charges, insurance premiums, etc., incurred to enable the assets to reach their current position and state. The cost of an investment in an associate or joint venture includes the fair value of the abandoned creditors' rights and other costs directly attributable to the asset, such as taxes. The cost of investment properties includes the fair value of the abandoned creditor's rights and other costs such as taxes that are directly attributable to the assets. The cost of a fixed asset includes the fair value of the abandoned creditors' rights and other costs directly attributable to the asset, such as taxes, transportation costs, handling charges, installation costs, and professional services fees, incurred before making the asset available for the intended use. The cost of a biological asset includes the fair value of the abandoned creditors' rights and other costs attributable to the asset, such as taxes, transportation costs, and insurance premiums. The cost of an intangible asset includes the fair value of the abandoned creditors' rights and other costs that are directly attributable to the asset such as taxes, incurred before making the asset available for the intended use. The difference between the fair value and the book value of the abandoned creditors' rights should be recognised in the current profits and losses.

When a debt restructuring that converts debt into an equity instrument results in the Group converting creditors' rights into an equity investment in an associate or joint venture, the Group measures the cost of its initial investment at the fair value of the abandoned creditors' rights and other costs directly attributable to the asset, such as taxes. The difference between the fair value and the book value of the abandoned creditors' rights is recognised in the current profits and losses.

For a debt restructuring in the form of modifying other terms, the creditor's rights restructured shall be recognised and measured by the Group in accordance with the Accounting Standards for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments.

If a debt restructuring is carried out by using multiple assets to pay off debts or by means of a combination, firstly, the transferred financial assets and creditor's rights restructured are recognised and measured in accordance with the Accounting Standards for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments, and then the net amount of the fair value of the abandoned creditors' rights after deducting the recognised amounts of the transferred financial assets and the creditor's rights restructured are allocated in proportion to the fair value of each asset other than the transferred financial assets, and on this basis, the cost of each asset is determined separately in accordance with the above method. The difference between the fair value and the book value of the abandoned creditors' rights is recognised in the current profits and losses.

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Notes to the Financial Statements

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V. CRITICAL JUDGMENTS MADE IN THE APPLICATION OF ACCOUNTING POLICIES AND KEY ASSUMPTIONS AND UNCERTAINTY IN ACCOUNTING ESTIMATES

In the application of the Group's accounting policies, which are described in Note IV, the inherent uncertainty in operating activities requires the Group to make judgments, estimates, and assumptions about the book value of statement items that cannot be measured accurately. These judgments, estimates, and assumptions are based on the historical experience of the management and other factors that are considered to be relevant. Actual results may differ from these estimates.

The judgments, estimates, and assumptions are reviewed by the Group regularly. The effects are recognised in the period in which an estimate is revised if the revision to the accounting estimate affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

1. KEY ASSUMPTIONS AND UNCERTAINTY IN CRITICAL ACCOUNTING JUDGMENTS AND ACCOUNTING ESTIMATES

At the balance sheet date, key assumptions and uncertainties in critical accounting judgments and accounting estimates that are likely to lead to significant adjustments in the book value of assets and liabilities in future periods are as follows:

1.1 Derecognition of transfers of financial assets

The Group transfers financial assets in the normal course of business through methods such as conventional transactions and asset securitisation. The Group is required to make significant judgments and estimates in the process of determining whether or not all of the transferred financial assets can be derecognised.

Where the Group transfers financial assets to a special purpose vehicle through a structured transaction, the Group analyses and assesses whether the relationship with the special purpose vehicle substantially demonstrates that the Group has control over the special purpose vehicle and therefore consolidation is required. The judgment of consolidation will determine whether the derecognition analysis should be performed at the level of the consolidation entity, or at the level of the single entity from which the financial assets are transferred.

The Group is required to analyse the contractual cash flow rights and obligations related to the transfer of financial assets to determine whether it meets the conditions for derecognition based on the following judgments.

- Whether the right to obtain the contractual cash flows has been transferred; or whether the cash flows have met the "pass-through" requirements and been transferred to an independent third party.
- Assess to which the risks and rewards of ownership of financial assets are transferred. The Group uses significant accounting estimates and judgments in estimating cash flows and other factors that affect the degree of risk and reward transfer before and after the transfer.

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Notes to the Financial Statements

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V. CRITICAL JUDGMENTS MADE IN THE APPLICATION OF ACCOUNTING POLICIES AND KEY ASSUMPTIONS AND UNCERTAINTY IN ACCOUNTING ESTIMATES (CONTINUED)

1. KEY ASSUMPTIONS AND UNCERTAINTY IN CRITICAL ACCOUNTING JUDGMENTS AND ACCOUNTING ESTIMATES (CONTINUED)

1.2 Recognition of expected credit losses

Significant increase in credit risk: In assessing expected credit losses on financial assets, the Group is required to judge whether the credit risk on financial assets has increased significantly since the acquisition, taking into account both qualitative and quantitative information and incorporating forward-looking information in the process.

Establishment of asset groups with similar credit risk characteristics: When expected credit losses are measured on a portfolio basis, financial instruments are grouped based on similar risk characteristics. The Group continually assesses whether these financial instruments continue to have similar credit risk characteristics to ensure that should the credit risk characteristics change, the financial instruments will be reclassified appropriately. This may result in the creation of a new portfolio or the reclassification of assets into an existing portfolio to better reflect the similar credit risk characteristics of such assets.

Use of models and assumptions: The Group uses different models and assumptions to assess expected credit losses on financial assets. The Group determines the most applicable model for each class of financial assets and the assumptions used to determine these models through judgment, including those assumptions related to key drivers of credit risk.

Forward-looking information: In assessing expected credit losses, the Group uses reasonable and informed forward-looking information that is based on assumptions about the future course of different economic drivers and how these economic drivers may interact with each other.

Default rate: The default rate is an important input for expected credit risk. The default rate is an estimate of the likelihood of default in a given period in the future and is calculated based on historical data, assumptions, and expectations of future conditions.

Loss given default: The loss given default is an estimate of the losses incurred in the event of default. It is based on the difference between the contractual cash flows and the cash flows expected to be received and takes into account the cash flows generated by the collateral and the overall credit enhancement.

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V. CRITICAL JUDGMENTS MADE IN THE APPLICATION OF ACCOUNTING POLICIES AND KEY ASSUMPTIONS AND UNCERTAINTY IN ACCOUNTING ESTIMATES (CONTINUED)

1. KEY ASSUMPTIONS AND UNCERTAINTY IN CRITICAL ACCOUNTING JUDGMENTS AND ACCOUNTING ESTIMATES (CONTINUED)

1.3 Goodwill impairment

As at 30 June 2025, the book value of goodwill was RMB2,156,584,945.61. The Group conducts impairment tests on goodwill at least annually. In performing the impairment test for goodwill, the Group's methods of determining the recoverable amount of each asset group and portfolio of asset groups from which goodwill arises include determining the recoverable amount based on fair value less estimated disposal costs and determining the recoverable amount based on the present value of the estimated future cash flows, both of which are matters involving management's judgment.

1.4 Recognition of deferred income tax

The Group recognises deferred tax assets for all unused deductible temporary differences and deductible losses to the extent of the sufficient taxable income used to deduct deductible temporary differences and deductible losses that are likely to be obtained in the future. This requires the management of the Group to use a large number of judgments to estimate the time and amount of future taxable income, and to determine the amount of deferred tax assets that should be recognised by taking into account tax planning strategies.

The Group operates in many countries and regions and pays the income tax payable in each region according to the local tax law and relevant regulations. The Group will calculate and make provisions for deferred tax liabilities in accordance with the requirements of relevant state agencies, the Group's development strategy, and the distribution plan of retained earnings of subsidiaries, associates, and joint ventures, as well as the provisions of the relevant tariff law. If the actual distribution of future profits exceeds expectations, the corresponding deferred tax liabilities will be recognised and recorded in profits and losses at the earlier of the change of the distribution plan and the announcement of profit distribution.

1.5 Impairment of long-term equity investments

As at 30 June 2025, the book value of the Group's investment in associates amounted to RMB5,951,161,769.42 (1 January 2025: RMB5,410,077,489.79); the book value of the Group's investment in joint ventures as at 30 June 2025 amounted to RMB4,195,270,261.91 (1 January 2025: RMB3,829,809,701.28). For long-term equity investments that have indications of impairment, the Group determines whether a long-term equity investment is impaired by estimating the recoverable amount of the long-term equity investment and comparing it with its book value. If the book value of the long-term equity investment is greater than the estimated recoverable amount, an impairment provision is made accordingly.

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V. CRITICAL JUDGMENTS MADE IN THE APPLICATION OF ACCOUNTING POLICIES AND KEY ASSUMPTIONS AND UNCERTAINTY IN ACCOUNTING ESTIMATES (CONTINUED)

1. KEY ASSUMPTIONS AND UNCERTAINTY IN CRITICAL ACCOUNTING JUDGMENTS AND ACCOUNTING ESTIMATES (CONTINUED)

1.6 Fair value of financial instruments

For financial instruments that lack an active market, the Group adopts a valuation method to determine their fair value. Valuation methods make the best use of observable market information; when observable market information is not available, an estimate is made of the significant unobservable information included in the valuation method.

Observable input values refer to input values that can be obtained from market data. The input values reflect the assumptions that market participants use to price related assets or liabilities.

Unobservable input values refer to input values that cannot be obtained from market data. The input values shall be determined based on the best available information on the assumptions used by market participants in pricing the relevant assets or liabilities.

1.7 Estimated useful life and estimated residual value of fixed assets and intangible assets

The Group determines the useful life and residual value of fixed assets and intangible assets. The estimation is based on the historical experience of the actual useful life and the residual value of fixed assets and intangible assets with similar properties and functions and may have significant changes due to technological innovation and severe industry competition. When the estimated useful life and the residual value of fixed assets or intangible assets are less than the previous estimates, the Group will increase the depreciation/amortisation, or write off or offset the technologically obsolete fixed assets or intangible assets.

1.8 Impairment of non-current assets other than financial assets (other than goodwill and long-term equity investments)

The Group determines at the balance sheet date whether there is any indication that non-current assets other than financial assets may be impaired, and performs impairment tests on those assets when there is an indication of impairment. In addition, intangible assets with indefinite useful lives are tested for impairment annually. The recoverable amount of an asset or asset group is determined based on the higher of the value in use of the asset or asset group and the net amount of its fair value less disposal expenses. In estimating its value in use, the future cash flows of the asset or asset group are projected and discounted using a discount rate. The management makes an accounting estimate on the use of the asset and forecasts future cash flows on a reasonable and informed basis, and determines the present value of the future cash flows using a discount rate that reflects the time value of money in the current market and the specific risks associated with the asset.

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V. CRITICAL JUDGMENTS MADE IN THE APPLICATION OF ACCOUNTING POLICIES AND KEY ASSUMPTIONS AND UNCERTAINTY IN ACCOUNTING ESTIMATES (CONTINUED)

1. KEY ASSUMPTIONS AND UNCERTAINTY IN CRITICAL ACCOUNTING JUDGMENTS AND ACCOUNTING ESTIMATES (CONTINUED)

1.9 Determine the lease term of a lease contract with a renewal option

For a lease contract signed as a lessee with a renewal option, the Group uses judgments to determine the lease term of the lease contract. The assessment of whether it is reasonably certain that the Group will exercise this option affects the length of the lease term, which in turn has a significant impact on the amount of the lease liability and right-of-use asset recognised under the lease.

1.10 Contingent liabilities

The Group is faced with numerous legal disputes in the course of its going concern, the outcome of which is subject to a significant degree of uncertainty. When the economic benefits associated with a particular legal dispute are considered to be likely to flow out and the amount can be measured reliably, the Group's management makes provisions for them based on professional legal advice. Significant contingent liabilities faced by the Group, other than those considered to be highly unlikely to result in an outflow of economic benefits, are disclosed in Note XII. The management uses judgments to determine whether provisions should be made for related legal disputes or whether they should be disclosed as contingent liabilities.

VI. SIGNIFICANT CHANGES IN ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES, AND CORRECTIONS OF ERRORS

1. CHANGES IN ACCOUNTING POLICIES AND EFFECTS

There are no material changes in the accounting policies of the Group during the period.

2. CHANGES IN ACCOUNTING ESTIMATES AND EFFECTS

There are no material changes in accounting estimates of the Group during the period.

3. CORRECTION OF PRIOR ERRORS AND IMPACT

There is no material correction of prior errors of the Group during the period.

4. OTHER ADJUSTMENTS

There are no other adjustments disclosed by the Group during the period.

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Notes to the Financial Statements

For the period ended 30 June 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

VII. TAXES

1. MAIN TAX CATEGORIES AND RATES

Tax categories	Tax bases	Tax rates
Value-added tax	Taxable value-added amount (the balance of the output tax less deductible input tax)	0%, 3%, 5%, 6%, 9%, 13%
Urban maintenance & construction tax	Turnover tax payable	1%, 5%, 7%
Education surcharge and local education surcharge	Turnover tax payable	3%, 2%
Stamp duty	Registered capital, capital reserve, economic contract amount, etc.	0.05%, 0.03%, etc.
Property tax	Taxable residual value and rental income of properties	1.2%, 12%
Urban land use tax	The actual area of the land occupied	0.6-30 RMB/m ²
Enterprise income tax (Note)	Taxable income	0-38%

Note: The enterprise income tax of the Company and its subsidiaries was calculated at the local current tax rate. The income tax rate of the Group's subsidiaries located in Mainland China is 25%. The income tax rates of the main subsidiaries in the countries or regions outside the mainland of the PRC are as follows:

Country or region	Applicable income tax rate
Hong Kong, China	16.50%
Japan	38%
South Korea	20.90%
Belarus	18%
Netherlands	25.80%

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Notes to the Financial Statements

For the period ended 30 June 2025
(Unless indicated otherwise, all amounts are expressed in RMB)

VII. TAXES (CONTINUED)

2. SIGNIFICANT TAX PREFERENCES AND APPROVALS

2.1 Enterprise income tax

- (1) According to the Announcement on the Continuation of Enterprise Income Tax Policy for Western Development (the Ministry of Finance, State Taxation Administration and the National Development and Reform Commission Announcement No. 23 of 2020), from 1 January 2021 to 31 December 2030, the enterprises established in Western China whose main business is the industrial projects specified in the Catalogue of Encouraging Industries in Western China and whose main business revenue accounts for more than 60% of the total revenue of the enterprises may pay their enterprise income tax at the reduced tax rate of 15%. During the reporting period, some branches and subsidiaries of the Group located in Western China enjoyed a preferential income tax rate of 15%.
- (2) According to the Circular of the Ministry of Finance and the State Taxation Administration on the Continuation of Preferential Policies on Enterprise Income Tax in Shenzhen Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone (Cai Shui [2021] No. 30), from 1 January 2021 to 31 December 2025, enterprises located in the Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone, that mainly engage in industries specified in the Catalogue of Preferential Policies on Enterprise Income Tax in the Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone (2021 Edition), and whose main business income accounts for 60% or more of their total income, are entitled to a enterprise income tax rate of 15%. During the reporting period, certain branches and subsidiaries of the Group located in Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone were entitled to a preferential enterprise income tax rate of 15%.
- (3) Pursuant to the Announcement on Tax Policies Relating to Further Supporting the Development of Micro and Small Enterprises and Individual Businesses (Announcement No. 12 of 2023 by the Ministry of Finance and the State Taxation Administration), the policy of calculating the taxable income of small micro-profit enterprises at a reduced rate of 25% and paying the enterprise income tax at a rate of 20% will be extended until 31 December 2027. During the reporting period, the Group's small and micro-enterprises meeting the conditions were entitled to the aforementioned income tax incentives.
- (4) According to the Notice of the State Taxation Administration on the Implementation of Several Tax Collection Issues under the Enterprise Income Tax Law (GSH [2010] No. 79) and Article 26 of the Enterprise Income Tax Law of the People's Republic of China, any dividends, bonuses, and other equity investment gains between resident enterprises are exempted from the enterprise income tax. The Group is exempted from the enterprise income tax on dividends, bonuses, and other equity investment gains between resident enterprises.

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Notes to the Financial Statements

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(Unless indicated otherwise, all amounts are expressed in RMB)

VII. TAXES (CONTINUED)

2. SIGNIFICANT TAX PREFERENCES AND APPROVALS (CONTINUED)

2.1 Enterprise income tax (Continued)

- (5) In accordance with No. 326 of the Decree of the President of the Republic of Belarus dated 30 June 2014, the occupants in the Great Stone Industrial Park are exempted from income tax on their profits from the sales of independently manufactured goods in the Great Stone Industrial Park for ten calendar years from the date of registration in Belarus; upon expiration of the period of ten calendar years from the date of registration, the profit taxes are paid at half of the tax rate set out in the Decree of the President during the next ten calendar years. In the reporting period, the profits from the sales of self-produced goods (projects, services) in the Great Stone Industrial Park by JSC China Merchants CHN-BLR Commerce and Logistics Company, a subsidiary of the Group, (hereinafter referred to as “China Merchants CHN-BLR Commerce”), are exempted from the enterprise income tax.
- (6) In accordance with the Notice of the Ministry of Finance and the State Taxation Administration on Certain Issues of Enterprise Income Tax Treatment of Enterprise Reorganisation Business (Cai Shui [2009] No. 59), the Notice of the Ministry of Finance and the State Taxation Administration on Enterprise Income Tax Treatment Issues Related to the Promotion of Enterprise Restructuring (Cai Shui [2014] No. 109) and the Announcement of the State Taxation Administration on the Administration of Enterprise Income Tax for the Transfer of Assets (Equity) (the State Taxation Administration Announcement [2015] No. 40) on the application of special tax treatment, during the reporting period, the Group met the requirements of applying the special tax treatment for the internal equity and asset transfers required in the aforesaid notices and announcements, without an adjustment on the tax base of the related assets and liabilities.

2.2 Value-added tax

- (1) In accordance with the Notice on Comprehensively Launching a Pilot Project for the Levy of Value-added Tax in Place of Business Tax (Cai Shui [2016] No. 36), the international freight forwarding business operated by the Group enjoys the tax concession of exemption from VAT.
- (2) According to the Interim Measures for the Administration of Value-added Tax Collection on the Provision of Real Estate Operation and Lease Services by Taxpayers, general taxpayers may choose to apply the simplified tax method to the leasing of their properties acquired before 30 April 2016 and calculate the tax payable at a tax rate of 5%. During the reporting period, the Group's real estate leasing business that met the aforesaid conditions was subject to the value-added tax at a rate of 5%.
- (3) According to the Business Tax to VAT Cross-border Taxable Acts VAT Exemption Administration Measures (for Trial Implementation), logistics auxiliary services (except warehousing services and collection and delivery services) sold to offshore units that are consumed entirely outside the country are exempt from VAT. The aviation ground services, port and terminal services, freight and passenger yard services, salvage and rescue services, loading and unloading services provided by taxpayers to foreign units engaged in international transportation and Hong Kong, Macao, and Taiwan transportation business are logistics auxiliary services consumed entirely outside China when they stop at China's airports, terminals, stations, airspace, inland waterways and sea areas. Subsidiaries of the Group engaged in the above business are entitled to this tax benefit.

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Notes to the Financial Statements

For the period ended 30 June 2025
(Unless indicated otherwise, all amounts are expressed in RMB)

VII. TAXES (CONTINUED)

2. SIGNIFICANT TAX PREFERENCES AND APPROVALS (CONTINUED)

2.3 Other taxes

- (1) Pursuant to the Announcement on Further Supporting the Development of Micro and Small Enterprises and Individual Businesses (Announcement No. 12 of 2023 by the Ministry of Finance and the State Taxation Administration), from 1 January 2023 to 31 December 2027, small-scale VAT taxpayers, small low-profit enterprises and individual businesses are subject to half reduction in resource tax (excluding water resource tax), urban maintenance and construction tax, property tax, urban land use tax, stamp duty (excluding stamp duty on securities transactions), arable land occupation tax, education surcharge and local education surcharge. Certain subsidiaries of the Group were entitled to the above tax incentives during the reporting period.
- (2) According to the Announcement on Continuing the Implementation of Preferential Policies on Urban Land Use Tax for Land for Bulk Commodity Warehousing Facilities of Logistics Enterprises (the Ministry of Finance and the State Taxation Administration Announcement No. 5 of 2023), from 1 January 2023 to 31 December 2027, the urban land use tax for land for bulk commodity warehousing facilities owned (including self-use and leasing) or leased by logistics enterprises will be reduced by 50% of the applicable tax standard of the land class to which the land belongs. Certain subsidiaries of the Group were entitled to the above tax incentives during the reporting period.
- (3) According to the Announcement on Continuing the Implementation of Preferential Policies on Property Tax and Urban Land Use Tax for Agricultural Products Wholesale Markets and Agricultural Trade Markets (the Ministry of Finance and the State Taxation Administration Announcement No. 50 of 2023), the property tax and urban land use tax are provisionally exempted for the property and land (including those owned and leased, the same below) specifically used for the operations of agricultural products in the agricultural products wholesale markets and agricultural trade markets; the property and land used for the operations of agricultural products in the agricultural products wholesale markets and agricultural trade markets that also deal with other products shall be exempted from property tax and urban land use tax based on the ratio of the area of the trading site for other products to that of the agricultural products, and the preferential policy shall be effective until 31 December 2027. Certain subsidiaries of the Group were entitled to the above tax incentives during the reporting period.

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VIII. BUSINESS COMBINATION AND CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION OF MAIN SUBSIDIARIES INCLUDED IN THE SCOPE OF CONSOLIDATION FOR THE PERIOD

No.	Company name	Grade	Enterprise type	Place of registration	Main business location	Nature of business	Paid-in capital	Total subscribed shareholding ratio of the Group (%)	Total paid-in shareholding ratio of the Group (%)	Total voting ratio of the Group (%)	Investment amount	Acquisition method
1	Sinotrans South China Co., Ltd.	2nd	1	Guangzhou, Guangdong Province	Guangzhou, Guangdong Province	Freight forwarding, logistics and storage, and terminal services	1,349,668,931.90	100.00	100.00	100.00	1,359,885,798.47	1
2	Sinotrans Eastern Company Limited	2nd	1	Shanghai	Shanghai	Freight forwarding, logistics and storage and terminal services	1,120,503,439.18	100.00	100.00	100.00	1,127,260,254.02	1
3	Sinotrans Air Transport Development Co., Ltd.	2nd	1	Beijing	Beijing	Air freight forwarding and courier services	905,481,720.00	100.00	100.00	100.00	5,858,692,366.79	1
4	Sinotrans Changjiang Co., Ltd.	2nd	1	Nanjing, Jiangsu Province	Nanjing, Jiangsu Province	Freight forwarding and logistics	969,665,712.00	89.00	89.00	89.00	1,005,266,970.20	1
5	Sinotrans Central China Co., Ltd.	2nd	1	Qingdao, Shandong Province	Qingdao, Shandong Province	Freight forwarding, logistics and storage, and terminal services	1,000,000,000.00	100.00	100.00	100.00	1,005,678,703.05	1
6	Sinotrans Chemical International Logistics Co., Ltd.	2nd	1	Shanghai	Shanghai	Integrated logistics	339,554,463.66	59.20	59.20	59.20	200,483,231.42	1
7	Sinotrans Fujian Co., Ltd.	2nd	1	Xiamen, Fujian Province	Xiamen, Fujian Province	Freight forwarding, storage and terminal services and others	223,257,965.92	100.00	100.00	100.00	223,510,339.82	1
8	Trade Sky International Limited	2nd	3	HKSAR	Xiamen, Fujian Province	Transportation	171,374,160.00	100.00	100.00	100.00	341,057,315.76	1
9	Sinotrans North China Co., Ltd.	2nd	1	Tianjin	Tianjin	Freight forwarding	140,193,047.50	100.00	100.00	100.00	143,324,615.79	1
10	Sinotrans Hubei Company Limited	2nd	1	Wuhan, Hubei Province	Wuhan, Hubei Province	Freight forwarding and logistics	120,000,000.00	100.00	100.00	100.00	121,352,393.11	1
11	Sinotrans Heavy-lift Logistics Co., Ltd.	2nd	1	Jinan, Shandong Province	Jinan, Shandong Province	Lifting and transportation	103,600,000.00	100.00	100.00	100.00	135,183,893.40	3
12	Wide Shine Development Limited	2nd	3	HKSAR	HKSAR	Container leasing	79,287,945.35	100.00	100.00	100.00	430,372,292.05	2
13	Sinotrans Northeast Co., Ltd.	2nd	1	Dalian, Liaoning Province	Dalian, Liaoning Province	Freight forwarding and logistics	150,000,000.00	100.00	100.00	100.00	153,420,533.07	1

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VIII. BUSINESS COMBINATION AND CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

1. GENERAL INFORMATION OF MAIN SUBSIDIARIES INCLUDED IN THE SCOPE OF CONSOLIDATION FOR THE PERIOD (CONTINUED)

No.	Company name	Enterprise Grade	Enterprise type	Place of registration	Main business location	Nature of business	Paid-in capital	Total subscribed shareholding ratio of the Group (%)	Total paid-in shareholding ratio of the Group (%)	Total voting ratio of the Group (%)	Investment amount	Acquisition method
14	China Marine Shipping Agency Co., Ltd.	2nd	1	Beijing	Beijing	Freight forwarding	30,000,000.00	100.00	100.00	100.00	31,151,593.40	1
15	Sinotrans Chongqing Co., Ltd.	2nd	1	Chongqing	Chongqing	Freight forwarding	60,869,000.00	100.00	100.00	100.00	82,988,271.50	1
16	Sinotrans Brazil Logistics Co., Ltd.	2nd	3	Brazil	Brazil	Integrated logistics	2,065,554.43	100.00	100.00	100.00	2,048,791.82	1
17	SINOTRANS (HK) LOGISTICS LIMITED	2nd	3	HKSAR	HKSAR	Freight forwarding and logistics	530,557.66	100.00	100.00	100.00	-	2
18	Sanawat Al-Khier Company For General Trading And Marine Services	2nd	3	Iraq	Iraq	Integrated logistics	292,842.00	100.00	100.00	100.00	282,680.25	1
19	Sinotrans Logistics Co., Ltd.	2nd	1	Shenzhen, Guangdong Province	Shenzhen, Guangdong Province	Logistics	1,346,761,911.29	100.00	100.00	100.00	4,741,752,438.50	2
20	Sinotrans Innovative Technology Co., Ltd.	2nd	1	Shenzhen, Guangdong Province	Shenzhen, Guangdong Province	Integrated logistics	100,000,000.00	100.00	100.00	100.00	100,611,165.06	1
21	Sinotrans Cold Chain Logistics Co., Ltd.	2nd	1	Shenzhen, Guangdong Province	Shenzhen, Guangdong Province	Logistics	216,000,000.00	100.00	100.00	100.00	218,250,626.93	1
22	China Merchants Great Stone Investment Consulting (Shenzhen) Co., Ltd.	2nd	1	Shenzhen, Guangdong Province	Belarus	Logistics	701,410,000.00	42.00	42.00	100.00	295,150,538.72	1
23	Sinotrans Logistics Investment Holdings Co., Ltd.	2nd	1	Beijing	Beijing	Logistics	433,110,000.00	100.00	100.00	100.00	604,302,162.19	2
24	SE LOGISTICS HOLDING B.V.	2nd	3	Netherlands	Netherlands	Logistics	7,780.50	100.00	100.00	100.00	1,114,884,640.36	3

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(Unless indicated otherwise, all amounts are expressed in RMB)

VIII. BUSINESS COMBINATION AND CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

1. GENERAL INFORMATION OF MAIN SUBSIDIARIES INCLUDED IN THE SCOPE OF CONSOLIDATION FOR THE PERIOD (CONTINUED)

No.	Company name	Enterprise Grade	Enterprise type	Place of registration	Main business location	Nature of business	Paid-in capital	Total subscribed shareholding ratio of the Group (%)	Total paid-in shareholding ratio of the Group (%)	Total voting ratio of the Group (%)	Investment amount	Acquisition method
25	Sinotrans Overseas Development Co., Ltd.	2nd	3	HKSAR	HKSAR	Freight forwarding	10,611.78	100.00	100.00	100.00	5,542,516.51	1
26	Sinotrans Engineering Logistics Co., Ltd.	2nd	1	Nantong, Jiangsu Province	Nantong, Jiangsu Province	Logistics	140,000,000.00	100.00	100.00	100.00	140,000,000.00	1
27	Sinotrans Southwest (Chongqing) Logistics Development Co., Ltd.	2nd	1	Chongqing	Chongqing	Freight forwarding	100,000,000.00	100.00	100.00	100.00	100,050,871.59	1

Note: (1) Enterprise type: 1. domestic non-financial subsidiary; 2. domestic financial subsidiary; 3. overseas subsidiary; 4. public institution; 5. infrastructure unit.

(2) Acquisition method: 1. establishment with investment; 2. business combination involving entities under common control; 3. business combination not involving entities under common control; 4. others.

Description of the discrepancy between the shareholding ratio held in subsidiaries and the voting ratio: China Merchants Great Stone Investment Consulting (Shenzhen) Co., Ltd. (hereinafter referred to as “China Merchants Great Stone Investment Company”) was jointly invested and established by China Merchants Yingkai Investment Development (Shenzhen) Co., Ltd. (hereinafter referred to as “China Merchants Yingkai Company”) and Sinotrans Logistics Co., Ltd., (hereinafter referred to as “Sinotrans Logistics Ltd.”) with shareholdings of 58% and 42% respectively. Under the Equity Escrow Agreement of China Merchants Great Stone Investment Consulting (Shenzhen) Co., Ltd. entered into between the Company and China Merchants Yingkai Company, China Merchants Yingkai Company entrusted the Company with the exercise of voting rights corresponding to 58% of the shares in its sole discretion, and the Group was able to dominate the relevant activities of China Merchants Great Stone Investment Company and enjoy variable returns, and therefore included it in the scope of consolidation.

The Group had no structured entities included in the scope of consolidation at period-end.

The Group did not have any cases of exercising voting rights as a proxy or entrusting others to exercise voting rights on behalf of the Group in its capacity as a primarily responsible party as of the end of the period.

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(Unless indicated otherwise, all amounts are expressed in RMB)

VIII. BUSINESS COMBINATION AND CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2. BUSINESS COMBINATIONS NOT UNDER COMMON CONTROL

(1) Business combination not under common control that occurred during the period

Name of the acquiree	Point of acquisition of equity	Cost of acquisition of equity	Shareholding acquisition ratio (%)	Acquisition method	Purchase date	Basis for determining the purchase date	Revenue of the acquiree from the purchase date to the end of the period	Net profit of the acquiree from the purchase date to the end of the period	Net cash flows from operating activities of the acquiree from the purchase date to the end of the period
Chengdu Bonded Logistics Investment Co., Ltd.	—	—	—	—	31 May 2025	Note	2,760,178.34	207,097.82	1,066,859.99

Note: Chengdu Bonded Logistics Investment Ltd. (hereinafter referred to as “Chengdu Bonded Logistics Company”) is a company jointly invested and established by the subsidiaries of the Group, namely, Sinoair and CDHTI Industrial and Urban Construction Group Co., Ltd. The Group holds 60% of the shares. Although the Group held a majority of the voting rights before the date of acquisition, the Group was not capable of dominating the relevant activities of Chengdu Bonded Logistics Company according to the arrangement of the Articles of Incorporation, and therefore the equity method of accounting was adopted (see Note IX.10 for details). On 27 May 2025, Chengdu Bonded Logistics Company held a shareholders’ meeting, making amendments to its Articles of Incorporation. In accordance with the newly amended Articles of Incorporation, the Group is able to dominate the relevant activities of Chengdu Bonded Logistics Company and enjoy variable returns from 31 May 2025 onwards, and therefore 31 May 2025 has been determined as the acquisition date.

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Notes to the Financial Statements

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VIII. BUSINESS COMBINATION AND CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2. BUSINESS COMBINATIONS NOT UNDER COMMON CONTROL (CONTINUED)

(2) Consolidated costs and goodwill

Consolidated costs	Chengdu Bonded Logistics Investment Co., Ltd.
– Cash	–
– Fair value of bonds issued or assumed	–
– Fair value of contingent consideration	–
– Purchase-date fair value of equity interest held prior to the purchase date	148,878,559.96
Total consolidated costs	148,878,559.96
Less: Share of the fair value of identifiable net assets acquired	138,266,584.31
Amount by which goodwill/consolidated cost is less than the share of the fair value of identifiable net assets acquired	10,611,975.65

Method of determining the fair value of the consolidated costs: The method of determining the fair value of equity interests held prior to the date of acquisition at the date of acquisition is detailed in Note VIII.2.(4).

Completion of performance commitments: The aforementioned business combination transactions of the Group do not involve performance commitments of related parties.

Major reasons for the formation of significant goodwill: The Group has fully identified the identifiable assets and liabilities of Chengdu Bonded Logistics Company at the purchase date. The goodwill arising from the acquisition of Chengdu Bonded Logistics Company mainly resulted from the deferred income tax effect recognised in the business combination, and relevant details were described in Note VIII.2.(3).

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VIII. BUSINESS COMBINATION AND CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2. BUSINESS COMBINATIONS NOT UNDER COMMON CONTROL (CONTINUED)

(3) Identifiable assets and liabilities of the acquiree at the purchase date

Item	Chengdu Bonded Logistics Investment Co., Ltd.	
	Fair value at the purchase date	Book value at the purchase date
Assets:	290,303,846.65	212,116,514.53
Cash and bank balances	44,844,890.55	44,844,890.55
Accounts receivable	2,551,851.14	2,551,851.14
Prepayments	317,748.81	317,748.81
Other receivables	25,722.61	25,722.61
Fixed assets	145,256,816.09	133,998,072.91
Intangible assets	96,286,299.13	29,357,710.19
Long-term prepaid expense	1,020,518.32	1,020,518.32
Liabilities:	35,622,350.40	16,075,517.37
Accounts payable	569,640.84	569,640.84
Contract liabilities	973,197.63	973,197.63
Employee benefits payable	913,592.73	913,592.73
Taxes and dues payable	7,891,782.26	7,891,782.26
Other payables	5,727,303.91	5,727,303.91
Deferred tax liabilities	19,546,833.03	—
Net assets:	254,681,496.25	196,040,997.16
Less: Non-controlling interests	—	—
Net assets acquired	254,681,496.25	196,040,997.16

Method for determining the fair value of identifiable assets and liabilities:

The fair value of the identifiable assets and liabilities of Chengdu Bonded Logistics Company at the date of purchase was determined based on the asset appraisal report (Tian Xing Appraisal Report [2024] No. 2670) issued by Pan-China Appraisal Co., Ltd., and by taking into account the changes in net assets from the valuation base date to the date of purchase.

The Group has not assumed any contingent liabilities of the acquiree in the above business combination.

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VIII. BUSINESS COMBINATION AND CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2. BUSINESS COMBINATIONS NOT UNDER COMMON CONTROL (CONTINUED)

(4) Gains or losses arising from the remeasurement of equity held prior to the date of purchase at fair value

Name of the acquiree	Point of acquisition of equity previously held prior to the date of purchase	Ratio of acquisition of equity previously held prior to the date of purchase (%)	Acquisition cost of equity previously held prior to the date of purchase	Method of acquisition of equity previously held prior to the date of purchase	Book value at the date of equity purchase previously held prior to the date of purchase	Fair value at the date of equity purchase previously held prior to the date of purchase	Gains or losses arising from the remeasurement of equity previously held prior to the date of purchase	Method of determining the fair value at the date of equity purchase previously held prior to the date of purchase	Amount transferred to investment income or retained earnings from other comprehensive income/capital reserves related to equity prior to the date of purchase
Chengdu Bonded Logistics Investment Co., Ltd.	15 March 2005	54.29	95,000,000.00	Original capital contribution	106,430,657.36	148,878,559.96	42,447,902.60	Note	-

Note: The Group engaged Pan-China Appraisal Co., Ltd. to appraise the value of 100% equity interest in Chengdu Bonded Logistics Company, and Pan-China Appraisal Co., Ltd. issued the asset appraisal report (Tian Xing Appraisal Report [2024] No. 2670). As at the date of purchase, the assets of Chengdu Bonded Logistics Company mainly consisted of land, warehouses, and ancillary equipment located at Chengdu Hi-Tech Industrial Development Zone. The final values of the aforesaid appraisal report are the appraisal results based on the asset-based approach. Specifically, the value of the land is determined by the benchmark land price coefficient adjustment method, the value of warehouses and ancillary equipment is determined based on the replacement cost and by taking into account the newness rate, and there is no inclusion of the impact of the factors of the control premium and the synergy effect with the Group. Accordingly, the fair value at the purchase date of the 54.29% equity held by the Group in Chengdu Bonded Logistics Company prior to the purchase date is directly calculated and determined proportionally based on the aforementioned appraisal results.

- (5) The aforesaid business combinations of the Group do not involve any situation in which the consideration for the combinations or the fair value of the identifiable assets and liabilities of the acquiree cannot be reasonably determined at the purchase date or at the end of the period when the combinations took place.

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(Unless indicated otherwise, all amounts are expressed in RMB)

VIII. BUSINESS COMBINATION AND CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

3. DISPOSAL OF SUBSIDIARIES

Name of subsidiary	Point of loss of control	Disposal price at the point of loss of control	Disposal ratio at the point of loss of control (%)	Disposal method at the point of loss of control	Basis for determining the point of loss of control	The difference between the disposal price and the share of the net assets of the subsidiary at the consolidated financial statement level corresponding to the disposal of the investment	Ratio of the remaining equity interest at the date of loss of control (%)	Book value of the remaining equity interest at the level of the consolidated financial statements at the date of loss of control	Fair value of the remaining equity interest at the level of the consolidated financial statements at the date of loss of control	Gain or loss from remeasurement of the remaining equity interest at fair value	Methodology and key assumptions for determining the fair value of the remaining equity interest at the level of the consolidated financial statements at the date of loss of control	Transfer of other comprehensive income/special reserves related to the equity investment in original subsidiaries to investment profit or loss or retained earnings
Tianjin Sinotrans Jianhe Warehousing Limited	30 June 2025	295,495,635.82	100.00	Sale	Note	176,903,952.16	—	—	—	—	—	—
Sinotrans (Chengdu) Airport Logistics Co., Ltd.	30 June 2025	192,077,547.82	100.00	Sale		57,505,877.44	—	—	—	—	—	—
Ruida Zhihui Kunshan Storage Service Co., Ltd.	30 June 2025	148,974,401.08	100.00	Sale		122,353,052.84	—	—	—	—	—	—
Ruida (Jinhua) Warehousing Service Co., Ltd.	30 June 2025	223,866,249.29	100.00	Sale		174,961,613.62	—	—	—	—	—	—
Ruida Wuxi Storage Service Co., Ltd.	30 June 2025	179,965,574.04	100.00	Sale		133,145,081.08	—	—	—	—	—	—
Kunshan Sinotrans Supply Chain Co., Ltd.	30 June 2025	266,894,433.49	100.00	Sale		117,637,271.32	—	—	—	—	—	—
Ruiyundatong (Tianjin) Warehousing Service Co., Ltd.	30 June 2025	1.00	100.00	Sale		-201.06	—	—	—	—	—	—
Ruiyundatong (Chengdu) Warehousing Services Co., Ltd.	30 June 2025	1.00	100.00	Sale		-458.14	—	—	—	—	—	—
Ruiyundatong (Kunshan) Warehousing Service Co., Ltd.	30 June 2025	1.00	100.00	Sale		-112.91	—	—	—	—	—	—
Ruiyundatong (Jinhua) Warehousing Service Co., Ltd.	30 June 2025	1.00	100.00	Sale		-396.98	—	—	—	—	—	—
Ruiyundatong (Wuxi) Warehousing Service Co., Ltd.	30 June 2025	1.00	100.00	Sale		-453.39	—	—	—	—	—	—
Ruiyundatong Qilang (Kunshan) Warehousing Service Co., Ltd.	30 June 2025	1.00	100.00	Sale		-112.91	—	—	—	—	—	—

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For the period ended 30 June 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

VIII. BUSINESS COMBINATION AND CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

3. DISPOSAL OF SUBSIDIARIES (CONTINUED)

Note: In May 2025, the BOC Sinotrans Warehousing and Logistics Closed-end Infrastructure Securities Investment Fund (hereinafter referred to as “BOC Sinotrans Warehousing and logistics REIT”), co-founded by the Company and Bank of China Investment Management Co., Ltd., obtained a letter of no objection from the Shanghai Stock Exchange and an approval for registration from the China Securities Regulatory Commission. It has thus become China’s first infrastructure real estate investment trust (REIT) focused on warehousing and logistics, initiated by a central state-owned enterprise.

On 24 June 2025, BOC Sinotrans Warehousing and logistics REIT completed its offering, raising RMB1.3108 billion. The Group subscribed for 20% of the units of BOC Sinotrans Warehousing and logistics REIT, with an amount of RMB262.16 million. The Group has significant influence but no control over certain important activities determined by the unitholders’ meeting of BOC Sinotrans Warehousing and logistics REIT, and this investment is accounted for using the equity method.

On 30 June 2025, the Group transferred six companies, including Tianjin Sinotrans Jianhe Warehousing Limited (which encompasses warehousing and logistics infrastructure) and six corresponding SPV companies, including Ruiyundatong (Tianjin) Warehousing Service Co., Ltd., to BOC Sinotrans Warehousing and logistics REIT, and completed the handover with Bank of China Investment Management Co., Ltd., the manager of BOC Sinotrans Warehousing and logistics REIT. Since the Group is no longer able to dominate the relevant activities of the aforesaid companies, they are no longer included in the scope of consolidation.

Before the disposal, the aforesaid warehousing and logistics infrastructure were all entrusted to and operated by the professional operating companies affiliated to the Group. Except for the warehousing and logistics infrastructure held by Sinotrans (Chengdu) Airport Logistics Co., Ltd., which was rented out to external parties, all the rest were fully rented and used at market prices by other subsidiaries of the Group. After the disposal, the Group continues to be entrusted with the operation of the aforesaid warehousing and logistics infrastructure, and the remaining lease term (7 to 8 years) will remain in effect. Based on the principle of substance over form, the Group determines that the transfer of the warehousing and logistics infrastructure in the aforesaid equity disposal transaction constitutes a sale and leaseback transaction and qualifies as a sale. The gains of RMB343,358,339.18 related to the right-of-use retained under the leaseback are offset against the gain or loss on equity disposal (see Note IX. 64 for details).

The Group does not involve any situation in which investments in subsidiaries are disposed of in stages through multiple transactions and control is lost during the period.

4. CHANGES IN THE SCOPE OF CONSOLIDATION FOR OTHER REASONS

Compared with the beginning of the period, during this period the Group newly established one second-level subsidiary, Sinotrans Southwest (Chongqing) Logistics Development Co., Ltd., and six third-level subsidiaries in the current period, including Sinotrans Southwest (Yunnan) Supply Chain Management Co., Ltd., Dongying Sinotrans Gangkun Supply Chain Co., Ltd., Zhanjiang Sinotrans Chemical International Logistics Co., Ltd. (hereinafter referred to as “Zhanjiang Chemical Logistics Company”).

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Notes to the Financial Statements

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VIII. BUSINESS COMBINATION AND CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. REASONS FOR INCLUDING COMPANIES WITH LESS THAN HALF OF THE VOTING RIGHTS IN THE SCOPE OF CONSOLIDATION OR NOT INCLUDING COMPANIES WITH MORE THAN HALF OF THE VOTING RIGHTS IN THE SCOPE OF CONSOLIDATION

(1) Investees with more than half of the voting rights but not included in the scope of consolidation

No.	Company name	Subscription shareholding ratio (%)	Voting ratio (%)	Registered capital	Investment amount	Grade (Note)	Reasons for not being included in the scope of consolidation
1	Sinotrans Suzhou Logistics Center Co., Ltd.	51.00	51.00	RMB 175 million	RMB 97,898,300	Directly held by the Company	As agreed in the Articles of Incorporation of Sinotrans Suzhou Logistics Center Co., Ltd., certain major operating and investment decisions of the company are subject to unanimous approval by all shareholders. As the Group cannot unilaterally control Sinotrans Suzhou Logistics Center Co., Ltd., it has not been included in the consolidation scope.
2	Ningbo Taiping International Trade Transportation Co., Ltd.	55.00	55.00	USD 3.75 million	RMB 17,372,200	2nd	As agreed in the Articles of Incorporation of Ningbo Taiping International Trade Transportation Co., Ltd., the Board of Directors is the supreme authority of the company to decide on all major matters of the company, and the execution of major matters is subject to the joint signing of the General Manager and the Executive Deputy General Manager appointed by both shareholders. The Group cannot unilaterally control Ningbo Taiping International Trade Transportation Co., Ltd., and therefore did not include it in the scope of consolidation.

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Notes to the Financial Statements

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VIII. BUSINESS COMBINATION AND CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. REASONS FOR INCLUDING COMPANIES WITH LESS THAN HALF OF THE VOTING RIGHTS IN THE SCOPE OF CONSOLIDATION OR NOT INCLUDING COMPANIES WITH MORE THAN HALF OF THE VOTING RIGHTS IN THE SCOPE OF CONSOLIDATION (CONTINUED)

(1) Investees with more than half of the voting rights but not included in the scope of consolidation (Continued)

No.	Company name	Subscription shareholding ratio (%)	Voting ratio (%)	Registered capital	Investment amount	Grade (Note)	Reasons for not being included in the scope of consolidation
3	Xinjiang New Railway Sinotrans Logistics Co., Ltd.	51.00	51.00	RMB 10 million	RMB 5.1 million	2nd	As agreed in the Articles of Incorporation of Xinjiang New Railway Sinotrans Logistics Co., Ltd., a resolution of the shareholders' meeting shall be valid only if approved by shareholders representing more than two-thirds of the voting rights. The Group does not hold more than two-thirds of the voting rights and cannot separately control Xinjiang New Railway Sinotrans Logistics Co., Ltd. Therefore, it was not included in the scope of consolidation.
4	Shaanxi Sinotrans Guotie Logistics Co., Ltd.	51.00	51.00	RMB 10 million	RMB 5.1 million	3rd	According to the Articles of Incorporation of Shaanxi Sinotrans Guotie Logistics Co., Ltd., a resolution of the shareholders' meeting shall be valid only if approved by shareholders representing more than two-thirds of the voting rights, the Group does not hold more than two-thirds of the voting rights and cannot control Shaanxi Sinotrans Guotie Logistics Co., Ltd. alone. Therefore, it was not included in the scope of consolidation.

Note: The grade of the investee is presented as the grade of the actual shareholder within the Group.

- (2) There were no instances at period-end where the Group had less than half of the voting rights in an entity, but included it in the scope of consolidation.

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(Unless indicated otherwise, all amounts are expressed in RMB)

VIII. BUSINESS COMBINATION AND CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

6. SIGNIFICANT NON-WHOLLY OWNED SUBSIDIARIES

(1) Non-controlling interests

January–June 2025

No.	Company name	Shareholding ratio of non-controlling interests (%)	Profits and losses attributable to non-controlling interests in the period	Dividends paid to non-controlling interests in the period	Cumulative non-controlling interests at the end of the period
1	Sinotrans Changjiang Co., Ltd.	11.00	14,823,527.19	–	209,383,736.04

Note: On 1 July 2023, Sinotrans Changjiang Co., Ltd. (hereinafter referred to as “Sinotrans Changjiang Company”) acquired 100% equity interest in China Yangtze River Shipping Co., Ltd. from another subsidiary of China Merchants in a business combination under common control through a capital increase and share enlargement. Upon the completion of the transaction, the Company’s shareholding in Sinotrans Changjiang Company changed to 89%. According to the provisions of the capital increase agreement, the gains or losses from the disposal of the 100% equity interests in Ruida Zhihui Kunshan Storage Service Co., Ltd. and Ruida Wuxi Storage Service Co., Ltd., which are held by Sinotrans Changjiang Company as of the time of the capital increase and share enlargement and intended for the issuance of public REITs, shall be solely entitled to by the Company. Ruida Zhihui Kunshan Storage Service Co., Ltd. and Ruida Wuxi Storage Service Co., Ltd. have completed their disposal in the current period (see Note VIII. 3 for details). The difference between the amount of profits and losses attributable to non-controlling interests in the period and the amount calculated based on the shareholding ratio of non-controlling interests and the net profits attributable to owners of the parent company for the period disclosed in Note VIII. 6. (2) is due to the exclusion of the impact of the aforesaid disposal gain or loss.

January–June 2024

No.	Company name	Shareholding ratio of non-controlling interests (%)	Profits and losses attributable to non-controlling interests in the period	Dividends paid to non-controlling interests in the period	Cumulative non-controlling interests at the end of the period
1	Sinotrans Changjiang Co., Ltd.	11.00	13,607,882.16	-22,670,704.29	186,278,930.50

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For the period ended 30 June 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

VIII. BUSINESS COMBINATION AND CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

6. SIGNIFICANT NON-WHOLLY OWNED SUBSIDIARIES (CONTINUED)

(2) Main financial information

Item	Closing balance/ amount accumulated in current period Sinotrans Changjiang Co., Ltd.	Opening balance/ cumulative amount of prior period Sinotrans Changjiang Co., Ltd.
Current assets	4,072,389,951.59	3,569,646,601.44
Non-current assets	748,912,482.75	661,423,985.81
Total assets	4,821,302,434.34	4,231,070,587.25
Current liabilities	2,378,918,622.16	2,296,590,841.65
Non-current liabilities	211,265,063.77	61,310,826.20
Total liabilities	2,590,183,685.93	2,357,901,667.85
Operating income	4,476,887,135.22	4,402,551,294.81
Net profits attributable to owners of the parent company	345,733,031.63	123,663,979.38
Profits and losses attributable to non- controlling interests	10,370,331.58	11,566,633.78
Total comprehensive income attributable to shareholders of the Company	345,733,031.63	123,663,979.38
Total comprehensive income attributable to non-controlling interests	10,370,331.58	11,566,633.78
Net cash flows from operating activities	81,073,650.35	-36,864,235.49

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Notes to the Financial Statements

For the period ended 30 June 2025
(Unless indicated otherwise, all amounts are expressed in RMB)

VIII. BUSINESS COMBINATION AND CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. TRANSACTIONS RESULTING IN CHANGES IN THE COMPANY'S SHARE OF EQUITY INTERESTS IN SUBSIDIARIES AND THE CONTINUATION OF CONTROL OVER THE SUBSIDIARIES

(1) Changes in the Company's share of equity interests in subsidiaries

In the current period, Sinotrans Logistics Development Co., Ltd., a subsidiary of the Group, purchased a 20% equity interest in Sinotrans Waigaoqiao (Shanghai) International Logistics Co., Ltd. from Shanghai Waigaoqiao Port Comprehensive Bonded Zone Development Co., Ltd., with the purchase consideration being RMB39,804,543.77. Upon the completion of the above transaction, the Group's shareholding ratio in Sinotrans Waigaoqiao (Shanghai) International Logistics Co., Ltd. was changed to 100%.

(2) Effects of the transactions on non-controlling interests and the equity attributable to shareholders of the parent company

Item	Sinotrans Waigaoqiao (Shanghai) International Logistics Co., Ltd.
Purchase cost/disposal consideration or capital increase/reduction by minority shareholders	39,804,543.77
Including: Cash	39,804,543.77
Less: Share of net assets of subsidiaries in proportion to equity interests acquired/disposed of/reduced	24,471,525.94
Difference	15,333,017.83
Including: Adjustment to capital reserves	15,333,017.83

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Notes to the Financial Statements

For the period ended 30 June 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS

In the financial statements, unless otherwise specified, “Opening” refers to 1 January 2025, “Closing” refers to 30 June 2025, “Current Period” refers to the period from 1 January to 30 June 2025, and “Prior Period” refers to the period from 1 January to 30 June 2024.

1. CASH AND BANK BALANCES

Item	Closing balance			Opening balance		
	Amount in original currency	Exchange rate	Amount in RMB	Amount in original currency	Exchange rate	Amount in RMB
Cash on hand	—	—	2,680,225.50	—	—	2,716,190.61
Including: RMB	80,686.04	1.00000	80,686.04	133,738.98	1.00000	133,738.98
USD	197,942.54	7.16680	1,418,614.60	270,963.95	7.18840	1,947,797.26
HKD	74,051.50	0.91298	67,607.54	131,775.80	0.92604	122,029.66
JPY	907,671.00	0.04948	44,911.56	1,572,379.00	0.04623	72,691.08
EUR	5,910.10	8.32240	49,186.22	7,407.72	7.52570	55,748.28
Others	—	—	1,019,219.54	—	—	384,185.35
Cash at banks	—	—	6,393,762,866.19	—	—	7,653,777,122.65
Including: RMB	2,913,181,237.71	1.00000	2,913,181,237.71	4,370,635,833.44	1.00000	4,370,635,833.44
USD	304,191,971.11	7.16680	2,180,083,018.55	268,724,877.85	7.18840	1,931,701,911.94
HKD	598,936,805.98	0.91298	546,817,325.12	767,144,349.50	0.92604	710,406,353.41
JPY	2,134,236,228.00	0.04948	105,602,008.56	2,372,609,251.00	0.04623	109,685,725.67
EUR	24,562,061.97	8.32240	204,415,304.54	27,573,025.87	7.52570	207,506,320.79
Others	—	—	443,663,971.71	—	—	323,840,977.40
Other cash and bank balances	—	—	81,834,718.96	—	—	27,287,681.61
Including: Deposited in external financial institutions	—	—	77,033,232.98	—	—	24,141,912.31
Including: RMB	77,033,232.98	1.00000	77,033,232.98	24,140,977.60	1.00000	24,140,977.60
USD	-	7.16680	-	130.03	7.18840	934.71
Deposited in finance companies	—	—	4,801,485.98	—	—	3,145,769.30
Including: RMB	4,801,485.98	1.00000	4,801,485.98	3,145,769.30	1.00000	3,145,769.30
Deposits with finance companies	—	—	5,302,103,154.08	—	—	5,783,883,511.11
Including: RMB	4,448,268,920.47	1.00000	4,448,268,920.47	4,854,433,862.94	1.00000	4,854,433,862.94
USD	116,994,979.02	7.16680	838,479,615.62	127,030,949.85	7.18840	913,149,279.88
HKD	1.70	0.91298	1.55	1,410,345.91	0.92604	1,306,036.73
EUR	1,844,974.58	8.32240	15,354,616.44	1,992,416.86	7.52570	14,994,331.56
Total	—	—	11,780,380,964.73	—	—	13,467,664,505.98
Including: Total amount deposited abroad	—	—	1,668,712,626.04	—	—	1,824,275,763.74

Note: At the end of the period, there were no restrictions on the repatriation of the Group's funds deposited overseas, except for those subject to the regular exchange controls of the local countries or regions.

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Notes to the Financial Statements

For the period ended 30 June 2025
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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

1. CASH AND BANK BALANCES (CONTINUED)

(1) Restricted use of cash and bank balances at the end of the period

Item	Closing balance	Opening balance	Reasons for restricted use
Funds deposited subject to restrictions on the litigation (Note)	61,195,773.85	9,508,096.57	Court freeze
Interest receivable	8,968,871.48	5,387,499.31	Not yet settled
Guarantee money	1,047,900.00	3,893,142.50	Guarantee money
Others	10,622,173.63	8,498,943.23	—
Total	81,834,718.96	27,287,681.61	—

Note: The litigation-related frozen funds for the current period primarily consist of RMB37,716,730.65 frozen by the Guangzhou Railway Transportation Court and RMB15,401,202.12 frozen by the Guangzhou Huangpu District People's Court against Y2T Technology Co., Ltd., a subsidiary of the Group, relating to road freight transportation disputes after its official seal was forged by others.

2. FINANCIAL ASSETS HELD FOR TRADING

Item	Closing balance	Opening balance
Financial assets classified as measured at fair value through profit or loss	—	—
Including: Equity instrument investments	563,357.07	574,374.32
Total	563,357.07	574,374.32

3. BILLS RECEIVABLE

(1) Classification of bills receivable

Category	Closing balance	Opening balance
Commercial acceptance bills	130,844,725.75	164,294,636.42
Total	130,844,725.75	164,294,636.42

(2) There were no pledged bills receivable at the end of the period.

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Notes to the Financial Statements

For the period ended 30 June 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

3. BILLS RECEIVABLE (CONTINUED)

- (3) The closing balance of endorsed or discounted bills receivable not yet due at the balance sheet date

Type	Amount derecognised at the end of the period	Amount not derecognised at the end of the period
Commercial acceptance bills	—	123,520,448.92
Total	—	123,520,448.92

- (4) There were no bills transferred to accounts receivable due to non-performance by the drawer at the end of the period.

- (5) Credit loss provision for bills receivable

Category	Closing balance				Opening balance			
	Book balance		Credit loss provision		Book balance		Credit loss provision	
	Amount	Proportion (%)	Amount	Expected credit loss ratio (%)	Amount	Proportion (%)	Amount	Expected credit loss ratio (%)
Credit loss provisions by portfolio	130,844,725.75	100.00	—	—	164,294,636.42	100.00	—	—
Total	130,844,725.75	100.00	—	—	164,294,636.42	100.00	—	—

1) Bills receivable with credit loss provision on a portfolio basis

Portfolio name	Book balance	Closing balance Credit loss provision	Expected credit loss ratio (%)
Commercial acceptance bills portfolio	130,844,725.75	—	—
Total	130,844,725.75	—	—

Note: The commercial acceptances bills held by the Group are mainly from customers with good credit and have maintained long-term and stable co-operation with the Group. As at 30 June 2025 and 31 December 2024, there were no commercial acceptance bills held by the Group subject to significant credit risk and resulted in significant losses due to default (bills receivable are expected to be collected in full), and the Group did not make provisions for credit losses based on materiality considerations.

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(Unless indicated otherwise, all amounts are expressed in RMB)

IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

3. BILLS RECEIVABLE (CONTINUED)

- (6) There was no actual write-off of bills receivable during the period.
- (7) There were no outstanding amounts due from shareholders' entities holding 5% (including 5%) of the voting shares of the Company at the end of the period.
- (8) The maturity date of the bill receivables mentioned above is all within 360 days.

4. ACCOUNTS RECEIVABLE

(1) Overall status of accounts receivable

Item	Closing balance	Opening balance
Accounts receivable	16,195,186,353.23	13,596,988,655.30
Less: Credit loss provision	665,451,095.44	545,188,204.76
Total	15,529,735,257.79	13,051,800,450.54

(2) Overall aging of accounts receivable

The aging analysis of accounts receivable based on the transaction date is as follows:

Item	Closing balance			Opening balance		
	Book balance	Proportion (%)	Credit loss provision	Book balance	Proportion (%)	Credit loss provision
Within 1 year (including 1 year)	15,633,439,077.97	96.53	264,310,347.80	13,204,048,190.88	97.11	237,522,256.08
1 to 2 years (including 2 years)	305,676,269.41	1.89	153,053,716.49	148,667,387.38	1.09	72,148,041.28
2 to 3 years (including 3 years)	75,572,277.02	0.47	68,183,931.00	89,899,189.07	0.66	81,912,146.28
Over 3 years	180,498,728.83	1.11	179,903,100.15	154,373,887.97	1.14	153,605,761.12
Total	16,195,186,353.23	100.00	665,451,095.44	13,596,988,655.30	100.00	545,188,204.76

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Notes to the Financial Statements

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(Unless indicated otherwise, all amounts are expressed in RMB)

IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. ACCOUNTS RECEIVABLE (CONTINUED)

(3) Classification of accounts receivable

Category	Book balance			Closing balance			Opening balance		
	Book balance			Credit loss provision			Credit loss provision		
	Amount	Proportion (%)	Book value	Amount	Expected credit loss ratio (%)	Book value	Amount	Expected credit loss ratio (%)	Book value
Credit loss provisions on an individual basis	315,441,055.28	1.95	43,549,195.32	271,891,859.96	86.19	43,549,195.32	321,323,472.57	77.68	71,725,060.34
Credit loss provisions by portfolio	15,879,745,297.95	98.05	15,486,186,062.47	393,559,235.48	2.48	15,486,186,062.47	13,275,665,182.73	2.23	12,980,075,390.20
Including:									
Low-risk portfolio	201,353,992.53	1.24	201,353,992.53	-	-	201,353,992.53	161,353,739.99	-	161,353,739.99
Aging portfolio	15,678,391,305.42	96.81	15,284,832,069.94	393,559,235.48	2.51	15,284,832,069.94	13,114,311,442.74	96.45	12,818,721,650.21
Total	16,195,186,353.23	100.00	15,529,735,257.79	665,451,095.44	—	15,529,735,257.79	13,596,988,655.30	100.00	13,051,800,450.54

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For the period ended 30 June 2025
(Unless indicated otherwise, all amounts are expressed in RMB)

IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. ACCOUNTS RECEIVABLE (CONTINUED)

(3) Classification of accounts receivable (Continued)

Including: Accounts receivable with individual credit loss provisions at the end of the period

Company name	Book balance	Credit loss provision	Expected credit loss ratio (%)	Reasons for accrual
Entity 1	39,964,263.07	39,964,263.07	100.00	Involved in litigation and not expected to be recovered
Entity 2	29,392,345.17	29,392,345.17	100.00	Difficulty in fund flow and not expected to be recovered
Entity 3	25,773,613.32	9,015,720.51	34.98	Business operating difficulties and expected to be partially unrecoverable
Entity 4	25,515,946.48	25,515,946.48	100.00	Involved in litigation and not expected to be recovered
Entity 5	19,063,731.35	1,906,373.14	10.00	Involved in litigation and expected to be partially unrecoverable
Entity 6	14,006,677.21	14,006,677.21	100.00	Business operating difficulties and not expected to be recovered
Entity 7	13,914,786.12	9,643,907.87	69.31	Involved in litigation and expected to be partially unrecoverable
Entity 8	10,311,525.37	10,311,525.37	100.00	Business operating difficulties and not expected to be recovered
Entity 9	8,835,366.00	8,835,366.00	100.00	Involved in litigation and not expected to be recovered
Entity 10	7,509,254.60	7,509,254.60	100.00	No enforceable property after application for enforcement
Entity 11	6,752,274.69	6,752,274.69	100.00	Involved in litigation and not expected to be recovered
Entity 12	6,706,283.62	6,706,283.62	100.00	No enforceable property after application for enforcement
Entity 13	6,204,569.75	6,204,569.75	100.00	Bankruptcy reorganization and not expected to be recovered
Entity 14	6,018,149.49	6,018,149.49	100.00	Bankruptcy reorganization and not expected to be recovered
Entity 15	5,848,939.32	2,437,837.91	41.68	Involved in litigation and expected to be partially unrecoverable
Entity 16	5,714,343.08	5,714,343.08	100.00	Difficulty in fund flow and not expected to be recovered
Others	83,908,986.64	81,957,022.00	97.67	Involved in litigation, disputes and expected to be wholly or partially unrecoverable
Total	315,441,055.28	271,891,859.96	—	—

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Notes to the Financial Statements

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(Unless indicated otherwise, all amounts are expressed in RMB)

IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. ACCOUNTS RECEIVABLE (CONTINUED)

(4) Accounts receivable of low-risk portfolio

Item	Book balance	Expected credit loss ratio (%)	Credit loss provision
Accounts receivable from related parties	201,353,992.53	—	—
Total	201,353,992.53	—	—

(5) Accounts receivable of aging portfolios

Item	Book balance	Expected credit loss ratio (%)	Credit loss provision
Within 1 year (including 1 year)	15,356,917,961.84	1.45	222,675,310.45
1 to 2 years (including 2 years)	252,122,974.19	41.68	105,084,855.64
2 to 3 years (including 3 years)	30,249,574.10	88.26	26,698,274.10
Over 3 years	39,100,795.29	100.00	39,100,795.29
Total	15,678,391,305.42	—	393,559,235.48

(6) Changes in credit loss provision of accounts receivable

Item	Opening balance	Amount of change during the period				Closing balance
		Accrual	Recovery or reversal	Carry-forward or write-off	Other changes	
Current period	545,188,204.76	125,362,378.29	3,647,489.36	825,472.81	-626,525.44	665,451,095.44
Prior period	548,601,373.99	107,671,472.49	9,726,449.19	—	-180,703.07	646,365,694.22

Note: Other changes are mainly the effect of translation in foreign currency statements, and changes in exchange rates.

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(Unless indicated otherwise, all amounts are expressed in RMB)

IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. ACCOUNTS RECEIVABLE (CONTINUED)

(7) Credit loss provisions recovered or reversed during the period

Company name	Book balance of accounts receivable	Reason for recovery or reversal	Basis for determining original credit loss provisions	Accumulated amount of credit loss provision recognized before recovery or reversal	Recovered or reversal amount
Entity 1	12,976,547.62	Payment recovery	Involved in litigation and not expected to be recovered	12,976,547.62	2,665,022.25
Entity 2	30,292,345.17	Payment recovery	Difficulty in fund flow and not expected to be recovered	30,292,345.17	900,000.00
Others	7,298,530.78	Payment recovery	Involved in litigation, business disputes, and not expected to be recovered	7,298,530.78	82,467.11
Total	50,567,423.57	—	—	50,567,423.57	3,647,489.36

(8) Actual write-offs of accounts receivable during the period

Company name	Nature of accounts receivable	Write-off amount	Reason for write-off	Write-off procedures performed	Whether arising from related transactions
Others	Logistics business	825,472.81	Beyond the statute of limitations, no enforceable property after application for enforcement, etc.	Approved by the General Manager's Office	No
Total	—	825,472.81	—	—	—

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Notes to the Financial Statements

For the period ended 30 June 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. ACCOUNTS RECEIVABLE (CONTINUED)

(9) There were no outstanding amounts due from shareholders holding more than 5% (including 5%) voting shares of the Company at the end of the period.

(10) Top five in terms of accounts receivable

Company name	Relationship with the Group	Book balance	Aging	Credit loss provision	As a percentage of total accounts receivable (%)
Entity 1	Client	647,445,642.51	Within 1 year	9,387,961.82	3.99
Entity 2	Client	276,582,992.36	Within 1 year, 1 to 2 years, 2 to 3 years	7,445,660.79	1.71
Entity 3	Client	233,110,382.63	Within 1 year	3,380,100.55	1.44
Entity 4	Client	151,925,084.19	Within 1 year	2,202,913.72	0.94
Entity 5	Client	150,164,644.48	Within 1 year, 1 to 2 years	2,180,027.57	0.93
Total	—	1,459,228,746.17	—	24,596,664.45	9.01

(11) The Group had no accounts receivable involving government grants at the end of the period.

5. RECEIVABLES FINANCING

Category	Closing balance	Opening balance
Bank acceptance bills	449,351,104.32	430,890,739.48
Total	449,351,104.32	430,890,739.48

(1) There were no bank acceptance bills due to defective endorsement, etc. at the end of the period.

(2) There were no pledged receivables financing at the end of the period.

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Notes to the Financial Statements

For the period ended 30 June 2025
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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. RECEIVABLES FINANCING (CONTINUED)

(3) Receivables financing that have been endorsed or discounted at the end of the period and are not yet due at the balance sheet date

Category	Amount derecognised at the end of the period	Amount not derecognised at the end of the period
Bank acceptance bills	1,401,266,573.21	—
Total	1,401,266,573.21	—

Note: The Group determines whether the bank acceptance bills receivable should be derecognised upon endorsement or discounting based on the credit risk rating of the acceptance bank. As the acceptance banks of the bank acceptance bills obtained by the Group are mainly large commercial banks and listed joint-stock commercial banks with high credit ratings, other bank acceptance bills do not account for a significant proportion and have small individual amounts and a large quantity. The Group derecognises the bank acceptance bills upon endorsement or discounting based on the materiality principle, unless public information indicates that there are significant abnormal changes in the credit risk of the acceptance banks.

(4) There were no receivables financings at the end of the period that were transferred to accounts receivable as a result of the non-performance of the issuer.

(5) Credit loss provision for receivables financing

Category	Closing balance				Opening balance			
	Book balance		Credit loss provision		Book balance		Credit loss provision	
	Amount	Proportion (%)	Amount	Expected credit loss ratio (%)	Amount	Proportion (%)	Amount	Expected credit loss ratio (%)
Credit loss provisions by portfolio	449,351,104.32	100.00	—	—	430,890,739.48	100.00	—	—
Total	449,351,104.32	100.00	—	—	430,890,739.48	100.00	—	—

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Notes to the Financial Statements

For the period ended 30 June 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. RECEIVABLES FINANCING (CONTINUED)

(5) Credit loss provision for receivables financing (Continued)

1) Receivables financing with credit loss provision on a portfolio basis

Type	Closing balance		Expected credit loss ratio (%)
	Book balance	Credit loss provision	
Bank acceptance bills portfolio	449,351,104.32	—	—
Total	449,351,104.32	—	—

Note: As at 30 June 2025 and 31 December 2024, there were no bank acceptance bills held by the Group subject to significant credit risk and resulted in significant losses due to default of the banks (receivables financing are expected to be collected in full), and the Group did not make provisions for credit losses based on materiality considerations.

(6) There was no actual write-off of receivables financing during the period.

(7) Changes in receivables financing and fair value movements during the period

Bank acceptance bills held by the Group at fair value through other comprehensive income are mainly accepted by large commercial banks and listed joint-stock commercial banks with high credit ratings, with maturities of usually no more than 6 months and very low credit risk. At the balance sheet date, the book value of the bank acceptance bills receivable approximates the fair value.

(8) There were no outstanding amounts due from shareholders' entities holding 5% (including 5%) of the voting shares of the Company at the end of the period.

(9) The maturity date of the bank acceptance bills mentioned above is all within 360 days.

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Notes to the Financial Statements

For the period ended 30 June 2025
(Unless indicated otherwise, all amounts are expressed in RMB)

IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

6. PREPAYMENTS

(1) The aging of prepayments is analysed as follows:

Item	Closing balance			Opening balance		
	Book balance		Impairment provision	Book balance		Impairment provision
	Amount	Proportion (%)		Amount	Proportion (%)	
Within 1 year (including 1 year)	5,508,703,928.53	95.24	-	4,998,060,598.55	96.14	-
1 to 2 years (including 2 years)	185,290,718.25	3.21	-	151,502,358.71	2.91	-
2 to 3 years (including 3 years)	53,943,332.87	0.93	-	23,894,344.56	0.46	-
Over 3 years	35,843,062.78	0.62	-	25,133,701.13	0.49	-
Total	5,783,781,042.43	100.00	-	5,198,591,002.95	100.00	-

(2) Significant prepayments aged over one year are as follows:

Company name	Closing balance	Aging	Reasons for non-settlement
Entity 1	32,696,085.44	1 to 2 years, 2 to 3 years	Business not completed
Entity 2	21,000,000.00	1 to 2 years	Business not completed
Entity 3	16,443,753.96	1 to 2 years	Business not completed
Entity 4	13,573,149.43	1 to 2 years	Business not completed
Entity 5	6,306,122.56	1 to 2 years	Business not completed
Entity 6	5,453,046.52	1 to 2 years, over 3 years	Business not completed
Total	95,472,157.91	—	—

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Notes to the Financial Statements

For the period ended 30 June 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

6. PREPAYMENTS (CONTINUED)

(3) Top five entities in terms of prepayments

Company name	Relationship with the Group	Book balance	As a percentage of the total prepayments (%)	Impairment provision
Entity 1	Supplier	308,970,202.64	5.34	—
Entity 2	Supplier	220,873,990.12	3.82	—
Entity 3	Supplier	186,127,389.24	3.22	—
Entity 4	Supplier	153,293,368.72	2.65	—
Entity 5	Supplier	139,022,030.90	2.40	—
Total	—	1,008,286,981.62	17.43	—

- (4) There were no outstanding amounts due from shareholders' entities holding 5% (including 5%) of the voting shares of the Company at the end of the period.

7. OTHER RECEIVABLES

Item	Closing balance	Opening balance
Interest receivable	1,240,547.07	1,243,805.82
Dividends receivable	1,860,983.72	9,080,009.80
Other receivables	4,033,531,743.59	2,788,861,039.98
Total	4,036,633,274.38	2,799,184,855.60

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Notes to the Financial Statements

For the period ended 30 June 2025
(Unless indicated otherwise, all amounts are expressed in RMB)

IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. OTHER RECEIVABLES (CONTINUED)

(1) Interest receivable

1) Classification of interest receivable due for collection

Item	Closing balance	Opening balance
Entrusted loans	1,240,547.07	1,243,805.82
Subtotal	1,240,547.07	1,243,805.82
Less: Credit loss provision	—	—
Total	1,240,547.07	1,243,805.82

2) Significant overdue interest receivable

Borrower	Book balance	Overdue time (months)	Reason for overdue	Whether an impairment occurs and the judgment basis
MAXX LOGISTICS FZCO.	1,240,547.07	7-78	Funding support for joint ventures	Funding support for joint ventures, expected to be recovered without impairment
Total	1,240,547.07	—	—	—

- 3) The Group has assessed and concluded that as of 30 June 2025, no provision for credit losses is required for interest receivable.

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Notes to the Financial Statements

For the period ended 30 June 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. OTHER RECEIVABLES (CONTINUED)

(2) Dividends receivable

Investee	Opening balance	Increase due to changes in the scope of consolidation	Increase in current period	Decrease in current period	Closing balance	Reason for non-recovery	Whether an impairment occurs and the judgment basis
Dividends receivable aged within 1 year	6,967,000.00	-	6,175,706.55	13,142,706.55	-	—	—
Including: Wuhan Port Container Co., Ltd.	6,000,000.00	-	-41,896.89	5,958,103.11	-	—	—
Shenzhen Ocean Shipping Tally Co., Ltd.	508,000.00	-	120,000.00	628,000.00	-	—	—
Sinotrans Suzhou Logistics Center Co., Ltd.	459,000.00	-	459,000.00	-	-	—	—
Beijing Medlink Supply Chain Management Co., Ltd.	-	-	2,100,000.00	2,100,000.00	-	—	—
Shandong Port & Shipping Sinotrans Supply Chain Development Co., Ltd.	-	-	1,973,960.46	1,973,960.46	-	—	—
Others	-	-	2,023,642.98	2,023,642.98	-	—	—
Dividends receivable aged over 1 year	2,113,009.80	-	-	252,026.08	1,860,983.72	—	—
Including: SINOTRANS ALMAJDOUIE MIDDLE EAST CO., LTD.	1,860,983.72	-	-	-	1,860,983.72	Incomplete payment approval process	No
Shenyang Henglu Logistics Co., Ltd.	252,026.08	-	-	252,026.08	-	—	—
Total	9,080,009.80	-	6,175,706.55	13,394,732.63	1,860,983.72	—	—

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Notes to the Financial Statements

For the period ended 30 June 2025
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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. OTHER RECEIVABLES (CONTINUED)

(3) Other receivables

1) Analysis by aging

Item	Closing balance			Opening balance		
	Book balance	Proportion (%)	Credit loss provision	Book balance	Proportion (%)	Credit loss provision
Within 1 year (including 1 year)	3,364,498,172.68	80.02	7,126,060.38	2,147,188,765.50	72.49	4,605,750.21
1 to 2 years (including 2 years)	357,402,924.33	8.50	40,229,938.82	393,777,026.66	13.29	40,025,630.93
2 to 3 years (including 3 years)	163,585,351.98	3.89	1,135,128.51	107,743,739.76	3.64	3,091,765.22
Over 3 years	319,030,379.75	7.59	122,493,957.44	313,327,963.14	10.58	125,453,308.72
Total	4,204,516,828.74	100.00	170,985,085.15	2,962,037,495.06	100.00	173,176,455.08

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For the period ended 30 June 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. OTHER RECEIVABLES (CONTINUED)

(3) Other receivables (Continued)

2) Classification of other receivables

Category	Book balance				Closing balance				Opening balance			
	Book balance		Proportion		Credit loss provision		Expected credit loss		Book balance		Credit loss provision	
	Amount	(%)	Amount	(%)	Amount	ratio (%)	Book value	ratio (%)	Amount	(%)	Amount	ratio (%)
Credit loss provisions on an individual basis	132,628,170.84	3.15	88,182,139.34	66.49	44,446,031.50	66.41	87,873,975.34	66.41	132,320,006.84	4.47	87,873,975.34	66.41
Credit loss provisions by portfolio	4,071,888,657.90	96.85	82,802,945.81	2.03	3,989,085,712.09	95.53	85,302,479.74	3.01	2,829,717,488.22	95.53	85,302,479.74	3.01
Including:												
Low-risk portfolio	3,854,076,576.47	91.67	-	-	3,854,076,576.47	90.18	-	-	2,671,334,384.87	90.18	-	-
Aging portfolio within 1 year	131,437,445.57	3.13	5,126,060.38	3.90	126,311,385.19	3.90	2,605,750.21	3.90	66,814,108.06	2.26	2,605,750.21	3.90
Aging portfolio over 1 year	86,374,635.86	2.05	77,676,885.43	89.93	8,697,750.43	90.31	82,696,729.53	90.31	91,568,995.29	3.09	82,696,729.53	90.31
Total	4,204,516,828.74	100.00	170,985,085.15	4.033,531,743.59	4.033,531,743.59	100.00	173,176,455.08	4.033,531,743.59	2,962,037,495.06	100.00	173,176,455.08	4.033,531,743.59

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Notes to the Financial Statements

For the period ended 30 June 2025
(Unless indicated otherwise, all amounts are expressed in RMB)

IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. OTHER RECEIVABLES (CONTINUED)

(3) Other receivables (Continued)

2) Classification of other receivables (Continued)

Including: Other receivables with individual credit loss provisions at the end of the period

Company name	Book balance	Credit loss provision	Expected credit loss ratio (%)	Reasons for accrual
Entity 1	72,892,063.00	36,446,031.50	50.00	Long-term arrears, not expected to be fully recovered
Entity 2	16,660,000.00	16,660,000.00	100.00	Long-term arrears, not expected to be recovered
Entity 3	10,000,000.00	2,000,000.00	20.00	Long-term arrears, not expected to be fully recovered
Entity 4	9,651,076.10	9,651,076.10	100.00	The party concerned is serving a prison sentence and has no ability to compensate.
Entity 5	7,412,192.87	7,412,192.87	100.00	Involved in litigation and not expected to be recovered
Guangxi Yunyu Port Co., Ltd.	2,680,000.00	2,680,000.00	100.00	Having been listed as a defaulter, and not expected to be recovered
Entity 6	2,500,000.00	2,500,000.00	100.00	Insolvent and classified as a defaulter, and not expected to be recovered
Sinotrans Hongfeng (Shanghai) International Logistics Co., Ltd.	2,143,511.37	2,143,511.37	100.00	To be deregistered due to closure, not expected to be recovered
Entity 7	1,385,250.00	1,385,250.00	100.00	Bankruptcy liquidation, not expected to be recovered
Entity 8	1,242,000.00	1,242,000.00	100.00	Historical issues, not expected to be recovered
Entity 9	1,000,000.00	1,000,000.00	100.00	Involved in litigation and not expected to be recovered
Entity 10	1,000,000.00	1,000,000.00	100.00	Involved in litigation and not expected to be recovered
Others	4,062,077.50	4,062,077.50	100.00	Involved in litigation, business disputes, etc., not expected to be recovered
Total	132,628,170.84	88,182,139.34	—	—

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Notes to the Financial Statements

For the period ended 30 June 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. OTHER RECEIVABLES (CONTINUED)

(3) Other receivables (Continued)

3) Other receivables of low-risk portfolio

Item	Book balance	Expected credit loss ratio (%)	Credit loss provision
Payment for disposal of equity	1,402,503,841.54	—	—
Deposits, collateral	1,169,622,068.02	—	—
Government grants	830,291,900.42	—	—
Advances	360,579,939.41	—	—
Related party payments	74,301,800.92	—	—
Reserves	11,598,788.10	—	—
Compensation	5,178,238.06	—	—
Total	3,854,076,576.47	—	—

4) Other receivables of aging portfolio

Item	Book balance	Expected credit loss ratio (%)	Credit loss provision
Within 1 year (including 1 year)	131,437,445.57	3.90	5,126,060.38
1 to 2 years (including 2 years)	11,639,210.46	32.51	3,783,907.32
2 to 3 years (including 3 years)	1,977,575.80	57.40	1,135,128.51
Over 3 years	72,757,849.60	100.00	72,757,849.60
Total	217,812,081.43	—	82,802,945.81

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. OTHER RECEIVABLES (CONTINUED)

(3) Other receivables (Continued)

5) Analysis by nature of payments

Item	Closing balance			Opening balance		
	Book balance	Credit loss provision	Book value	Book balance	Credit loss provision	Book value
Payment for disposal of equity	1,402,503,841.54	-	1,402,503,841.54	95,230,000.00	-	95,230,000.00
Deposits, collateral	1,274,083,276.44	91,076,539.34	1,183,006,737.10	1,456,381,194.53	78,128,944.56	1,378,252,249.97
Government grants	925,233,963.42	36,446,031.50	888,787,931.92	997,759,542.48	36,446,031.50	961,313,510.98
Advances	404,074,002.99	15,879,761.67	388,194,241.32	207,327,220.09	11,458,572.96	195,868,647.13
Related party payments	79,125,312.29	4,823,511.37	74,301,800.92	87,280,530.54	4,823,511.37	82,457,019.17
Compensation	18,320,017.56	1,887,988.18	16,432,029.38	22,362,885.86	1,262,140.06	21,100,745.80
Reserves	11,598,788.10	-	11,598,788.10	12,643,776.17	-	12,643,776.17
Others	89,577,626.40	20,871,253.09	68,706,373.31	83,052,345.39	41,057,254.63	41,995,090.76
Total	4,204,516,828.74	170,985,085.15	4,033,531,743.59	2,962,037,495.06	173,176,455.08	2,788,861,039.98

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. OTHER RECEIVABLES (CONTINUED)

(3) Other receivables (Continued)

6) Credit loss provision for other receivables accrued, recovered, or reversed during the period

Credit loss provision	Stage 1 12-Month expected credit losses	Stage 2 Expected credit losses over the entire life (Not credit- impaired)	Stage 3 Expected credit losses over the entire life (Credit- impaired)	Total
Opening balance	2,605,750.21	82,696,729.53	87,873,975.34	173,176,455.08
Opening balance in current period	—	—	—	—
– Transfer to stage 2	-453,929.21	453,929.21	—	—
– Transfer to stage 3	—	-300,000.00	300,000.00	—
– Reverse to stage 2	—	—	—	—
– Reverse to stage 1	—	—	—	—
Accrual in current period	2,931,107.95	-5,827,358.04	—	-2,896,250.09
Reversal in current period	—	—	-31,200.00	-31,200.00
Carry forward in current period	—	—	—	—
Write-off in current period	—	—	—	—
Other changes	43,131.43	653,584.73	39,364.00	736,080.16
Closing balance	5,126,060.38	77,676,885.43	88,182,139.34	170,985,085.15

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. OTHER RECEIVABLES (CONTINUED)

(3) Other receivables (Continued)

7) Credit loss provisions recovered or reversed during the period

Company name	Book balance of other receivables	Reason and method of recovery or reversal	Basis for determining original credit loss provisions	Accumulated amount of credit loss provision recognized before recovery or reversal	Recovered or reversal amount
Others	329,000.00	Payment recovery	Involved in litigation and not expected to be recovered	329,000.00	31,200.00
Total	329,000.00	—	—	329,000.00	31,200.00

8) There was no actual write-off of other receivables during the period.

9) Outstanding debts of shareholders holding more than 5% (including 5%) voting shares of the Company

Company name	Closing balance		Opening balance	
	Amount owed	Amount of credit loss provision	Amount owed	Amount of credit loss provision
SINOTRANS & CSC HOLDINGS Co., Ltd.	2,493.20	—	2,493.20	—
Total	2,493.20	—	2,493.20	—

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. OTHER RECEIVABLES (CONTINUED)

(3) Other receivables (Continued)

10) The top five of the closing balances in other receivables

Company name	Relationship with the Group	Book balance	Aging	Percentage of total other receivables (%)	Credit loss provision	Nature or content
BOC Sinotrans Warehousing and Logistics Closed-end Infrastructure Securities Investment Fund	Related party	1,307,273,841.54	Within 1 year	31.09	-	Payment for disposal of equity
Entity 1	Non-related party	221,329,541.40	Within 1 year	5.26	-	Government grants
Entity 2	Non-related party	174,067,980.00	Within 1 year	4.14	-	Government grants
Entity 3	Non-related party	145,501,578.94	Within 1 year	3.46	-	Government grants
Entity 4	Non-related party	95,230,000.00	Within 1 year	2.26	-	Payment for disposal of equity
Total	—	1,943,402,941.88	—	46.21	-	—

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. OTHER RECEIVABLES (CONTINUED)

(3) Other receivables (Continued)

11) Other receivables in relation to government grants

Company name	Government grant items	Book balance	Aging	Expected time and amount to be received
Entity 1	Logistics industry subsidies	221,329,541.40	Within 1 year	RMB186,408,000 is expected to be recovered by the end of 2025, RMB31.56 million is expected to be recovered at the beginning of 2026, and the remaining amount is expected to be recovered by the end of 2026.
Entity 2	Logistics industry subsidies	174,067,980.00	Within 1 year	RMB55 million is expected to be recovered by the end of 2025, with the remaining amount expected to be recovered by the end of 2026.
Entity 3	Logistics industry subsidies	145,501,578.94	Within 1 year	All amounts are expected to be recovered by the end of 2025.
Entity 4	Logistics industry subsidies	77,521,872.00	Within 1 year, 1 to 2 years	Due to tight county-level fiscal funds, the timing of subsidy recovery is uncertain.
Entity 5	Logistics industry subsidies	62,370,000.00	Within 1 year	RMB13.19 million is expected to be recovered by the end of 2025, with the remaining amount expected to be recovered by the end of 2026.
Entity 6	Logistics industry subsidies	59,800,981.26	Within 1 year	RMB50 million has been recovered as of 24 July 2025, with the remaining amount expected to be recovered by the end of September 2025.

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. OTHER RECEIVABLES (CONTINUED)

(3) Other receivables (Continued)

11) Other receivables in relation to government grants (Continued)

Company name	Government grant items	Book balance	Aging	Expected time and amount to be received
Entity 7	Logistics industry subsidies	30,994,381.04	Within 1 year	RMB2 million has been recovered as of 31 July 2025; part of the remaining amount is expected to be recovered by the end of December 2025, and the rest is expected to be recovered in the years after 2026.
Entity 8	Logistics industry subsidies	22,050,000.00	Within 1 year	All amounts have been recovered as of 31 July 2025.
Entity 9	Logistics industry subsidies	20,353,768.42	Within 1 year	All amounts have been recovered as of 15 August 2025.
Entity 10	Logistics industry subsidies	18,000,000.00	Within 1 year	RMB14 million has been recovered as of 28 July 2025, with the remaining amount expected to be recovered by the end of September 2025.
Entity 11	Logistics industry subsidies	17,429,183.43	Within 1 year, 1 to 2 years, 2 to 3 years, over 3 years	RMB3,627,000 is expected to be recovered by the end of 2025, with the remaining amount expected to be recovered by the end of 2027.
Entity 12	Logistics industry subsidies	16,350,000.00	Within 1 year	RMB8.3 million is expected to be recovered by the end of 2025, with the remaining amount expected to be recovered by the end of June 2026.
Others	Logistics industry subsidies	59,464,676.93	Within 1 year, 1 to 2 years, 2 to 3 years	RMB28.45 million is expected to be recovered by the end of 2025, with the remaining amount expected to be recovered by the end of 2026.
Total	—	925,233,963.42	—	—

Note: Each subsidiary of the Group accrues government grants on a monthly or quarterly basis according to the preferential policies of the region in which it is located, when the conditions stipulated in the policies are met and the government grants are expected to be received.

12) There were no prepayments transferred to other receivables during the period.

13) The Group had no other receivables related to the centralized management of funds at the end of the period.

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(Unless indicated otherwise, all amounts are expressed in RMB)

IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

8. INVENTORIES

(1) Classification of inventories

Item	Closing balance			Opening balance		
	Book balance	Provision for value reduction/ Provision for impairment of contract performance costs	Book value	Book balance	Provision for value reduction/ Provision for impairment of contract performance costs	Book value
Raw materials	32,238,710.96	3,102,248.47	29,136,462.49	34,335,731.29	3,102,248.47	31,233,482.82
Goods in stock	10,861,400.12	875,980.24	9,985,419.88	8,435,938.24	875,980.24	7,559,958.00
Revolving materials (packaging, low-value consumables, etc.)	17,424,874.29	-	17,424,874.29	17,465,968.82	-	17,465,968.82
Total	60,524,985.37	3,978,228.71	56,546,756.66	60,237,638.35	3,978,228.71	56,259,409.64

(2) Provision for value reduction and provision for impairment of contract performance costs

Item	Opening balance	Increase in current period			Decrease in current period		Closing balance
		Accrual	Others		Reversal or carry-forward	Others	
Raw materials	3,102,248.47	-	-	-	-	-	3,102,248.47
Goods in stock	875,980.24	-	-	-	-	-	875,980.24
Total	3,978,228.71	-	-	-	-	-	3,978,228.71

Note: The Group's inventories mainly consist of fuel oil for vehicles and vessels, spare parts and packaging materials used in the provision of transportation and logistics services, which have low unit prices and small aggregate amounts and are of no significance to the Group. At the end of the period, the Group does not make provisions for value reduction of the inventories which are still in their normal useful lives and functioning properly; for those inventories beyond their useful lives or damaged, the Group makes provisions for value reduction in batches or on the basis of individual inventory items.

(3) The Group had no amount of borrowing costs capitalized in its inventory balance at period-end.

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Notes to the Financial Statements

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(Unless indicated otherwise, all amounts are expressed in RMB)

IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

9. OTHER CURRENT ASSETS

Item	Closing balance	Opening balance
Deductible VAT taxation expenses (certification)	329,369,513.25	322,821,726.49
Prepaid taxes	120,266,745.22	139,176,090.22
Others	365,007.60	3,739,850.11
Subtotal	450,001,266.07	465,737,666.82
Less: Impairment provision	—	—
Total	450,001,266.07	465,737,666.82

10. LONG-TERM EQUITY INVESTMENTS

(1) Classification of long-term equity investments

Item	Opening balance	Effects from changes in the scope of consolidation	Increase in investment	Decrease in investment	Other increases (Decrease denoted by "-")	Effects from translation in foreign currency statements	Closing balance
Investments in joint ventures	3,833,829,974.42	—	—	106,430,657.36	474,304,877.61	-2,413,659.62	4,199,290,535.05
Investments in associates	5,418,970,813.15	—	302,240,000.00	273,102.90	246,125,270.19	-7,133,310.76	5,959,929,669.68
Subtotal	9,252,800,787.57	—	302,240,000.00	106,703,760.26	720,430,147.80	-9,546,970.38	10,159,220,204.73
Less: Impairment provision of long-term equity investments	12,913,596.50	—	—	—	—	-125,423.10	12,788,173.40
Total	9,239,887,191.07	—	302,240,000.00	106,703,760.26	720,430,147.80	-9,421,547.28	10,146,432,031.33

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

10. LONG-TERM EQUITY INVESTMENTS (CONTINUED)

(2) Details of long-term equity investments

Investee	Investment costs	Opening balance	Opening balance of impairment provision	Effects from changes in the scope of consolidation	Changes in current period					Closing balance	Closing balance of impairment provision
					Other comprehensive income adjustments	Other changes in equity	Cash dividends and profits declared	Impairment provision	Effects from transition in foreign currency statements		
Joint ventures											
DHL SinoTrans International Air Courier Ltd.	1,864,579,883.84	3,833,823,974.42	4,020,273.14	-	-	-4,604.27	3,188,337.14	-	-2,413,659.02	4,199,290,538.05	4,020,273.14
Dongguan Port Container Terminals Co., Ltd.	681,144,356.07	1,683,470,780.02	-	-	-	-	-	-	-	2,149,613,844.43	-
New Land Bridge (Lianyungang) Terminal Co., Ltd.	378,633,333.00	334,317,653.65	-	-	-2,459,355.51	-	-	-	-	331,857,688.14	-
Zhejiang Airport International Logistics Supply Chain Co., Ltd.	132,585,575.46	220,753,743.58	-	-	4,973,077.83	-	-	-	-1,849,003.01	223,877,816.40	-
Sinotrans Saers Logistics Co., Ltd.	147,000,000.00	147,005,893.62	-	-	62,720.40	-	-	-	-	147,068,420.02	-
Nieshi-Sinotrans International Logistics Co., Ltd.	82,570,000.00	138,734,251.88	-	-	3,528,087.47	-	-	-	-	142,262,338.35	-
Sinotrans Suzhou Logistics Center Co., Ltd.	55,518,361.25	134,515,940.24	-	-	7,235,065.89	-	-	-	-	137,751,006.13	-
TP Essee Energy Co., Ltd.	97,898,300.00	110,555,639.02	-	-	1,090,047.98	-	-	-	-	111,645,687.00	-
Shenyang Jinjun Automobile Logistics Co., Ltd.	100,000,000.00	98,082,477.89	-	-	-2,917,547.36	-	-	-	-	95,164,930.53	-
Ningbo Dagang Container Co., Ltd.	100,000,000.00	85,979,870.76	-	-	420,855.17	-	-	-	-	85,359,015.59	-
Qingdao Port Dongjiekou Sinotrans Logistics Co., Ltd.	49,855,251.00	61,168,866.48	-	-	2,940,778.04	-	306,000.00	-	-	64,127,674.52	-
Liangsu Sinotrans Xiangta Supply Chain Management Co., Ltd.	51,000,000.00	54,614,261.27	-	-	99,204.75	-	-	-	-	54,407,466.02	-
Sinotrans PFS Cold Chain Logistics Co., Ltd.	49,000,000.00	48,955,066.76	-	-	13,646.63	-	-	-	-	48,968,733.39	-
Sinotrans PFS Cold Chain Logistics Co., Ltd.	90,000,000.00	44,691,887.42	-	-	250,619.41	-	-	-	-	44,942,426.83	-

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

10. LONG-TERM EQUITY INVESTMENTS (CONTINUED)

(2) Details of long-term equity investments (Continued)

Investee	Changes in current period										Closing balance	Closing balance of impairment provision		
	Investment costs	Opening balance	Opening balance of impairment provision	Effects from changes in the scope of consolidation	Increase in investment	Decrease in investment	Investment profit or loss under equity method	Other comprehensive income adjustments	Other changes in equity	Cash dividends and profits declared			Impairment provision	Effects from transition in foreign currency statements
SIPG Sinotrans Container Depot Co., Ltd.	30,000,000.00	44,151,700.70	-	-	-	-	-91,667.99	-	-	-	-	-	-	44,060,032.71
Shanghai Wa-Hong Yisida International Logistics Co., Ltd.	56,288,343.25	44,342,840.75	-	-	-	-	-542,948.72	-	-	-	-	-	-	43,799,892.03
Jiangsu Sinotrans LivePort Heavy Logistics Development Co., Ltd.	40,000,000.00	42,316,570.26	-	-	-	-	983,737.07	-	-	-	-	-	-	43,310,307.33
Ningbo Taping International Trade Transportation Co., Ltd.	17,272,235.90	40,832,983.22	-	-	-	-	1,106,656.86	-	-	-	-	-	-	41,941,650.08
Sinotrans Aramea (Shanghai) International Aviation Express Delivery Co., Ltd.	19,911,240.00	30,911,645.99	-	-	-	-	-569,463.40	-	-	-	-	-	-	30,342,182.59
MAX LOGISTICS FZCO.	31,170,670.04	27,617,559.39	-	-	-	-	3,003,713.24	-	-	-	-	-465,713.59	-	30,165,559.04
Dalian Ritong Express Logistics Co., Ltd.	16,419,924.68	25,831,208.63	-	-	-	-	-	-	-	-	-	-	-	25,831,208.63
Ningbo Dagang New Century Container Co., Ltd.	19,615,780.28	23,593,714.11	-	-	-	-	842,574.82	-	-	-	-	-	-	24,441,288.93
Qingdao Sanshi Yinggang Freight Terminal Co., Ltd.	30,055,864.00	27,175,336.04	-	-	-	-	-4,632,253.30	-	-	-	-	-	-	22,523,082.74
Wenhai Comprehensive Bonded Zone Hongxin Supply Chain Management Co., Ltd.	14,700,000.00	20,673,903.35	-	-	-	-	1,800,184.91	-	-	-	-	-	-	22,474,088.26
Sinotrans Senko International Cold Chain Logistics (Shanghai) Co., Ltd.	32,500,000.00	24,155,433.04	-	-	-	-	-2,480,539.71	-	-	-	-	-	-	21,674,893.33
Jiangsu Nanlong Sinotrans Supply Chain Management Co., Ltd.	19,600,000.00	20,594,177.80	-	-	-	-	412,228.16	-	-	-	-	-	-	21,006,405.96
Xinjiang New Railway Sinotrans Logistics Co., Ltd.	5,100,000.00	17,787,279.04	-	-	-	-	2,381,899.56	-	-	-	-	-	-	20,169,178.60
Chengdu Bonded Logistics Investment Co., Ltd.	-	105,318,482.65	-	-	-	106,430,657.36	1,149,780.01	-	-37,555.30	-	-	-	-	-
Others	130,459,909.91	168,658,660.86	4,020,273.14	-	-	-	3,840,842.74	-	-4,018.97	2,882,837.14	-	-108,943.02	-	169,503,704.47
4,020,273.14														
Associates	4203,391,632.70	5,418,970,613.15	8,883,323.36	-	302,240,000.00	273,102.90	209,961,588.39	38,429,307.53	158,334.73	2,423,980.46	-	-7,133,310.76	-	5,599,929,669.88
Lucsam International Holdings Co., Limited	2,012,021,379.89	2,890,031,098.90	-	-	-	-	111,144,308.01	38,429,307.53	-	-	-	-	-	3,009,605,314.44
Shenzhen Haixing Harbor Development Co., Ltd.	442,558,642.42	454,546,778.03	-	-	-	-	43,290,183.37	-	-	-	-	-	-	497,838,961.40
Jiangsu Jiaojin Port Group Co., Ltd.	59,319,000.00	448,725,118.58	-	-	-	-	31,501,615.53	-	-	-	-	-	-	480,226,734.11
China Merchants Hainan Development Investment Co., Ltd.	351,328,381.51	438,368,313.07	-	-	-	-	6,706,437.19	-	-	-	-	-5,187,505.56	-	439,887,244.70

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

10. LONG-TERM EQUITY INVESTMENTS (CONTINUED)

(2) Details of long-term equity investments (Continued)

Investee	Investment costs	Opening balance	Opening balance of impairment provision	Effects from changes in the scope of consolidation	Changes in current period					Closing balance	Closing balance of impairment provision
					Investment profit or loss under equity method	Other comprehensive income adjustments	Other changes in equity	Cash dividends and profits declared	Impairment provision		
Wenhua Weidong Shipping Co., Ltd.	206,722,802.30	334,654,605.56	-	-	11,927,889.20	-	-	-	-	346,582,494.76	-
BOC Sinotrans Warehousing and Logistics Closed-end Infrastructure Securities Investment Fund (Note)	282,160,000.00	-	-	-	-	-	-	-	-	282,160,000.00	-
Wuhan Port Container Co., Ltd.	129,465,860.38	194,046,070.65	-	-	5,682,603.27	-	153,199.67	-	-	199,065,221.52	-
Ningbo Chuanshan International Logistics Co., Ltd.	80,000,000.00	80,082,666.82	-	-	10,224.06	-	-	-	-	80,092,290.88	-
Shanghai Pujian Storage Co., Ltd.	78,173,940.00	82,302,633.69	-	-	-3,387,905.53	-	-	-	-	78,914,126.16	-
Sinotrans Green Natural (Guangdong) International Supply Chain Co., Ltd.	75,360,000.00	40,075,800.76	-	-	-507,789.80	-	-	-	-	74,754,000.96	-
Zhejiang Seaport Oranging Port Co., Ltd.	56,100,000.00	58,494,237.31	-	-	2,622,634.29	-	-	150,000.00	-	60,967,871.60	-
China Merchants Sinotrans (Shenzhen) Industrial Innovation Private Equity Investment Fund Partnership (Limited Partnership)	56,446,279.67	36,757,620.23	-	-	-1,487,404.80	-	-	-	-	35,270,215.43	-
Qingzhu Logistics Technology Co., Ltd.	49,000,000.00	37,414,633.55	-	-	-2,969,150.76	-	-	-	-	34,445,482.79	-
Ma'an Shan Tianshun Port Co., Ltd.	21,000,000.00	32,939,046.57	-	-	714,177.73	-	-	-	-	33,653,224.30	-
Shanghai Bulk Commodity Warehouse Receipt Registration Co., Ltd.	30,000,000.00	29,586,669.93	-	-	-389,431.33	-	-	-	-	29,206,238.60	-
Shandong Port & Shipping Sinotrans Supply Chain Development Co., Ltd.	24,500,000.00	27,049,766.66	-	-	966,022.09	-	-	1,973,980.46	-	28,061,823.29	-
Eurasian Rail Gateway Closed Joint-Stock Company	19,000,078.81	20,077,453.52	-	-	2,667,325.02	-	-	-	-	22,684,143.10	-
Shenyang Fujun Cold Chain Logistics Co., Ltd.	20,000,000.00	20,612,468.86	-	-	-561,996.34	-	-	-	-	21,174,453.20	-
Others	230,294,667.12	223,195,030.46	8,893,323.36	-	273,102.90	-	135.06	300,000.00	-	228,316,723.44	8,767,900.26
Total	6,067,971,526.54	9,252,800,787.57	12,913,596.50	-	687,496,907.41	38,429,307.53	116,730.46	5,612,797.60	-	10,159,220,204.73	12,789,173.40

Note: For details on the new investment in BOC Sinotrans Warehousing and logistics REIT during the period, please refer to Note III. 3.

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

10. LONG-TERM EQUITY INVESTMENTS (CONTINUED)

(3) The changes in the impairment provision of long-term equity investments are as follows:

Item	Opening balance	Effects from changes in the scope of consolidation	Increase in current period	Decrease in current period Decrease	Reasons for decreases	Effects from translation in foreign currency statements	Closing balance
Beijing China Merchants Science City Real Estate Development Co., Ltd.	5,959,067.40	-	-	-	-	-84,041.10	5,875,026.30
Sinotrans Hongfeng (Shanghai) International Logistics Co., Ltd.	4,020,273.14	-	-	-	-	-	4,020,273.14
Beijing Sima Ling Clothing Co., Ltd.	1,516,853.52	-	-	-	-	-21,392.28	1,495,461.24
Beijing Shungang Clothing Accessories Co., Ltd.	1,417,402.44	-	-	-	-	-19,989.72	1,397,412.72
Total	12,913,596.50	-	-	-	-	-125,423.10	12,788,173.40

Note: As of 30 June 2025, the Group reviewed the operating conditions, asset status, and industry operating environment of its major joint ventures and associates, and found no obvious signs of impairment. Therefore, no impairment provision was made for long-term equity investments during the period.

(4) Material joint ventures or associates

Name of investees	Main business location	Place of registration	Nature of business	Registered capital	Shareholding ratio (%)		Voting ratio (%)	Accounting treatment for investments in joint ventures or associates
					Direct	Indirect		
Joint ventures	—	—	—	—	—	—	—	—
DHL-Sinotrans International Air Courier Ltd.	China	Beijing	Air-freight courier	USD 14.50 million	50.00	-	50.00	Equity method
Associates	—	—	—	—	—	—	—	—
Loscam International Holdings Co., Limited	Asia Pacific	The British Virgin Islands	Logistics equipment leasing	USD101	45.00	-	45.00	Equity method

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

10. LONG-TERM EQUITY INVESTMENTS (CONTINUED)

(5) Main financial information of material joint ventures

Item	Closing/ current period DHL-Sinotrans International Air Courier Ltd.	Opening/ prior period DHL-Sinotrans International Air Courier Ltd.
Current assets	5,275,885,843.56	5,302,267,271.61
Including: Cash and cash equivalents	3,736,059,919.37	3,094,523,323.30
Non-current assets	1,384,170,405.72	1,463,344,514.64
Total assets	6,660,056,249.28	6,765,611,786.25
Current liabilities	1,791,313,953.18	2,777,886,978.60
Non-current liabilities	569,514,607.25	600,783,287.62
Total liabilities	2,360,828,560.43	3,378,670,266.22
Net assets	4,299,227,688.85	3,386,941,520.03
Non-controlling interests	—	—
Net assets attributable to owners of the parent company	4,299,227,688.85	3,386,941,520.03
Share of net assets calculated at the shareholding ratio	2,149,613,844.43	1,693,470,760.02
Adjustments	—	—
– Goodwill	—	—
– Unrealised profits on internal transactions	—	—
– Others	—	—
Book value of equity investments in joint ventures	2,149,613,844.43	1,693,470,760.02
Fair value of equity investments with open market price	—	—
Operating income	8,759,668,865.08	9,953,152,531.23
Finance costs	10,889,249.43	-8,420,680.07
Income tax expenses	299,979,201.67	499,892,267.36
Net profit	912,286,168.82	1,488,831,468.62
Net profits attributable to owners of the parent company	912,286,168.82	1,488,831,468.62
Net profit from discontinued operations	—	—
Other comprehensive income	—	—
Total comprehensive income	912,286,168.82	1,488,831,468.62
Dividends from joint ventures for the period	—	—

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(Unless indicated otherwise, all amounts are expressed in RMB)

IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

10. LONG-TERM EQUITY INVESTMENTS (CONTINUED)

(6) Main financial information of material associates

Item	Closing/ current period Loscam International Holdings Co., Limited	Opening/ prior period Loscam International Holdings Co., Limited
Current assets	2,669,493,756.70	2,394,700,338.73
Including: Cash and cash equivalents	2,006,064,029.95	1,691,259,639.68
Non-current assets	7,495,190,360.12	7,006,975,336.32
Total assets	10,164,684,116.82	9,401,675,675.05
Current liabilities	797,190,480.98	742,653,049.70
Non-current liabilities	3,364,458,812.37	2,991,872,620.29
Total liabilities	4,161,649,293.35	3,734,525,669.99
Net assets	6,003,034,823.47	5,667,150,005.06
Non-controlling interests	783,020,535.60	779,522,862.83
Net assets attributable to owners of the parent company	5,220,014,287.87	4,887,627,142.23
Share of net assets calculated at the shareholding ratio	2,349,006,429.54	2,199,432,214.00
Adjustments	660,598,884.90	660,598,884.90
– Goodwill	–	–
– Unrealised profits on internal transactions	–	–
– Others	660,598,884.90	660,598,884.90
Book value of equity investments in associates	3,009,605,314.44	2,860,031,098.90
Fair value of equity investments with open market price	–	–
Operating income	1,246,540,857.73	1,175,831,570.24
Finance costs	50,072,815.10	81,862,556.85
Income tax expenses	93,237,037.40	87,248,343.37
Net profit	248,712,331.48	197,551,015.62
Net profits attributable to owners of the parent company	246,988,684.47	200,302,775.24
Net profit from discontinued operations	–	–
Other comprehensive income	85,398,461.18	-379,975,956.36
Total comprehensive income	334,110,792.66	-182,424,940.74
Dividends from associates for the period	–	–

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For the period ended 30 June 2025
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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

10. LONG-TERM EQUITY INVESTMENTS (CONTINUED)

(7) Summary information of other immaterial joint ventures and associates

Item	Closing/ current period	Opening/ prior period
Joint ventures:	—	—
Total book value of investments	2,045,656,417.48	2,136,338,941.26
Total amount of the following items calculated at the shareholding ratio	—	—
Net profit	21,392,234.61	39,169,781.39
Other comprehensive income	—	—
Total comprehensive income	21,392,234.61	39,169,781.39
Associates:	—	—
Total book value of investments	2,941,556,454.98	2,550,046,390.89
Total amount of the following items calculated at the shareholding ratio	—	—
Net profit	98,816,680.38	103,166,606.92
Other comprehensive income	—	8,010,854.35
Total comprehensive income	98,816,680.38	111,177,461.27

- (8) As at 30 June 2025, the Group did not have any joint ventures or associates with significant restrictions on their ability to transfer funds to the Group.
- (9) The Group had no significant excess losses incurred in its joint ventures or associates during the period.
- (10) As at 30 June 2025, except for unpaid subscribed capital contributions to joint ventures (see Note XIII for details), the Group had no unrecognised commitments to provide funds or resources to joint ventures, or to purchase shares of interests in joint ventures.
- (11) As at 30 June 2025, details of the Group's guarantees for joint ventures and associates are disclosed in Note X.4.(6).

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For the period ended 30 June 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

11. OTHER EQUITY INSTRUMENT INVESTMENTS

Item	Changes in current period					Closing balance	Dividend income recognized during the period	Accumulated gains included in other comprehensive income	Accumulated losses included in other comprehensive income	Transfer of other comprehensive income to retained earnings	Reasons for transfer of other comprehensive income to retained earnings	Reasons for designation as at fair value through other comprehensive income
	Opening balance	Increase in investment	Decrease in investment	Gains included in other comprehensive income for the period	Losses included in other comprehensive income for the period							
CSC Cargo Co., Ltd.	394,050,500.00	-	-	-	-	394,050,500.00	-	-	-	-	-	Held for strategic purposes
Air China Limited	22,817,162.27	-	-	-57,691.94	-	22,759,470.33	-	14,682,598.73	-	-	-	Held for strategic purposes
Total	416,867,662.27	-	-	-57,691.94	-	416,809,970.33	-	14,682,598.73	-	-	-	-

Note: Gains and losses included in other comprehensive income do not include deferred income tax effects.

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(Unless indicated otherwise, all amounts are expressed in RMB)

IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

12. OTHER NON-CURRENT FINANCIAL ASSETS

Item	Closing balance	Opening balance
Financial assets classified as measured at fair value through profit or loss	—	—
Including: Equity instrument investments	1,221,053,930.71	1,215,266,140.98
Total	1,221,053,930.71	1,215,266,140.98

Note: As at 30 June 2025, other non-current financial assets mainly include: the investment in China Southern Airlines Logistics Co., Ltd. of RMB797,374,579.60; the investment in Nanjing Port Longtan Container Co., Ltd of RMB135,545,804.83; the investment in JD Logistics, Inc. of RMB119,965,572; the investment in Ouyee Cloud Commerce Co., Ltd. of RMB116,671,663.62; the investment in SINO-BLR Industrial Investment Fund, L.P. of RMB40,687,688.01.

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

13. INVESTMENT PROPERTIES

(1) Investment properties using the cost measurement model

Item	Buildings	Land use rights	Total
I. Original value			
Opening balance	3,225,826,276.67	293,529,654.57	3,519,355,931.24
Effects from changes in the scope of consolidation	-89,801,452.34	-23,383,609.01	-113,185,061.35
Acquisition for the period	—	—	—
Conversion of fixed assets to investment properties	6,278,549.65	—	6,278,549.65
Disposal for the period	—	—	—
Transfer from investment properties to fixed assets	5,411,585.26	—	5,411,585.26
Other transfers out	—	—	—
Effects from translation in foreign currency statements	-32,780,497.68	—	-32,780,497.68
Closing balance	3,104,111,291.04	270,146,045.56	3,374,257,336.60
II. Accumulated depreciation and accumulated amortisation			
Opening balance	654,599,004.42	68,327,231.09	722,926,235.51
Effects from changes in the scope of consolidation	-38,289,201.69	-6,626,683.79	-44,915,885.48
Accrual in current period	64,141,087.89	2,833,489.36	66,974,577.25
Conversion of fixed assets to investment properties	710,714.55	—	710,714.55
Disposal for the period	—	—	—
Transfer from investment properties to fixed assets	776,790.12	—	776,790.12
Other transfers out	—	—	—
Effects from translation in foreign currency statements	-7,069,495.24	—	-7,069,495.24
Closing balance	673,315,319.81	64,534,036.66	737,849,356.47
III. Impairment provision			
Opening balance	3,197,637.31	—	3,197,637.31
Accrual in current period	—	—	—
Effects from translation in foreign currency statements	-23,724.91	—	-23,724.91
Closing balance	3,173,912.40	—	3,173,912.40
IV. Net amount			
Opening balance	2,568,029,634.94	225,202,423.48	2,793,232,058.42
Closing balance	2,427,622,058.83	205,612,008.90	2,633,234,067.73

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

13. INVESTMENT PROPERTIES (CONTINUED)

(2) Investment properties without the title certificate

Item	Book value	Reason for not obtaining the title certificate	Estimated completion date for the title certificate
Sichuan Observation Tower Film and Culture Plaza (Block C, Building 339, Chengdu) 10th Floor, Building 3	21,391,393.18	Processing cannot be carried out at this time due to incomplete developer documentation	—
Office building of Sinotrans (Changchun) Logistics Ltd.	3,714,221.46	Conditions for processing have not been met	Processing after the completion of the entire Phase III project
Houses of Sinotrans Logistics on Munan Road No. 98	544,208.21	In progress	Expected to be completed in December 2025
Total	25,649,822.85	—	—

- (3) The Group's investment properties are mainly rented warehouses, yards and other logistics facilities. As at 30 June 2025, the Group had evaluated the leases, rental levels and surrounding market prices involved in its major leased logistics facilities and found no obvious signs of impairment. Therefore, no provision for impairment of investment properties was made during the period.

14. FIXED ASSETS

Item	Closing balance	Opening balance
Fixed assets	15,176,954,175.27	15,492,823,606.26
Disposal of fixed assets	5,639.67	1,273.61
Total	15,176,959,814.94	15,492,824,879.87

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(Unless indicated otherwise, all amounts are expressed in RMB)

IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

14. FIXED ASSETS (CONTINUED)

(1) Fixed assets

1) Details of fixed assets classification

Item	Buildings	Port and terminal facilities	Motor vehicles and vessels	Machinery, equipment, furniture, appliances and other equipment	Total
I. Original value					
Opening balance	16,156,291,759.73	1,968,547,273.77	2,016,962,131.52	7,158,120,717.89	27,299,921,882.91
Effects from changes in the scope of consolidation	-430,571,478.16	-	105,961.56	-17,267,545.35	-447,733,061.95
Acquisition for the period	40,237,409.71	965,588.50	99,387,853.03	98,769,812.64	239,360,663.88
Transfer to construction in progress for the period	216,665,033.10	4,126,167.96	-	28,969,378.19	249,760,579.25
Transfer from investment properties for the period	5,411,585.26	-	-	-	5,411,585.26
Other increases	-	-	-	-	-
Disposals, obsolescence for the period	1,505,059.84	44,778.00	113,629,107.75	94,748,771.77	209,927,717.36
Reclassification	-1,397,453.58	-	562,662.06	834,791.52	-
Transfer to investment properties for the period	6,278,549.65	-	-	-	6,278,549.65
Other decreases	1,908,548.21	-	-	-	1,908,548.21
Effects from translation in foreign currency statements	-7,455,178.33	-	32,205,520.21	5,223,721.63	29,974,063.51
Closing balance	15,969,489,520.03	1,973,594,252.23	2,035,595,020.63	7,179,902,104.75	27,158,580,897.64
II. Accumulated depreciation					
Opening balance	5,514,341,456.13	702,980,958.38	1,249,603,700.30	3,985,328,075.25	11,452,254,190.06
Effects from changes in the scope of consolidation	-269,217,987.04	-	-	-22,256,952.42	-291,474,939.46
Accrual in current period	301,059,686.96	30,340,329.12	71,686,782.29	218,272,960.79	621,359,759.16
Transfer from investment properties for the period	776,790.12	-	-	-	776,790.12
Other increases	-	-	-	-	-
Disposals, obsolescence for the period	1,154,592.05	42,539.35	80,517,651.75	81,052,461.06	162,767,244.21
Reclassification	-259,059.28	-	10,350.64	248,708.64	-
Transfer to investment properties for the period	710,714.55	-	-	-	710,714.55
Other decreases	597,090.63	-	-	-	597,090.63
Effects from translation in foreign currency statements	-7,326,607.10	-	13,212,723.36	4,878,352.99	10,764,469.25
Closing balance	5,536,911,882.56	733,278,748.15	1,253,995,904.84	4,105,418,684.19	11,629,605,219.74

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

14. FIXED ASSETS (CONTINUED)

(1) Fixed assets (Continued)

1) Details of fixed assets classification (Continued)

Item	Buildings	Port and terminal facilities	Motor vehicles and vessels	Machinery, equipment, furniture, appliances and other equipment	Total
III. Impairment provision	—	—	—	—	—
Opening balance	243,652,568.44	—	110,951,266.55	240,251.60	354,844,086.59
Accrual in current period	—	—	—	—	—
Effects from translation in foreign currency statements	-294,080.64	—	—	—	-294,080.64
Carry forward in current period	—	—	2,528,503.32	—	2,528,503.32
Closing balance	243,358,487.80	—	108,422,763.23	240,251.60	352,021,502.63
IV. Net amount	—	—	—	—	—
Opening balance	10,398,297,735.16	1,265,566,315.39	656,407,164.67	3,172,552,391.04	15,492,823,606.26
Closing balance	10,189,219,149.67	1,240,315,504.08	673,176,352.56	3,074,243,168.96	15,176,954,175.27
Including: Net mortgaged assets at the end of the period	433,170,925.97	610,643.37	—	83,686,237.75	517,467,807.09

2) Fixed assets fully depreciated at the end of the period but are still in use and temporary idleness, disposal, and scrap of fixed assets for the period

Item	Amount	Remark
1. Original value of fixed assets fully depreciated at the end of the period but still in use	3,419,817,091.36	—
2. Original value of temporarily idle fixed assets at the end of the period	95,861,979.01	—
3. Disposal and scrap of fixed assets for the period	—	—
(1) Original value of disposal and scrap of fixed assets for the period	209,927,717.36	—
(2) Net value of disposal and scrap of fixed assets for the period	44,631,969.83	—
(3) Gains and losses from disposal and scrap of fixed assets for the period	6,938,764.64	—

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

14. FIXED ASSETS (CONTINUED)

(1) Fixed assets (Continued)

3) Temporary idle fixed assets

Item	Original book value	Accumulated depreciation	Impairment provision	Book value	Remark
Buildings	2,245,110.51	1,936,691.86	—	308,418.65	—
Motor vehicles and vessels	90,471,853.75	71,584,342.94	8,984,395.83	9,903,114.98	—
Machinery, equipment, furniture, appliances and other equipment	3,145,014.75	2,985,218.32	—	159,796.43	—
Total	95,861,979.01	76,506,253.12	8,984,395.83	10,371,330.06	—

4) Fixed assets rented through an operating lease

Item	Book value
Motor vehicles and vessels	17,258,248.18
Machinery, equipment, furniture, appliances and other equipment	712,591,140.73
Total	729,849,388.91

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

14. FIXED ASSETS (CONTINUED)

(1) Fixed assets (Continued)

5) Fixed assets without the title certificate

Item	Closing book value	Opening book value	Remark
Warehouse of Sinotrans Logistics Guangxi Co., Ltd.	193,660,557.44	197,376,735.32	In progress
Guiyang Comprehensive Bonded Zone Project	146,785,277.01	—	Final settlement procedures have not yet been completed
Wuhu Sanshan Port Sinotrans Wharf Project Phase I	131,702,902.96	133,902,861.70	In progress
Harbin Distribution Center Phase II	69,206,711.51	70,949,167.67	In progress
Northeast Regional Logistics Center Warehouse	68,344,823.50	70,136,575.96	Temporary suspension of demolition
Xinyun Science and Technology Building	49,021,348.70	—	Temporarily cannot be processed
Caidian Logistics Base	41,484,484.76	43,451,306.12	In progress
Office building of Sinotrans (Zhengzhou) Airport Logistics Co., Ltd.	32,228,348.33	33,041,270.33	In progress
Office building 1, Tianzhu Airport Logistics Park	31,847,901.11	34,417,035.77	In progress
Changchun Distribution Center Warehouse No. 1	30,244,989.15	30,901,168.47	In progress
Rongcheng 7-11 warehouse and office building	28,189,165.05	28,955,917.30	In progress
Changchun Distribution Center Warehouse No. 7	27,745,291.66	28,344,829.42	In progress
Changchun Distribution Center Warehouse No. 3	25,743,007.93	26,276,488.09	In progress
Pudong International Airport Storage Project	24,546,316.38	26,913,239.31	In progress
Changchun Distribution Center Warehouse No. 5	22,529,266.43	23,010,223.37	In progress
Office building of Sinotrans (Changchun) Logistics Ltd.	21,682,288.17	22,265,451.84	To be processed after the completion of the entire Phase III project
11th Floor Project, Block C, Building 339, Chengdu	21,119,437.77	21,748,271.01	Processing cannot be carried out at this time due to incomplete developer documentation
China Merchants Logistics Group Changchun Warehouse Package 1	21,102,118.72	21,521,605.60	In progress
Sinotrans (Zhengzhou) Airport Logistics Co., Ltd. Warehouse No. 1	19,696,636.97	20,128,281.83	In progress
Sinotrans (Changchun) Logistics Co., Ltd. Warehouse No. 1	18,867,839.98	19,345,548.58	To be processed after the completion of the entire Phase III project
Wuhu Sanshan Port Warehouse	17,107,890.65	17,507,479.91	In progress
Sinotrans (Changchun) Logistics Co., Ltd. Warehouse No. 3	14,493,991.34	14,902,055.78	To be processed after the completion of the entire Phase III project

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

14. FIXED ASSETS (CONTINUED)

(1) Fixed assets (Continued)

5) Fixed assets without the title certificate (Continued)

Item	Closing book value	Opening book value	Remark
Wuhu Sanshan Port Joint Inspection Building and Dormitory Building	13,796,981.15	14,230,633.13	In progress
Warehouse 2 of Tianzhu Logistics Park	12,829,778.26	13,765,798.40	In progress
Sinotrans (Changchun) Logistics Co., Ltd. Warehouse No. 2	12,203,393.64	12,503,129.91	To be processed after the completion of the entire Phase III project
Nanjing Sinotrans International Logistics Co., Ltd. Warehouse 02	11,457,827.52	11,899,828.86	Temporary suspension of demolition
Nanjing Sinotrans International Logistics Co., Ltd. Warehouse 01	11,296,399.77	11,732,737.83	Temporary suspension of demolition
Sinotrans (Zhengzhou) Airport Logistics Co., Ltd. Warehouse No. 2	11,153,484.54	11,384,795.28	In progress
Sinotrans (Zhengzhou) Airport Logistics Co., Ltd. Warehouse No. 3	10,338,195.78	10,552,598.34	In progress
Nanjing Sinotrans International Logistics Co., Ltd. Warehouse No. 4	9,421,333.37	9,877,979.63	Temporary suspension of demolition
Warehouse 1 of Tianzhu Logistics Park	8,704,166.63	9,340,805.33	In progress
Nanjing Sinotrans International Logistics Co., Ltd. Warehouse No. 3	7,950,252.14	8,335,595.96	Temporary suspension of demolition
Wuhu Sanshan Port Waiting Building	6,134,845.81	6,330,814.63	In progress
China Merchants Logistics Group Changchun Phase I Complex	6,069,338.09	6,197,593.55	In progress
Jiaxing Haiyan Logistics Centre Project	—	347,168,938.47	—
Taicang Port Bonded Area Integrated Logistics Park Project	—	266,286,454.83	—
Others	35,790,236.94	32,744,798.61	—
Total	1,214,496,829.16	1,657,448,016.14	—

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

14. FIXED ASSETS (CONTINUED)

(1) Fixed assets (Continued)

6) *Impairment testing of fixed assets*

The Group's fixed assets mainly consist of self-owned warehouses, yards, parks, terminals and other logistics infrastructures as well as ancillary equipment. These assets, which normally do not generate cash inflows individually, are included in asset groups comprising the long-term assets of the operating entities to which they belong. As at 30 June 2025, the Group reviewed the operating conditions of the main operating entities involved in the aforementioned logistics facilities and the surrounding market conditions of similar assets. Compared with 31 December 2024, no significant adverse changes were observed. The Group determined that the asset group involved in the logistics facilities held by the aforementioned main operating entities did not show any obvious signs of impairment or further impairment.

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

14. FIXED ASSETS (CONTINUED)

(2) Disposal of fixed assets

Item	Closing balance	Opening balance
Machinery, equipment, furniture, appliances and other equipment	5,639.67	1,273.61
Total	5,639.67	1,273.61

15. CONSTRUCTION IN PROGRESS

(1) Listed by classification

Item	Closing balance	Opening balance
Construction in progress	795,191,197.31	656,542,638.70
Construction materials	–	–
Total	795,191,197.31	656,542,638.70

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

15. CONSTRUCTION IN PROGRESS (CONTINUED)

(2) Details of construction in progress

Item	Closing balance			Opening balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Sinotrans Lingang International Logistics Center Project	339,179,790.60	-	339,179,790.60	228,973,162.82	-	228,973,162.82
Chengdu Eastern New Area Project	104,237,456.07	-	104,237,456.07	50,160,910.64	-	50,160,910.64
Sinotrans Dubai Logistics Park Project	65,368,873.05	-	65,368,873.05	4,905,259.38	-	4,905,259.38
Thailand Warehouse Phase II	53,291,634.53	-	53,291,634.53	47,522,088.66	-	47,522,088.66
Jinxia Logistics Center	51,868,330.58	-	51,868,330.58	50,848,565.98	-	50,848,565.98
Weihai Sinotrans International Intelligent Logistics Center Project	34,757,270.78	-	34,757,270.78	8,959,578.70	-	8,959,578.70
Lianyungang Shanghe Logistics Park Project	21,346,024.88	-	21,346,024.88	21,346,024.88	-	21,346,024.88
Emergency Command Center Project	21,149,066.85	-	21,149,066.85	21,149,066.85	-	21,149,066.85
Terminal Upgrading and Renovation Project of Huangpu Warehouse & Terminal	20,113,612.66	-	20,113,612.66	3,100,745.68	-	3,100,745.68
Xinjiang Ganquanpu Distribution Center	12,574,749.89	-	12,574,749.89	12,574,749.89	-	12,574,749.89
Gantry Crane Yard Project	12,389,016.08	-	12,389,016.08	12,389,016.08	-	12,389,016.08
Modern Intelligent Logistics Park Construction Project of Ningbo Company	12,237,439.63	-	12,237,439.63	-	-	-
Building Renovation of Sinotrans High-Tech Logistics (Suzhou)	8,012,855.96	-	8,012,855.96	7,780,052.16	-	7,780,052.16
Cold Chain Supervision Site Engineering Project	6,611,850.87	-	6,611,850.87	765,907.85	-	765,907.85
Administrative Service Construction Terminal	5,897,184.49	-	5,897,184.49	-	-	-
Guiyang Comprehensive Bonded Zone Project	-	-	-	77,179,229.24	-	77,179,229.24
Sinotrans Logistics Development Hefei Supply and Marketing Logistics Park	-	-	-	31,730,310.91	-	31,730,310.91
Sinotrans Weifang International Logistics Centre Phase II Project	-	-	-	13,445,374.15	-	13,445,374.15
Sinotrans Middle East Co., Ltd. SHEIN Project	-	-	-	10,716,636.77	-	10,716,636.77
Xi'an Warehouse Upgrade Project of China Merchants Logistics Group	-	-	-	7,550,594.97	-	7,550,594.97
Other projects	26,256,040.39	100,000.00	26,156,040.39	45,545,363.09	100,000.00	45,445,363.09
Total	795,291,197.31	100,000.00	795,191,197.31	656,642,638.70	100,000.00	656,542,638.70

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

15. CONSTRUCTION IN PROGRESS (CONTINUED)

(3) Changes in significant construction in progress during the period

Item	Budget	Opening balance	Increase in current period	Effects from changes in the scope of consolidation	Transfer to fixed assets	Other decreases	Closing balance	Proportion of project investment to budget amount (%)	Project progress (%)	Accumulated amount of interest capitalisation	Including Amount of interest capitalisation for the year	Interest capitalization rate for the year (%)	Sources of funds
Sinotrans Lijiang International Logistics Center Project	757,305,300.00	228,973,162.82	110,206,627.78	-	-	-	339,179,790.60	44.79	44.79	3,192,262.28	1,925,389.68	2.37	Borrowings, self-owned capital
Chengdu Eastern New Area Project	374,070,997.31	50,160,310.64	54,076,545.43	-	-	-	104,237,456.07	27.87	27.87	455,565.39	451,013.17	2.38	Borrowings, self-owned capital
Guljiang Comprehensive Bonded Zone Project	187,816,245.94	77,179,229.24	69,606,047.77	-	146,785,277.01	-	-	78.15	100.00	-	-	-	Self-owned capital
Total	1,319,192,543.25	356,313,392.70	233,889,220.98	-	146,785,277.01	-	443,417,246.67	---	---	3,647,827.67	2,376,402.85	---	---

- (4) The Group's construction in progress mainly consists of newly constructed or reconstructed logistics centers, logistics parks, terminals, warehousing depots and large-scale logistics equipment. As at 30 June 2025, the Group had assessed the construction status, feasibility study expectations, and future operational arrangements of the major construction projects in progress, and no obvious indication of impairment was found. Therefore, no provision for impairment was made for the construction in progress for the current period.

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

16. RIGHT-OF-USE ASSETS

(1) Details of right-of-use assets classification

Item	Buildings	Land use rights	Port and terminal facilities	Motor vehicles and vessels	Machinery, equipment, furniture, appliances and other equipment	Others	Total
I. Original value	—	—	—	—	—	—	—
Opening balance	4,460,262,663.59	37,968,092.95	3,082,091.02	12,019,635.75	13,012,950.89	30,306,369.77	4,556,651,803.97
Effects from changes in the scope of consolidation	—	—	—	—	—	—	—
Increase in current period	592,199,270.23	126,798,791.09	—	3,052,696.59	2,325,955.44	3,828,434.22	728,205,147.57
Decrease in current period (Note)	269,813,879.69	12,381,151.01	—	10,442,099.22	4,441,109.16	4,843,355.83	301,921,594.91
Effects from translation in foreign currency statements	58,763,028.41	—	—	—	—	—	58,763,028.41
Closing balance	4,841,411,082.54	152,385,733.03	3,082,091.02	4,630,233.12	10,897,797.17	29,291,448.16	5,041,698,385.04
II. Accumulated depreciation	—	—	—	—	—	—	—
Opening balance	1,961,025,815.36	11,280,190.61	1,946,863.31	2,377,519.29	7,306,839.62	12,582,329.57	1,996,519,557.76
Effects from changes in the scope of consolidation	—	—	—	—	—	—	—
Accrual in current period	424,091,936.10	9,760,383.62	513,681.84	1,331,003.21	3,719,487.17	4,448,443.14	443,864,935.08
Decrease in current period (Note)	242,243,066.33	4,632,570.30	—	2,011,132.80	4,011,420.54	306,816.67	253,205,006.64
Effects from translation in foreign currency statements	23,722,029.26	—	—	—	—	—	23,722,029.26
Closing balance	2,166,596,714.39	16,408,003.93	2,460,545.15	1,697,389.70	7,014,906.25	16,723,956.04	2,210,901,515.46
III. Impairment provision	—	—	—	—	—	—	—
Opening balance	—	—	—	—	—	—	—
Closing balance	—	—	—	—	—	—	—
IV. Net amount	—	—	—	—	—	—	—
Opening balance	2,499,236,848.23	26,687,902.34	1,135,227.71	9,642,116.46	5,706,111.27	17,724,040.20	2,560,132,246.21
Closing balance	2,674,814,368.15	135,977,729.10	621,545.87	2,932,843.42	3,882,890.92	12,567,492.12	2,830,796,869.58

Note: The decrease in the original value and accumulated depreciation of right-of-use assets for the period was mainly due to the simultaneous reduction of the original value and accumulated depreciation of right-of-use assets upon expiry of the leases and early termination of leases.

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Notes to the Financial Statements

For the period ended 30 June 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

16. RIGHT-OF-USE ASSETS (CONTINUED)

(1) Details of right-of-use assets classification (Continued)

The Group leases a number of assets, including buildings, land use rights, port and terminal facilities, motor vehicles and vessels, machinery, equipment, furniture, appliances, and other equipment. The lease contracts are entered into for terms of 1 to 28 years and contain partial renewal or termination options. In determining the term of the lease and assessing the length of the non-cancellable period, the Group determines the period for which the contract is enforceable in accordance with the terms of the contract. The Group's significant lease contracts do not contain an option clause to purchase the leased assets at a price below market value at the end of the lease term or renewal period. The Group's leases have no variable lease payment terms.

The short-term lease expenses charged to profit or loss for the period under simplified treatment amounted to RMB341,529,160.37 (prior period: RMB320,803,121.56) and the lease expenses for low-value assets amounted to RMB10,381,711.30 (prior period: RMB8,277,186.93).

The total cash outflow in relation to leases for the period was RMB798,582,340.47 (prior period: RMB699,782,453.71).

- (2) As at 30 June 2025, the Group reviewed the rents agreed under its major lease agreements and found no indication of significant deviation from the market rental levels. Therefore, no provision for impairment of the right-of-use assets has been made for the current period.

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Notes to the Financial Statements

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(Unless indicated otherwise, all amounts are expressed in RMB)

IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

17. INTANGIBLE ASSETS

(1) Details of intangible assets

Item	Amortisation period	Opening balance	Effects from changes in the scope of consolidation (Note)	Increase in current period	Decrease in current period	Reclassification	Effects from translation in foreign currency statements	Closing balance
I. Total original value	—	9,074,422,033.22	-33,829,825.57	100,827,422.39	1,583,880.97	-	36,370,373.69	9,176,206,122.76
Including: Land use rights	20 to 99 years	7,371,734,074.87	-33,829,825.57	90,927,399.22	-	-	-14,504,438.58	7,414,327,209.94
Trademark rights	10 years	5,007,651.46	-	-	-	-	-	5,007,651.46
Software	5 years	1,088,445,988.08	-	9,152,166.56	1,583,880.97	-	3,138,312.97	1,099,152,586.64
Customer relationship	9 years, 10 years	526,693,346.37	-	-	-	-	47,743,917.38	574,437,263.75
Others	5 years, 8 years	82,540,972.44	-	747,856.61	-	-	-7,418.08	83,281,410.97
II. Total accumulated amortisation	—	2,753,069,200.40	-35,777,613.11	160,637,521.72	1,583,880.97	-	26,939,208.78	2,903,284,436.82
Including: Land use rights	20 to 99 years	1,661,069,815.68	-35,777,613.11	78,052,612.90	-	-	-2,883,683.63	1,700,461,131.84
Trademark rights	10 years	7,651.46	-	-	-	-	-	7,651.46
Software	5 years	791,515,460.88	-	51,422,083.47	1,583,880.97	-	2,353,317.48	843,706,980.86
Customer relationship	9 years, 10 years	271,369,358.97	-	30,541,948.94	-	-	27,475,075.34	329,386,383.25
Others	5 years, 8 years	29,106,913.41	-	620,876.41	-	-	-5,500.41	29,722,289.41
III. Total impairment provision	—	58,913,956.77	—	—	-	58,913,956.77	-	58,913,956.77
Including: Land use rights	20 to 99 years	3,887,400.00	-	-	-	-	-	3,887,400.00
Trademark rights	10 years	5,000,000.00	-	-	-	-	-	5,000,000.00
Software	5 years	-	-	-	-	-	-	-
Customer relationship	9 years, 10 years	-	-	-	-	-	-	-
Others	5 years, 8 years	50,026,556.77	-	-	-	-	-	50,026,556.77
IV. Total book value	—	6,262,438,876.05	—	—	—	—	—	6,214,007,729.17
Including: Land use rights	20 to 99 years	5,706,776,859.19	—	—	—	—	—	5,709,978,678.10
Trademark rights	10 years	—	—	—	—	—	—	-
Software	5 years	296,930,527.20	—	—	—	—	—	255,445,605.78
Customer relationship	9 years, 10 years	255,323,987.40	—	—	—	—	—	245,050,880.50
Others	5 years, 8 years	3,407,502.26	—	—	—	—	—	3,532,564.79

The Group's intangible assets were mainly acquired through external purchases or commissioned external research and development, and the amount and proportion of intangible assets formed through internal research and development were insignificant.

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Notes to the Financial Statements

For the period ended 30 June 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

17. INTANGIBLE ASSETS (CONTINUED)

(2) Land use rights without the title certificate

Item	Book value	Reason for not obtaining the title certificate
Land Use Rights of Rongcheng Pulin Shandong Project	19,669,906.37	In negotiations with the government for the issuance of title certificate
Land Use Rights of Dayaowan Kaisan District Container Yard Phase II	5,507,669.52	In progress
Total	25,177,575.89	—

(3) Impairment testing of intangible assets

The Group's intangible assets mainly consist of land use rights, software, and customer relationships, which normally do not generate cash inflows separately and are included in asset groups of the long-term assets of the operating entity to which they belong. As at 30 June 2025, the Group reviewed the operating conditions of the main operating entities involved in the aforementioned intangible assets and the surrounding market conditions of similar assets. Compared with 31 December 2024, no significant adverse changes were observed. The Group determined that the asset group involved in the intangible assets held by the aforementioned main operating entities did not show any obvious signs of impairment or further impairment.

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For the period ended 30 June 2025
(Unless indicated otherwise, all amounts are expressed in RMB)

IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

18. GOODWILL

(1) Details of goodwill

Investee	Formation	Opening balance	Increase in current period		Decrease in current period		Effects from translation in foreign currency statements	Closing balance
			Business combination	Other increases	Derecognition of disposal of subsidiaries	Other decreases		
7 companies including KLG EUROPE EERSEL B.V.	Business combinations not under common control	2,025,363,645.40	-	-	-	-	214,412,907.27	2,239,776,552.67
Sinotrans Cold Chain Logistics (Tianjin) Co., Ltd.	Business combinations not under common control	215,048,533.68	-	-	-	-	-	215,048,533.68
China Merchants Logistics Group Nanjing Co., Ltd.	Business combinations not under common control	170,927,814.49	-	-	-	-	-	170,927,814.49
Shenzhen Henglu Logistics Co., Ltd.	Business combinations not under common control	134,843,091.03	-	-	-	-	-	134,843,091.03
OCEAN LORD INVESTMENT LIMITED	Business combinations not under common control	44,442,093.80	-	-	-	-	-	44,442,093.80
Sinotrans Cold Chain Logistics Harbin Co., Ltd.	Business combinations not under common control	29,621,440.67	-	-	-	-	-	29,621,440.67
Sinotrans High-Tech Logistics (Suzhou) Co., Ltd.	Business combinations not under common control	24,297,900.54	-	-	-	-	-	24,297,900.54
Chengdu Bonded Logistics Investment Co., Ltd.	Business combinations not under common control	-	10,611,975.65	-	-	-	-	10,611,975.65
MARK FAMOUS INVESTMENT LIMITED	Business combinations not under common control	7,166,615.77	-	-	-	-	-	7,166,615.77
Others	Business combinations not under common control	42,196,922.13	-	-	-	-	-	42,196,922.13
Subtotal	—	2,693,908,057.51	10,611,975.65	—	-	-	214,412,907.27	2,918,932,940.43
Impairment provision for goodwill	—	728,338,556.55	—	—	—	—	—	762,347,994.82
Total	—	1,965,569,500.96	—	—	—	—	—	2,156,584,945.61

Note 1: The effect from translation in foreign currency statements is due to the change in the exchange rate of the EUR to RMB at the end of the period compared to the beginning of the period.

Note 2: The Group's business combination not under common control of Chengdu Bonded Logistics Company this period resulted in goodwill of RMB10,611,975.65, as detailed in Note VIII.2.

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Notes to the Financial Statements

For the period ended 30 June 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

18. GOODWILL (CONTINUED)

(2) Details of goodwill impairment provision

Investee	Opening balance	Effects from changes in the scope of consolidation	Accrual in current period	Effects from translation in foreign currency statements	Decrease in current period	Closing balance
7 companies including KLG EUROPE EERSEL B.V.	321,256,218.93	-	-	34,009,438.27	-	355,265,657.20
Sinotrans Cold Chain Logistics (Tianjin) Co., Ltd.	215,048,533.68	-	-	-	-	215,048,533.68
Shenzhen Henglu Logistics Co., Ltd.	134,843,091.03	-	-	-	-	134,843,091.03
Sinotrans Cold Chain Logistics Harbin Co., Ltd.	29,621,440.67	-	-	-	-	29,621,440.67
China Merchants Logistics Group Nanjing Co., Ltd.	25,332,524.09	-	-	-	-	25,332,524.09
China Merchants International Cold Chain (Shenzhen) Co., Ltd.	2,236,748.15	-	-	-	-	2,236,748.15
Total	728,338,556.55	-	-	34,009,438.27	-	762,347,994.82

Note: As of 30 June 2025, there was no significant adverse change in the operating environment, strategy and performance of the Group's asset group or portfolio of asset groups to which the Group has apportioned a significant amount of goodwill as compared with the judgments and expectations as of 31 December 2024. The Group has judged that there is no significant impairment or further indication of impairment for the aforesaid asset group or portfolio of asset groups to which a significant amount of goodwill has been apportioned.

- (3) The M&A transactions that resulted in the formation of the Group's goodwill do not involve performance commitments of related parties.

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For the period ended 30 June 2025
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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

19. LONG-TERM PREPAID EXPENSE

Item	Opening balance	Effects from changes in the scope of consolidation	Transfer from fixed assets	Increase in current period	Amortisation for the period	Effects from translation in foreign currency statements	Other decreases	Closing balance	Reasons for other decreases
Modification of assets	217,537,010.41	-2,120,506.25	-	22,592,642.99	33,725,062.90	-177,757.78	-	204,106,326.47	—
Others	3,681,429.10	-	-	2,992,516.26	923,398.75	-9,712.96	-	5,740,833.65	—
Total	221,218,439.51	-2,120,506.25	-	25,585,159.25	34,648,461.65	-187,470.74	-	209,847,160.12	—

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Notes to the Financial Statements

For the period ended 30 June 2025

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

20. DEFERRED INCOME TAX

(1) Deferred tax assets not offset

Item	Closing balance		Opening balance	
	Deferred tax assets	Deductible temporary differences and deductible losses	Deferred tax assets	Deductible temporary differences and deductible losses
Lease liabilities	769,207,541.85	3,288,303,098.82	652,394,178.80	2,712,393,289.38
Unpaid wages	130,446,763.80	521,860,983.12	114,550,366.15	458,304,202.83
Deductible losses	151,723,476.99	610,215,250.76	152,266,176.80	612,434,237.57
Impairment provision unapproved by the tax authorities	86,497,602.76	355,654,972.68	77,916,692.74	320,981,329.54
Changes in fair value of other non-current financial assets	9,821,761.84	59,525,829.34	10,481,768.66	63,525,870.66
Depreciation of fixed assets	3,490,994.16	14,078,578.70	3,374,000.24	13,496,000.60
Provision for pending litigation	4,689,797.45	18,759,189.78	2,398,820.47	9,595,281.87
Provision for a one-time housing subsidy	638,601.63	2,554,406.50	638,601.63	2,554,406.50
Other deductible temporary differences	66,033,479.95	277,007,010.64	64,728,896.18	273,787,333.28
Total	1,222,550,020.43	5,147,959,320.34	1,078,749,501.67	4,467,071,952.23

1) Details of unrecognised deferred tax assets

Item	Closing balance	Opening balance
Deductible temporary differences	1,295,635,574.48	1,235,124,903.79
Deductible losses	2,593,793,650.85	2,533,598,777.95
Total	3,889,429,225.33	3,768,723,681.74

Note: The Group recognises deferred tax assets to the extent of the taxable income used to deduct deductible temporary differences and deductible losses that are likely to be obtained in the future, and the excess of deductible temporary differences and deductible losses over the future taxable income is not recognised as deferred tax assets.

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

20. DEFERRED INCOME TAX (CONTINUED)

(1) Deferred tax assets not offset (Continued)

2) The deductible losses of unrecognized deferred tax assets will mature in the following year:

Year	Closing balance	Opening balance	Remark
2025	155,006,522.51	204,695,169.99	—
2026	57,644,020.84	145,066,961.67	—
2027	544,563,944.95	560,957,722.60	—
2028	611,435,315.28	612,875,531.69	—
2029	720,900,242.87	768,638,863.31	—
2030	246,218,030.14	—	—
2031	—	—	—
2032	—	—	—
2033	—	—	—
2034	—	—	—
2035	—	—	—
Deductible losses without maturity date	258,025,574.26	241,364,528.69	—
Total	2,593,793,650.85	2,533,598,777.95	—

(2) Deferred tax liabilities not offset

Item	Closing balance		Opening balance	
	Deferred tax liabilities	Taxable temporary difference	Deferred tax liabilities	Taxable temporary difference
Right-of-use assets	692,663,991.96	2,830,796,869.58	615,797,491.48	2,560,132,246.21
Adjustment of the fair value of assets acquired by business combination	252,869,468.24	1,096,872,658.80	239,944,274.06	1,048,548,109.02
Valuation of financial assets and liabilities held for trading	143,434,553.53	573,738,214.10	143,434,553.53	573,738,214.10
Depreciation and amortisation	33,650,225.80	135,025,210.27	36,789,191.18	147,887,907.62
Changes in fair value of other equity instrument investments	3,670,649.68	14,682,598.73	3,685,072.67	14,740,290.67
Other taxable temporary differences	1,879,878.82	7,882,524.94	2,446,970.31	10,863,192.98
Total	1,128,168,768.03	4,658,998,076.42	1,042,097,553.23	4,355,909,960.60

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Notes to the Financial Statements

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

20. DEFERRED INCOME TAX (CONTINUED)

(3) Deferred tax assets or liabilities shown in the net amount after offset

Item	Offset amount of deferred tax assets against deferred tax liabilities at the end of the period	Closing balance of deferred tax assets or deferred tax liabilities after offset	Offset amount of deferred income tax assets against deferred tax liabilities at the beginning of the period	Opening balance of deferred tax assets or deferred tax liabilities after offset
Deferred tax assets	-878,071,718.93	344,478,301.50	-758,364,445.37	320,385,056.30
Deferred tax liabilities	-878,071,718.93	250,097,049.10	-758,364,445.37	283,733,107.86

21. OTHER NON-CURRENT ASSETS

Item	Closing balance			Opening balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Prepayment for land use rights	121,605,050.27	-	121,605,050.27	13,265,050.27	-	13,265,050.27
Deductible VAT taxation expenses	103,437,310.23	-	103,437,310.23	85,821,373.17	-	85,821,373.17
Prepayment for engineering equipment	69,601,717.15	-	69,601,717.15	50,698,868.18	-	50,698,868.18
Total	294,644,077.65	-	294,644,077.65	149,785,291.62	-	149,785,291.62

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

22. ASSETS UNDER RESTRICTED OWNERSHIP OR USE RIGHTS

Item	Closing balance				Opening balance			
	Book balance	Book value	Type of restriction	Details of restriction	Book balance	Book value	Type of restriction	Details of restriction
Cash and bank balances	81,834,718.96	81,834,718.96	Freeze, others	Note 1	27,287,681.61	27,287,681.61	Freeze, others	Note 1
Investment properties	14,573,563.65	13,334,810.82	Collateral	Note 2	14,573,563.65	13,480,546.44	Collateral	Note 2
Fixed assets	585,023,673.64	517,467,807.09	Collateral	Note 3	533,756,941.31	478,374,584.88	Collateral	Note 3
Intangible assets	652,384,823.19	605,622,279.42	Collateral	Note 4	652,384,823.19	612,158,813.58	Collateral	Note 4
Construction in progress	-	-	—	—	31,730,310.91	31,730,310.91	Collateral	—
Total	1,333,816,779.44	1,218,259,616.29	—	—	1,259,733,320.67	1,163,031,937.42	—	—

Note 1: For details of the cash and bank balances under restricted use right at the end of the period, see Note IX. 1.

Note 2: Investment properties with restricted ownership or use right at the end of the period included the book value, amounting to RMB13,334,810.82 (beginning of the period: RMB13,480,546.44), of the land of JIANGMEN HIGH TECH PORT DEVELOPMENT CO., LTD. (hereinafter referred to as "JIANGMEN PORT Company"), a subsidiary of the Group, pledged as collateral for long-term borrowings.

Note 3: Fixed assets with restricted ownership or use right at the end of the period included the followings: the book value of warehouses used as collaterals for long-term borrowings by Sinotrans Logistics Development Hefei Co., Ltd. (hereinafter referred to as "Sinotrans Hefei Company"), a subsidiary of the Group, was RMB246,981,540.26 (beginning of the period: RMB200,222,309.63); the book value of warehouses, plants, machinery and equipment, port and terminal facilities used as collaterals for long-term borrowings by JIANGMEN PORT Company, a subsidiary of the Group, was RMB152,760,659.58 (beginning of the period: RMB157,920,050.76); the book value of warehouses used as collaterals for long-term borrowings by Hunan Zhongnan International Land Port Co., Ltd., a subsidiary of the Group, was RMB116,248,006.44 (beginning of the period: RMB118,713,357.30); and the book value of warehouses used as collaterals for long-term borrowings by Sinotrans Dongguan Logistics Co., Ltd. (hereinafter referred to as "Sinotrans Dongguan Company"), a subsidiary of the Group, was RMB1,477,600.81 (beginning of the period: RMB1,518,867.19).

Note 4: Intangible assets with restricted ownership or use right at the end of the period included the followings: the book value of land used as collaterals for long-term borrowings by Shanghai Sinotrans International Logistics Co., Ltd., a subsidiary of the Group, was RMB202,538,422.17 (beginning of the period: RMB204,637,265.91); the book value of land used as collaterals for long-term borrowings by JIANGMEN PORT Company, a subsidiary of the Group, was RMB188,157,714.62 (beginning of the period: RMB190,214,083.10); the book value of land used as collaterals for long-term borrowings by Chengdu Eastern New Area Sinotrans International Logistics Co., Ltd., a subsidiary of the Group, was RMB104,380,931.95 (beginning of the period: RMB105,468,233.35); the book value of land used as collaterals for long-term borrowings by Sinotrans Taicang International Logistics Co., Ltd., a subsidiary of the Group, was RMB50,485,788.92 (beginning of the period: RMB51,028,646.84); the book value of land used as collaterals for long-term borrowings by Sinotrans Hefei Company, a subsidiary of the Group, was RMB31,968,626.86 (beginning of the period: RMB32,327,824.90); and the book value of land used as collaterals for long-term borrowings by Sinotrans Dongguan Company, a subsidiary of the Group, was RMB28,090,794.90 (beginning of the period: RMB28,482,759.48).

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

23. ASSET IMPAIRMENT PROVISION AND CREDIT LOSS PROVISION

Item	Opening balance	Effects from changes in the scope of consolidation	Accrual in current period	Reversal in current period	Write-off and carry-forward for the period	Transfer-out for the period due to sale	Other increases in the period	Other decreases in the period	Effects from translation in foreign currency statements or exchange rate changes	Closing balance
Credit loss provision for accounts receivable	545,188,204.76	-403.10	125,362,378.29	3,647,489.36	825,472.81	-	367,580.06	453,322.35	-540,380.05	665,451,095.44
Credit loss provision for other receivables	173,176,455.08	-11.70	-2,896,250.09	31,200.00	-	-	458,138.26	-	277,953.60	170,985,085.15
Provision for value reduction of inventories	3,978,228.71	-	-	-	-	-	-	-	-	3,978,228.71
Impairment provision for long-term equity investments	12,913,596.50	-	-	-	-	-	-	-	-125,423.10	12,788,173.40
Impairment provision for investment properties	3,197,637.31	-	-	-	-	-	-	-	-23,724.91	3,173,912.40
Provision for impairment of fixed assets	354,844,086.59	-	-	-	-	2,528,503.32	-	-	-294,080.64	352,021,502.63
Impairment provision for construction in progress	100,000.00	-	-	-	-	-	-	-	-	100,000.00
Impairment provision for intangible assets	58,913,956.77	-	-	-	-	-	-	-	-	58,913,956.77
Impairment provision for goodwill	728,338,556.55	-	-	-	-	-	-	-	34,009,438.27	762,347,994.82
Total	1,880,650,722.27	-414.80	122,466,128.20	3,678,689.36	825,472.81	2,528,503.32	825,718.32	453,322.35	33,303,783.17	2,029,759,949.32

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

24. SHORT-TERM BORROWINGS

(1) Classification of short-term borrowings

Category	Closing balance	Opening balance
Fiduciary loans	1,576,504,111.30	3,194,097,147.55
Guaranteed loans	—	100,094,416.67
Total	1,576,504,111.30	3,294,191,564.22

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

25. BILLS PAYABLE

Category	Closing balance	Opening balance
Bank acceptance bills	103,495,009.99	183,554,323.76
Total	103,495,009.99	183,554,323.76

Note: The Group had no overdue bills payable at the end of the period.

26. ACCOUNTS PAYABLE

(1) Details of accounts payable

Aging	Closing balance		Opening balance	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year (including 1 year)	14,241,862,087.68	97.87	12,534,281,476.56	98.25
1 to 2 years (including 2 years)	225,041,256.02	1.55	147,329,084.59	1.15
2 to 3 years (including 3 years)	34,883,315.24	0.24	36,028,801.73	0.28
Over 3 years	49,531,614.41	0.34	39,255,509.02	0.32
Total	14,551,318,273.35	100.00	12,756,894,871.90	100.00

Note: The above aging analysis of accounts payable is based on the time of purchasing goods or receiving services.

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

26. ACCOUNTS PAYABLE (CONTINUED)

(2) Significant accounts payable aged over one year

Company name	Amount	Aging	Reasons for non-repayment
Zhengzhou Merchants Logistics Co., Ltd.	15,093,312.72	1 to 2 years, 2 to 3 years	Unsettled
Entity 1	14,107,068.48	1 to 2 years	Unsettled
Entity 2	9,376,281.35	1 to 2 years, over 3 years	Unsettled
Entity 3	9,282,467.62	1 to 2 years, 2 to 3 years, over 3 years	Unsettled
Entity 4	8,444,602.80	1 to 2 years	Unsettled
Entity 5	7,320,832.80	1 to 2 years	Unsettled
Entity 6	5,612,165.59	1 to 2 years	Unsettled
Entity 7	5,457,539.72	1 to 2 years	Unsettled
Total	74,694,271.08	—	—

- (3) There were no accounts payable from shareholders holding more than 5% (including 5%) voting shares of the Company at the end of the period.

27. CONTRACT LIABILITIES

(1) Details of contract liabilities

Item	Closing balance	Opening balance
Advance receipts for agency and related business	3,351,878,779.66	3,605,801,389.22
Advance receipts for logistics business	702,470,456.66	682,547,510.90
Advance receipts for E-commerce business	263,368,885.33	297,617,079.97
Subtotal	4,317,718,121.65	4,585,965,980.09
Less: Contract liabilities included in other non-current liabilities	—	—
Total	4,317,718,121.65	4,585,965,980.09

Note: The Group's payments are received in advance for logistics services related to a large number of customers and logistics and transportation service contracts (agreements, orders, etc.) associated with those customers. Logistics and transportation service contracts of the same business type are similar in terms of service content, mode, performance cycle, and payment arrangement. Therefore, the Group's obligation to provide services to customers based on the consideration received or receivable from customers under logistics and transportation service contracts is presented in summary by business type (the same as the classification of revenue).

- (2) The revenue included the opening balance of contract liabilities recognised in the current period was RMB4,585,965,980.09 (ignoring the effect of translation of financial statements in foreign currencies), including contract liabilities arising from forwarding and related business advanced receipt of RMB3,605,801,389.22, contract liabilities arising from logistics business advanced receipt of RMB682,547,510.90, and contract liabilities arising from e-commerce business advanced receipt of RMB297,617,079.97.

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

27. CONTRACT LIABILITIES (CONTINUED)

(3) Qualitative and quantitative analysis of contract liabilities

Based on the consideration of business risks, the Group's transactions with certain types of customers are based on the advance payment mode, and the Group recognises contract liabilities when it has not yet fulfilled its performance obligations but has received or is due to receive the customer's consideration in accordance with the payment arrangements agreed in the logistics and transportation service contracts (agreements, orders, etc.) entered into with the customers. As of 30 June 2025, the transaction price received or receivable, net of estimated output tax, apportioned by the Group to the outstanding logistics and transportation service contracts was RMB4,317,718,121.65 (1 January 2025: RMB4,585,965,980.09). This amount represents the amount of revenue that the Group expects to recognize when the customer obtains control of the services in the future. The Group expects that RMB4,317,718,121.65 (ignoring the effect of translation of financial statements in foreign currencies) will be recognized as revenue in one year from the current reporting period.

- (4) Except for normal advance receipts and performance-related carryovers, there were no other material changes in the Group's contract liabilities summarised by business type during the period.

28. EMPLOYEE BENEFITS PAYABLE

(1) Classification of employee benefits payable

Item	Opening balance	Increase in current period	Decrease in current period	Closing balance
I. Short-term benefits	2,198,119,907.32	3,218,424,877.87	3,664,099,413.39	1,752,445,371.80
II. Post-employment benefits – defined contribution plans	81,519,912.18	464,337,649.22	479,622,356.13	66,235,205.27
III. Termination benefits	13,374,048.01	20,933,262.61	24,450,772.08	9,856,538.54
IV. Other benefits due within one year	–	–	–	–
V. Others	3,930,138.42	4,479,471.35	5,908,644.49	2,500,965.28
Total	2,296,944,005.93	3,708,175,261.05	4,174,081,186.09	1,831,038,080.89

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

28. EMPLOYEE BENEFITS PAYABLE (CONTINUED)

(2) Short-term benefits

Item	Opening balance	Increase in current period	Decrease in current period	Closing balance
I. Wages, bonuses, allowances and subsidies	2,122,559,108.60	2,504,571,664.04	2,941,581,612.30	1,685,549,160.34
II. Employee welfare benefits	229,429.43	91,644,778.29	91,843,380.63	30,827.09
III. Social insurance premiums	8,166,595.15	189,631,662.06	189,584,149.81	8,214,107.40
Including: Medical insurance	7,088,782.99	162,728,848.95	162,789,474.14	7,028,157.80
Work-related injury insurance	508,894.88	15,735,245.64	15,682,460.58	561,679.94
Maternity insurance	420,395.61	10,162,442.34	10,160,442.01	422,395.94
Others	148,521.67	1,005,125.13	951,773.08	201,873.72
IV. Housing Provident Fund	5,446,940.21	221,053,290.80	220,094,431.56	6,405,799.45
V. Trade union funds and staff education funds	36,972,720.75	45,148,306.55	42,666,295.27	39,454,732.03
VI. Short-term paid absences	—	—	—	—
VII. Short-term profit-sharing scheme	—	—	—	—
VIII. Other short-term benefits	24,745,113.18	166,375,176.13	178,329,543.82	12,790,745.49
Total	2,198,119,907.32	3,218,424,877.87	3,664,099,413.39	1,752,445,371.80

(3) Defined contribution plan

Item	Opening balance	Increase in current period	Decrease in current period	Closing balance
I. Basic pension insurance premiums	18,959,260.20	343,018,376.97	349,411,490.01	12,566,147.16
II. Unemployment insurance premiums	1,397,244.93	14,481,113.44	13,965,032.74	1,913,325.63
III. Enterprise annuity contributions	61,163,407.05	106,838,158.81	116,245,833.38	51,755,732.48
Total	81,519,912.18	464,337,649.22	479,622,356.13	66,235,205.27

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

28. EMPLOYEE BENEFITS PAYABLE (CONTINUED)

(3) Defined contribution plan (Continued)

According to the pension and unemployment insurance plan set up by the government agencies, the Group pays to such plans a contribution on the basis of 12% to 24% and 0.48% to 2% of the employees' basic wages on a monthly basis. Apart from the above monthly payment, the Group bears no further payment obligation. Corresponding expenses are recorded in the profit or loss of the current period or the cost of the related assets.

The enterprise annuity contribution of the Group is jointly borne by the entity and its employees. The total annual contribution of the entity is 8% of the total wages of the prior year, and is distributed to the individual account of employees on the basis of 8% of the individual contribution base of employees. The individual monthly contribution base of employees is the average monthly wage of employees for the prior year (the maximum individual contribution base shall not exceed 5 times the average contribution base of the Group). The rest is included in the enterprise account. The individual contribution of employees accounts for 25% of the Group's contribution to them and is deducted by the Group from the wages of employees. The annuity fund of the Group adopts the mode of legal person entrustment management, and the enterprise annuity fund pooled is entrusted by SINOTRANS & CSC to the trustee for the entrusted management, and a contract for the trusted management of the enterprise annuity fund is signed. The Group has no further payment obligations beyond the monthly contributions to the annuity fund.

The Group should respectively contribute RMB449,856,535.78 and RMB14,481,113.44 (prior period: RMB425,956,730.82 and RMB15,020,307.76) to the pension insurance and unemployment insurance plan for the current period. As of 30 June 2025, the Group had RMB64,321,879.64 and RMB1,913,325.63 (1 January 2025: RMB80,122,667.25 and RMB1,397,244.93) of contributions payable to the pension and unemployment insurance plan which are due and unpaid during the reporting period. The contributions payable were paid after the reporting period.

29. TAXES AND DUES PAYABLE

Item	Closing balance	Opening balance
Enterprise income tax	370,928,523.87	309,349,414.28
Value-added tax	128,345,557.18	167,822,098.30
Individual income tax	35,176,152.09	41,734,092.40
Property tax	31,594,262.92	28,681,319.88
Urban land use tax	13,955,929.00	10,697,889.56
Stamp duty	3,597,958.63	4,383,312.47
Urban maintenance & construction tax	2,348,190.85	4,174,337.20
Education surcharge	2,113,156.72	4,135,438.50
Other taxes	18,207,445.77	12,613,538.27
Total	606,267,177.03	583,591,440.86

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

30. OTHER PAYABLES

Item	Closing balance	Opening balance
Interest payable	—	—
Dividends payable	1,095,706,290.79	73,788,729.28
Other payables	1,840,221,661.34	1,922,469,671.63
Total	2,935,927,952.13	1,996,258,400.91

(1) Dividends payable

Item	Company name	Closing balance	Opening balance
Ordinary share dividend	Public share	413,909,384.10	—
	SINOTRANS & CSC HOLDINGS Co., Ltd.	366,194,883.10	20,607.60
	China Merchants Group Co., Ltd.	232,086,628.66	—
	Employee shareholding in Sinotrans Ningbo International Container Transportation Co., Ltd.	31,504,376.96	—
	SINOTRANS (HONG KONG) HOLDINGS LIMITED	15,293,660.91	—
	CHINA MERCHANTS INNOVATION AND TECHNOLOGY (HONG KONG) CO., LIMITED	12,299,235.38	—
	Guangdong Nanhai Food Import & Export Co., Ltd.	8,843,269.46	8,843,269.46
	Guangdong Food Import and Export Group Co., Ltd.	7,074,615.56	7,074,615.56
	HONG SHAN TRANSPORTATION COMPANY LIMITED	3,020,607.60	3,020,607.60
	Long Distance Transportation Co., Ltd.	2,045,981.32	2,045,981.32
	Guangdong Silk-tex Group Co., Ltd.	1,965,746.75	1,965,746.75
	Weihai Industrial Investment Group Co., Ltd.	680,000.00	680,000.00
	Nantong Economic and Technological Development Zone Holding Group Co., Ltd.	487,900.99	487,900.99
	Weihai Taihe Investment Co., Ltd.	300,000.00	300,000.00
	Shenzhen Nanyou (Holdings) Corp. Ltd.	—	10,575,000.00
	China Merchants Port Group Co., Ltd.	—	10,575,000.00
	China Foreign Shipping Agency Co., Ltd.	—	10,575,000.00
	Shenzhen Yantian Port Group Co., Ltd.	—	10,575,000.00
	Shenzhen Navigation Group Co., Ltd.	—	7,050,000.00
Total	—	1,095,706,290.79	73,788,729.28

Note: The Group had no material dividends payable outstanding for more than one year at the end of the period.

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

30. OTHER PAYABLES (CONTINUED)

(2) Other payables

1) Other payables by nature of payment

Item	Closing balance	Opening balance
Deposits and guarantees collected	793,251,757.81	711,208,348.51
Current transactions with non-related parties	487,216,931.48	425,607,867.36
Payment for project, equipment and land	234,400,037.80	224,412,509.52
Current transactions with related parties	167,820,778.97	192,140,911.64
Amounts to be transferred for factoring and securitization of accounts receivable	—	150,372,007.54
Others	157,532,155.28	218,728,027.06
Total	1,840,221,661.34	1,922,469,671.63

2) Aging analysis of other payables

Aging	Closing balance		Opening balance	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year (including 1 year)	1,158,474,496.11	62.96	1,211,034,951.08	62.99
1 to 2 years (including 2 years)	225,049,503.12	12.23	308,417,847.92	16.05
2 to 3 years (including 3 years)	110,869,176.51	6.02	90,041,743.28	4.68
Over 3 years	345,828,485.60	18.79	312,975,129.35	16.28
Total	1,840,221,661.34	100.00	1,922,469,671.63	100.00

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

30. OTHER PAYABLES (CONTINUED)

(2) Other payables (Continued)

3) Significant other payables aged over one year

Company name	Amount owed	Aging	Reasons for non-repayment
Shanghai Changjiang Shipping Corporation	42,048,121.66	1 to 2 years	Not yet due for settlement
SINOTRANS & CSC HOLDINGS Co., Ltd.	24,051,000.00	Over 3 years	No agreed term
Entity 1	20,386,484.28	Over 3 years	No agreed term
Entity 2	13,028,220.70	1 to 2 years, over 3 years	No agreed term
Entity 3	10,000,000.00	2 to 3 years	Not yet due for settlement
Entity 4	9,352,060.50	Over 3 years	Not yet due for settlement
China United Tally (Shenzhen) Co., Ltd.	9,000,000.00	1 to 2 years, over 3 years	Not yet due for settlement
Entity 5	8,484,709.95	1 to 2 years, over 3 years	Not yet due for settlement
Entity 6	6,800,000.00	1 to 2 years	Not yet due for settlement
Entity 7	6,552,510.80	1 to 2 years	Not yet due for settlement
Entity 8	5,895,535.69	2 to 3 years	Not yet due for settlement
Entity 9	5,377,743.74	Over 3 years	Not yet due for settlement
CSC Cargo (Dazhou) Co., Ltd.	5,351,077.47	1 to 2 years	Not yet due for settlement
Total	166,327,464.79	—	—

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

30. OTHER PAYABLES (CONTINUED)

(2) Other payables (Continued)

4) Other payables with large balances at the end of the period

Company name	Amount owed	Aging	Nature or content
Entity 1	53,659,554.05	Within 1 year	Payment for project, equipment and land
Entity 2	50,560,000.00	Within 1 year	Current transactions with non-related parties
Entity 3	42,406,012.91	Within 1 year	Arbitration compensation
Shanghai Changjiang Shipping Corporation	42,048,121.66	1 to 2 years	Current transactions with related parties
Entity 4	39,910,675.50	Within 1 year	Payment for project, equipment and land
Entity 5	26,773,351.01	Within 1 year	Payment for project, equipment and land
SINOTRANS & CSC HOLDINGS Co., Ltd.	26,845,900.82	Within 1 year, over 3 years	Current transactions with related parties
Entity 6	20,386,484.28	Over 3 years	Current transactions with non-related parties
Entity 7	17,322,404.15	Within 1 year	Current transactions with non-related parties
Entity 8	15,341,195.18	Within 1 year	Payment for project, equipment and land
Entity 9	15,000,000.00	Within 1 year, 2 to 3 years	Current transactions with non-related parties
Entity 10	13,028,220.70	1 to 2 years, over 3 years	Payment for project, equipment and land
Entity 11	10,340,772.29	Within 1 year	Deposits and guarantees collected
Entity 12	10,006,660.81	Within 1 year	Payment for project, equipment and land
Total	383,629,353.36	—	—

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

30. OTHER PAYABLES (CONTINUED)

(2) Other payables (Continued)

5) Amounts due to shareholders holding more than 5% (including 5%) voting shares of the Company

Company name	Closing balance	Opening balance
SINOTRANS & CSC HOLDINGS Co., Ltd.	26,845,900.82	24,051,000.00
Total	26,845,900.82	24,051,000.00

31. NON-CURRENT LIABILITIES DUE WITHIN ONE YEAR

Item	Closing balance	Opening balance
Long-term borrowings due within one year	1,120,070,305.94	229,462,538.87
Including: Guaranteed loans	276,050,387.75	59,196,990.63
Mortgage loans	128,459,957.42	121,735,930.93
Fiduciary loans	715,559,960.77	48,529,617.31
Lease liabilities due within one year	751,917,502.55	647,299,805.36
Bonds payable due within one year	48,675,963.46	11,495,307.76
Long-term payables due within one year	–	46,162,020.00
Estimated liabilities due within one year	4,959,974.46	6,847,709.94
Total	1,925,623,746.41	941,267,381.93

32. OTHER CURRENT LIABILITIES

Item	Closing balance	Opening balance
Pending output VAT	268,412,207.18	284,650,650.10
Others	19,516,753.32	3,977,677.00
Total	287,928,960.50	288,628,327.10

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

33. LONG-TERM BORROWINGS

Type of loan	Closing balance	Opening balance	Interest rate range at the end of the year (%)
Guaranteed loans (Note)	1,559,634,954.08	1,439,930,223.41	1.27, 2.685
Mortgage loans	1,084,030,888.54	1,072,480,178.59	2.21-2.85
Fiduciary loans	937,110,455.06	985,343,573.99	0.765-2.70
Total	3,580,776,297.68	3,497,753,975.99	—
Less: Long-term borrowings due within one year	1,120,070,305.94	229,462,538.87	—
Including: Guaranteed loans	276,050,387.75	59,196,990.63	—
Mortgage loans	128,459,957.42	121,735,930.93	—
Fiduciary loans	715,559,960.77	48,529,617.31	—
Long-term borrowings due after one year	2,460,705,991.74	3,268,291,437.12	—

Note: Guaranteed loans at the end of the period represented loans in EUR borrowed by SE LOGISTICS HOLDING B.V., a subsidiary of the Group, from the Export-Import Bank of China and the China Development Bank. For details of joint liability guarantees provided by the Company, please refer to Note X. 4. (6).

- (1) The Group had no overdue long-term borrowings at the end of the period.
- (2) **Top five long-term borrowings in the closing balance (including long-term borrowings due within one year)**

Loan unit	Borrowing start date	Borrowing termination date	Currency	Interest rate (%)	Closing balance		Opening balance	
					Foreign currency	Domestic currency	Foreign currency	Domestic currency
China Development Bank	2020-12-08	2027-12-08	EUR	1.27	94,402,066.00	785,651,754.08	96,835,055.00	728,751,573.41
Export-Import Bank of China	2020-12-08	2027-12-07	EUR	2.685	93,000,000.00	773,983,200.00	94,500,000.00	711,178,650.00
Bank of China	2024-06-24	2026-06-24	HKD	0.765	700,000,000.00	639,086,000.00	700,462,355.96	648,656,160.11
Bank of China	2019-01-02	2029-01-02	RMB	2.75	—	313,574,255.61	—	352,029,758.49
Agricultural Bank of China	2023-07-13	2038-07-13	RMB	2.85	—	162,816,296.84	—	161,814,680.92

- (3) The Group had no long-term borrowings extended at the end of the period.
- (4) At the end of the period, the Group had no loan arrangements classified as non-current liabilities by relying on the right to defer the settlement of liabilities, which was subject to the contractual conditions that should be complied with within one year after the balance sheet date.

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

33. LONG-TERM BORROWINGS

(5) The maturity date of long-term borrowings is analysed as follows

Item	Closing balance	Opening balance
1 to 2 years (including 2 years)	150,857,711.47	1,098,784,776.92
2 to 5 years (including 5 years)	1,848,571,677.09	1,764,981,599.41
Over 5 years	461,276,603.18	404,525,060.79
Total	2,460,705,991.74	3,268,291,437.12

34. BONDS PAYABLE

(1) Details of bonds payable

Item	Closing balance	Opening balance
2024 medium-term notes (phase I)	2,031,060,182.64	2,010,133,607.30
25 Sinotrans K1	2,014,805,114.15	–
2021 corporate bonds (phase I)	20,488,553.91	20,274,129.26
Less: Bonds payable due within one year	48,675,963.46	11,495,307.76
Total	4,017,677,887.24	2,018,912,428.80

Note: The Group's bonds payable include:

On 26 July 2021, approved by CSRC, the Company was permitted to issue unsecured corporate bonds with a nominal value of RMB100 and a total amount of RMB2 billion (2021 corporate bonds (phase I)). The bonds were issued with a term of 5 years and a fixed coupon rate of 3.15%. The principal was repaid in lump sum and interest payments were made in installments.

Pursuant to the relevant provisions of the issuer's option to adjust the coupon rate in the Prospectus of Sinotrans Limited's 2021 Public Offering of Corporate Bonds (Phase I) for Professional Investors (hereinafter referred to as "the Prospectus"), the Company issued the 2024 Announcement on Adjusting the Coupon Rate of Sinotrans Limited's 2021 Public Offering of Corporate Bonds (Phase I) for Professional Investors on 28 June 2024, which adjusted the coupon rate of the next two years for the 2021 corporate bonds (phase I) from 3.15% to 2.15% (with the adjusted interest start date on 26 July 2024). The adjustment triggered the investor's resale option clause set out in the Prospectus. The accumulated amount declared for resale by investors was RMB1,980 million (excluding interest), which was paid by the Company on 26 July 2024. As of 30 June 2025, the total remaining principal and interest of the 2021 Phase I corporate bonds amounted to RMB20,488,553.91.

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

34. BONDS PAYABLE (CONTINUED)

(1) Details of bonds payable (Continued)

On 18 September 2024, by registration approved by the National Association of Financial Market Institutional Investors (ZSXZ [2024] MTN747), the Company issued the 2024 medium-term term-notes (phase I) (24 Sinotrans MTN001) with a nominal value of RMB100 and a total amount of RMB2 billion. The medium-term notes were issued with a maturity of three years and a fixed coupon rate of 2.08%. The principal was repaid in lump sum and interest payments were made in installments.

According to the "Approval for the Registration of the Public Offering of Corporate Bonds by Sinotrans Limited to Professional Investors" (ZJXK [2024] No. 1509) from the China Securities Regulatory Commission, the Company was authorized to publicly offer corporate bonds with the total face value of no more than RMB4 billion (including 4 billion) to professional investors. The issuance could take place by phases within the valid period of the registration. On 21 January 2025, the Company completed the issuance of "Sinotrans Limited Public Offering of Science and Technology Innovation Corporate Bonds for Professional Investors in 2025 (Phase I)(25 Sinotrans K1)". The amount issued is RMB2 billion. The bonds were issued with a term of 3 years and a coupon rate of 1.79%. The interests were paid annually and the principal was repaid in lump sum at its maturity.

(2) The maturity date of bonds payable is analysed as follows

Item	Closing balance	Opening balance
1 to 2 years (including 2 years)	19,997,430.61	19,998,638.85
2 to 5 years (including 5 years)	3,997,680,456.63	1,998,913,789.95
Total	4,017,677,887.24	2,018,912,428.80

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

34. BONDS PAYABLE (CONTINUED)

(3) Specifics of bonds payable

Bond name	Face value	Coupon rate (%)	Issue date	Bond term	Issue amount	Opening balance	Effects from changes in the scope of consolidation	Issued in current period	Interest accrued at face value	Amortisation of premium and discount	Current repayments and interest payments	Effects from transition in foreign currency statements	Closing balance	In default
2024 medium-term notes (phase I)	2,000,000,000.00	2.08	2024-09-18	3 years	2,000,000,000.00	2,010,133,607.30	-	-	20,629,041.08	297,534.26	-	-	2,031,060,182.64	No
25 Sinotrans KI	2,000,000,000.00	1.79	2025-01-21	3 years	2,000,000,000.00	-	-	1,986,960,000.00	15,683,150.69	151,963.46	-	-	2,014,805,114.15	No
2021 corporate bonds (phase II)	2,000,000,000.00	2.15	2021-07-26	5 years	2,000,000,000.00	20,274,129.26	-	-	213,232.89	1,191.76	-	-	20,488,553.91	No
Total	6,000,000,000.00	—	—	—	6,000,000,000.00	2,030,407,736.56	-	1,986,960,000.00	36,535,424.66	450,689.48	-	-	4,066,353,850.70	—
Less: Bonds payable due within one year	—	—	—	—	—	11,495,307.76	—	—	—	—	—	—	48,675,963.46	—
Bonds payable due after one year	—	—	—	—	—	2,018,912,428.80	—	—	—	—	—	—	4,017,677,887.24	—

Note: The Group's bonds payable have a coupon rate that approximates the effective interest rate, and the amount of premium and discount is small. The Group uses the simplified method to amortise the premium and discount amounts evenly over the term of the bonds.

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

35. LEASE LIABILITIES

(1) Lease liabilities

Item	Closing balance	Opening balance
Lease payments	4,321,675,765.09	3,537,938,150.30
Less: Unrecognised financing expenses	934,403,017.80	806,189,669.96
Total	3,387,272,747.29	2,731,748,480.34
Less: Lease liabilities due within one year	751,917,502.55	647,299,805.36
Net lease liabilities	2,635,355,244.74	2,084,448,674.98

Note: The discount rates for the above lease liabilities range from 3.04%-4.90%.

(2) Maturity of lease payments

Item	Closing balance
Year 1 after balance sheet date	877,400,801.84
Year 2 after balance sheet date	504,447,946.00
Year 3 after balance sheet date	354,885,005.45
Future years	2,584,942,011.80
Total	4,321,675,765.09

Note: The Group is not exposed to significant liquidity risk in relation to lease liabilities.

36. LONG-TERM PAYABLES

Item	Closing balance	Opening balance
Related party loans	20,000,000.00	20,000,000.00
Loans from subsidiaries to non-controlling interests	–	46,162,020.00
Total	20,000,000.00	66,162,020.00
Less: Long-term payables due within one year	–	46,162,020.00
Long-term payables due after one year	20,000,000.00	20,000,000.00

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

36. LONG-TERM PAYABLES (CONTINUED)

(1) Top five long-term payables in the closing balance (including long-term payables due within one year)

Item	Closing balance	Opening balance
SINOTRANS & CSC HOLDINGS Co., Ltd. (Note 1)	20,000,000.00	20,000,000.00
Shenzhen International Holdings (Shenzhen) Co., Ltd.	—	46,162,020.00
Total	20,000,000.00	66,162,020.00

Note 1: Sinotrans Logistics Investment Holdings Co., Ltd., a subsidiary of the Group, borrowed RMB20 million from SINOTRANS & CSC in 2016 with a loan term of 18 years and an interest rate of 1.20%.

(2) The maturity date of long-term payables is analyzed as follows

Item	Closing balance	Opening balance
1 to 2 years (including 2 years)	—	—
2 to 5 years (including 5 years)	—	—
Over 5 years	20,000,000.00	20,000,000.00
Total	20,000,000.00	20,000,000.00

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

37. LONG-TERM EMPLOYEE BENEFITS PAYABLE

Item	Opening balance	Effects from changes in the scope of consolidation	Accrual in current period	Payment for the year	Actuarial adjustments	Interest adjustments	Foreign currency translation differences	Closing balance
I. Net liability for post-employment benefits – defined benefit plans	1,414,921.19	-	-	27,871.96	-	-	-	1,387,049.23
II. Termination benefits	834,280.22	-	50,610.93	50,610.93	-	-	-	834,280.22
III. Other long-term benefits	1,314,905.76	-	-	-	-	-	-	1,314,905.76
Total	3,564,107.17	-	50,610.93	78,482.89	-	-	-	3,536,235.21
Less: Long-term employee benefits payable due within one year	-	—	—	—	—	—	—	-
Long-term employee benefits payable due after one year	3,564,107.17	—	—	—	—	—	—	3,536,235.21

Note: The Group's post-employment benefits – defined benefit plans mainly represent the extra-universal costs for socialized transferred retirees accrued by China Yangtze River Shipping Co., Ltd., Sinotrans Jiuling Transport & Storage Co., Ltd., Zhoushan Customs Sinotrans Limited and so on. The number of beneficiaries involved in the plans as at 30 June 2025 was 137, and the scope of the impact and the amount are not material to the Group.

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

38. ESTIMATED LIABILITIES

Item	Opening balance	Effects from changes in the scope of consolidation	Increase in current period	Decrease in current period	Effects from translation in foreign currency statements	Closing balance	Reasons for occurrence and changes
Pending litigation, arbitration	25,826,958.20	-	13,835,292.12	4,671,384.21	-	34,990,866.11	—
Including: A contract dispute case involving the Hefei High-tech Industrial Development Zone Investment Promotion Bureau	14,500,000.00	-	-	-	-	14,500,000.00	The details are described in Note XII.
One-time housing subsidy	2,554,406.50	-	-	-	-	2,554,406.50	—
Estimated expenditure on the restoration of leased assets	1,658,444.32	-	-	-	-	1,658,444.32	—
Others	147,632.07	-	1,630.42	141,789.69	-	7,472.80	—
Subtotal	30,187,441.09	-	13,836,922.54	4,813,173.90	-	39,211,189.73	—
Less: Estimated liabilities due within one year	—	—	—	—	—	4,959,974.46	—
Estimated liabilities due after one year	23,339,731.15	—	—	—	—	34,251,215.27	—

39. DEFERRED INCOME

Item	Opening balance	Effects from changes in the scope of consolidation	Increase in current period	Decrease in current period	Closing balance	Reason
Government grants	525,236,135.58	-2,866,737.18	7,425,560.41	11,249,442.87	518,545,515.94	This was mainly due to the Group's receipt of subsidies from the government for promoting the development and standardisation of the logistics industry
Total	525,236,135.58	-2,866,737.18	7,425,560.41	11,249,442.87	518,545,515.94	—

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

40. SHARE CAPITAL

Item	Opening balance		Increase in current period	Decrease in current period	Closing balance	
	Investment amount	Proportion (%)			Investment amount	Proportion (%)
Domestic listing (A shares)	5,255,916,875.00	72.06	-	-	5,255,916,875.00	72.06
Listing (H shares) in Hong Kong, China	2,038,300,000.00	27.94	-	-	2,038,300,000.00	27.94
Total	7,294,216,875.00	100.00	-	-	7,294,216,875.00	100.00

Note: All A shares and H shares issued by the Company are ordinary shares with a par value of RMB1 per share and are entitled to the same equity.

41. CAPITAL RESERVES

Item	Opening balance	Increase in current period	Decrease in current period	Closing balance
I. Share capital premium	6,573,228,337.67	25,322,723.41	24,833,809.43	6,573,717,251.65
1. Capital invested by investors (Note 1)	3,011,377,649.65	25,322,723.41	9,500,791.60	3,027,199,581.46
2. Differences arising from the acquisition and disposal of non-controlling interests (Note 2)	2,156,035,950.96	-	15,333,017.83	2,140,702,933.13
3. Others	1,405,814,737.06	-	-	1,405,814,737.06
II. Other capital reserves	60,220,095.10	2,827,164.52	25,322,723.41	37,724,536.21
1. Other changes in the owner's equity of the investees other than net profit or loss, other comprehensive income and profit distributions	14,501,061.16	117,157.69	-	14,618,218.85
2. Share-based payment for unexercised rights (Note 1)	45,719,033.94	2,710,006.83	25,322,723.41	23,106,317.36
3. Others	-	-	-	-
Total	6,633,448,432.77	28,149,887.93	50,156,532.84	6,611,441,787.86
Including: Exclusively state-owned capital reserves	—	—	—	—

Note 1: The Company's Stock Option Incentive Plan (Phase I) actually exercised 20,431,890 options during the period (for details, please refer to Note IX.69), obtaining the exercise payment of RMB71,000,855. The difference of RMB9,500,791.60 from the corresponding treasury share repurchase cost of RMB80,501,646.60 was adjusted to capital reserves. Other capital reserves transferred to share capital premium corresponding to the number of shares exercised amounted to RMB25,322,723.41.

Note 2: See Note VIII. 7. for details.

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

42. TREASURY SHARES

Item	Opening balance		Increase in current period		Decrease in current period		Closing balance	
	Number (shares)	Amount	Number (shares)	Amount	Number (shares)	Amount	Number (shares)	Amount
Domestic listed (A-share) treasury shares	38,272,657.00	165,708,249.16	76,873,414.00	388,465,475.33	20,431,890.00	80,501,646.60	94,714,181.00	473,672,077.89
Including: For equity incentive (Note 1)	26,891,535.00	105,837,178.55	-	-	20,431,890.00	80,501,646.60	6,459,645.00	25,335,531.95
For cancellation (Note 2)	11,381,122.00	59,871,070.61	76,873,414.00	388,465,475.33	-	-	88,254,536.00	448,336,545.94
Treasury shares (H-share) listed in Hong Kong, China (for cancellation) (Note 3)	3,055,000.00	9,236,007.49	18,964,000.00	64,650,384.37	-	-	22,019,000.00	73,886,391.86
Total	41,327,657.00	174,944,256.65	95,837,414.00	453,115,859.70	20,431,890.00	80,501,646.60	116,733,181.00	547,558,469.75

Note 1: The exercise conditions of the second exercise period of the Company's stock option incentive plan (Phase I) were fulfilled on 24 January 2025, and 20,431,890 options were exercised by the incentive recipients in the current period (for details, please refer to Note IX.69), corresponding to a repurchase cost of RMB80,501,646.60.

Note 2: At the Second Extraordinary General Meeting of Shareholders in 2024, the Second Meeting of A-share Class Shareholders in 2024, and the Second Meeting of H-share Class Shareholders in 2024 held by the Company on 15 November 2024, the Proposal on Repurchasing the Company's A-shares through Centralized Competitive Bidding was deliberated and approved item by item. The Company was approved to use self-owned funds or self-raised funds to repurchase its A-Share shares through centralized competitive bidding transactions, with a total repurchase amount of not less than RMB271 million (inclusive) and not exceeding RMB542 million (inclusive), at a repurchase price not exceeding RMB7.43 per share (inclusive). The repurchase period is within 12 months from the date of the general meeting of shareholders' approval of this share repurchase plan, and the Board of Directors is authorized to handle matters related to the repurchase. In accordance with the resolution and authorisation mentioned above, the Company cumulatively repurchased 76,873,414 A shares during the period, and the total amount paid was RMB388,465,475.33 (excluding transaction fees).

Note 3: At the Annual General Meeting of Shareholders in 2023, the First Meeting of H-share Class Shareholders in 2024, and the First Meeting of A-share Class Shareholders in 2024 held by the Company on 7 June 2024, the Proposal on Applying for a General Authorisation for H-share Repurchase was considered and approved, and the Board of Directors was granted a general authorisation to repurchase H shares. The Board of Directors shall, based on demand and market conditions, and in compliance with the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Ltd. and the Companies Ordinance, timely decide to repurchase up to 10% of the total number of H-shares (the total number of H-shares issued by the Company as at the date when the general meeting of shareholders approved this authorisation was 2,038,300,000 shares) issued by the Company as at the date when the general meeting of shareholders approved this authorisation. The term of such general authorisation is from the date of the relevant proposal authorised at the General Meeting of Shareholders to the earliest of the following three dates: (1) at the end of the next Annual General Meeting of the Company; or (2) 12 months expired after the approval of the repurchase authorisation proposal; or (3) the revocation or amendment of the proposal by a special proposal passed by the General Meeting of Shareholders, of the Company. In accordance with the authorisation mentioned above, the Company cumulatively repurchased 18,964,000 H shares during the period, and the total amount paid was HKD69,915,390.60 (excluding transaction fees). At the end of the period 22,019,000 H-shares that were repurchased have been fully cancelled as of July 29, 2025.

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

43. OTHER COMPREHENSIVE INCOME

Item	Opening balance	Incurred during the period before income tax	Incurred during the period		Less: Income tax expenses	Amounts attributable to the parent company after tax	Amounts attributable to minority shareholders after tax	Closing balance
			Less: Transfer to profit or loss in the current period that charged to the other comprehensive income in the prior year	Less: Transfer to retained earnings in the current period that charged to the other comprehensive income in the prior year				
I. Other comprehensive income not to be subsequently reclassified to profit or loss	18,936,390.64	-57,691.94	-	-	-14,422.99	-43,268.95	-	18,893,121.69
1. Change in amount arising from re-measurement of the defined benefit plan	-	-	-	-	-	-	-	-
2. Other comprehensive income not to be reclassified to profit or loss under the equity method	1,790,169.90	-	-	-	-	-	-	1,790,169.90
3. Changes in fair value of other equity instrument investments	17,146,220.74	-57,691.94	-	-	-14,422.99	-43,268.95	-	17,102,951.79
4. Changes in fair value attributable to changes in credit risk	-	-	-	-	-	-	-	-
5. Other comprehensive income not to be subsequently reclassified to profit or loss	-	-	-	-	-	-	-	-
II. Other comprehensive income to be subsequently reclassified to profit or loss	-142,942,868.73	70,417,451.43	-	-	-	68,566,753.44	1,850,697.99	-74,376,115.29
1. Other comprehensive income to be reclassified to profit or loss under the equity method	68,577,684.18	38,429,307.53	-	-	-	38,429,307.53	-	107,006,991.71
2. Translation difference of the financial statements in foreign currency	-211,520,552.91	31,988,143.90	-	-	-	30,137,445.91	1,850,697.99	-181,383,107.00
3. Other comprehensive income to be reclassified to profit or loss	-	-	-	-	-	-	-	-
Total	-124,006,478.09	70,359,759.49	-	-	-14,422.99	68,523,484.49	1,850,697.99	-55,482,993.60

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

44. SPECIAL RESERVES

Item	Opening balance	Increase in current period	Decrease in current period	Closing balance
Safety production costs	143,045,162.87	48,176,627.89	31,593,825.52	159,627,965.24
Total	143,045,162.87	48,176,627.89	31,593,825.52	159,627,965.24

Note: For the subsidiaries of the Group engaged in general freight transportation or special freight transportation, such as dangerous goods, safety production costs were withdrawn on the basis of operating income in accordance with the relevant national regulations, and were included in the cost of the relevant products or the current period profit or loss, and were also transferred to special reserves.

45. SURPLUS RESERVES

Item	Opening balance	Increase in current period	Decrease in current period	Closing balance
Statutory surplus reserves	2,371,553,765.05	–	–	2,371,553,765.05
Total	2,371,553,765.05	–	–	2,371,553,765.05

Note: According to the provisions of the Articles of Association of the Company, the statutory surplus reserves shall be withdrawn at the rate of 10% of the net profit. If the accumulated statutory surplus reserves of the Company reach 50% or more of the Company's registered capital, it may not be withdrawn.

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

46. UNDISTRIBUTED PROFITS

Item	Current period	Prior period
Closing balance of the prior period	23,424,281,261.35	21,888,204,114.36
Add: Adjustments to opening undistributed profit	–	2,421,719.89
Including: Changes in accounting policies	–	–
Business combinations under common control (Note 1)	–	2,421,719.89
Opening balance of the current period	23,424,281,261.35	21,890,625,834.25
Increase in current period	1,946,948,727.20	1,945,361,508.34
Including: Net profit attributable to shareholders of the Company for the period	1,946,948,727.20	1,945,361,508.34
Decrease in current period	1,038,432,819.19	1,049,711,268.44
Including: Dividend distribution (Note 2)	1,038,392,561.89	1,049,711,268.44
Others	40,257.30	–
Closing balance of the current period	24,332,797,169.36	22,786,276,074.1

Note 1: The Group's subsidiary, SINOTRANS (HK) LOGISTICS LIMITED (hereinafter referred to as "SINOTRANS (HK) HOLDINGS"), adjusted the opening balance of undistributed profits for the previous period by RMB2,421,719.89 due to the business combination under common control of SILVER EXPRESS INTERNATIONAL LIMITED in the same period of the previous year.

Note 2: At the 2024 Annual General Meeting of the Company held on 5 June 2025, the Proposal on Profit Distribution Plan for the Year 2024 was considered and approved, and a final dividend for the year 2024 based on the total share capital registered on the date of record of equity distribution (net of the A shares and H shares held in the special account for the repurchase of shares by the Company) was paid, with a cash dividend of RMB0.145 (tax included) per share.

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

47. OPERATING INCOME, COSTS

Item	Current period		Prior period	
	Income	Costs	Income	Costs
Agency and related business	29,628,417,337.33	27,625,628,431.74	35,060,255,669.34	33,349,811,190.45
Logistics	14,323,048,411.02	13,248,531,142.13	15,214,278,699.56	14,089,934,391.10
E-commerce	6,571,035,483.17	6,546,457,116.49	6,125,396,739.41	6,053,425,669.09
Total	50,522,501,231.52	47,420,616,690.36	56,399,931,108.31	53,493,171,250.64

Note: The Group's operating income and cost presentation items are consistent with the classification of the operating segments.

(1) Information related to performance obligations

January-June 2025

Item	Agency and related business	Logistics	E-commerce
Operating income	—	—	—
Including: Recognition at a certain point	29,628,417,337.33	14,323,048,411.02	6,440,081,081.55
Recognition within a certain period	—	—	—
Lease income	—	—	130,954,401.62
Total	29,628,417,337.33	14,323,048,411.02	6,571,035,483.17

January-June 2024

Item	Agency and related business	Logistics	E-commerce
Operating income	—	—	—
Including: Recognition at a certain point	35,060,255,669.34	15,214,278,699.56	5,981,599,041.36
Recognition within a certain period	—	—	—
Lease income	—	—	143,797,698.05
Total	35,060,255,669.34	15,214,278,699.56	6,125,396,739.41

The contents and prices of services are usually explicitly agreed in the contracts (agreements, orders, etc.) entered into between the Group and its customers, which do not involve complicated payment arrangements, and the Group has an unconditional right to receive payment upon completion of the relevant services, except for advance payment arrangements.

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

47. OPERATING INCOME, COSTS (CONTINUED)

(1) Information related to performance obligations (Continued)

The services provided by the Group to its customers are classified into three types: agency and related business, logistics, and e-commerce business. The entrustment of a single customer may involve a single logistics process or multiple logistics processes. When multiple logistics processes are involved, the Group decides whether or not to treat them as a performance obligation, taking into account factors such as the degree of interconnection and dependence of each logistics process. The Group's logistics, e-commerce, and agency and its related businesses based on the identity as a principal usually provide point-to-point logistic services to customers. Customers obtain and consume the economic interests brought by the performance at the same time as the Group's performance. As the above services provided by the Group are usually completed within a relatively short period of time within an accounting period, the services provided across accounting periods are not material to the Group and therefore the Group recognises the realisation of revenue at the point of completion for the above services.

The Group recognises revenue for its agency and related businesses carried out in the role of an agent when the relevant agency act is completed.

The Group determines whether its identity at the time of performing a transaction is that of a principal or an agent based on whether it has control over the goods or services prior to transferring the goods or services to the customer. In the case of agency and related businesses, the Group's status as a principal or agent is determined primarily by considering whether it has assumed the corresponding risks and liabilities.

The logistics services provided by the Group to its customers are immediate consumable services, which usually do not involve warranty, refund, or other arrangements. The Group accrues estimated liabilities, as appropriate, when it is required by customers to pay compensation for damage to goods in the course of providing services.

(2) Statement of apportionment to remaining performance obligations

Details of the timing of recognition as revenue of the portion of the transaction price that has been received or receivable from the customer for which the Group has entered into contracts (agreements, orders, etc.) with the customer at the end of the period but has not yet performed, or has not yet fully performed, its performance obligations are set out in Note IX.27. The remaining transaction prices are not presented due to the expected term of these contracts being less than one year and the dispersed nature of the customers involved and a large number of contracts, which simplifies the treatment. The above contracts of the Group do not have variable consideration clauses.

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

47. OPERATING INCOME, COSTS (CONTINUED)

- (3) The Group had no significant contract changes or significant transaction price adjustments during the period. The amount of revenue adjusted to the provisional estimate in the current period as a result of the completion of the reconciliation and settlement of performance obligations that have been fulfilled (or partially fulfilled) in the prior year is not material.

48. TAX AND SURCHARGES

Item	Current period	Prior period
Property tax	73,423,526.17	68,123,217.84
Urban land use tax	25,794,815.23	23,506,593.42
Urban maintenance & construction tax	23,606,242.76	21,016,553.16
Education surcharge and local education surcharge	20,460,218.11	16,439,507.52
Stamp duty	19,768,702.37	19,249,806.53
Others	3,389,192.64	4,529,790.67
Total	166,442,697.28	152,865,469.14

49. SELLING EXPENSES

Item	Current period	Prior period
Employee benefits	407,315,774.83	391,156,601.47
Depreciation and amortisation expenses	21,129,637.88	21,013,761.56
Business entertainment expenses	17,007,693.47	19,928,354.83
Travel expenses	12,312,865.32	13,842,168.51
Short-term, low-value lease expenses	10,850,237.05	7,524,603.22
Office expenses	5,543,688.15	6,867,575.26
Vehicle expenses	4,542,840.02	5,627,662.38
Others	16,577,757.78	20,387,514.83
Total	495,280,494.50	486,348,242.06

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For the period ended 30 June 2025
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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

50. ADMINISTRATIVE EXPENSES

Item	Current period	Prior period
Employee benefits	1,142,856,688.90	1,085,450,837.42
Depreciation and amortisation expenses	160,494,086.29	169,450,608.68
Property and utilities (water, electricity, gas) fees	38,456,888.85	37,384,005.34
Intermediary service fee	29,567,293.38	26,413,437.18
Technical service fee for communication network	26,575,549.26	47,550,995.87
Short-term, low-value lease expenses	17,614,798.80	15,993,598.19
Office expenses	16,737,869.83	11,886,067.55
Travel expenses	16,725,001.15	18,122,818.61
Business entertainment expenses	16,132,173.44	20,621,575.27
Vehicle expenses	11,295,980.59	14,642,849.19
Decoration and repair costs	9,004,369.64	11,394,225.47
Others	18,512,768.58	44,416,106.90
Total	1,503,973,468.71	1,503,327,125.67

51. RESEARCH AND DEVELOPMENT EXPENSES

Item	Current period	Prior period
Technical service fee	18,653,512.28	39,578,596.38
Employee benefits	22,303,542.41	10,684,178.66
Depreciation and amortisation	144,972.36	26,873,783.63
Others	1,019,697.32	157,049.39
Total	42,121,724.37	77,293,608.06

52. FINANCE COSTS

Item	Current period	Prior period
Interest expenses	169,485,317.60	213,099,818.70
Including: Bank and other borrowings	62,064,508.11	76,226,061.81
Bond interest	36,986,114.14	62,483,397.26
Interest expenses on lease liabilities	63,311,654.96	69,653,632.30
Others	7,123,040.39	4,736,727.33
Less: Capitalized interest expenses	3,597,316.16	2,246,268.73
Less: Interest income	74,720,895.19	88,781,339.28
Net exchange loss (net gains denoted by "-")	-53,863,941.56	-17,173,029.51
Others	23,208,782.67	21,666,168.39
Total	60,511,947.36	126,565,349.57

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

53. OTHER INCOME

Item	Current period	Prior period	Whether government grants
Financial subsidy for logistics industry	582,753,220.37	886,990,560.78	Yes
Smart Network Cargo Platform and Tax	106,901,291.78	104,537,716.03	Yes
Subsidies for Headquarters Economy Projects			
Others	9,010,851.62	17,060,619.69	—
Total	698,665,363.77	1,008,588,896.50	—
Including: Government grants	694,405,171.37	1,003,031,429.25	—

54. INVESTMENT INCOME

Item	Current period	Prior period
Income from long-term equity investments under the equity method	687,496,907.41	976,888,371.48
Investment income from disposal of subsidiaries (Note)	439,146,773.89	25,230.63
Gain on remeasurement of equity at fair value upon acquisition or loss of control	42,447,902.60	—
Investment income from holding other non-current financial assets	108,501.77	505,125.00
Investment income from holding held-for-trading financial assets	561,737.50	—
Investment income from the disposal of long-term equity investments	-144,638.57	90,827.12
Investment income from the disposal of receivables financing	-1,513,347.56	-2,462,783.87
Total	1,168,103,837.04	975,046,770.36

Note: The details of investment income from disposal of subsidiaries are described in Note VIII. 3.

The Group has no significant restrictions on the repatriation of investment income.

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

55. GAIN FROM CHANGES IN FAIR VALUE

Item	Current period	Prior period
Financial assets held for trading	-10,331.95	-38,461.67
Other non-current financial assets	7,372,751.68	-12,722,500.00
Total	7,362,419.73	-12,760,961.67

56. CREDIT IMPAIRMENT LOSS

Item	Current period	Prior period
Credit impairment losses on accounts receivable	-121,714,888.93	-97,945,023.30
Credit impairment losses on other receivables	2,927,450.09	-2,166,332.92
Total	-118,787,438.84	-100,111,356.22

57. IMPAIRMENT OF ASSETS

Item	Current period	Prior period
Loss on decline in the value of inventories	—	5,044.87
Total	—	5,044.87

58. INCOME FROM DISPOSAL OF ASSETS

Item	Current period	Prior period	Amount included in non-recurring profit or loss for the period
Gain on disposal of non-current assets	5,912,389.77	12,065,190.24	5,912,389.77
Including: Gain on disposal of fixed assets	3,183,064.49	3,321,180.79	3,183,064.49
Gain on disposal of intangible assets (Note)	—	1,895,662.32	—
Others	2,729,325.28	6,848,347.13	2,729,325.28
Total	5,912,389.77	12,065,190.24	5,912,389.77

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For the period ended 30 June 2025

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

59. NON-OPERATING INCOME

Item	Current period	Prior period	Amount included in non-recurring profit or loss for the period
Unpayable accounts payable	14,696,680.35	7,190,780.95	14,696,680.35
Income from scrapping of non-current assets	5,357,522.83	940,853.40	5,357,522.83
Liquidated damages, compensation	5,177,338.80	9,387,547.69	5,177,338.80
Government grants not related to the daily activities of the enterprise	1,500,654.55	1,692,872.26	1,500,654.55
Others	8,664,934.92	14,466,085.43	8,664,934.92
Total	35,397,131.45	33,678,139.73	35,397,131.45

60. GOVERNMENT GRANTS

- (1) As at 30 June 2025, the balance of government grants receivable for the Group amounted to RMB925,233,963.42 (1 January 2025: RMB997,759,542.48). For details of the expected timing of collection of the aforementioned government grants receivable, please refer to Note IX. 7.

Reasons for significant government grants that are not received in the expected amount at the expected point in time: Sinotrans Cross-border E-commerce Supply Chain (Hunan) Co., Ltd., a subsidiary of the Group, had a receivable of RMB72,892,063 due from Airport Sub-area of China (Hunan) Pilot Free Trade Zone Changsha Area Management Committee for county-level charter flight subsidies at the beginning of the period, which was originally expected to be fully recovered by the end of June 2024. Due to financial stringency at the county level, the Group expects that the collection of the aforesaid amounts will be further delayed and may be partially uncollectible. Based on risk assessment, the Group has already provided for expected credit losses of RMB36,446,031.50 for the year 2024.

- (2) Liability items related to government grants

Category of government grants	Opening balance	New grants increase in current period	Amount included in non-operating income for the period	Amount included in other income for the period	Effects from changes in the scope of consolidation	Closing balance	Asset-related/revenue-related
Financial subsidy for logistics industry	378,616,956.38	7,425,560.41	1,025,513.80	7,295,388.04	-	377,721,614.95	Asset-related/revenue-related
Land restitution	64,708,749.43	-	24,226.20	816,152.95	-	63,868,370.28	Asset-related
Relocation compensation	48,605,386.44	-	-	1,385,586.78	-	47,219,799.66	Asset-related
Others	33,305,043.33	-	-	702,575.10	-2,866,737.18	29,735,731.05	Asset-related/revenue-related
Total	525,236,135.58	7,425,560.41	1,049,740.00	10,199,702.87	-2,866,737.18	518,545,515.94	—

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

60. GOVERNMENT GRANTS (CONTINUED)

(3) Details of government grants

Item	Current period	Prior period
Government grants obtained related to assets:	—	—
Financial subsidy for logistics industry	7,322,460.41	9,196,000.00
Subtotal	7,322,460.41	9,196,000.00
Government grants obtained related to revenue:	—	—
Financial subsidy for logistics industry	575,678,624.39	878,653,292.98
Smart Network Cargo Platform and Tax Subsidies for Headquarters Economy Projects	106,901,291.78	104,537,716.03
Other government grants (Note)	2,179,566.88	7,670,824.64
Subtotal	684,759,483.05	990,861,833.65
Total	692,081,943.46	1,000,057,833.65
Less: Government grants included in deferred income	7,425,560.41	9,196,000.00
Add: Government grants transferred from deferred income to current profit or loss	11,249,442.87	13,862,467.86
Less: Government grants to offset related costs	—	—
Government grants included in current profit or loss	695,905,825.92	1,004,724,301.51
Including: Government grants included in other income	694,405,171.37	1,003,031,429.25
Government grants included in non-operating income	1,500,654.55	1,692,872.26

Note: The other government grants consist of non-material government grant items and are not disclosed separately.

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(Unless indicated otherwise, all amounts are expressed in RMB)

IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

61. NON-OPERATING EXPENSES

Item	Current period	Prior period	Amount included in non-recurring profit or loss for the period
Litigation and arbitration losses	10,053,373.58	-30,891,399.69	10,053,373.58
Compensation, liquidated damages and penalty expenses	5,750,035.67	6,302,329.49	5,750,035.67
Losses from damage and scrapping of non-current assets	1,601,822.68	1,373,260.84	1,601,822.68
Others	2,225,615.53	1,786,945.06	2,225,615.53
Total	19,630,847.46	-21,428,864.30	19,630,847.46

Note: The compensation, liquidated damages, penalty expenses, litigation and arbitration losses mainly consist of provisions, payments, or reimbursements made by the Group in relation to disputes arising from logistics transportation service contracts in its daily operations.

62. INCOME TAX EXPENSES

(1) Income tax expenses table

Item	Current period	Prior period
Current income tax expenses	565,452,866.66	440,196,403.36
Adjustments in deferred income taxes	-79,836,860.56	-26,354,031.54
Total	485,616,006.10	413,842,371.82

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Notes to the Financial Statements

For the period ended 30 June 2025
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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

62. INCOME TAX EXPENSES (CONTINUED)

(2) Process of adjusting accounting profit and income tax expense

Item	Current period
Accounting profit	2,610,577,064.40
Income tax expense at the rate of 25 % (prior period: 25%)	652,644,266.10
Tax implications of non-deductible expenses	16,746,114.58
Income not subject to tax	-167,559.82
Tax effect of unrecognised deductible losses and deductible temporary differences for the period	80,847,436.60
Tax effect of utilising unrecognised deductible losses and deductible temporary differences from prior years	-50,671,050.70
Effect of different tax rates applicable to subsidiaries in other regions	-28,164,399.32
Withholding tax based on the expected current earnings of subsidiaries, joint ventures and associates established outside the parent company's domicile	-
Impact of the subsidiary tax credit	-9,853,480.28
Change in deferred income tax asset/liability balance at the beginning of the period due to tax rate adjustments	-
Tax impact of unrecognised taxable temporary differences (Note)	-171,874,226.85
Retroactive payment (refund) of prior year's taxes	-856,777.90
Tax effect of disposal of long-term equity investments (including subsidiaries)	7,577,659.34
Tax effect of gain on remeasurement of equity at fair value upon acquisition or loss of control	-10,611,975.65
Income tax expenses	485,616,006.10

Note: Deferred income tax has not been recognized on investment income recognized for the Group's long-term equity investments accounted for under the equity method because the related long-term equity investments will not be sold in the foreseeable future.

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

63. EARNINGS PER SHARE

Basic earnings per share are calculated based on net income attributable to the Company's ordinary shareholders for the year, divided by the weighted average number of ordinary shares outstanding.

Item	Current period	Prior period
Revenue	—	—
Net profit attributable to shareholders of the Company for the period	1,946,948,727.20	1,945,361,508.34
Including: Net profit from continuing operations	1,946,948,727.20	1,945,361,508.34
Shares	—	—
Weighted average of the Company's outstanding ordinary shares (Note 1)	7,193,462,433.50	7,257,196,829.00
Basic earnings per share (RMB/share)	0.2707	0.2681
Diluted earnings per share (RMB/share) (Note 2)	0.2704	0.2675

Note 1: Changes in the number of ordinary shares outstanding that occurred during the month are weighted on a mid-month basis.

Note 2: On 30 June 2025, the exercise price of the Company's stock options granted to the incentive targets (See Note IX. 69) was lower than the average market price (weighted monthly) of the Company's A shares for the period, and there was a dilutive effect of such stock options.

64. LEASES

(1) The Group as lessor

Item	Current period	Prior period
I. Income status	—	—
Lease income	130,954,401.62	143,797,698.05
Including: Income related to variable lease payments not included in lease receipts	—	—
II. Undiscounted lease payments to be received after the balance sheet date	521,633,471.43	534,383,018.29
Year 1	170,284,044.14	173,737,060.16
Year 2	113,907,183.00	117,075,392.63
Year 3	80,498,081.34	94,947,420.86
Year 4	62,699,755.09	61,165,085.35
Year 5	53,485,059.00	44,924,283.91
Over 5 years	40,759,348.86	42,533,775.38

1) The Group's operating leases as lessor relate to buildings, vehicles, equipment, etc., for a term of 1-9 years, with a partial renewal option.

2) The Group does not consider the unguaranteed residual value of these assets to be a material risk to the Group due to the lease being subject to high versatility and short leasing periods.

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

64. LEASES

(2) The Group has no finance lease transactions as lessor that require disclosure.

(3) The Group as lessee

Item	Current period	Prior period
Interest expenses on lease liabilities	63,311,654.96	69,653,632.30
Short-term lease payments with simplified treatment included in the cost of the related assets or in current profit or loss	341,529,160.37	320,803,121.56
Lease expenses for low-value assets (other than short-term lease expenses for low-value assets) with simplified treatment included in the cost of the related assets or in current profit or loss	10,381,711.30	8,277,186.93
Variable lease payments not included in the lease liability but included in the cost of the related asset or in current profit or loss	—	—
Including: Parts arising from sale-leaseback transactions	—	—
Income from sublease of right-of-use assets	1,607,744.66	1,275,019.65
Total cash outflows related to leases	798,582,340.47	699,782,453.71

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

64. LEASES (CONTINUED)

(4) sale and leaseback transactions and determination basis

As described in Note VIII. 3, the Group disposed of certain subsidiaries containing warehousing and logistics infrastructure to BOC Sinotrans Warehousing and logistics REIT and continued to execute the warehousing and logistics infrastructure lease agreements between other subsidiaries of the Group and the disposed subsidiaries (with a remaining lease term of 7 to 8 years). As the Group has no control over certain important activities determined by the holders' meeting of BOC Sinotrans Warehousing and logistics REIT, the Group has lost control over the aforementioned subsidiaries and warehousing and logistics infrastructure. Based on the principle of substance over form, the Group has determined that the transfer and leaseback of the warehousing and logistics infrastructure in the aforementioned equity disposal transactions constitute sale and leaseback transactions and are classified as sales.

The Group measures the right-of-use assets arising from the sale and leaseback only for the portion of the original book value of the warehousing and logistics infrastructure related to the right of use obtained from the leaseback (i.e., the remaining lease term), and recognizes the related gains only for the rights transferred to the lessor (BOC Sinotrans Warehousing and logistics REIT). The Group determines the proportion of the original book value of the warehousing and logistics infrastructure related to the Group's retained right-of-use based on the ratio of the present value of lease payments during the sale and leaseback period to the fair value of the warehousing and logistics infrastructure at the time of disposal and sale and leaseback. Of which, the lease payments are determined based on the rent and growth rate specified in the lease agreements, net of value-added tax, using a discount rate of 4.9%, and do not involve variable lease payments; the fair value of the warehousing and logistics infrastructure at the time of the sale and leaseback is based on the appraisal reports issued by Shenzhen Daide Lianghang Real Estate Evaluation Co., Ltd. for the warehousing and logistics project at No. 18 Xindu Road, Xinwu District, Wuxi City, Jiangsu Province, China, titled "Wuxi Sinotrans International Logistics Center", the warehousing and logistics project at No. 169 Central Avenue, Kunshan Development Zone, Kunshan City, Jiangsu Province, China, titled "Kunshan Sinotrans International Logistics Center", the warehousing and logistics project at No. 988 East Jingang Avenue, Jindong Development Zone, Jinhua City, Zhejiang Province, China, titled "Jinhua Sinotrans International Logistics Center", the warehousing and logistics project at No. 666 Qujia Road, Qiandeng Town, Kunshan City, Jiangsu Province, China, titled "Sinotrans Kunshan Qiandeng Warehouse", the project at No. 16 Xinyuan Road, Wangcanzhuang Town, Xiqing District, Tianjin City, China, titled "Sinotrans Tianjin Xiqing Wangcanzhuang Logistics Center", and the warehousing and logistics project at No. 155 Kouan Road, Xihanggang Avenue, Shuangliu District, Chengdu City, Sichuan Province, China, titled "Sinotrans Chengdu Airport Logistics Center".

As the disposal of the aforementioned warehousing and logistics infrastructure is included in the equity disposal transactions, the Group will offset the gain of RMB343,358,339.18 related to the retained right-of-use against the equity disposal gain.

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

65. ITEMS IN THE CONSOLIDATED CASH FLOW STATEMENT

(1) Cash related to operating activities

1) Cash received from other operating activities

Item	Current period	Prior period
Government grants	601,572,065.72	703,936,294.64
Deposit, security deposit, collection, and advance payment, etc.	334,287,379.01	198,786,475.12
Income from leasing assets	130,954,401.62	143,797,698.05
Interest income	71,139,523.02	93,250,686.34
Others	17,885,142.02	22,031,942.89
Total	1,155,838,511.39	1,161,803,097.04

2) Cash paid for other operating activities

Item	Current period	Prior period
Deposit, security deposit, collection, and advance payment, etc.	438,296,857.08	304,209,002.56
Funds deposited subject to restrictions on the litigation	51,687,677.28	—
Information technology costs	48,679,985.69	91,618,601.44
Property and utilities (water, electricity, gas) fees	43,009,054.05	41,984,562.34
Business entertainment expenses	33,139,866.91	40,549,930.10
Intermediary service fee	29,584,220.37	26,413,437.18
Travel expenses	29,037,866.47	31,964,987.12
Short-term, low-value lease costs	28,465,035.85	23,518,201.41
Handling charge	23,208,782.67	21,666,168.39
Office expenses	22,281,557.98	18,753,642.81
Vehicle expenses	15,838,820.61	20,270,511.57
Insurance premium	12,437,792.87	15,331,022.99
Decoration and repair costs	10,639,217.94	12,268,994.30
Compensation and liquidated damages	6,779,660.61	24,308,425.84
Others	12,798,629.85	36,300,787.99
Total	805,885,026.23	709,158,276.04

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

65. ITEMS IN THE CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)

(2) Cash related to investing activities

1) Significant cash paid for investing activities

Item	Current period	Prior period
Investment funds to BOC Sinotrans Warehousing and Logistics Closed-end Infrastructure Securities Investment Fund	262,160,000.00	—
Prepayments for land to Sinotrans (Zhengzhou) Storage Service Co., Ltd.	108,340,000.00	—
Sinotrans Lingang International Logistics Center Project construction, land payments	104,693,131.83	102,097,139.01
Total	475,193,131.83	102,097,139.01

2) Cash received from other investing activities

Item	Current period	Prior period
Negative reclassification of net cash paid to acquire subsidiaries	44,844,890.55	—
Repayment from Shanghai Pu'an Storage Co., Ltd.	—	2,600,000.00
Collections of funds from SILVER EXPRESS INTERNATIONAL LIMITED	—	1,908,123.00
Total	44,844,890.55	4,508,123.00

3) Cash paid for other investing activities

Item	Current period	Prior period
Reclassification of negative net cash received on disposal of subsidiaries	79,890,399.69	968,769.37
Total	79,890,399.69	968,769.37

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

65. ITEMS IN THE CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)

(3) Cash related to financing activities

1) Cash received from other financing activities

Item	Current period	Prior period
Cash received from stock option exercises	71,000,855.00	79,129,307.00
Total	71,000,855.00	79,129,307.00

2) Cash paid for other financing activities

Item	Current period	Prior period
Share repurchase	453,115,859.70	—
Lease payments	446,671,468.80	370,702,145.22
Repayment of principal and interest to Shenzhen International Holdings (Shenzhen) Co., Ltd.	46,668,940.00	1,002,820.00
Payments for acquiring shares from non-controlling interests	39,804,543.77	—
Repayment of borrowings and interest to Sinotrans Guangdong Co., Ltd.	—	47,552,398.38
Repayment of the principal and interest to Dongguan Shilong Port Development Co., Ltd.	—	5,754,332.19
Repayment of borrowings and interest to Hainan Xunda Hongtong Storage Co., Ltd.	—	3,634,997.13
Repayment of principal and interest to OCEAN LIFTER I LIMITED	—	3,385,620.62
Total	986,260,812.27	432,032,313.54

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

65. ITEMS IN THE CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)

(3) Cash related to financing activities (Continued)

3) Changes in liabilities arising from financing activities

Item	Opening balance	Increase in current period		Decrease in current period		Closing balance
		Cash flow	Non-cash flow	Cash flow	Non-cash flow	
Short-term borrowings (Note)	2,919,951,042.25	1,206,628,200.00	26,156,506.04	2,944,242,307.76	1,483,650.04	1,207,009,790.49
Dividends payable	73,788,729.28	-	1,133,113,612.11	112,566,673.26	-1,370,622.66	1,095,706,290.79
Long-term borrowings (including those due within one year)	3,497,753,975.99	65,122,830.32	35,908,002.07	126,398,845.96	-108,390,335.26	3,580,776,297.68
Bonds payable (including those due within one year)	2,030,407,736.56	2,000,000,000.00	36,986,114.14	-	1,040,000.00	4,066,353,850.70
Lease liabilities (including those due within one year) and rentals payable were transferred to other payables	2,760,753,520.54	-	791,516,802.53	446,671,468.80	-327,504,179.85	3,433,103,034.12
Long-term accounts payable (including those due within one year)	66,162,020.00	-	506,920.00	46,668,940.00	-	20,000,000.00
Total	11,348,817,024.62	3,271,751,030.32	2,024,187,956.89	3,676,548,235.78	-434,741,487.73	13,402,949,263.78

Note: Short-term borrowings do not include short-term borrowings resulting from the Group's participation in supplier financing arrangements, as detailed in Note IX.65.(6).

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For the period ended 30 June 2025
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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

65. ITEMS IN THE CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)

(4) Notes to the presentation of cash flows on a net basis

Item	Relevant facts	Basis for net presentation	Financial impact
Collections and advance payments	When the Group acts as an agent in agency and related businesses, it involves the receipt or payment of money on behalf of customers.	The aforesaid amounts received or paid on behalf of customers are usually explicitly agreed in the contracts entered into between the Group and the customers and the intervals between receipt and payment are relatively short. In order to maintain the matching with the recognition of income, so as to enable investors to better understand the correspondence between the Group's cash flows and income and costs, the Group presents the amounts received or paid on behalf of customers in net amount in accordance with the principle of consistency.	The presentation of amounts received or paid on behalf of customers on a net basis has no material impact on the Group's net cash flows from operating activities.

(5) Significant activities and financial impacts that do not involve cash receipts or payments during the period but that affect the financial position of the enterprise or may affect the enterprise's cash flows in the future.

The Group provides credit to customers as a service provider and obtains credit from suppliers as a service purchaser in its daily operations, resulting in the Group having both operating receivables and payables at the end of the period, which will be collected or paid in cash in the future periods. Apart from operating receivables and payables, the Group has no other significant activities or events that do not involve cash receipts or payments during the period but affect the financial position of the enterprise or may affect the enterprise's cash flows in the future.

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

65. ITEMS IN THE CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)

(6) Supplier financing arrangements

1) *Terms and conditions of supplier financing arrangements*

Some of the Group's subsidiaries participate in financing arrangements between suppliers and financial institutions. The main economic consideration for participating in the financing arrangements is to provide assistance to small and medium-sized suppliers in terms of cash flow, thereby stabilizing or attracting capacity resources, and is not for the purpose of improving the Group's working capital. In such arrangements, the Group's payment schedule remains unchanged and the Group is not liable for interest on the supplier financing arrangement, but the Group makes unconditional (waiver of defenses as a buyer, including, but not limited to, commercial disputes) payments to the bank when due in accordance with the agreement. At the economic level, there is no material change in the Group's cash flows. However, at the legal level, the Group's liabilities to suppliers are replaced with liabilities to financial institutions, and as a result, the Group derecognizes accounts payable in such arrangements and recognizes an equivalent amount of short-term borrowings from financial institutions (which have a short maturity and are not discounted at the time of the Group's initial recognition).

As mentioned above, the Group does not bear interest in the supplier financing arrangement and does not change the timing of the Group's payment (the same as the due date of accounts payable). The Group still reports the cash flows from the repayment of the aforesaid short-term borrowings as operating activities based on the principle of substance over form and for the sake of the users of the statements to better understand the statements.

2) *Items presented in the consolidated statement of financial position and related information*

Items presented	Closing balance	Opening balance
Short-term borrowings	369,494,320.81	374,240,521.97
Including: Amounts received by suppliers	369,494,320.81	374,240,521.97

3) *Range of payment due dates*

As previously stated, the timing of the Group's payments under supplier financing arrangements remains unchanged (the same as the due date of accounts payable). There is no significant difference in payment due dates between liabilities that are under supplier financing arrangements and comparable accounts payable that are not under supplier financing arrangements.

4) *Current period changes not involving cash receipts and disbursements*

The Group derecognized accounts payable and recognized short-term borrowings amounting to RMB890,196,066.30 in the current period due to participation in supplier financing arrangements.

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Notes to the Financial Statements

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

65. ITEMS IN THE CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)

(7) Supplementary information of the cash flow statement

Item	Current period	Prior period
1. Reconciliation of net profit to cash flows from operating activities:	—	—
Net profit	2,124,961,058.30	2,084,458,279.46
Add: Impairment of assets	—	-5,044.87
Credit impairment loss	118,787,438.84	100,111,356.22
Depreciation of fixed assets and investment properties	688,334,336.41	642,412,095.57
Depreciation of right-of-use assets	443,864,935.08	399,903,923.97
Amortisation of intangible assets	160,637,521.72	162,542,173.68
Amortisation of long-term prepaid expenses	34,648,461.65	37,709,725.72
Losses from disposal of assets (gains denoted by "-")	-5,912,389.77	-12,065,190.24
Losses from damage and scrapping of non-current assets (gains denoted by "-")	-3,755,700.15	432,407.44
Losses from changes in fair value (gains denoted by "-")	-7,362,419.73	12,760,961.67
Finance costs (income denoted by "-")	154,064,495.46	208,012,909.72
Investment losses (income denoted by "-")	-1,168,103,837.04	-975,046,770.36
Decrease in deferred tax assets (increase denoted by "-")	-24,093,245.20	-24,480,447.52
Increase in deferred tax liabilities (decrease denoted by "-")	-55,743,615.36	-1,873,584.02
Decrease in inventories (increase denoted by "-")	-287,347.02	-5,051,432.85
Decrease in operating receivables (increase denoted by "-")	-2,993,462,755.78	-6,241,803,334.07
Increase in operating payables (decrease denoted by "-")	701,145,924.41	1,962,327,491.39
Others	—	—
Net cash flows from operating activities	167,722,861.82	-1,649,654,479.09
2. Major investing and financing activities not involving cash receipts and payments:	—	—
Conversion of debts into capital	—	—
Convertible corporate bonds due within one year	—	—
Fixed assets under financing lease	—	—
3. Net changes in cash and cash equivalents:	—	—
Closing balance of cash and cash equivalents	11,698,546,245.77	8,902,006,454.45
Less: Opening balance of cash and cash equivalents	13,440,376,824.37	13,826,301,140.45
Net increase in cash and cash equivalents	-1,741,830,578.60	-4,924,294,686.00

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

65. ITEMS IN THE CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)

(8) Net cash from acquisition and disposal of subsidiaries for the current period

Item	Current period
I. Information on the acquisition of subsidiaries	—
1. Price of acquisition of subsidiaries	148,878,559.96
2. Cash or cash equivalents paid in the current period for business combinations occurred in the current period	—
Less: Cash and cash equivalents held by subsidiaries on the date of purchase	44,844,890.55
Add: Cash or cash equivalents paid in the current period for business combinations that occurred in prior periods	—
3. Net cash paid for acquisition of subsidiaries	-44,844,890.55
4. Acquisition of net assets of subsidiaries	254,681,496.25
Current assets	47,740,213.11
Non-current assets	242,563,633.54
Current liabilities	16,075,517.37
Non-current liabilities	19,546,833.03
II. Information about the disposal of subsidiaries	—
1. Price of disposal of subsidiaries	1,307,273,847.54
2. Cash or cash equivalents received in the current period from the disposal of subsidiaries in the current period	6.00
Less: Cash and cash equivalents held by subsidiaries at the time of loss of control	79,890,405.69
Cash or cash equivalents received in the current period on disposal of subsidiaries in prior periods	—
3. Net cash received on disposal of subsidiaries	-79,890,399.69
4. Disposal of net assets of subsidiaries	524,768,734.47
Current assets	80,128,925.27
Non-current assets	539,763,650.61
Current liabilities	19,757,104.23
Non-current liabilities	75,366,737.18

Note: The price for the acquisition and disposal of subsidiaries includes the non-cash consideration portion; the net assets of subsidiaries acquired and disposed of are presented at the amounts of assets and liabilities of the subsidiaries at the dates of purchase and disposal, and have not been discounted according to the Group's proportionate share of purchases and disposals.

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

65. ITEMS IN THE CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)

(9) Cash paid for distribution of dividends, profits or settlement of interest

Item	Current period	Prior period
Payment of dividends on ordinary shares	—	—
Dividends and profits paid by subsidiaries to minority shareholders	112,566,673.26	119,265,976.02
Cash paid for the settlement of interest	65,951,750.49	145,281,925.27
Total	178,518,423.75	264,547,901.29

66. CASH AND CASH EQUIVALENTS

Item	Closing balance	Opening balance
I. Cash	11,698,546,245.77	13,440,376,824.37
Including: Cash on hand	2,680,225.50	2,716,190.61
Cash at bank readily available for payment	11,695,866,020.27	13,437,660,633.76
Other cash and bank balances readily available for payment	—	—
II. Cash equivalents	—	—
III. Balance of cash and cash equivalents at the end of the period	11,698,546,245.77	13,440,376,824.37
Including: Restricted use in cash and cash equivalents by the Company or subsidiaries of the Group	—	—

Note: At the end of the period, the Group does not present significant cash and bank balances or other assets with a restricted scope of use as cash and cash equivalents. For details of the amount of cash and bank balances at the end of the period that are not cash and cash equivalents, please refer to Note IX.1.

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Notes to the Financial Statements

For the period ended 30 June 2025

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

67. FOREIGN CURRENCY MONETARY ITEMS

(1) Foreign currency monetary items

Item	Foreign currency balance at the end of the period	Exchange rate of translation	Closing balance in RMB
Cash and bank balances	—	—	4,337,015,401.55
Including: USD	421,384,892.67	7.16680	3,019,981,248.77
HKD	599,010,859.18	0.91298	546,884,934.21
EUR	26,412,946.65	8.32240	219,819,107.20
JPY	2,135,143,899.00	0.04948	105,646,920.12
Others	—	—	444,683,191.25
Accounts receivable	—	—	5,676,964,773.51
Including: USD	592,179,947.86	7.16680	4,244,035,250.32
HKD	587,427,051.52	0.91298	536,309,149.50
EUR	9,712,926.09	8.32240	80,834,856.09
JPY	2,579,283,367.68	0.04948	127,622,941.03
Others	—	—	688,162,576.57
Accounts payable	—	—	4,816,832,567.30
Including: USD	495,238,705.21	7.16680	3,549,276,752.50
HKD	495,027,595.09	0.91298	451,950,293.77
EUR	11,041,508.50	8.32240	91,891,850.34
JPY	4,297,982,955.30	0.04948	212,664,196.63
Others	—	—	511,049,474.06
Non-current liabilities due within one year	—	—	1,138,624,344.79
Including: USD	10,792,898.69	7.16680	77,350,546.33
HKD	765,336,097.65	0.91298	698,736,550.43
EUR	41,564,520.71	8.32240	345,916,567.16
Others	—	—	16,620,680.87
Long-term borrowings	—	—	1,414,135,060.62
Including: USD	18,216,009.14	7.16680	130,550,494.29
EUR	154,232,501.00	8.32240	1,283,584,566.33
Lease liabilities	—	—	500,337,474.30
Including: USD	69,908.88	7.16680	501,022.97
HKD	5,792,074.93	0.91298	5,288,048.57
EUR	44,050,506.20	8.32240	366,605,932.76
Others	—	—	127,942,470.00

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

67. FOREIGN CURRENCY MONETARY ITEMS (CONTINUED)

(2) Description of material overseas operating entities

Name of overseas operating entity	Main business location	Functional currency	Basis for selection of functional currency	Whether there was a change in the functional currency in the current period
SINOTRANS (HK) LOGISTICS LIMITED	Hong Kong, China	HKD	Based on currencies in the principal economic environment in which it operates	No
SE LOGISTICS HOLDING B.V.	Netherlands, Romania	EUR	Based on currencies in the principal economic environment in which it operates	No

68. RESEARCH AND DEVELOPMENT EXPENDITURE

(1) Presentation by nature of costs

Item	Current period	Prior period
Technical service fee	43,666,282.09	90,810,666.69
Employee benefits	25,456,293.00	12,862,552.00
Depreciation and amortisation	144,972.36	26,873,783.63
Others	1,881,630.13	279,091.18
Total	71,149,177.58	130,826,093.50
Including: Expensed research and development expenditure	42,121,724.37	77,293,608.06
Capitalised research and development expenditure	29,027,453.21	53,532,485.44

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

68. RESEARCH AND DEVELOPMENT EXPENDITURE (CONTINUED)

(2) Development expenditure on research and development projects eligible for capitalisation

Item	Opening balance	Increase in current period		Decrease in current period			Closing balance
		Internal development expenditure	Others (Note)	Recognised as intangible assets	Transfer to current profit or loss	Other decreases	
Sinotrans Sailing	32,130,608.59	172,237.00	-	-	-	-	32,302,845.59
Network Cargo Platform Project	15,008,577.08	2,734,794.88	-	-	-	-	17,743,371.96
Digital Operations Management System Product Management, and Quotation Management Construction Project	10,254,716.83	-	-	-	-	-	10,254,716.83
Unified Information System Project	4,488,906.60	-	5,229,056.60	-	-	-	9,717,963.20
Land Transportation Information System Development	8,379,583.94	-	-	-	-	-	8,379,583.94
IoT Application Service Component Upgrade and Development Project	8,227,572.14	-	-	-	-	-	8,227,572.14
Data Autonomous Driving Technology Application Project	6,933,691.66	-	-	-	-	-	6,933,691.66
Customs Sharing Project	6,486,839.55	-	-	-	-	-	6,486,839.55
Construction of Sinotrans CRM System Phase II	5,599,999.98	-	-	-	-	-	5,599,999.98
Water freight rate management platform	4,273,584.91	-	-	-	-	-	4,273,584.91
Pan AI Application - General Q&A and Business Solution Large Model	5,207,547.16	-	-	-	-	-	5,207,547.16
i-SCP Smart Supply Chain Platform Project	4,075,471.70	566,037.74	-	-	-	-	4,641,509.44
Automation and Intelligent Application Implementation Project for Sub-units of Sinotrans Logistics	4,361,700.00	-	-	-	-	-	4,361,700.00
Identity and Access Management System - External Authentication Project	4,358,490.56	-	-	-	-	-	4,358,490.56
Technology R&D - Business Management Project	3,973,990.14	-	-	-	-	-	3,973,990.14
Digital Requirements Transformation Project for BMS System Docking Finance	3,890,452.60	-	-	-	-	-	3,890,452.60
Construction of Human Resources System	3,845,628.04	-	-	-	-	-	3,845,628.04
Sinotrans New Generation Warehouse System Construction Project	3,782,240.00	-	-	-	-	-	3,782,240.00
Warehouse Automation Innovation Center Project	-	-	3,773,584.91	-	-	-	3,773,584.91
Operation Management Platform	3,676,735.87	-	-	-	-	-	3,676,735.87
Carbon Management System Construction Project	2,377,358.50	-	-	-	-	-	2,377,358.50
Smart Supply Chain Project	3,396,226.42	-	-	-	-	-	3,396,226.42
Intelligent Forklift-based Warehouse Storage and Pickup Business	3,396,226.41	-	-	-	-	-	3,396,226.41
Human-Machine Collaboration Automation Solution Application Pilot Project	-	-	-	-	-	-	-
Joint Innovation Project of Strategic Customers	3,192,452.82	-	-	-	-	-	3,192,452.82
Headquarters Business Function System Development Project	3,001,198.03	-	-	-	-	-	3,001,198.03
Sinotrans Logistics End-to-End Logistics Order Delivery Management System Project	2,967,000.00	-	-	-	-	-	2,967,000.00
Implementation Project of Operation and Monitoring Construction for Liner Train Business Products	2,794,886.71	-	-	-	-	-	2,794,886.71
Data Cross-Border Compliance Project	2,769,741.62	-	-	-	-	-	2,769,741.62
Sinotrans Online Self-service System Construction Project	2,716,981.14	-	-	-	-	-	2,716,981.14
Development and Upgrade of GTS System Equipment	3,658,373.70	839,245.28	-	1,867,924.54	-	-	2,629,694.44
Open Edition Sheet Processing Algorithm Capacity Building Project	2,625,943.35	-	-	-	-	-	2,625,943.35
Low-Code Development Platform Implementation Project	2,531,333.08	-	-	-	-	-	2,531,333.08
Data Security Technology System Construction Project	2,530,472.58	-	-	-	-	-	2,530,472.58
2024 Vehicle Location and Trajectory Data Procurement Project	2,523,113.20	-	-	-	-	-	2,523,113.20
Technical Services	-	-	-	-	-	-	-
Overseas Financial Shared Kingdee System Implementation Project	1,875,471.70	-	562,641.51	-	-	-	2,438,113.21
Self-controlled Automobile Transportation Capacity Digital Intelligence Operation Management System	1,582,075.47	-	817,924.53	-	-	-	2,400,000.00
Research and Development of Intelligent, Automated and Smart Solutions	2,343,113.22	-	-	-	-	-	2,343,113.22
Convergence Logistics Digitalization Innovation Project	2,196,226.40	-	-	-	-	-	2,196,226.40
Comprehensive Shipping Company Business Plan	843,396.23	-	1,332,509.43	-	-	-	2,175,905.66
Technology R&D - Data Service Management	2,165,000.00	-	-	-	-	-	2,165,000.00
Database Integration and Optimization Project	746,500.58	-	1,411,646.02	-	-	-	2,158,146.60
Logistics Control Tower Construction Project	2,049,159.11	-	-	-	-	-	2,049,159.11
Others	73,113,926.52	786,610.46	10,801,164.85	1,160,460.38	-	2,007,115.67	81,534,125.78
Total	266,352,514.14	5,098,925.36	23,928,527.85	3,028,384.92	-	2,007,115.67	290,344,466.76

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

68. RESEARCH AND DEVELOPMENT EXPENDITURE (CONTINUED)

**(2) Development expenditure on research and development projects eligible for capitalisation
(Continued)**

Note: The increase in development expenditure in others for the period is mainly the investment of external research and development entrusted by the Group. Development expenditure for the period as a percentage of total expenditure on research and development projects was 40.80%.

- (3)** The Group has no material capitalized research and development projects that require disclosure.
- (4)** As of 30 June 2025, the Group was assessed and concluded that no impairment provision was necessary for the development expenditure.
- (5)** As of 30 June 2025, the Group had no significant outsourced projects under development.

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

69. SHARE-BASED PAYMENTS

(1) Share-based payment in general

Item	Each director of the issuer Xiang Gao	Rong Song	Non-directors among the five highest paid individuals	Other managers and technical backbones	Total
Total amount of each equity instrument granted and not exercised at the beginning of the period (Note)	688,800.00	1,186,800.00	1,496,866.00	40,216,444.00	43,588,910.00
Total amount of each equity instrument granted by the Company during the period	-	-	-	-	-
Total amount of each equity instrument exercised during the period	90,000.00	-	625,134.00	19,716,756.00	20,431,890.00
Total amount of each equity instrument written off by the Company during the period	89,600.00	328,933.00	68,867.00	75,267.00	562,667.00
Total amount of each equity instrument lapsed during the period	-	428,934.00	-	677,666.00	1,106,600.00
Total amount of each equity instrument granted and not exercised at the end of the period	509,200.00	428,933.00	802,865.00	19,746,755.00	21,487,753.00
Including: Total amount of each equity instrument exercisable at the end of the period	209,600.00	428,933.00	88,867.00	353,867.00	1,081,267.00
Total amount of each equity instrument granted and not exercised at the end of the period as a percentage of the total issued share capital at the end of the period (exclusive of treasury shares)	0.01%	0.01%	0.01%	0.28%	0.30%
Range of exercise prices of stock options issued and outstanding at the end of the period and the remaining term of the contract	See notes for details	See notes for details	See notes for details	See notes for details	See notes for details
Range of exercise prices of other equity instruments at the end of the period and the remaining term of the contract	—	—	—	—	—
Share-based payment expense recognized during the period	54,388.06	-380,172.78	129,616.40	2,918,708.10	2,722,539.78

Note: On 6 June 2025, Mr. Rong Song resigned from his position as a director of the Company due to a change in his work, and Mr. Xiang Gao was appointed as a director of the Company. The Company has adjusted the opening balances of various categories accordingly based on the above changes.

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

69. SHARE-BASED PAYMENTS (CONTINUED)

(1) Share-based payment in general (Continued)

Details of equity instruments granted in prior years:

In order to further enhance shareholder value, support the realization of the Company's strategy and long-term sustainable development, closely connect the interests of core employees with those of shareholders and the Company, further attract, motivate and retain core talents, and optimize corporate governance, the Company has formulated the Sinotrans Limited Stock Option Incentive Plan (Phase I) (Draft). The Company's First Extraordinary General Meeting of Shareholders in 2022 considered and approved the Proposal on the Company's Stock Option Incentive Plan (Draft) and its Summary, the Proposal on the Implementation and Assessment Measures of the Company's Stock Option Incentive Plan and the Proposal on the Authorisation of the Board of Directors to Handle Matters Relating to the Company's Stock Option Incentive Plan.

According to the authorization of the shareholders' meeting, the eighth meeting of the third session of the Board of Directors of the Company held on 25 January 2022 considered and approved the Proposal on the Granting of Stock Options to the Incentive Targets of the Company's Stock Option Incentive Plan (Phase I). The Company granted 73,925,800 A-share stock options to 186 incentive targets, representing 1% of the total issued share capital of the Company as at the date of grant, with 25 January 2022 as the grant date, and the source of the exercisable shares being the A-share shares repurchased by the Company. The incentive targets are the senior management and directors of the Company and its subsidiaries, as well as the management and technical backbone who have direct influence on the operating performance and sustainable development of the Company and its subsidiaries.

The vesting conditions of the stock option plan include service term conditions and certain company and individual performance conditions, etc. The stock option plan is exercised in three equal installments, with each installment vesting condition independently, and the exercise periods are from the first trading day 24 months after the grant date to the last trading day within 36 months after the grant date, from the first trading day 36 months after the grant date to the last trading day within 48 months after the grant date, and from the first trading day 48 months after the grant date to the last trading day within 60 months after the grant date, respectively.

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For the period ended 30 June 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

69. SHARE-BASED PAYMENTS (CONTINUED)

(1) Share-based payment in general (Continued)

The company performance conditions are as follows:

Performance indicators	Effective from the first period	Effective from the second period	Effective from the third period
Return on equity attributable to the parent company	The Company's return on equity attributable to the parent company for the financial year prior to the effective point is not less than 10.25% and not less than the average value of the same industry (or the 75th percentile level of the benchmark companies).	The Company's return on equity attributable to the parent company for the financial year prior to the effective point is not less than 10.5% and not less than the average value of the same industry (or the 75th percentile level of the benchmark companies).	The Company's return on equity attributable to the parent company for the financial year prior to the effective point is not less than 10.75% and not less than the average value of the same industry (or the 75th percentile level of the benchmark companies).
CAGR of net profit attributable to owners of the parent company (based on 2020)	In the financial year prior to the effective point, the CAGR of net profit attributable to the parent company is not less than 11% and not less than the average value of the same industry (or the 75th percentile level of the benchmark companies).	In the financial year prior to the effective point, the CAGR of net profit attributable to the parent company is not less than 11.25% and not less than the average value of the same industry (or the 75th percentile level of the benchmark companies).	In the financial year prior to the effective point, the CAGR of net profit attributable to the parent company is not less than 11.5% and not less than the average value of the same industry (or the 75th percentile level of the benchmark companies).
Economic Value Added (EVA)	The EVA value of the Company in the financial year before the effective point is not less than RMB1.50 billion.	The EVA value of the Company in the financial year before the effective point is not less than RMB1.60 billion.	The EVA value of the Company in the financial year before the effective point is not less than RMB1.70 billion.

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS
(CONTINUED)

69. SHARE-BASED PAYMENTS (CONTINUED)

(1) Share-based payment in general (Continued)

The individual performance conditions are as follows:

Individual annual performance achievement/appraisal	Percentage of stock options actually available to individuals
Good and above	100%
Qualified	80%
Unqualified	0

The exercise price is determined based on the higher of the average trading price of the Company's A shares (RMB4.18 per share) one trading day prior to the announcement of the draft stock option plan and the summary, the average trading price of the Company's A shares (RMB4.29 per share) 20 trading days prior to the announcement, and the par value of the Company's A shares (RMB1 per share), which is RMB4.29 per share (subject to adjustment by the authorized Board of Directors based on dividend payments, increase by transferring, share reductions, rights issue, etc.). The closing price of the Company's A shares on the trading day prior to the grant date of this stock option plan was RMB4.03 per share.

As approved at the Resolution on the Adjustment of the Company's Stock Option Exercise Price considered and approved at the Fifteenth Meeting of the Third Session of the Board of Directors, the Nineteenth Meeting of the Third Session of the Board of Directors, the Twenty-seventh Meeting of the Third Session of the Board of Directors, the Second Meeting of the Fourth Session of the Board of Directors and the Fourth Meeting of the Fourth Session of the Board of Directors of the Company, respectively, the exercise price of the aforesaid stock options was adjusted from RMB4.29 per share to RMB3.475 per share. At the 2024 Annual General Meeting of the Company on 5 June 2025, the Proposal on Profit Distribution Plan for the Year 2024 was considered and approved, deciding a final dividend for the year 2024 based on the total share capital registered on the date of record of equity distribution (net of the A shares held in the special account for the repurchase of shares by the Company) was paid, with a cash dividend of RMB0.145 (tax included) per share. The exercise price of the aforesaid stock option plan is expected to be adjusted to RMB3.33 per share (RMB3.475, the exercise price before the adjustment, minus the amount of dividend payout per share of RMB0.145).

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

69. SHARE-BASED PAYMENTS (CONTINUED)

(1) Share-based payment in general (Continued)

Pursuant to the Resolution on the Reaching of the Exercise Conditions for the First Exercise Period of the Company's Stock Option Incentive Plan (Phase I) considered and approved at the Twenty-eighth Meeting of the Third Session of the Board of Directors of the Company, the conditions for the exercise of the first exercise period of the aforesaid stock option plan have been fulfilled, and 176 incentive recipients are eligible to exercise the first exercise period, with a feasible exercise number of 22,951,132 shares. The Company organized the first and second centralized exercise of the first exercise period for the incentive targets from 4 March to 11 March 2024 and from 28 October to 30 October 2024, respectively, with the exercise price of RMB3.765 per share and RMB3.475 per share, respectively, and the actual number of exercised options totaled 22,388,465 shares. In 2024, the weighted average exercise price of the foregoing stock options exercised was RMB3.747 per share, and the weighted average closing price of the Company's shares immediately prior to the exercise date was RMB5.87 per share.

Pursuant to the Resolution on the Reaching of the Exercise Conditions for the Second Exercise Period of the Company's Stock Option Incentive Plan (Phase I) considered and approved at the Sixth Meeting of the Fourth Session of the Board of Directors of the Company, the conditions for the exercise of the second exercise period of the aforesaid stock option plan have been fulfilled, and 167 incentive recipients are eligible to exercise the second exercise period, with a feasible exercise number of 21,513,157 shares. The Company organized the incentive recipients to exercise their options collectively for the first time during the second exercise period from 4 March 2025 to 11 March 2025. The exercise price was RMB3.475 per share, and the total number of options exercised was 20,431,890. The weighted average closing price of the Company's shares on the day before the exercise date was RMB5.05 per share.

Until 30 June 2025, a total of 25 incentive targets under the aforesaid stock option plan had left, retired or transferred out of the Group, corresponding to 8,868,266 lapsed stock options (of which 6 had left, retired or transferred out of the Group during the current period, corresponding to 1,106,600 lapsed stock options), and 8 incentive targets had not fully satisfied the individual performance conditions, corresponding to 186,759 stock options that could not be put into effect (of which 0 stock options could not be put into effect during the current period).

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Notes to the Financial Statements

For the period ended 30 June 2025
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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

69. SHARE-BASED PAYMENTS (CONTINUED)

(1) Share-based payment in general (Continued)

Until 30 June 2025, the cumulative number of shares exercised under the stock option plan was 42,820,355, and the number of shares granted and unexercised was 21,487,753, which in aggregate accounted for 0.30% of the total issued share capital of the Company as at that date (exclusive of treasury shares). Unless approved by a special resolution at a general meeting, the aggregate number of A shares of the Company granted to any one incentive recipient through all the share incentive schemes in force (including those exercised and unexercised) shall not exceed 1% of the total issued A shares of the Company (exclusive of treasury shares); the aggregate number of underlying shares under all the share incentive schemes of the Company in force shall not exceed 10% of the total issued A shares of the Company (exclusive of treasury shares). The number of stock options and the number of underlying shares involved will be adjusted in the event of capital transferring from capital reserve, distribution of stock dividends, share split or share reduction, or rights issue before the exercise of stock options.

As at 30 June 2025, the average remaining waiting period for the stock option plan (Phases III) was 0.58 years.

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Notes to the Financial Statements

For the period ended 30 June 2025

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

69. SHARE-BASED PAYMENTS (CONTINUED)

(2) Equity-settled share-based payments

Item	Payments
Method of determining the fair value of equity instruments at the date of grant	The fair value of each stock option granted was calculated at the date of grant using the Black-Scholes option pricing model in accordance with ASBE No. 11 – Share-based Payment and ASBE No. 22 – Recognition and Measurement of Financial Instruments, and in accordance with the requirements of the State-owned Assets Supervision and Administration Commission of the State Council (SASAC) Guidelines on the Implementation of Equity Incentives in Listed Companies Controlled by Central Enterprises.
Significant parameters of the fair value of equity instruments at the grant date	The fair value of each stock option under the aforesaid Company's stock option plan granted was calculated in accordance with the Black-Scholes option pricing model on the date of grant as RMB1.2451, and the risk-free interest rate used was the annualized interest rate of 2.3% for 3.5-year treasury bonds (same as expected maturity), the value of stock price volatility used was the historical volatility of 38.97% of the Company since its A-share listing, the expected maturity used was 3.5 years (weighted), the expected dividend rate used was 0% (according to the valuation principle and the regulatory requirements of SASAC, if the stock incentive plan stipulates the principle of adjusting the exercise price of the Company after dividends payment, the expected dividend rate will no longer be considered in the fair value assessment, and 0% will be used as input).
The basis for determining the number of exercisable equity instruments	The Group estimates the number of exercisable equity instruments by considering the number of incentive recipients who have actually left or transferred out of the Group at the point of estimation, as well as the impact of the Company's and individual's realized performance, and expects that the number of additional persons who will leave or transfer out of the Group in the future will be zero, and that the future performance conditions for the Company and the individual will be met.
Reasons for significant differences between current period estimates and prior period estimates	Not applicable
Accumulated amount of equity-settled share-based payments credited to capital reserves	76,838,011.30
Total expense recognized for equity-settled share-based payments in the current period (Note)	2,722,539.78

Note: The incentive targets of the aforesaid stock option plan granted by the Company included employees of certain subsidiaries, and the service costs of such employees were recognized in the statements of the subsidiaries and aggregated to the Group.

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

69. SHARE-BASED PAYMENTS (CONTINUED)

- (3) The Group had no cash-settled share-based payments.
- (4) The Group had no modification or termination of share-based payment during the period.

70. SEGMENT REPORTING

In accordance with the Group's internal organisational structure, management requirements and internal reporting system, the Group's operations are divided into three operating segments whose operating results are regularly evaluated by the Group's management to determine the allocation of resources to them and evaluate their performance. Based on operating segments, the Group determined three reporting segments: agency and related business, professional logistics, and e-commerce. These reporting segments are based on the income type of the Group.

The operating segments and reporting segments of the Group are analysed as follows:

Agency and related business: mainly includes arranging the delivery of goods to designated consignees in other locations within a specified time frame in accordance with customer instructions; including shipping agency services related to freight agency to shipping companies, providing storage, storage yards, container loading and unloading stations and terminal services.

Professional logistics: mainly includes any provision of customised and professional entire logistics services to customers.

E-commerce: mainly includes providing professional logistics solutions for import and export e-commerce customers, providing customers with various public services through a unified online logistics e-commerce platform and providing customers with tracking and monitoring services for logistics equipment through a logistics equipment sharing platform.

Any information on segment reporting is disclosed in accordance with the accounting policies and measurement standards used by the segments when reporting to management, and these measurement bases are consistent with the accounting and measurement basis at the time of the preparation of the financial statements.

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Notes to the Financial Statements

For the period ended 30 June 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

70. SEGMENT REPORTING (CONTINUED)

January-June 2025

Item	Agency and related business	Logistics	E-commerce	Undistributed items	Inter-segment elimination	Total
Operating income:	—	—	—	—	—	—
Income from external transaction	29,628,417,337.33	14,323,048,411.02	6,571,035,483.17	-	-	50,522,501,231.52
Income from inter-segment transaction	4,319,202,711.17	517,522,760.44	1,119,513,187.42	-	-5,956,238,659.03	-
Total operating income from segments	33,947,620,048.50	14,840,571,171.46	7,690,548,670.59	-	-5,956,238,659.03	50,522,501,231.52
Total operating costs	28,899,196,389.78	13,938,290,096.59	6,659,717,853.90	191,742,682.31	-	49,688,947,022.58
Impairment of assets (loss denoted by "-")	-	-	-	-	-	-
Credit impairment loss (loss denoted by "-")	-36,841,118.39	-75,587,072.93	-6,708,660.12	349,412.60	-	-118,787,438.84
Gain from changes in fair value (loss denoted by "-")	-	-	-	7,362,419.73	-	7,362,419.73
Investment income (loss denoted by "-")	19,204,396.16	1,446,368.26	456,884,554.60	690,568,518.02	-	1,168,103,837.04
Including: Income from investments in associates and joint ventures	19,204,396.16	1,446,368.26	456,884,554.60	209,961,588.39	-	687,496,907.41
Income from disposal of assets (loss denoted by "-")	-	-	-	5,912,389.77	-	5,912,389.77
Other income	522,445,879.67	8,395,498.01	167,823,986.09	-	-	698,665,363.77
Operating profit	1,234,030,104.99	319,013,107.77	529,317,509.84	512,450,057.81	-	2,594,810,780.41
Non-operating income	24,928,717.04	9,280,458.41	743,636.34	444,319.66	-	35,397,131.45
Non-operating expenses	19,289,631.50	299,400.29	14,822.63	26,993.04	-	19,630,847.46
Total profit	1,239,669,190.53	327,994,165.89	530,046,323.55	512,867,384.43	-	2,610,577,064.40
Income taxes	324,958,239.43	137,732,060.10	70,610,179.15	-47,684,472.58	-	485,616,006.10
Net profit	914,710,951.10	190,262,105.79	459,436,144.40	560,551,857.01	-	2,124,961,058.30
Total assets	40,661,067,792.34	24,272,534,015.84	5,336,441,510.99	10,678,178,992.77	-	80,948,222,311.94
Total liabilities	16,024,891,942.36	6,792,205,372.60	1,239,435,485.73	14,019,457,771.80	-	38,075,990,572.49
Supplementary information:	—	—	—	—	—	—
Depreciation and amortisation expenses	638,940,753.56	561,841,309.47	69,442,105.38	57,261,086.45	-	1,327,485,254.86
Capital expenditures	821,057,993.47	324,851,934.39	58,820,703.32	70,251,653.92	-	1,274,982,285.10
Non-cash expenses other than depreciation and amortisation	36,841,118.39	75,587,072.93	6,708,660.12	-349,412.60	-	118,787,438.84
Increase in long-term equity investments in associates and joint ventures accounted for under the equity method	-92,326,531.99	902,538.03	456,884,554.59	541,084,279.63	-	906,544,840.26

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

70. SEGMENT REPORTING (CONTINUED)

January-June 2024

Item	Agency and related business	Logistics	E-commerce	Undistributed items	Inter-segment elimination	Total
Operating income:	—	—	—	—	—	—
Income from external transaction	35,060,255,669.34	15,214,278,699.56	6,125,396,739.41	—	—	56,399,931,108.31
Income from inter-segment transaction	3,051,502,989.94	183,449,924.07	1,150,771,948.29	—	-4,385,724,862.30	—
Total operating income from segments	38,111,758,659.28	15,397,728,623.63	7,276,168,687.70	—	-4,385,724,862.30	56,399,931,108.31
Total operating costs	34,595,111,731.33	14,780,337,686.81	6,179,548,611.79	284,573,015.21	—	55,839,571,045.14
Impairment of assets (loss denoted by "-")	—	5,044.87	—	—	—	5,044.87
Credit impairment loss (loss denoted by "-")	-48,949,158.33	-43,847,925.47	-7,345,482.00	31,209.58	—	-100,111,356.22
Gain from changes in fair value (loss denoted by "-")	—	—	—	-12,760,961.67	—	-12,760,961.67
Investment income (loss denoted by "-")	30,209,056.55	6,185,839.66	747,189,600.77	191,462,273.38	—	975,046,770.36
Including: Income from investments in associates and joint ventures	30,209,056.55	6,185,839.66	747,189,600.77	193,303,874.50	—	976,888,371.48
Income from disposal of assets (loss denoted by "-")	—	—	—	12,065,190.24	—	12,065,190.24
Other income	813,765,708.49	18,873,914.27	175,940,980.01	8,293.73	—	1,008,588,896.50
Operating profit	1,260,169,544.72	415,157,886.08	861,633,226.40	-93,767,009.95	—	2,443,193,647.25
Non-operating income	17,767,027.70	7,608,989.62	1,733,609.91	6,568,512.50	—	33,678,139.73
Non-operating expenses	5,338,701.82	-620,617.15	432,735.00	-26,579,683.97	—	-21,428,864.30
Total profit	1,272,597,870.60	423,387,492.85	862,934,101.31	-60,618,813.48	—	2,498,300,651.28
Income taxes	267,661,622.71	98,509,346.06	48,539,899.15	-868,496.10	—	413,842,371.82
Net profit	1,004,936,247.89	324,878,146.79	814,394,202.16	-59,750,317.38	—	2,084,458,279.46
Total assets	39,346,321,448.56	21,237,142,506.45	7,773,814,237.17	9,133,573,199.45	—	77,490,851,391.63
Total liabilities	16,338,367,946.46	6,132,004,824.61	2,115,869,182.84	11,968,816,427.94	—	36,555,058,381.85
Supplementary information:	—	—	—	—	—	—
Depreciation and amortisation expenses	556,558,300.73	572,284,323.20	71,244,255.73	42,481,039.28	—	1,242,039,790.41
Capital expenditures	680,890,505.45	264,986,652.32	29,307,276.04	101,599,099.37	—	1,076,783,533.18
Non-cash expenses other than depreciation and amortisation	48,949,158.33	43,842,880.60	7,345,482.00	-31,209.58	—	100,106,311.35
Increase in long-term equity investments in associates and joint ventures accounted for under the equity method	6,849,207.73	23,431,137.12	749,558,688.91	52,660,997.02	—	832,500,030.78

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X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

1. RELATED PARTIES WITH CONTROL RELATIONSHIPS

Name of controlling shareholders and the ultimate controlling party	Place of registration	Nature of business	Registered capital	Shareholding ratio (%)	Voting ratio (%)
China Merchants Group Co., Ltd.	Beijing	Conducting transportation undertakings and etc.	RMB16,900 million	—	—

2. RELATED INFORMATION ON SUBSIDIARIES IS PROVIDED IN NOTE VIII.

3. THE MAIN RELATED PARTIES THAT HAVE TRANSACTIONS WITH THE GROUP BUT DO NOT HAVE A CONTROL RELATIONSHIP ARE AS FOLLOWS

Name of related party	Nature
CHINA MERCHANTS HOLDINGS (DJIBOUTI) FZE	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
MING WAH (SINGAPORE) AGENCY PTE LTD.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
YANGTZE NAVIGATION (SINGAPORE) PTE. LTD.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Sinotrans Anhui Direct Storage and Transportation Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Beijing Aocheng Wuhe Real Estate Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Beijing Sinotrans Land Transportation Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Sinotrans Beijing Sanjianfang Warehouse Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Beijing Sinotrans Logistics Center Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Beijing China Merchants Property Management Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Chiwan Container Terminal Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Dalian Port Container Logistics Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Dalian Port Oil Terminal Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Dalian Container Terminal Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Dalian United King Port Auto Trade Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Dandong Port Group Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party

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X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

3. THE MAIN RELATED PARTIES THAT HAVE TRANSACTIONS WITH THE GROUP BUT DO NOT HAVE A CONTROL RELATIONSHIP ARE AS FOLLOWS (CONTINUED)

Name of related party	Nature
Dongguan Shenchiwang Port Affairs Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Dongguan Chiwan Wharf Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
China Freight Forwarding Fujian Hexi Storage & Transportation Company	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Fujian Sinotrans Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Sinotrans Guangdong Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Guangdong Yide Port Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Guangxi Sinotrans Fangchenggang Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Guangxi Sinotrans Nanning Storage and Transportation Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Guangxi Sinotrans Automobile Transportation Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Guangxi Sinotrans Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Associated Maritime Company (Hong Kong) Limited	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Hailong No. 15 (Tianjin) Leasing Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Sinotrans Hebei Company Yuanshi Warehouse	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Hebei Shijiazhuang Zhengding Sinotrans Warehousing and Logistics Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
SINOTRANS Henan, Jiuling Transport & Storage Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Hubei Sinotrans Bulk Cargo Transportation Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Liaoning Port Holding (Yingkou) Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Liaoning Port Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Liaoning Sinotrans Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Nanjing Yangyang Chemicals Transport & Trade Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
China Changjiang National Shipping (Group) Corporation	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Nanjing Merchants Bureau Real Estate Management Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party

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X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

3. THE MAIN RELATED PARTIES THAT HAVE TRANSACTIONS WITH THE GROUP BUT DO NOT HAVE A CONTROL RELATIONSHIP ARE AS FOLLOWS (CONTINUED)

Name of related party	Nature
Inner Mongolia Inland Bonded Logistics Park Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Inner Mongolia Sinotrans Logistics Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Panjin Port Group Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Xiamen Sinotrans Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Shandong Sinotrans Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Shanghai Foreign Trade Warehouse Jiefangdao Storage and Transportation Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Shanghai Foreign Trade Warehouse Pudong Company	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Shanghai Foreign Trade Yangxing Storage & Transportation Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
SCSC International Merchant & Shipping (Hong Kong) Company Limited	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Shanghai Changhang Shipping Development Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Shanghai Changjiang International Shipping Agency Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Shanghai Changjiang Shipping Corporation	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Shanghai Investment Promotion Bureau Property Management Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Shanghai China Merchants Ming Wah Shipping Company Limited	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Shanghai Zhaotong Container Transportation Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Shanghai Sinotrans Qiantang Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
SINOTRANS Shanghai Zhang HUA BANG Storage and Transportation Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Shekou Container Terminal Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Shenzhen Chiwan Port Development Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Shenzhen Chiwan Tug Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Shenzhen Lianda Tug Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Shenzhen Nanyou (Holdings) Corp. Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party

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X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

3. THE MAIN RELATED PARTIES THAT HAVE TRANSACTIONS WITH THE GROUP BUT DO NOT HAVE A CONTROL RELATIONSHIP ARE AS FOLLOWS (CONTINUED)

Name of related party	Nature
Shenzhen Merchants Home Technology Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Shenzhen China Merchants Ro-Ro Transportation Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Shenzhen Merchants Shekou International Cruise Home Port Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Tianjin Sinotrans Binhai Logistics Management Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Tianjin Sinotrans Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Wuhan Changjiang Steamship Company	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Hong Kong Ming Wah Shipping Company Limited	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Yingkou Xingang Ore Terminal Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Yiu Lian Dockyards (Shekou) Limited	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Yiu Lian Dockyards Limited	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Zhanjiang Port (Group) Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Zhanjiang Port International Container Terminal Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Zhangzhou China Merchants Port Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Zhangzhou China Merchants Tugboat Company Limited	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
CSC (Wuhan)Green Shipping Technology Services Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
CSC Cargo (Dazhou) Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
CSC Cargo Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Long Distance Transportation Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
China Merchants Port (Shenzhen) Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
China Merchants Jiyu Property Management Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
China Merchants Bonded Logistics Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
CHINA MERCHANTS INNOVATION AND TECHNOLOGY (HONG KONG) CO., LIMITED	Other enterprises controlled by the same controlling shareholder and ultimate controlling party

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Notes to the Financial Statements

For the period ended 30 June 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

3. THE MAIN RELATED PARTIES THAT HAVE TRANSACTIONS WITH THE GROUP BUT DO NOT HAVE A CONTROL RELATIONSHIP ARE AS FOLLOWS (CONTINUED)

Name of related party	Nature
China Merchants Port Group Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
China Merchants Industry Weihai Shipyard Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
China Merchants Industry Yangzhou Dingheng Shipyard Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
China Merchants International Finance Company Limited	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
China Merchants International Terminal (Qingdao) Limited	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
China Merchants Container Service Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
China Merchants Group Finance Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
China Merchants Jinling SHIPYARD (Jiangsu) Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
China Merchants Jinling Shipyard (Nanjing) Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
China Merchants Jinling SHIPYARD (Weihai) Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Nanjing Tanker Corporation	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
China Merchants Renhe Life Insurance Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
China Merchants Investment Development Company Limited	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
CHINA MERCHANTS INVESTMENTS LIMITED	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
China Merchants Viking Cruise Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
China Merchants Property Management Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
China Merchants New Materials Technology (Chongqing) Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
China Merchants Heavy Industry (Jiangsu) Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
China Merchants Chongqing Communications Technology Research & Design Institute Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
China Merchants Qianhai Bay (Shenzhen) Supply Chain Management Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
China Merchants Sinotrans (Shenzhen) Industrial Innovation Private Equity Investment Fund Partnership (Limited Partnership)	Other enterprises controlled by the same controlling shareholder and ultimate controlling party

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For the period ended 30 June 2025
(Unless indicated otherwise, all amounts are expressed in RMB)

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

3. THE MAIN RELATED PARTIES THAT HAVE TRANSACTIONS WITH THE GROUP BUT DO NOT HAVE A CONTROL RELATIONSHIP ARE AS FOLLOWS (CONTINUED)

Name of related party	Nature
Zhaotong Supply Chain Management Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Zhengzhou Merchants Logistics Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
SINOTRANS (HONG KONG) HOLDINGS LIMITED	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Sinotrans Alashankou Company	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Sinotrans Beijing Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
SINOTRANS Hainan Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Sinotrans Lianyungang Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Sinotrans Nantong Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Sinotrans Inner Mongolia Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
SINOTRANS & CSC HOLDINGS Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
AVIC Property Management Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Sinotrans (Jiaxing) International Freight Forwarding Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Sinotrans Container Lines (Hainan) Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Sinotrans Container Lines (Hong Kong) Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Sinotrans Container Lines Overseas Company Limited	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Sinotrans Container Lines Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Sinotrans Shanghai (Group) Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Sinotrans Shanghai (Group) Property Development Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
MAXX LOGISTICS FZCO.	Joint ventures of the Group
SINOTRANS ALMAJDOUIE MIDDLE EAST CO., LTD.	Joint ventures of the Group
Beijing Medlink Supply Chain Management Co., Ltd.	Joint ventures of the Group
Beijing Sinotrans Huali Logistics Co., Ltd.	Joint ventures of the Group
Dongguan Port Container Terminals Co., Ltd.	Joint ventures of the Group

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For the period ended 30 June 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

3. THE MAIN RELATED PARTIES THAT HAVE TRANSACTIONS WITH THE GROUP BUT DO NOT HAVE A CONTROL RELATIONSHIP ARE AS FOLLOWS (CONTINUED)

Name of related party	Nature
Jiangsu Nantong Sinotrans Supply Chain Management Co., Ltd.	Joint ventures of the Group
Jiangsu Sinotrans Lvsì Port Heavy Logistics Development Co., Ltd.	Joint ventures of the Group
Jiangsu Sinotrans Xiangtai Supply Chain Management Co., Ltd.	Joint ventures of the Group
Jiangsu Sinotrans Yangkou Port Logistics Development Co., Ltd.	Joint ventures of the Group
Jingjiang Sinotrans Bonded Logistics Co., Ltd.	Joint ventures of the Group
Nantong Comprehensive Bonded Zone Sinotrans Logistics Co., Ltd.	Joint ventures of the Group
Ningbo Taiping International Trade Transportation Co., Ltd.	Joint ventures of the Group
Rongyun (Xiamen) Supply Chain Co., Ltd.	Joint ventures of the Group
Rushan Sinotrans Port Logistics Development Co., Ltd.	Joint ventures of the Group
Shaanxi Sinotrans Guotie Logistics Co., Ltd.	Joint ventures of the Group
Nippon Express (Shanghai) Co., Ltd.	Joint ventures of the Group
China United Tally (Shenzhen) Co., Ltd.	Joint ventures of the Group
Shenyang Jinyun Automobile Logistics Co., Ltd.	Joint ventures of the Group
Suzhou Sinotrans Zhongli International Freight Co., Ltd.	Joint ventures of the Group
Tangshan Port Sinotrans Shipping Agency Co., Ltd.	Joint ventures of the Group
Weihai Comprehensive Bonded Zone Hongxin Supply Chain Management Co., Ltd.	Joint ventures of the Group
Wuhan Eastlake Comprehensive Bonded Area Bonded Logistics Co., Ltd.	Joint ventures of the Group
Xinjiang New Railway Sinotrans Logistics Co., Ltd.	Joint ventures of the Group
New Land Bridge (Lianyungang) Terminal Co., Ltd.	Joint ventures of the Group
Yantai Comprehensive Bonded Zone Baoyuntong Supply Chain Management Co., Ltd.	Joint ventures of the Group
Zhangjiagang Bonded Port Area Sinotrans Changjiang International Logistics Co., Ltd.	Joint ventures of the Group
Sinotrans Logistics (Pakistan) Limited	Joint ventures of the Group
Sinotrans Philippines Inc.	Joint ventures of the Group
Sinotrans Suzhou Logistics Center Co., Ltd.	Joint ventures of the Group
Sinotrans Turkey Limited	Joint ventures of the Group
Sinotrans Aramex (Shanghai) International Aviation Express Delivery Co., Ltd.	Joint ventures of the Group
DHL-Sinotrans International Air Courier Ltd.	Joint ventures of the Group
Sinotrans Hongfeng (Shanghai) International Logistics Co., Ltd.	Joint ventures of the Group
Sinotrans PFS Cold Chain Logistics Co., Ltd.	Joint ventures of the Group
Nissin-Sinotrans International Logistics Co., Ltd.	Joint ventures of the Group

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Notes to the Financial Statements

For the period ended 30 June 2025
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X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

3. THE MAIN RELATED PARTIES THAT HAVE TRANSACTIONS WITH THE GROUP BUT DO NOT HAVE A CONTROL RELATIONSHIP ARE AS FOLLOWS (CONTINUED)

Name of related party	Nature
Sinotrans Sarens Logistics Co., Ltd.	Joint ventures of the Group
Sinotrans Senko International Cold Chain Logistics (Shanghai) Co., Ltd.	Joint ventures of the Group
China-Vietnam Sinotrans Logistics Co., Ltd.	Joint ventures of the Group
Sinotrans PFS Yida (Shanghai) Logistics Co., Ltd.	A subsidiary of the Group's joint venture
Beijing Chentong Freight Service Co., Ltd.	An associate of the Group
Shenzhen Haixing Harbor Development Co., Ltd.	An associate of the Group
Beijing Honglian Technology Co., Ltd.	An associate of the Group
Guangxi Yunyu Port Co., Ltd.	An associate of the Group
Hebei Huanjing Lugang Smart Logistics Co., Ltd.	An associate of the Group
Jiangmen Gaosha Outside Freight Agency Co., Ltd.	An associate of the Group
Jiangsu Jiangyin Port Group Co., Ltd.	An associate of the Group
Liaoning Sinotrans Hengjiu Transportation Service Co., Ltd.	An associate of the Group
Land and Sea New Channel Operation Co., Ltd.	An associate of the Group
Ma'anshan Tianshun Port Co., Ltd.	An associate of the Group
Nanjing Huaxing Loading and Unloading Service Co., Ltd.	An associate of the Group
Nantong Sinotrans Dongzaogang Logistics Development Co., Ltd.	An associate of the Group
Ningbo Beilun Donghua Container Transportation Service Co., Ltd.	An associate of the Group
Qingdao Yujiachang Container Storage And Transportation Co., Ltd.	An associate of the Group
Shandong Port & Shipping Sinotrans Supply Chain Development Co., Ltd.	An associate of the Group
Shenyang Fuyun Cold Chain Logistics Co., Ltd.	An associate of the Group
Shenyang Henglu Logistics Co., Ltd.	An associate of the Group
Tianjin Runfeng Logistics Co., Ltd.	An associate of the Group
Weihai Weidong Shipping Co., Ltd.	An associate of the Group
Wuhan Port Container Co., Ltd.	An associate of the Group
Yangzhou Comprehensive Bonded Zone Supply Chain Management Co., Ltd.	An associate of the Group
China International Exhibition Transportation Co., Ltd.	An associate of the Group
China-Europe Railway Express (Shenyang) Assembly Center Construction and Operation Co., Ltd.	An associate of the Group
Sinotrans Huajie International Logistics (Beijing) Co., Ltd.	An associate of the Group
Sinotrans Medical Technology (Chengdu) Co., Ltd.	An associate of the Group
BOC Sinotrans Warehousing and Logistics Closed-End Infrastructure Securities Investment Fund	An associate of the Group
Tianjin Sinotrans Jianhe Warehousing Limited	A subsidiary of an associate of the Group

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For the period ended 30 June 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

3. THE MAIN RELATED PARTIES THAT HAVE TRANSACTIONS WITH THE GROUP BUT DO NOT HAVE A CONTROL RELATIONSHIP ARE AS FOLLOWS (CONTINUED)

Name of related party	Nature
Ruida Zhihui Kunshan Storage Service Co., Ltd.	A subsidiary of an associate of the Group
Ruida (Jinhua) Warehousing Service Co., Ltd.	A subsidiary of an associate of the Group
Ruida Wuxi Storage Service Co., Ltd.	A subsidiary of an associate of the Group
Kunshan Sinotrans Supply Chain Co., Ltd.	A subsidiary of an associate of the Group
Loscam Packaging Equipment Leasing (Shanghai) Co., Ltd.	A subsidiary of an associate of the Group
Loscam Supply Chain Management (Jiaxing) Co., Ltd.	A subsidiary of an associate of the Group
Sinotrans Pulse Technology (Chengdu) Co., Ltd.	A subsidiary of an associate of the Group
China Changjiang Bunker (Sinopec) Co., Ltd.	A joint venture of the ultimate controlling party
Jiangsu China Changjiang Bunker (Sinopec) Co., Ltd.	A subsidiary of a joint venture of the ultimate controlling party
Qingdao China Changjiang Bunker (Sinopec) Co., Ltd.	A subsidiary of a joint venture of the ultimate controlling party
Shenzhen China Changjiang Bunker (Sinopec) Co., Ltd.	A subsidiary of a joint venture of the ultimate controlling party
China Merchants Bank Co., Ltd.	An associate of the ultimate controlling party

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Notes to the Financial Statements

For the period ended 30 June 2025
(Unless indicated otherwise, all amounts are expressed in RMB)

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

4. THE GROUP HAD THE FOLLOWING SIGNIFICANT RELATED TRANSACTIONS WITH THE ABOVE RELATED PARTIES DURING THE PERIOD

(1) Pricing policy and basis

- 1) In the process of providing freight agency and professional logistics services to customers, the Group has more demand for procurement of various transportation services and terminal services, etc., and the related parties are large domestic shipping and port operators, so there is a demand for the Group to procure shipping, container transportation and special equipment transportation and other related transportation services and terminal services from the related parties in its daily operations. At the same time, due to the different geographical distribution of business between the Group and Sinotrans Group's enterprises and some joint ventures and associates, there is also a demand for the Group to procure logistics services such as freight forwarding from the related parties. As the Group is a leading integrated logistics service provider in China, there is a demand for the Group to procure ship agency services, freight agency services, warehousing services and leasing logistics equipment from the related parties.
- 2) On 26 October 2023, the Company signed the *Integrated Service Agreement* with China Merchants, which is effective from 1 January 2024 to 31 December 2026. According to the agreement, the pricing of the Group's related transactions with China Merchants and its subsidiaries is at market price and the terms of service are on normal commercial terms. The aforesaid market price refers to the price at which the same or similar services are provided or obtained by an independent third party in the same area in the ordinary course of the parties' business in the same area under normal commercial terms. The agreement stipulates that the Group shall provide transportation and logistics services to China Merchants and its subsidiaries up to a limit of RMB2.5 billion in 2024, RMB3.250 billion in 2025 and RMB4.225 billion in 2026; the Group shall accept transportation and logistics services from China Merchants and its subsidiaries up to a limit of RMB3.5 billion in 2024, RMB4.550 billion in 2025 and RMB5.915 billion in 2026. On 15 December 2023, the *Integrated Service Agreement* was approved by the Company's General Meeting of Shareholders.

The Group's daily business operations require the continuous and stable use of office properties, warehouses, yards, container handling stations, and real estate operated by related parties for production offices, as well as the leasing of land, buildings and logistics, and transportation equipment from related parties. On 26 October 2023, the Company signed the *Lease Agreement* with China Merchants, which is effective from 1 January 2024 to 31 December 2026. According to the agreement, the pricing of the Group's related transactions with China Merchants and its subsidiaries is at market price and the terms are on normal commercial terms. The aforesaid market price refers to the price at which the same or similar leased subject property is offered or acquired by an independent third party in the same area in the ordinary course of parties' business in the same area under normal commercial terms. The limit for the Group to lease properties, containers, and other equipment from China Merchants and its subsidiaries is not more than RMB668 million in 2024, RMB769 million in 2025 and RMB883 million in 2026. The limit for the Group to lease properties to China Merchants and its subsidiaries is not more than RMB240 million in 2024, RMB276 million in 2025 and RMB318 million in 2026. On 15 December 2023, the *Lease Agreement* was approved by the Company's General Meeting of Shareholders.

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Notes to the Financial Statements

For the period ended 30 June 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

4. THE GROUP HAD THE FOLLOWING SIGNIFICANT RELATED TRANSACTIONS WITH THE ABOVE RELATED PARTIES DURING THE PERIOD (CONTINUED)

(1) Pricing policy and basis (Continued)

- 3) On 26 October 2023, the Company signed the *Financial Services Agreement* with China Merchants Group Finance Co., Ltd. (hereinafter referred to as “the Finance Company”), a subsidiary of China Merchants, effective from 1 January 2024 to 31 December 2026, agreeing that the Group’s end-of-day deposit balance (excluding loans) with the Finance Company is capped at RMB6 billion, the maximum daily outstanding loan balance (including accrued interest and handling charge) is capped at RMB10 billion, and the total amount of other financial services expenses incurred in each year is capped at RMB20 million. On 15 December 2023, the *Financial Services Agreement* was approved by the Company’s General Meeting of Shareholders.
- 4) On 15 December 2023, the Second Extraordinary General Meeting of Shareholders of the Company in 2023 considered and approved the *Resolution on Continuing Related Transactions with China Merchants Bank for the Years 2024-2026*. Pursuant to the Proposal, the Group opened an account with China Merchants Bank Co., Ltd. (hereinafter referred to as “China Merchants Bank”) and deposited the funds with China Merchants Bank on the principle of freedom of access and withdrawal at an interest rate not lower than the interest rate floor stipulated by the People’s Bank of China at that time in respect of such type of deposits, and not lower than the interest rate determined by other cooperative financial institutions providing the same type of deposit services to the Group. The Group’s maximum daily deposit balance with China Merchants Bank shall not exceed RMB6 billion in each of the years 2024, 2025 and 2026; the interest rate of the overall credit business provided by China Merchants Bank in accordance with the Group’s operation and development needs shall not be higher than the upper limit of the standard prescribed by the People’s Bank of China at that time in respect of such type of credit business (fees), and not be higher than the price offered by other cooperative financial institutions for providing the Group with the overall credit business. The maximum loan balances (including interest payable and handling charge) of the Group with China Merchants Bank shall not exceed RMB10 billion in each of the years 2024, 2025, and 2026; China Merchants Bank shall provide the Group with other financial services such as settlement approved by the National Financial Regulatory Administration, and the fees and charges for other financial services shall be charged in accordance with the relevant regulations of the People’s Bank of China.
- 5) On 27 March 2023, the Company entered into the *Purchase Service Agreement*, which is valid from 1 January 2023 to 31 December 2025, with Shenzhen Merchants Home Technology Co., Ltd. Pursuant to the agreement, such daily related transactions are priced on the basis of market prices, and the limit of the Group’s purchases of commodities from Shenzhen Merchants Home Technology Co., Ltd. shall not exceed RMB120 million in 2023, RMB144 million in 2024 and RMB172.8 million in 2025.
- 6) On 25 March 2025, the Company entered into the *Integrated Service Agreement*, which is valid from 1 January 2025 to 31 December 2027, with Qingdao Golden Express International Transportation Service Co., Ltd. (hereinafter referred to as “Qingdao Golden Express Company”). Pursuant to the agreement, such daily related transactions are priced on the basis of market prices. The Group shall provide transportation and logistics services to Qingdao Golden Express Company up to a limit of RMB45 million in 2025, RMB50 million in 2026, and RMB55 million in 2027. The Group shall accept transportation and logistics services from Qingdao Golden Express Company up to a limit of RMB30 million in 2025, RMB35 million in 2026, and RMB40 million in 2027.

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For the period ended 30 June 2025
(Unless indicated otherwise, all amounts are expressed in RMB)

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

4. THE GROUP HAD THE FOLLOWING SIGNIFICANT RELATED TRANSACTIONS WITH THE ABOVE RELATED PARTIES DURING THE PERIOD (CONTINUED)

(2) Related transactions for the purchase and sale of goods, rendering and acceptance of services

1) Sale of goods and rendering of services

Name of related party	Content of related transactions	Current period	Prior period
Other enterprises controlled by the same controlling shareholder and ultimate controlling party	—	327,159,752.87	535,449,629.53
Sinotrans Container Lines Co., Ltd.	Transportation and related services	75,870,816.29	165,225,672.14
China Merchants Group Finance Co., Ltd.	Interest income	39,879,589.79	34,918,683.01
Associated Maritime Company (Hong Kong) Limited	Transportation and related services	39,199,415.92	73,378,714.92
Sinotrans Container Lines Overseas Company Limited	Transportation and related services	30,256,478.65	74,324,718.19
Sinotrans Container Lines (Hainan) Co., Ltd.	Transportation and related services	26,281,066.55	60,883,719.77
China Merchants Viking Cruise Co., Ltd.	Transportation and related services	24,240,653.12	16,017,966.89
China Merchants Heavy Industry (Jiangsu) Co., Ltd.	Transportation and related services	16,796,851.40	8,273,361.70
Sinotrans Container Lines (Hong Kong) Co., Ltd.	Transportation and related services	12,074,866.78	23,204,146.33
Zhaotong Supply Chain Management Co., Ltd.	Transportation and related services	11,934,827.46	18,155,471.61
Inner Mongolia Sinotrans Logistics Co., Ltd.	Transportation and related services	4,468,225.22	2,972,536.97
Yiu Lian Dockyards (Shekou) Limited	Transportation and related services	3,578,341.79	2,197,723.23
China Merchants Jinling SHIPYARD (Jiangsu) Co., Ltd.	Transportation and related services	3,552,288.67	1,921,666.54
Shenzhen China Merchants Ro-Ro Transportation Co., Ltd.	Transportation and related services	3,191,530.64	2,962,523.44
Hong Kong Ming Wah Shipping Company Limited	Transportation and related services	2,949,578.31	48,993.34
China Merchants Qianhai Bay (Shenzhen) Supply Chain Management Co., Ltd.	Transportation and related services	2,739,622.53	47,807.03
Nanjing Tanker Corporation	Transportation and related services	2,318,978.74	3,438,381.80
SINOTRANS Henan, Jiuling Transport & Storage Co., Ltd.	Property management fees	1,952,830.18	1,952,830.16
China Merchants Industry Weihai Shipyard Co., Ltd.	Transportation and related services	1,792,349.99	—
China Merchants Industry Yangzhou Dingheng Shipyard Co., Ltd.	Transportation and related services	1,781,245.56	—
Shenzhen Merchants Home Technology Co., Ltd.	Others	1,677,338.21	—
China Merchants Sinotrans (Shenzhen) Industrial Innovation Private Equity Investment Fund Partnership (Limited Partnership)	Partnership management fees	1,403,931.24	1,407,830.71
YANGTZE NAVIGATION (SINGAPORE) PTE. LTD.	Transportation and related services	1,356,871.01	4,811,765.99
Nanjing Yangyang Chemicals Transport & Trade Co., Ltd.	Transportation and related services	1,341,013.09	2,596,301.49
China Merchants Jinling Shipyard (Nanjing) Co., Ltd.	Transportation and related services	1,320,499.24	1,053,881.60
CHINA MERCHANTS HOLDINGS (DJIBOUTI) FZE	Transportation and related services	1,290,670.71	—

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(Unless indicated otherwise, all amounts are expressed in RMB)

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

4. THE GROUP HAD THE FOLLOWING SIGNIFICANT RELATED TRANSACTIONS WITH THE ABOVE RELATED PARTIES DURING THE PERIOD (CONTINUED)

(2) Related transactions for the purchase and sale of goods, rendering and acceptance of services (Continued)

1) Sale of goods and rendering of services (Continued)

Name of related party	Content of related transactions	Current period	Prior period
CSC Cargo (Dazhou) Co., Ltd.	Transportation and related services	1,231,038.28	3,626,980.42
Shanghai Foreign Trade Warehouse Pudong Company	Property management fees	1,202,826.00	650,943.40
Shanghai China Merchants Ming Wah Shipping Company Limited	Transportation and related services	1,158,036.23	3,784,792.61
Shanghai Changjiang International Shipping Agency Co., Ltd.	Transportation and related services	962,817.80	1,866,103.80
Shanghai Zhaotong Container Transportation Co., Ltd.	Transportation and related services	120,179.95	4,749,738.37
CSC Cargo Co., Ltd.	Transportation and related services	66,981.16	1,145,865.42
Dalian Port Container Logistics Co., Ltd.	Transportation and related services	28,615.10	2,586,215.35
China Merchants Jinling SHIPYARD (Weihai) Co., Ltd.	Transportation and related services	-	3,174,684.54
China Merchants New Materials Technology (Chongqing) Co., Ltd.	Transportation and related services	-	1,517,187.09
Sinotrans Inner Mongolia Co., Ltd.	Transportation and related services	-	1,284,895.90
SINOTRANS Shanghai Zhang HUA BANG Storage and Transportation Co., Ltd.	Property management fees	-	1,276,132.08
Others	Transport and related services, etc.	9,139,377.26	9,991,393.69
Joint ventures and their subsidiaries	Content of related transactions	338,858,856.43	419,041,111.58
Xinjiang New Railway Sinotrans Logistics Co., Ltd.	Transportation and related services	77,553,158.94	110,849,901.32
Shaanxi Sinotrans Guotie Logistics Co., Ltd.	Transportation and related services	55,385,906.49	67,276,033.90
Ningbo Taiping International Trade Transportation Co., Ltd.	Transportation and related services	39,534,078.13	39,874,686.36
Nissin-Sinotrans International Logistics Co., Ltd.	Transportation and related services	38,126,980.03	67,654,096.10
DHL-Sinotrans International Air Courier Ltd.	Transportation and related services	24,158,158.20	25,061,537.92
Sinotrans Aramex (Shanghai) International Aviation Express Delivery Co., Ltd.	Transportation and related services	16,388,916.34	21,028,142.74
SINOTRANS ALMAJDOUIE MIDDLE EAST CO., LTD.	Transportation and related services	14,687,567.92	821,528.06
Jiangsu Nantong Sinotrans Supply Chain Management Co., Ltd.	Transportation and related services	14,056,575.43	20,517,365.01
Beijing Medlink Supply Chain Management Co., Ltd.	Transportation and related services	8,523,219.82	15,274,036.30
Nippon Express (Shanghai) Co., Ltd.	Transportation and related services	7,410,807.77	8,502,740.00
China-Vietnam Sinotrans Logistics Co., Ltd.	Transportation and related services	6,788,495.04	7,602,138.96
Sinotrans PFS Cold Chain Logistics Co., Ltd.	Transportation and related services	6,487,037.84	5,179,921.89
Rushan Sinotrans Port Logistics Development Co., Ltd.	Transportation and related services	4,275,681.68	-
Sinotrans PFS Yida (Shanghai) Logistics Co., Ltd.	Transportation and related services	4,093,069.69	2,706,621.83
Sinotrans Senko International Cold Chain Logistics (Shanghai) Co., Ltd.	Transportation and related services	3,606,407.82	843,950.31
Jiangsu Sinotrans Yangkou Port Logistics Development Co., Ltd.	Transportation and related services	3,491,953.18	65,352.71

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(Unless indicated otherwise, all amounts are expressed in RMB)

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

4. THE GROUP HAD THE FOLLOWING SIGNIFICANT RELATED TRANSACTIONS WITH THE ABOVE RELATED PARTIES DURING THE PERIOD (CONTINUED)

(2) Related transactions for the purchase and sale of goods, rendering and acceptance of services (Continued)

1) Sale of goods and rendering of services (Continued)

Name of related party	Content of related transactions	Current period	Prior period
Zhangjiagang Bonded Port Area Sinotrans Changjiang International Logistics Co., Ltd.	Transportation and related services	3,129,164.27	1,748,512.69
MAXX LOGISTICS FZCO.	Transportation and related services	2,355,240.94	1,465,965.04
Sinotrans Sarens Logistics Co., Ltd.	Transportation and related services	2,154,622.86	4,652,179.50
Sinotrans Suzhou Logistics Center Co., Ltd.	Transportation and related services	1,692,625.47	301,384.17
Sinotrans Philippines Inc.	Transportation and related services	1,334,043.13	—
Beijing Sinotrans Huali Logistics Co., Ltd.	Transportation and related services	723,429.43	3,160,167.84
Weihai Comprehensive Bonded Zone Hongxin Supply Chain Management Co., Ltd.	Transportation and related services	527,271.11	11,396,421.88
Suzhou Sinotrans Zhongli International Freight Co., Ltd.	Transportation and related services	—	1,235,324.47
Others	Transport and related services, etc.	2,374,444.90	1,823,102.58
Associates and their subsidiaries	—	62,121,168.39	61,810,639.66
Weihai Weidong Shipping Co., Ltd.	Transportation and related services	12,991,732.21	13,914,558.20
Loscam Packaging Equipment Leasing (Shanghai) Co., Ltd.	Transportation and related services	10,360,217.52	11,999,197.45
Qingdao Yujichang Container Storage And Transportation Co., Ltd.	Transportation and related services	7,869,236.07	6,028,089.01
Sinotrans Medical Technology (Chengdu) Co., Ltd.	Transportation and related services	7,339,680.10	295,377.00
Loscam Supply Chain Management (Jiaxing) Co., Ltd.	Transportation and related services	6,382,239.38	6,346,161.25
Shenyang Fuyun Cold Chain Logistics Co., Ltd.	Transportation and related services	4,047,619.06	4,047,619.06
Sinotrans Huajie International Logistics (Beijing) Co., Ltd.	Transportation and related services	3,028,853.15	2,510,387.64
Liaoning Sinotrans Hengjiu Transportation Service Co., Ltd.	Transportation and related services	2,320,841.97	456,073.68
Tianjin Runfeng Logistics Co., Ltd.	Transportation and related services	2,166,082.59	1,921,065.97
Yangzhou Comprehensive Bonded Zone Supply Chain Management Co., Ltd.	Transportation and related services	1,284,838.21	—
Wuhan Port Container Co., Ltd.	Transportation and related services	1,171,571.57	15,731.13
Nantong Sinotrans Dongzaogang Logistics Development Co., Ltd.	Transportation and related services	754,272.70	9,120,174.08
Land and Sea New Channel Operation Co., Ltd.	Transportation and related services	120,573.67	3,342,371.02
Others	Transport and related services, etc.	2,283,410.19	1,813,834.17
Joint ventures and subsidiaries of the ultimate controlling party	—	240,394.35	388,475.64
Jiangsu China Changjiang Bunker (Sinopec) Co., Ltd.	Transportation and related services	167,515.11	191,476.41
China Changjiang Bunker (Sinopec) Co., Ltd.	Transportation and related services	72,879.24	186,527.53
Shenzhen China Changjiang Bunker (Sinopec) Co., Ltd.	Transportation and related services	—	10,471.70
An associate of the ultimate controlling party	—	1,912,089.80	3,025,902.42
China Merchants Bank Co., Ltd.	Interest income	1,912,089.80	3,025,902.42
Total sale of goods and rendering of services	—	730,292,261.84	1,019,715,758.83

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Notes to the Financial Statements

For the period ended 30 June 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

4. THE GROUP HAD THE FOLLOWING SIGNIFICANT RELATED TRANSACTIONS WITH THE ABOVE RELATED PARTIES DURING THE PERIOD (CONTINUED)

(2) Related party transactions for the purchase and sale of goods, rendering and acceptance of services (Continued)

2) Purchase of goods and acceptance of services

Name of related party	Content of related transactions	Current period	Prior period
Other enterprises controlled by the same controlling shareholder and ultimate controlling party	—	779,592,973.71	913,858,821.20
Sinotrans Container Lines Co., Ltd.	Transportation and related services	130,297,034.70	193,372,036.13
Sinotrans Container Lines (Hainan) Co., Ltd.	Transportation and related services	121,735,577.35	199,937,133.26
Shanghai Zhaotong Container Transportation Co., Ltd.	Transportation and related services	89,058,308.32	55,290,244.57
Nanjing Tanker Corporation	Transportation and related services	53,567,262.27	21,223,385.40
Sinotrans Container Lines Overseas Company Limited	Transportation and related services	41,598,149.89	65,056,485.81
Liaoning Port Co., Ltd.	Transportation and related services	38,142,115.72	19,416,508.10
Liaoning Port Holding (Yingkou) Co., Ltd.	Transportation and related services	25,229,246.87	27,038,677.01
Dalian Port Oil Terminal Co., Ltd.	Transportation and related services	22,795,428.92	—
China Merchants Property Management Co., Ltd.	Property management fees	22,317,870.59	14,402,046.18
Dalian Container Terminal Co., Ltd.	Transportation and related services	15,036,212.89	11,982,929.63
CSC (Wuhan)Green Shipping Technology Services Co., Ltd.	Transportation and related services	12,820,123.89	20,940,481.68
Zhanjiang Port (Group) Co., Ltd.	Transportation and related services	11,080,079.81	13,285,833.99
Shenzhen Merchants Home Technology Co., Ltd.	Purchase of goods	10,930,778.97	20,762,015.96
Beijing Aocheng Wuhe Real Estate Co., Ltd.	Property management fees, others	9,946,594.83	5,606,686.71
China Merchants International Terminal (Qingdao) Limited	Transportation and related services	9,635,243.10	8,777,876.24
China Merchants Group Finance Co., Ltd.	Interest expense, handling charge	8,777,940.47	4,204,501.12
China Merchants Bonded Logistics Co., Ltd.	Transportation and related services	8,144,346.79	5,840,487.53
Zhaotong Supply Chain Management Co., Ltd.	Transportation and related services	7,745,863.79	2,074,130.21
Shanghai Foreign Trade Warehouse Pudong Company	Transportation and related services	7,678,843.46	—
Sinotrans Shanghai (Group) Co., Ltd.	Property management fees, others	6,959,071.27	1,138,622.48
Yiu Lian Dockyards (Shekou) Limited	Transportation and related services	6,830,724.52	5,442,483.66
Zhengzhou Merchants Logistics Co., Ltd.	Transportation and related services	4,786,325.33	—
CSC Cargo Co., Ltd.	Transportation and related services	4,501,941.32	1,277,361.59
Shenzhen Lianda Tug Co., Ltd.	Transportation and related services	3,873,748.63	4,350,346.70
SINOTRANS Henan, Jiuling Transport & Storage Co., Ltd.	Transportation and related services	3,841,397.47	—
YANGTZE NAVIGATION (SINGAPORE) PTE. LTD.	Transportation and related services	3,728,886.97	22,904,588.51
Shenzhen Merchants Shekou International Cruise Home Port Co., Ltd.	Transportation and related services	3,674,640.41	678,076.49

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For the period ended 30 June 2025
(Unless indicated otherwise, all amounts are expressed in RMB)

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

4. THE GROUP HAD THE FOLLOWING SIGNIFICANT RELATED TRANSACTIONS WITH THE ABOVE RELATED PARTIES DURING THE PERIOD (CONTINUED)

(2) Related party transactions for the purchase and sale of goods, rendering and acceptance of services (Continued)

2) Purchase of goods and acceptance of services (Continued)

Name of related party	Content of related transactions	Current period	Prior period
China Freight Forwarding Fujian Hexi Storage & Transportation Company	Transportation and related services	3,589,610.31	-
Liaoning Sinotrans Co., Ltd.	Transportation and related services	3,429,870.09	-
Zhanjiang Port International Container Terminal Co., Ltd.	Transportation and related services	3,371,603.46	2,630,977.61
China Merchants Jiayu Property Management Co., Ltd.	Property management fees	3,307,632.27	-
SINOTRANS & CSC HOLDINGS Co., Ltd.	Technical service fee	2,893,162.76	2,597,211.86
Dongguan Shenchuan Port Affairs Co., Ltd.	Transportation and related services	2,887,376.41	-
Shenzhen Chiwan Tug Co., Ltd.	Transportation and related services	2,812,272.54	3,495,801.31
Dandong Port Group Co., Ltd.	Transportation and related services	2,744,890.59	27,721,526.87
Sinotrans Nantong Co., Ltd.	Transportation and related services	2,646,879.81	717,925.76
Sinotrans Guangdong Co., Ltd.	Transportation and related services	2,490,195.41	1,636,080.90
Zhangzhou China Merchants Tugboat Company Limited	Transportation and related services	2,294,905.46	1,602,830.05
Yingkou Xingang Ore Terminal Co., Ltd.	Transportation and related services	2,232,993.87	15,341,207.32
Beijing China Merchants Property Management Co., Ltd.	Property management fees	2,227,384.82	519,737.48
Guangdong Yide Port Co., Ltd.	Transportation and related services	2,092,719.07	1,830,308.82
Zhangzhou China Merchants Port Co., Ltd.	Transportation and related services	2,016,287.67	1,394,931.01
Nanjing Merchants Bureau Real Estate Management Co., Ltd.	Property management fees	1,946,413.65	2,154,638.40
Shanghai Changjiang International Shipping Agency Co., Ltd.	Transportation and related services	1,875,173.82	2,548,901.86
Dalian Port Container Logistics Co., Ltd.	Transportation and related services	1,749,719.25	104,492.87
Shanghai Sinotrans Qiantang Co., Ltd.	Transportation and related services	1,680,729.05	-
Guangxi Sinotrans Nanning Storage and Transportation Co., Ltd.	Transportation and related services	1,637,452.76	-
Shenzhen China Merchants Ro-Ro Transportation Co., Ltd.	Transportation and related services	1,601,351.14	1,325,287.51
Dongguan Chiwan Wharf Co., Ltd.	Transportation and related services	1,584,968.87	1,924,128.27
Sinotrans (Jiaxing) International Freight Forwarding Co., Ltd.	Transportation and related services	1,440,055.30	1,447,596.75
Panjin Port Group Co., Ltd.	Transportation and related services	1,433,768.80	8,034,818.63
Tianjin Sinotrans Binhai Logistics Management Co., Ltd.	Transportation and related services	1,370,327.71	195,006.12
China Changjiang National Shipping (Group) Corporation	Transportation and related services	1,331,815.01	5,959,915.04
Wuhan Changjiang Steamship Company	Transportation and related services	1,325,331.95	1,640,850.00
Sinotrans Lianyungang Co., Ltd.	Transportation and related services	1,315,967.37	219,568.66
Yiu Lian Dockyards Limited	Transportation and related services	1,315,782.12	242,917.11
Guangxi Sinotrans Automobile Transportation Co., Ltd.	Transportation and related services	1,234,738.92	-
Sinotrans Hebei Company Yuanshi Warehouse	Transportation and related services	1,212,723.15	-

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Notes to the Financial Statements

For the period ended 30 June 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

4. THE GROUP HAD THE FOLLOWING SIGNIFICANT RELATED TRANSACTIONS WITH THE ABOVE RELATED PARTIES DURING THE YEAR (CONTINUED)

(2) Related transactions for the purchase and sale of goods, rendering and acceptance of services (Continued)

2) Purchase of goods and acceptance of services (Continued)

Name of related party	Content of related transactions	Current period	Prior period
Shanghai Changhang Shipping Development Co., Ltd.	Transportation and related services	1,186,798.62	-
Shandong Sinotrans Co., Ltd.	Transportation and related services	1,066,595.40	615,290.36
China Merchants Port (Shenzhen) Co., Ltd.	Transportation and related services	907,199.77	1,394,916.09
Hubei Sinotrans Bulk Cargo Transportation Co., Ltd.	Transportation and related services	599,919.17	25,417,944.32
AVIC Property Management Co., Ltd.	Transportation and related services	454,299.51	5,149,455.65
Shanghai Investment Promotion Bureau Property Management Co., Ltd.	Property management fees, others	334,289.88	2,031,561.67
Inner Mongolia Inland Bonded Logistics Park Co., Ltd.	Transportation and related services	325,232.56	2,206,338.80
Inner Mongolia Sinotrans Logistics Co., Ltd.	Transportation and related services	303,826.99	1,049,377.18
Shenzhen Chiwan Port Development Co., Ltd.	Transportation and related services	40,958.07	3,289,217.34
Dalian United King Port Auto Trade Co., Ltd.	Transportation and related services	11,188.68	1,127,079.64
Sinotrans Alashankou Company	Transportation and related services	-	31,220,772.20
SCSC International Merchant & Shipping (Hong Kong) Company Limited	Transportation and related services	-	12,542,521.60
CSC Cargo (Dazhou) Co., Ltd.	Transportation and related services	-	1,505,367.11
Sinotrans Shanghai (Group) Property Development Co., Ltd.	Transportation and related services	-	1,357,485.72
Others	Transportation and related services	24,534,803.10	14,661,894.35
Joint ventures and their subsidiaries	—	508,242,772.59	691,921,317.68
Xinjiang New Railway Sinotrans Logistics Co., Ltd.	Transportation and related services	217,306,041.74	171,830,607.29
Jiangsu Nantong Sinotrans Supply Chain Management Co., Ltd.	Transportation and related services	50,201,653.58	23,347,700.64
China-Vietnam Sinotrans Logistics Co., Ltd.	Transportation and related services	44,257,496.89	34,283,149.42
Beijing Sinotrans Huali Logistics Co., Ltd.	Transportation and related services	23,038,510.45	41,425,458.03
Nissin-Sinotrans International Logistics Co., Ltd.	Transportation and related services	21,296,429.09	5,335,384.85
DHL-Sinotrans International Air Courier Ltd.	Transportation and related services	25,148,050.03	30,483,496.85
Dongguan Port Container Terminals Co., Ltd.	Transportation and related services	16,462,647.84	9,119,674.40
Sinotrans Suzhou Logistics Center Co., Ltd.	Transportation and related services	15,076,283.50	15,669,756.59
SINOTRANS ALMAJDOUIE MIDDLE EAST CO., LTD.	Transportation and related services	15,038,782.60	4,287,163.11
Jiangsu Sinotrans Lvsj Port Heavy Logistics Development Co., Ltd.	Transportation and related services	14,666,368.15	14,495,821.78
New Land Bridge (Lianyungang) Terminal Co., Ltd.	Transportation and related services	13,351,848.56	25,381,625.78
Weihai Comprehensive Bonded Zone Hongxin Supply Chain Management Co., Ltd.	Transportation and related services	9,543,140.19	4,379,458.28
Sinotrans Philippines Inc.	Transportation and related services	9,169,238.17	5,984,898.75
Rushan Sinotrans Port Logistics Development Co., Ltd.	Transportation and related services	6,050,416.46	1,776,050.00

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Notes to the Financial Statements

For the period ended 30 June 2025
(Unless indicated otherwise, all amounts are expressed in RMB)

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

4. THE GROUP HAD THE FOLLOWING SIGNIFICANT RELATED TRANSACTIONS WITH THE ABOVE RELATED PARTIES DURING THE PERIOD (CONTINUED)

(2) Related party transactions for the purchase and sale of goods, rendering and acceptance of services (Continued)

2) Purchase of goods and acceptance of services (Continued)

Name of related party	Content of related transactions	Current period	Prior period
Sinotrans Aramex (Shanghai) International Aviation Express Delivery Co., Ltd.	Transportation and related services	4,819,046.55	2,591,236.18
Sinotrans Turkey Limited	Transportation and related services	4,430,494.99	127,084,470.34
Shaanxi Sinotrans Guotie Logistics Co., Ltd.	Transportation and related services	3,226,203.64	148,168,325.90
Jiangsu Sinotrans Yangkou Port Logistics Development Co., Ltd.	Transportation and related services	2,008,254.98	1,217,591.34
Tangshan Port Sinotrans Shipping Agency Co., Ltd.	Transportation and related services	1,801,157.26	1,479,021.56
Sinotrans Sarens Logistics Co., Ltd.	Transportation and related services	1,604,874.86	23,865.08
Yantai Comprehensive Bonded Zone Baoyuntong Supply Chain Management Co., Ltd.	Transportation and related services	1,580,409.17	5,335,777.83
Jiangsu Sinotrans Xiangtai Supply Chain Management Co., Ltd.	Transportation and related services	1,141,921.07	315,617.83
Sinotrans Logistics (Pakistan) Limited	Transportation and related services	1,090,703.00	1,727,119.61
Nantong Comprehensive Bonded Zone Sinotrans Logistics Co., Ltd.	Transportation and related services	1,012,496.23	817,240.95
Jingjiang Sinotrans Bonded Logistics Co., Ltd.	Transportation and related services	566,351.54	1,679,957.44
Wuhan Eastlake Comprehensive Bonded Area Bonded Logistics Co., Ltd.	Transportation and related services	506,927.69	3,248,476.70
Ningbo Taiping International Trade Transportation Co., Ltd.	Transportation and related services	179,942.84	4,852,361.75
Sinotrans High-Tech Logistics (Suzhou) Co., Ltd.	Transportation and related services	-	1,608,827.06
Others	Transport and related services, etc.	3,667,081.52	3,971,182.34
Associates and their subsidiaries	—	398,228,336.24	269,371,864.80
Sinotrans Medical Technology (Chengdu) Co., Ltd.	Transportation and related services	102,579,924.29	11,594,770.28
Weihai Weidong Shipping Co., Ltd.	Transportation and related services	67,564,924.26	65,371,024.74
Liaoning Sinotrans Hengjiu Transportation Service Co., Ltd.	Transportation and related services	56,327,173.27	39,106,627.82
Shandong Port & Shipping Sinotrans Supply Chain Development Co., Ltd.	Transportation and related services	44,365,162.31	35,052,309.52
Jiangsu Jiangyin Port Group Co., Ltd.	Transportation and related services	34,389,857.58	24,975,197.78
Loscam Packaging Equipment Leasing (Shanghai) Co., Ltd.	Transportation and related services	20,479,439.75	20,952,584.36
Sinotrans Huajie International Logistics (Beijing) Co., Ltd.	Transportation and related services	16,878,405.53	12,047,187.34
Nantong Sinotrans Dongzaogang Logistics Development Co., Ltd.	Transportation and related services	10,205,483.54	7,552,131.33
Qingdao Yujiachang Container Storage And Transportation Co., Ltd.	Transportation and related services	9,344,669.96	5,690,258.84
Nanjing Huaxing Loading and Unloading Service Co., Ltd.	Transportation and related services	6,524,834.30	13,376,288.98
Ma'anshan Tianshun Port Co., Ltd.	Transportation and related services	6,115,004.92	6,905,969.40
Yangzhou Comprehensive Bonded Zone Supply Chain Management Co., Ltd.	Transportation and related services	5,517,942.81	7,187,298.70
Wuhan Port Container Co., Ltd.	Transportation and related services	4,675,336.12	7,089,763.49
China International Exhibition Transportation Co., Ltd.	Transportation and related services	4,387,164.82	1,150,425.37
Shenyang Henglu Logistics Co., Ltd.	Transportation and related services	2,813,224.89	2,877,798.12

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Notes to the Financial Statements

For the period ended 30 June 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

4. THE GROUP HAD THE FOLLOWING SIGNIFICANT RELATED TRANSACTIONS WITH THE ABOVE RELATED PARTIES DURING THE YEAR (CONTINUED)

(2) Related transactions for the purchase and sale of goods, rendering and acceptance of services (Continued)

2) Purchase of goods and acceptance of services (Continued)

Name of related party	Content of related transactions	Current period	Prior period
China-Europe Railway Express (Shenyang) Assembly Center Construction and Operation Co., Ltd.	Transportation and related services	1,301,313.58	4,637,509.81
Ningbo Beilun Donghua Container Transportation Service Co., Ltd.	Transportation and related services	1,145,282.08	458,200.00
Sinotrans Pulse Technology (Chengdu) Co., Ltd.	Transportation and related services	1,029,663.46	—
Jiangmen Gaosha Outside Freight Agency Co., Ltd.	Transportation and related services	973,123.59	1,007,922.60
Beijing Chentong Freighting Service Co., Ltd.	Transportation and related services	718,427.88	1,015,278.14
Tianjin Runfeng Logistics Co., Ltd.	Transportation and related services	350,605.05	1,029,664.46
Others	Transport and related services, etc.	541,372.25	293,653.72
Joint ventures and subsidiaries of the ultimate controlling party	—	5,417,787.64	10,387,019.94
China Changjiang Bunker (Sinopec) Co., Ltd.	Transportation and related services	4,174,949.87	10,387,019.94
Jiangsu China Changjiang Bunker (Sinopec) Co., Ltd.	Transportation and related services	1,242,837.77	—
Associates and subsidiaries of the ultimate controlling party	—	7,390,411.82	7,400,450.33
China Merchants Bank Co., Ltd.	Interest expense, handling charge	7,390,411.82	7,400,450.33
Total services accepted	—	1,698,872,282.00	1,892,939,473.95

Note: On 30 November 2024, Sinotrans High-Tech Logistics (Suzhou) Co., Ltd. was changed from a joint venture of the Group to a subsidiary of the Group. The Group's related transactions with the company in January-June 2024 are still classified and reported as related transactions with "joint ventures and their subsidiaries".

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Notes to the Financial Statements

For the period ended 30 June 2025
(Unless indicated otherwise, all amounts are expressed in RMB)

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

4. THE GROUP HAD THE FOLLOWING SIGNIFICANT RELATED TRANSACTIONS WITH THE ABOVE RELATED PARTIES DURING THE PERIOD (CONTINUED)

(3) Balance of major creditors' rights and debts

Item	Name of related party	Closing balance	Opening balance
Cash and bank balances	Other enterprises controlled by the same controlling shareholder and ultimate controlling party	5,306,904,640.06	5,787,029,280.41
	China Merchants Group Finance Co., Ltd.	5,306,904,640.06	5,787,029,280.41
	Associates of the ultimate controlling party	493,892,484.86	537,861,794.00
	China Merchants Bank Co., Ltd.	493,892,484.86	537,861,794.00
	Total cash and bank balances	5,800,797,124.92	6,324,891,074.41
Accounts receivable	Other enterprises controlled by the same controlling shareholder and ultimate controlling party	91,710,602.81	71,330,306.65
	Sinotrans Container Lines Co., Ltd.	27,561,471.26	23,233,902.89
	Sinotrans Container Lines (Hainan) Co., Ltd.	13,173,498.31	12,105,994.86
	YANGTZE NAVIGATION (SINGAPORE) PTE. LTD.	12,058,937.20	212,221.26
	China Merchants Heavy Industry (Jiangsu) Co., Ltd.	8,575,076.20	708,658.18
	Sinotrans Container Lines Overseas Company Limited	7,833,116.68	9,278,389.57
	Sinotrans Container Lines (Hong Kong) Co., Ltd.	3,742,812.06	3,105,991.36
	Yiu Lian Dockyards (Shekou) Limited	2,452,815.26	-
	Zhaotong Supply Chain Management Co., Ltd.	2,348,129.49	1,464,096.10
	Shanghai Zhaotong Container Transportation Co., Ltd.	1,969,807.71	1,796,182.04
	China Merchants Viking Cruise Co., Ltd.	1,871,582.45	432,610.65
	Nanjing Tanker Corporation	1,348,683.09	641,424.90
	Shenzhen Merchants Home Technology Co., Ltd.	1,020,135.17	443,341.91
	Nanjing Yangyang Chemicals Transport & Trade Co., Ltd.	1,006,369.50	1,335,272.33
	Associated Maritime Company (Hong Kong) Limited	610,997.89	2,883,040.43
	Chiwan Container Terminal Co., Ltd.	265,447.09	1,982,769.64
	Shekou Container Terminal Co., Ltd.	215,752.91	3,595,190.69
	SINOTRANS Henan, Jiuling Transport & Storage Co., Ltd.	-	1,034,999.99
	Others	5,655,970.54	7,076,219.85
	Joint ventures and associates and their subsidiaries	109,594,841.50	90,023,433.34
	Nissin-Sinotrans International Logistics Co., Ltd.	26,437,646.78	17,320,497.57
	SINOTRANS ALMAJDOUIE MIDDLE EAST CO., LTD.	17,061,937.12	2,779,954.30
	Jiangsu Nantong Sinotrans Supply Chain Management Co., Ltd.	12,837,823.45	4,784,305.58
	China-Vietnam Sinotrans Logistics Co., Ltd.	8,139,384.31	4,425,131.65
	DHL-Sinotrans International Air Courier Ltd.	7,086,489.68	6,896,947.62
	Loscam Packaging Equipment Leasing (Shanghai) Co., Ltd.	4,720,322.68	3,272,568.85
	Sinotrans PFS Cold Chain Logistics Co., Ltd.	3,564,681.03	33,680.96
	Sinotrans Aramex (Shanghai) International Aviation Express Delivery Co., Ltd.	2,953,603.91	7,649,273.07

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Notes to the Financial Statements

For the period ended 30 June 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

4. THE GROUP HAD THE FOLLOWING SIGNIFICANT RELATED TRANSACTIONS WITH THE ABOVE RELATED PARTIES DURING THE PERIOD (CONTINUED)

(3) Balance of major creditors' rights and debts (Continued)

Item	Name of related party	Closing balance	Opening balance
	Sinotrans Medical Technology (Chengdu) Co., Ltd.	2,839,371.23	1,206,917.89
	Loscam Supply Chain Management (Jiaxing) Co., Ltd.	2,770,996.66	1,650,791.05
	Rushan Sinotrans Port Logistics Development Co., Ltd.	2,430,506.19	1,000,000.00
	Wuhan Port Container Co., Ltd.	1,922,687.16	1,338,049.54
	Liaoning Sinotrans Hengjiu Transportation Service Co., Ltd.	1,760,652.11	70,871.84
	Sinotrans Sarens Logistics Co., Ltd.	1,647,974.00	209,737.48
	Beijing Medlink Supply Chain Management Co., Ltd.	1,331,147.11	9,471,440.48
	Hebei Huanjing Lugang Smart Logistics Co., Ltd.	1,242,370.90	766,981.13
	Jiangsu Sinotrans Yangkou Port Logistics Development Co., Ltd.	1,075,468.10	103,587.52
	Shaanxi Sinotrans Guotie Logistics Co., Ltd.	1,039,654.57	10,698,735.08
	Sinotrans PFS Yida (Shanghai) Logistics Co., Ltd.	1,034,097.01	654,248.28
	Sinotrans Senko International Cold Chain Logistics (Shanghai) Co., Ltd.	832,491.64	1,312,445.16
	Weihai Weidong Shipping Co., Ltd.	741,291.31	1,367,737.40
	Sinotrans Pulse Technology (Chengdu) Co., Ltd.	199,265.70	1,651,241.76
	China-Europe Railway Express (Shenyang) Assembly Center Construction and Operation Co., Ltd.	-	4,530,713.69
	Others	5,924,978.85	6,827,575.44
	Joint ventures and subsidiaries of the ultimate controlling party	48,548.22	-
	Jiangsu China Changjiang Bunker (Sinopec) Co., Ltd.	18,191.00	-
	China Changjiang Bunker (Sinopec) Co., Ltd.	30,357.22	-
	Total accounts receivable	201,353,992.53	161,353,739.99
Other receivables	Other enterprises controlled by the same controlling shareholder and ultimate controlling party	31,244,667.64	35,216,045.95
	China Merchants Sinotrans (Shenzhen) Industrial Innovation Private Equity Investment Fund Partnership (Limited Partnership)	8,057,479.44	6,569,312.33
	Zhengzhou Merchants Logistics Co., Ltd.	3,509,095.48	3,509,095.48
	Beijing Aocheng Wuhe Real Estate Co., Ltd.	3,140,072.40	3,140,072.40
	China Merchants Bonded Logistics Co., Ltd.	2,020,416.54	2,564,741.30
	Sinotrans Container Lines (Hainan) Co., Ltd.	1,331,089.77	1,204,790.20
	Shanghai Foreign Trade Warehouse Pudong Company	1,202,826.00	-
	Sinotrans Container Lines Co., Ltd.	1,141,590.52	1,513,929.57
	China Merchants International Terminal (Qingdao) Limited	1,090,000.00	1,490,000.00
	China Merchants International Finance Company Limited	1,053,158.97	1,052,988.11
	China Merchants Renhe Life Insurance Co., Ltd.	873,822.13	1,457,250.00
	China Merchants Investment Development Company Limited	-	3,773,584.85

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For the period ended 30 June 2025
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X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

4. THE GROUP HAD THE FOLLOWING SIGNIFICANT RELATED TRANSACTIONS WITH THE ABOVE RELATED PARTIES DURING THE PERIOD (CONTINUED)

(3) Balance of major creditors' rights and debts (Continued)

Item	Name of related party	Closing balance	Opening balance
	SINOTRANS Shanghai Zhang HUA BANG Storage and Transportation Co., Ltd.	-	1,115,895.00
	Others	7,825,116.39	7,824,386.71
	Joint ventures and associates, and their subsidiaries	1,355,142,597.11	52,064,484.59
	BOC Sinotrans Warehousing and Logistics Closed-end Infrastructure Securities Investment Fund	1,307,273,841.54	-
	Shenyang Jinyun Automobile Logistics Co., Ltd.	20,226,047.16	20,249,247.88
	MAXX LOGISTICS FZCO.	8,282,962.02	8,307,926.02
	Guangxi Yunyu Port Co., Ltd.	2,680,000.00	2,680,000.00
	DHL-Sinotrans International Air Courier Ltd.	2,553,000.00	3,458,000.00
	Sinotrans Hongfeng (Shanghai) International Logistics Co., Ltd.	2,143,511.37	2,143,511.37
	Sinotrans Sarens Logistics Co., Ltd.	1,640,544.75	1,506,339.03
	Beijing Honglian Technology Co., Ltd.	1,591,300.00	1,591,300.00
	China-Vietnam Sinotrans Logistics Co., Ltd.	1,105,657.47	1,188,827.69
	Sinotrans Logistics (Pakistan) Limited	1,099,824.29	1,103,139.06
	Nissin-Sinotrans International Logistics Co., Ltd.	1,055,114.68	749,065.72
	Others	5,490,793.83	9,087,127.82
	Joint ventures and subsidiaries of the ultimate controlling party	11,889.08	-
	Qingdao China Changjiang Bunker (Sinopec) Co., Ltd.	11,889.08	-
	Total other receivables	1,386,399,153.83	87,280,530.54
Dividends receivable	Joint ventures and associates	1,860,983.72	9,080,009.80
	SINOTRANS ALMAJDOUIE MIDDLE EAST CO., LTD.	1,860,983.72	1,860,983.72
	Wuhan Port Container Co., Ltd.	-	6,000,000.00
	Others	-	1,219,026.08
Interest receivable	Joint ventures	1,240,547.07	1,243,805.82
	MAXX LOGISTICS FZCO.	1,240,547.07	1,243,805.82
Prepayments	Other enterprises controlled by the same controlling shareholder and ultimate controlling party	16,778,270.52	19,143,919.46
	Liaoning Port Holding (Yingkou) Co., Ltd.	3,300,540.95	6,318,992.97
	Liaoning Port Co., Ltd.	3,174,750.00	5,905,615.96
	China Merchants International Terminal (Qingdao) Limited	2,667,107.77	408,652.44
	Sinotrans Container Lines Co., Ltd.	1,464,604.85	776,054.52
	Dalian United King Port Auto Trade Co., Ltd.	1,419,800.00	2,013,500.00
	Sinotrans Container Lines Overseas Company Limited	1,319,019.60	-
	Sinotrans Lianyungang Co., Ltd.	1,011,467.75	-
	Others	2,420,979.60	3,721,103.57

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Notes to the Financial Statements

For the period ended 30 June 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

4. THE GROUP HAD THE FOLLOWING SIGNIFICANT RELATED TRANSACTIONS WITH THE ABOVE RELATED PARTIES DURING THE PERIOD (CONTINUED)

(3) Balance of major creditors' rights and debts (Continued)

Item	Name of related party	Closing balance	Opening balance
	Joint ventures and associates	82,775,068.36	177,518,629.28
	Jiangsu Jiangyin Port Group Co., Ltd.	66,088,511.72	77,926,763.84
	Liaoning Sinotrans Hengjiu Transportation Service Co., Ltd.	4,730,606.46	15,915,271.89
	SINOTRANS ALMAJDOUIE MIDDLE EAST CO., LTD.	3,681,902.04	1,874,824.02
	Sinotrans Philippines Inc.	2,339,027.50	1,428,295.27
	Sinotrans Medical Technology (Chengdu) Co., Ltd.	2,050,000.00	2,050,000.00
	Qingdao Yujiachang Container Storage And Transportation Co., Ltd.	1,570,584.26	40,800.00
	Tangshan Port Sinotrans Shipping Agency Co., Ltd.	730,000.00	1,065,000.00
	Shaanxi Sinotrans Guotie Logistics Co., Ltd.	-	65,000,000.00
	New Land Bridge (Lianyungang) Terminal Co., Ltd.	-	10,400,000.00
	Others	1,584,436.38	1,817,674.26
	A joint venture of the ultimate controlling party	-	1,226,440.00
	China Changjiang Bunker (Sinopec) Co., Ltd.	-	1,226,440.00
	Total prepayments	99,553,338.88	197,888,988.74
Accounts payable	Other enterprises controlled by the same controlling shareholder and ultimate controlling party	398,863,903.54	440,315,256.13
	Sinotrans Container Lines Overseas Company Limited	176,742,714.94	196,722,103.76
	Sinotrans Container Lines (Hainan) Co., Ltd.	91,217,199.86	119,235,318.42
	Zhengzhou Merchants Logistics Co., Ltd.	26,769,380.90	21,522,963.38
	Sinotrans Container Lines Co., Ltd.	24,029,427.03	30,077,698.43
	Hubei Sinotrans Bulk Cargo Transportation Co., Ltd.	9,504,234.43	10,828,768.06
	Shanghai Zhaotong Container Transportation Co., Ltd.	9,121,640.34	4,466,452.10
	CSC (Wuhan)Green Shipping Technology Services Co., Ltd.	6,405,707.96	4,786,486.73
	Nanjing Tanker Corporation	5,489,781.48	10,559,639.69
	CSC Cargo Co., Ltd.	4,795,082.73	811,277.20
	China Changjiang National Shipping (Group) Corporation	4,445,223.52	590,490.00
	Yiu Lian Dockyards (Shekou) Limited	3,965,103.80	2,262,294.86
	China Merchants Property Management Co., Ltd.	2,860,035.53	1,051,138.53
	Sinotrans Alashankou Company	2,839,704.74	4,036,257.42
	Dalian Container Terminal Co., Ltd.	2,761,883.34	2,539,759.00
	Zhaotong Supply Chain Management Co., Ltd.	2,742,069.33	765,410.40
	Shenzhen Merchants Shekou International Cruise Home Port Co., Ltd.	2,293,254.83	1,662,579.34
	Shenzhen Lianda Tug Co., Ltd.	1,938,582.00	3,132,022.50
	Zhanjiang Port International Container Terminal Co., Ltd.	1,556,621.20	833,007.61

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Notes to the Financial Statements

For the period ended 30 June 2025
(Unless indicated otherwise, all amounts are expressed in RMB)

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

4. THE GROUP HAD THE FOLLOWING SIGNIFICANT RELATED TRANSACTIONS WITH THE ABOVE RELATED PARTIES DURING THE PERIOD (CONTINUED)

(3) Balance of major creditors' rights and debts (Continued)

Item	Name of related party	Closing balance	Opening balance
	China Merchants International Terminal (Qingdao) Limited	1,551,654.70	187,664.14
	China Merchants Container Service Co., Ltd.	1,415,957.26	1,330,774.40
	Shenzhen Chiwan Tug Co., Ltd.	1,290,718.50	1,726,373.50
	Guangdong Yide Port Co., Ltd.	1,108,961.50	587,776.99
	Wuhan Changjiang Steamship Company	1,083,775.00	214,400.00
	Zhanjiang Port (Group) Co., Ltd.	1,016,801.37	4,581,658.18
	SCSC International Merchant & Shipping (Hong Kong) Company Limited	-	3,000,002.50
	Hailong No. 15 (Tianjin) Leasing Co., Ltd.	-	2,130,000.00
	MING WAH (SINGAPORE) AGENCY PTE LTD.	-	1,273,822.04
	YANGTZE NAVIGATION (SINGAPORE) PTE. LTD.	-	1,162,157.33
	Others	11,918,387.25	8,236,959.62
	Joint ventures and associates, and their subsidiaries	428,105,456.90	326,983,131.90
	Xinjiang New Railway Sinotrans Logistics Co., Ltd.	115,196,422.08	31,530,279.57
	Sinotrans Medical Technology (Chengdu) Co., Ltd.	65,968,772.18	56,045,142.94
	Jiangsu Nantong Sinotrans Supply Chain Management Co., Ltd.	28,194,653.24	10,489,267.67
	Shandong Port & Shipping Sinotrans Supply Chain Development Co., Ltd.	26,295,580.76	16,523,614.49
	Jiangsu Sinotrans Lvsì Port Heavy Logistics Development Co., Ltd.	22,870,613.61	26,759,611.08
	Beijing Sinotrans Huali Logistics Co., Ltd.	20,278,184.98	23,489,283.90
	China-Vietnam Sinotrans Logistics Co., Ltd.	19,076,854.82	10,467,716.95
	Liaoning Sinotrans Hengjiu Transportation Service Co., Ltd.	13,658,537.52	21,601,940.64
	Loscam Packaging Equipment Leasing (Shanghai) Co., Ltd.	11,806,950.37	16,873,998.99
	Weihai Weidong Shipping Co., Ltd.	10,299,603.48	21,660,311.64
	New Land Bridge (Lianyungang) Terminal Co., Ltd.	8,916,155.00	2,220,494.50
	Sinotrans Huajie International Logistics (Beijing) Co., Ltd.	8,209,815.02	9,205,029.75
	Sinotrans Philippines Inc.	6,860,292.73	4,444,306.12
	Yantai Comprehensive Bonded Zone Baoyuntong Supply Chain Management Co., Ltd.	6,338,470.48	6,651,523.49
	Sinotrans Suzhou Logistics Center Co., Ltd.	5,443,529.73	7,462,966.43
	Yangzhou Comprehensive Bonded Zone Supply Chain Management Co., Ltd.	5,097,977.38	1,652,313.53
	China-Europe Railway Express (Shenyang) Assembly Center Construction and Operation Co., Ltd.	4,833,805.44	5,132,287.98
	Wuhan Port Container Co., Ltd.	4,425,631.19	6,346,761.19
	China International Exhibition Transportation Co., Ltd.	4,387,164.82	1,103,174.32
	Nantong Sinotrans Dongzaogang Logistics Development Co., Ltd.	3,761,150.83	1,733,806.61
	Dongguan Port Container Terminals Co., Ltd.	3,710,302.11	7,548,128.65

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Notes to the Financial Statements

For the period ended 30 June 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

4. THE GROUP HAD THE FOLLOWING SIGNIFICANT RELATED TRANSACTIONS WITH THE ABOVE RELATED PARTIES DURING THE PERIOD (CONTINUED)

(3) Balance of major creditors' rights and debts (Continued)

Item	Name of related party	Closing balance	Opening balance
	SINOTRANS ALMAJDOUIE MIDDLE EAST CO., LTD.	3,578,929.05	1,680,658.56
	Nissin-Sinotrans International Logistics Co., Ltd.	2,929,095.60	2,914,581.35
	Jiangsu Jiangyin Port Group Co., Ltd.	2,375,668.97	1,702,368.52
	Nanjing Huaxing Loading and Unloading Service Co., Ltd.	2,205,846.04	2,127,386.53
	Sinotrans Sarens Logistics Co., Ltd.	2,042,870.92	2,582,147.63
	Land and Sea New Channel Operation Co., Ltd.	1,853,647.36	4,341,339.20
	Jingjiang Sinotrans Bonded Logistics Co., Ltd.	1,697,278.43	865,743.50
	Rushan Sinotrans Port Logistics Development Co., Ltd.	1,336,921.24	2,209,877.09
	Ma'anshan Tianshun Port Co., Ltd.	1,241,321.56	2,745,258.09
	Sinotrans Turkey Limited	1,218,429.57	223,966.80
	Jiangsu Sinotrans Yangkou Port Logistics Development Co., Ltd.	1,169,408.70	84,711.82
	Shenyang Henglu Logistics Co., Ltd.	990,273.52	1,652,659.47
	Shaanxi Sinotrans Guotie Logistics Co., Ltd.	843,063.24	6,817,300.78
	Nantong Comprehensive Bonded Zone Sinotrans Logistics Co., Ltd.	725,370.45	1,092,179.32
	Others	8,266,864.48	7,000,992.80
	Joint ventures and subsidiaries of the ultimate controlling party	1,073,927.42	3,795,748.33
	China Changjiang Bunker (Sinopec) Co., Ltd.	1,073,927.42	2,597,347.15
	Jiangsu China Changjiang Bunker (Sinopec) Co., Ltd.	-	1,198,401.18
	Total accounts payable	828,043,287.86	771,094,136.36
Other payables	Other enterprises controlled by the same controlling shareholder and ultimate controlling party	143,371,760.20	166,476,916.17
	Shanghai Changjiang Shipping Corporation	42,048,121.66	82,048,121.66
	SINOTRANS & CSC HOLDINGS Co., Ltd.	26,845,900.82	24,051,000.00
	Shanghai Sinotrans Qiantang Co., Ltd.	10,427,279.21	8,630,107.01
	Hubei Sinotrans Bulk Cargo Transportation Co., Ltd.	8,877,654.55	7,909,161.58
	Shanghai Foreign Trade Warehouse Pudong Company	6,152,083.33	6,290,279.22
	Sinotrans Shanghai (Group) Co., Ltd.	5,679,562.68	1,428,750.55
	CSC Cargo (Dazhou) Co., Ltd.	5,351,077.47	5,351,077.47
	SINOTRANS Shanghai Zhang HUA BANG Storage and Transportation Co., Ltd.	5,295,822.22	5,295,822.22
	Shanghai Foreign Trade Warehouse Jiefangdao Storage and Transportation Co., Ltd.	4,109,291.63	2,499,297.02
	Zhanjiang Port (Group) Co., Ltd.	3,972,744.00	-
	Beijing Aocheng Wuhe Real Estate Co., Ltd.	3,532,183.22	1,006,836.03
	Beijing Sinotrans Land Transportation Co., Ltd.	3,327,192.16	-
	China Merchants Investment Development Company Limited	3,251,439.05	3,251,439.05

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For the period ended 30 June 2025
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X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

4. THE GROUP HAD THE FOLLOWING SIGNIFICANT RELATED TRANSACTIONS WITH THE ABOVE RELATED PARTIES DURING THE PERIOD (CONTINUED)

(3) Balance of major creditors' rights and debts (Continued)

Item	Name of related party	Closing balance	Opening balance
	Beijing Sinotrans Logistics Center Co., Ltd.	2,774,721.18	-
	Sinotrans Anhui Direct Storage and Transportation Co., Ltd.	1,846,000.00	1,846,000.00
	Sinotrans Beijing Sanjianfang Warehouse Ltd.	1,221,056.47	-
	CSC Cargo Co., Ltd.	1,020,796.47	546,897.98
	Sinotrans Nantong Co., Ltd.	901,214.55	2,775,238.69
	Sinotrans Container Lines Co., Ltd.	77,617.73	1,543,209.27
	Sinotrans Container Lines (Hainan) Co., Ltd.	-	5,368,914.37
	SINOTRANS Henan, Jiuling Transport & Storage Co., Ltd.	-	1,981,651.36
	Others	6,660,001.80	4,653,112.69
	Joint ventures and associates, and their subsidiaries	24,449,018.77	25,663,995.47
	China United Tally (Shenzhen) Co., Ltd.	9,000,000.00	9,000,000.00
	Sinotrans Turkey Limited	4,814,522.32	1,687,959.41
	Shenyang Fuyun Cold Chain Logistics Co., Ltd.	2,079,460.21	2,079,460.21
	Loscam Packaging Equipment Leasing (Shanghai) Co., Ltd.	1,659,209.51	1,156,791.36
	Rongyun (Xiamen) Supply Chain Co., Ltd.	1,000,000.00	1,000,000.00
	Beijing Honglian Technology Co., Ltd.	691,600.00	2,041,550.00
	Yangzhou Comprehensive Bonded Zone Supply Chain Management Co., Ltd.	-	2,450,000.00
	Sinotrans Senko International Cold Chain Logistics (Shanghai) Co., Ltd.	-	1,076,761.80
	Others	5,204,226.73	5,171,472.69
	Total other payables	167,820,778.97	192,140,911.64
Dividends payable	Other enterprises controlled by the same controlling shareholder and ultimate controlling party	627,920,389.37	23,216,588.92
	SINOTRANS & CSC HOLDINGS Co., Ltd.	366,194,883.10	20,607.60
	China Merchants Group Co., Ltd.	232,086,628.66	-
	SINOTRANS (HONG KONG) HOLDINGS LIMITED	15,293,660.91	-
	CHINA MERCHANTS INNOVATION AND TECHNOLOGY (HONG KONG) CO., LIMITED	12,299,235.38	-
	Long Distance Transportation Co., Ltd.	2,045,981.32	2,045,981.32
	Shenzhen Nanyou (Holdings) Corp. Ltd.	-	10,575,000.00
	China Merchants Port Group Co., Ltd.	-	10,575,000.00
Contract liabilities	Other enterprises controlled by the same controlling shareholder and ultimate controlling party	21,590,151.19	32,596,838.46
	Associated Maritime Company (Hong Kong) Limited	12,818,252.34	21,608,604.54
	China Merchants Investment Development Company Limited	5,700,943.39	5,599,056.60
	Hong Kong Ming Wah Shipping Company Limited	1,029,801.38	2,556,006.73
	Sinotrans Container Lines Co., Ltd.	296,315.53	1,459,117.77

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Notes to the Financial Statements

For the period ended 30 June 2025

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X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

4. THE GROUP HAD THE FOLLOWING SIGNIFICANT RELATED TRANSACTIONS WITH THE ABOVE RELATED PARTIES DURING THE PERIOD (CONTINUED)

(3) Balance of major creditors' rights and debts (Continued)

Item	Name of related party	Closing balance	Opening balance
	Others	1,744,838.55	1,374,052.82
	Joint ventures and associates	62,952,297.72	23,620,622.16
	Xinjiang New Railway Sinotrans Logistics Co., Ltd.	38,111,535.15	2,378,243.80
	Nippon Express (Shanghai) Co., Ltd.	7,126,963.08	4,190,740.34
	Tianjin Runfeng Logistics Co., Ltd.	4,419,251.05	3,497,051.05
	Shenyang Fuyun Cold Chain Logistics Co., Ltd.	4,250,000.00	4,250,000.00
	Qingdao Yujiachang Container Storage And Transportation Co., Ltd.	4,131,956.60	761,172.15
	Tangshan Port Sinotrans Shipping Agency Co., Ltd.	2,980,000.00	1,180,000.00
	Weihai Weidong Shipping Co., Ltd.	509,080.72	1,056,628.48
	Sinotrans PFS Cold Chain Logistics Co., Ltd.	243,476.62	1,608,844.05
	Shaanxi Sinotrans Guotie Logistics Co., Ltd.	-	3,854,338.78
	Others	1,180,034.50	843,603.51
	Total contract liabilities	84,542,448.91	56,217,460.62
Long-term payables	Other enterprises controlled by the same controlling shareholder and ultimate controlling party	20,000,000.00	20,000,000.00
	SINOTRANS & CSC HOLDINGS Co., Ltd.	20,000,000.00	20,000,000.00
Short-term borrowings	Other enterprises controlled by the same controlling shareholder and ultimate controlling party	-	150,137,284.74
	China Merchants Group Finance Co., Ltd.	-	150,137,284.74
	An associate of the ultimate controlling party	276,217,088.89	322,055,335.24
	China Merchants Bank Co., Ltd.	276,217,088.89	322,055,335.24
	Total short-term borrowings	276,217,088.89	472,192,619.98
Long-term borrowings	Other enterprises controlled by the same controlling shareholder and ultimate controlling party	154,550,494.29	221,585,956.68
	CHINA MERCHANTS INVESTMENTS LIMITED	130,550,494.29	197,585,956.68
	China Merchants Group Finance Co., Ltd.	24,000,000.00	24,000,000.00
	An associate of the ultimate controlling party	133,959,537.55	133,959,537.54
	China Merchants Bank Co., Ltd.	133,959,537.55	133,959,537.54
	Total long-term borrowings	288,510,031.84	355,545,494.22
Non-current liabilities due within one year	Other enterprises controlled by the same controlling shareholder and ultimate controlling party	76,473,960.77	48,101,457.20
	CHINA MERCHANTS INVESTMENTS LIMITED	76,456,627.44	46,075,637.76
	China Merchants Group Finance Co., Ltd.	17,333.33	2,025,819.44
	An associate of the ultimate controlling party	5,742,473.51	10,975,669.34
	China Merchants Bank Co., Ltd.	5,742,473.51	10,975,669.34
	Total non-current liabilities due within one year	82,216,434.28	59,077,126.54

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Notes to the Financial Statements

For the period ended 30 June 2025
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X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

4. THE GROUP HAD THE FOLLOWING SIGNIFICANT RELATED TRANSACTIONS WITH THE ABOVE RELATED PARTIES DURING THE PERIOD (CONTINUED)

(4) The Group had no related trustee management/contracting and entrusted management/outsourcing during the period.

(5) Related leases

1) The Group as the lessor

Name of lessee	Type of leased assets	Rental income recognised for the current period	Rental income recognised for the prior period
Sinotrans Container Lines Overseas Company Limited	Transportation equipment	12,973,061.13	2,109,593.25
Sinotrans Container Lines (Hong Kong) Co., Ltd.	Transportation equipment	12,074,866.78	22,662,294.45
Shenyang Fuyun Cold Chain Logistics Co., Ltd.	Buildings	4,047,619.06	4,047,619.06
Sinotrans Container Lines Co., Ltd.	Transportation equipment	2,653,604.36	4,416,935.24
Sinotrans Senko International Cold Chain Logistics (Shanghai) Co., Ltd.	Buildings	2,264,722.34	2,365,059.71
Others	Buildings and transportation equipment	433,946.36	517,862.64
Total	—	34,447,820.03	36,119,364.35

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Notes to the Financial Statements

For the period ended 30 June 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

4. THE GROUP HAD THE FOLLOWING SIGNIFICANT RELATED TRANSACTIONS WITH THE ABOVE RELATED PARTIES DURING THE PERIOD (CONTINUED)

(5) Related leases (Continued)

2) The Group as the lessee

Name of lessor	Type of leased assets	Rental costs for short-term leases and low-value asset leases with simplified treatment		Rent paid (Note 1)		Interest expenses on lease liabilities assumed		Net amount of right-of-use assets		Lease liabilities (including those due within one year)	
		Current period	Prior period	Current period	Prior period	Current period	Prior period	Closing balance	Opening balance	Closing balance	Opening balance
Beijing Aocheng Wuhe Real Estate Co., Ltd.	Buildings	-	2,146,707.83	28,573,871.19	25,182,799.98	12,815,411.20	11,079,132.39	441,736,820.76	444,492,910.24	518,786,057.67	518,434,089.36
Shanghai Foreign Trade Warehouse Pudong Company	Buildings	-	-	8,749,999.98	5,833,333.34	231,908.63	644,337.69	8,412,578.07	16,825,156.14	7,227,909.14	15,746,000.49
Sinotrans Shanghai (Group) Co., Ltd.	Buildings and others	286,226.74	203,118.16	8,382,887.86	4,817,566.39	294,836.23	585,080.18	9,800,921.43	20,631,635.23	9,413,507.39	21,043,450.37
SINOTRANS Shanghai Zhang HUA BANG Storage and Transportation Co., Ltd.	Buildings	-	-	8,191,933.32	2,972,134.92	217,293.78	21,866.99	7,839,709.17	15,679,418.34	6,766,547.51	14,741,187.05
Sinotrans Nantong Co., Ltd.	Buildings and others	-	-	6,680,102.20	5,272,411.75	129,663.79	347,281.76	5,008,493.70	10,113,870.92	4,911,250.70	9,984,609.44
SINOTRANS Henan, Jiujiang Transport & Storage Co., Ltd.	Buildings	-	-	5,944,954.12	3,963,302.76	102,875.71	937,668.18	3,754,898.63	7,509,797.39	3,936,792.80	7,797,219.85
Shanghai Sinotrans Qiantang Co., Ltd.	Buildings	1,571,375.34	1,571,375.22	4,773,409.42	5,645,212.27	135,296.31	381,138.18	4,681,327.68	9,362,655.37	4,708,632.10	9,346,745.22
Shandong Sinotrans Co., Ltd.	Buildings and others	95,238.10	95,238.09	4,375,697.83	1,491,117.71	226,093.72	297,254.77	7,758,544.47	13,167,206.76	9,186,366.25	14,782,684.42
Shanghai Foreign Trade Warehouse Jiefangdao Storage and Transportation Co., Ltd.	Buildings	-	-	3,321,155.37	1,768,336.66	130,691.43	43,094.73	4,719,067.77	9,438,135.57	4,073,210.92	8,873,669.47
China Freight Forwarding Fujian Hexi Storage & Transportation Company	Buildings	22,280.00	8,000.00	3,176,605.50	3,811,926.60	111,449.26	259,955.92	3,589,610.37	7,179,220.68	3,773,150.82	7,473,628.16
China Merchants Bonded Logistics Co., Ltd.	Buildings	4,853,751.00	2,640,322.36	2,928,240.00	2,928,240.00	178,289.38	134,236.94	11,226,817.85	1,122,740.81	11,888,382.59	1,166,151.80
Sinotrans Guangdong Co., Ltd.	Buildings	576,399.97	294,090.56	2,682,258.94	2,326,612.54	280,211.36	338,411.30	9,234,983.38	11,688,948.13	10,545,278.19	12,681,562.13
China Merchants International Terminal (Qingdao) Limited	Buildings	2,799,873.16	2,424,472.36	2,122,755.00	2,571,287.50	713,393.07	797,154.56	24,563,385.21	26,452,876.38	27,012,562.11	28,674,447.60
Guangxi Sinotrans Nanning Storage and Transportation Co., Ltd.	Buildings	-	-	1,959,369.37	1,746,571.44	52,798.89	122,777.98	1,637,452.77	3,274,905.53	1,659,405.74	3,286,066.31
Sinotrans Beijing Co., Ltd.	Buildings	-	-	1,847,917.95	2,966,252.31	12,815.05	134,855.16	1,733,010.70	3,711,031.02	1,472,951.68	3,877,000.92
Guangxi Sinotrans Automobile Transportation Co., Ltd.	Buildings	-	-	1,477,483.63	2,407,579.06	39,813.57	110,515.43	1,234,738.94	2,469,477.86	1,251,292.79	2,477,893.76
Liaoning Sinotrans Co., Ltd.	Buildings	-	-	1,383,934.80	1,471,307.52	48,279.20	36,270.28	1,743,897.83	79,690.36	1,752,209.72	77,767.79
Sinotrans Hebei Company Yuanshi Warehouse	Buildings	-	-	1,361,578.95	1,167,101.05	47,771.83	104,557.19	1,212,723.15	2,425,446.30	1,617,357.20	3,203,480.14
Guangxi Sinotrans Fangchenggang Co., Ltd.	Buildings	-	-	1,155,685.56	1,155,685.56	33,788.77	78,812.45	1,088,284.46	2,176,569.02	1,143,929.64	2,265,826.43
Xiamen Sinotrans Co., Ltd.	Buildings	266,111.04	-	883,608.14	1,180,377.84	14,565.89	61,763.87	540,815.13	1,357,435.83	588,496.74	1,125,924.85
Hebei Shijiazhuang Zhengdong Sinotrans Warehousing and Logistics Co., Ltd.	Buildings	-	-	843,428.58	600,000.00	24,665.40	53,891.11	749,850.62	1,499,701.22	835,151.39	1,653,914.54
Tianjin Sinotrans Co., Ltd.	Buildings	-	-	780,404.22	745,179.70	23,680.21	51,404.50	738,265.57	1,476,531.20	772,035.55	1,528,759.56
Guangxi Sinotrans Co., Ltd.	Buildings	-	-	690,051.84	694,572.92	21,605.60	47,618.40	662,910.54	1,325,821.20	681,743.49	1,350,189.73
SINOTRANS Hainan Co., Ltd.	Buildings	-	-	687,979.83	655,216.50	143,412.51	166,468.16	5,472,870.05	6,018,854.45	5,658,846.73	6,100,181.02
Fujian Sinotrans Co., Ltd.	Buildings	92,571.42	99,771.42	669,042.84	664,541.02	33,040.38	47,013.45	1,341,520.69	1,972,475.81	1,257,993.22	1,893,985.69
China Merchants Chongqing Communications Technology Research & Design Institute Co., Ltd.	Buildings	-	-	556,617.77	398,306.68	76,009.21	69,528.80	3,358,517.09	1,996,595.10	3,710,376.48	2,410,907.77
Sinotrans (Jiaxing) International Freight Forwarding Co., Ltd.	Buildings	1,328,571.48	1,428,571.44	-	-	-	-	-	-	-	-
Beijing Sinotrans Land Transportation Co., Ltd.	Buildings and equipment	20,542,737.31	13,729,508.27	-	-	-	-	-	-	-	-

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Notes to the Financial Statements

For the period ended 30 June 2025
(Unless indicated otherwise, all amounts are expressed in RMB)

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

4. THE GROUP HAD THE FOLLOWING SIGNIFICANT RELATED TRANSACTIONS WITH THE ABOVE RELATED PARTIES DURING THE PERIOD (CONTINUED)

(5) Related leases (Continued)

2) The Group as the lessee (Continued)

Name of lessor	Type of leased assets	Rental costs for short-term leases and low-value asset leases with simplified treatment		Rent paid (Note 1)		Interest expenses on lease liabilities assumed		Net amount of right-of-use assets		Lease liabilities (including those due within one year)	
		Current period	Prior period	Current period	Prior period	Current period	Prior period	Closing balance	Opening balance	Closing balance	Opening balance
Beijing Sinotrans Logistics Center Co., Ltd.	Buildings	17,029,692.82	13,208,556.24	-	-	-	-	-	-	-	-
Sinotrans Beijing Sanjiantang Warehouse Ltd.	Buildings	7,897,394.41	6,521,511.96	-	-	-	-	-	-	-	-
Shanghai Foreign Trade Yangxing Storage & Transportation Co., Ltd.	Buildings	-	1,526,068.04	-	-	-	-	-	-	-	-
Tianjin Sinotrans Jianhe Warehousing Limited	Buildings	-	-	-	-	-	-	92,846,580.06	-	175,852,115.76	-
Ruida Zhihui Kunshan Storage Service Co., Ltd. (Note 2)	Buildings	-	-	-	-	-	-	25,187,335.87	-	84,517,997.30	-
Ruida (Jinhua) Warehousing Service Co., Ltd.	Buildings	-	-	-	-	-	-	50,554,483.12	-	111,449,633.13	-
Ruida Wuxi Storage Service Co., Ltd. (Note 2)	Buildings	-	-	-	-	-	-	27,305,572.24	-	101,677,889.45	-
Kunshan Sinotrans Supply Chain Co., Ltd. (Note 2)	Buildings	-	-	-	-	-	-	45,339,604.79	-	111,094,279.61	-
Others	Buildings, equipment, and others	1,026,781.78	937,282.25	6,281,720.61	5,219,654.36	276,423.18	447,756.08	12,084,282.04	10,724,138.30	12,682,137.99	11,620,526.91
Total	—	58,389,004.57	46,834,594.20	110,282,694.82	89,656,628.38	16,416,083.56	17,399,846.45	817,159,854.15	634,173,245.16	1,241,885,471.80	713,617,670.78

Note 1: Rent paid is determined on the basis of the actual annual rent paid in cash. The above-mentioned related leases do not involve variable lease payments not included in the lease liabilities.

Note 2: For details, please refer to Note VIII. 3 and Note IX. 64. (4).

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Notes to the Financial Statements

For the period ended 30 June 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

4. THE GROUP HAD THE FOLLOWING SIGNIFICANT RELATED TRANSACTIONS WITH THE ABOVE RELATED PARTIES DURING THE PERIOD (CONTINUED)

(6) Related guarantees

1) The Group as the guarantor

Financing guarantees:

Guaranteed parties	Guaranteed balance at the end of the period	Guaranteed balance at the beginning of the period	Starting date of the guarantee	Maturity date of the guarantee	Whether the guarantee has been fulfilled
SE LOGISTICS HOLDING B.V.	785,651,754.08	728,751,573.41	2020-12-08	2027-12-08	No
SE LOGISTICS HOLDING B.V.	773,983,200.00	711,178,650.00	2020-12-08	2027-12-07	No
Shenzhen Haixing Harbor Development Co., Ltd.	423,644,110.95	437,765,581.31	2019-07-01	2037-07-01	No
China Merchants Logistics Shenzhen Co., Ltd	-	100,094,416.67	2024-03-11	2025-01-19	Yes

Credit guarantees:

The Company provides a guarantee for its subsidiaries to apply for credit lines from China Merchants Bank. The credit lines are valid for a period of 1 to 3 years, and the credit lines can be used in a rolling cycle during the validity period. As of 30 June 2025, the Company provided a guarantee for credit lines to its subsidiaries amounting to RMB700,000,000 (1 January 2025: RMB970,000,000).

In order to meet the ordinary operation and business development requirements of the Group's subsidiaries, pursuant to the *Credit Limit Agreement* signed between the Company and Bank of China Limited (hereinafter referred to as "the Bank of China"), the Company issued an updated Confirmation Letter to Bank of China on 12 December 2024. It was confirmed to split the credit limit to 79 subsidiaries of the Group with an aggregate amount of RMB4,152,000,000, and it was confirmed that the debts incurred by the subsidiaries as a result of the use of the aforesaid credit limit were all included in the *Maximum Amount Guarantee Contract, Application for Arrangement and Split of Credit Limit*, or other guarantee contracts/clauses signed or to be signed between the Company and the Bank of China, which are guaranteed by the Company. The term of use (i.e., the guarantee term) of the credit limit provided by Bank of China to its subsidiaries is from the effective date of the new annual credit limit to 5 December 2025. Among them, the guarantees provided by the Company to five non-wholly owned subsidiaries and their branches (Sinotrans Ningbo International Container Transportation Co., Ltd., Sinotrans Ningbo International Forwarding Agency Co., Ltd., China Marine Shipping Agency Ningbo Co., Ltd., China Marine Shipping Agency Ningbo Co., Ltd. Beilun Branch, and Ningbo Transocean International Forwarding Agency Co., Ltd., were all counter-guaranteed by other shareholders; all others are guarantees provided to wholly-owned subsidiaries and there are no counter-guarantees. On 26 December 2024, 3 of the aforementioned 79 subsidiaries, which use credit lines cut from the Company, applied for credit lines from the Bank of China using their own credit instead, and the guarantee obligations for the credit lines cut from the Company were terminated. As of 30 June 2025, the Company had cut its credit lines of Bank of China to 76 subsidiaries, and the total amount cut was RMB3,164.86 million.

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Notes to the Financial Statements

For the period ended 30 June 2025
(Unless indicated otherwise, all amounts are expressed in RMB)

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

4. THE GROUP HAD THE FOLLOWING SIGNIFICANT RELATED TRANSACTIONS WITH THE ABOVE RELATED PARTIES DURING THE PERIOD (CONTINUED)

(6) Related guarantees (Continued)

1) *The Group as the guarantor (Continued)*

In February 2024, Sinotrans Logistics Ltd. renewed the *Amendment Agreement to the Accounts Payable Service Agreement* with JPMorgan Chase Bank for a period of one year to apply for using the bank credits for the factoring of accounts payable by certain suppliers of Sinotrans Logistics Ltd. and its subsidiaries. On 11 March 2024, the Company entered into the *Guarantee Contract*, pursuant to which the Company guaranteed to the JPMorgan Chase Bank, on a joint and several basis, the proper and timely performance by Sinotrans Logistics Ltd. and its subsidiaries of all of their obligations and liabilities for accounts payable recognized by JPMorgan Chase Bank under the *Accounts Payable Service Agreement*, including providing guarantees with respect to the amount of the invoices payable (not to exceed RMB270 million) by Sinotrans Logistics Ltd. and its subsidiaries under the *Accounts Payable Service Agreement* and the share of fees, late fees, indemnification obligations and other liabilities related to accounts payable services. The guarantee period starts from the date of signing of the guarantee contract and expires on the date that is two years after the expiration of the maturity date of the last recognized accounts payable after the expiration or termination of the *Accounts Payable Service Agreement* (the maturity date shall be extended accordingly if the maturity date of the last recognized accounts payable is extended). As of June 2025, Sinotrans Logistics Ltd. has paid off its accounts payable, and the above factoring has been terminated. As of 30 June 2025, Sinotrans Logistics Ltd. and its subsidiaries has paid off its accounts payable, and the above guarantee has expired and been released.

Operating guarantees:

The Group provided operating-type guarantees to its subsidiaries and joint ventures, and associates for the operation of project logistics, loading and unloading operations, bidding business, shipping booking agency, warehousing services, and other businesses and asset transactions for the conduct of the operating businesses mentioned above. As of 30 June 2025, the balance of the aforementioned operating-type guarantees was RMB350,000,000 (1 January 2025: RMB350,000,000).

Qualification guarantees:

The Group guarantees the group delivery business and futures delivery warehouse business of subsidiaries of the Group, such as Sinotrans Central China Co., Ltd., Sinotrans Eastern Company Limited, Sinotrans South China Co., Ltd. (hereinafter referred to as "Sinotrans South China"), Sinotrans North China Co., Ltd., Sinotrans Northeast Co. Ltd., Qingdao Sinotrans Supply Chain Management Co., Ltd., Qingdao Sinotrans Smart Logistics Co., Ltd., Sinotrans Logistics Guangxi Co., Ltd., and Sinotrans Logistics Yunnan Co., Ltd. on the Shanghai Futures Exchange and its subsidiaries (including but not limited to Shanghai International Energy Exchange Co., Ltd.), Zhengzhou Commodity Exchange, Dalian Commodity Exchange, Guangzhou Futures Exchange and other futures exchanges, including the irrevocable and floating joint and several guarantees for the full amount of all liabilities for all the operations of the guaranteed parties in respect of the warehousing, storage, discharging, and delivery or group delivery of futures commodities. The guarantee period shall be for the duration of the corresponding group delivery business or futures delivery warehouse business agreement between the guaranteed party and the above-mentioned futures exchange (including the period of automatic renewal without objection by both parties) and for a period of two or three years from the expiry of the duration (to be determined according to the requirements of the futures exchange).

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Notes to the Financial Statements

For the period ended 30 June 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

4. THE GROUP HAD THE FOLLOWING SIGNIFICANT RELATED TRANSACTIONS WITH THE ABOVE RELATED PARTIES DURING THE PERIOD (CONTINUED)

(7) Related party fund lending

Related party	Loan balance at the end of the period	Starting date	Maturity date	Description
Borrowed				
CHINA MERCHANTS INVESTMENTS LIMITED	131,249,712.14	2024-07-11	2029-07-11	Long-term borrowings, non-current liabilities due within one year
CHINA MERCHANTS INVESTMENTS LIMITED	37,878,704.79	2022-09-21	2025-09-21	Non-current liabilities due within one year
CHINA MERCHANTS INVESTMENTS LIMITED	37,878,704.80	2023-01-03	2026-01-03	Non-current liabilities due within one year
China Merchants Bank Co., Ltd.	114,000,000.00	2025-04-02	2026-04-02	Short-term borrowings
China Merchants Bank Co., Ltd.	82,168,200.00	2025-06-25	2026-06-25	Short-term borrowings
China Merchants Bank Co., Ltd.	80,048,888.89	2025-06-09	2026-06-09	Short-term borrowings
China Merchants Bank Co., Ltd.	44,555,029.09	2024-02-02	2033-01-15	Long-term borrowings, non-current liabilities due within one year
China Merchants Bank Co., Ltd.	31,962,984.17	2023-01-16	2033-01-14	Long-term borrowings, non-current liabilities due within one year
China Merchants Bank Co., Ltd.	13,924,749.85	2024-06-19	2033-01-15	Long-term borrowings, non-current liabilities due within one year
China Merchants Bank Co., Ltd.	13,097,919.03	2023-05-10	2033-01-15	Long-term borrowings, non-current liabilities due within one year
China Merchants Bank Co., Ltd.	10,155,252.31	2023-03-31	2033-01-15	Long-term borrowings, non-current liabilities due within one year
China Merchants Bank Co., Ltd.	7,584,492.03	2023-06-16	2033-01-15	Long-term borrowings, non-current liabilities due within one year
China Merchants Bank Co., Ltd.	6,605,170.52	2024-05-27	2033-01-15	Long-term borrowings, non-current liabilities due within one year
China Merchants Bank Co., Ltd.	6,194,371.30	2023-12-15	2033-01-15	Long-term borrowings, non-current liabilities due within one year
China Merchants Bank Co., Ltd.	5,622,042.76	2023-09-08	2033-01-15	Long-term borrowings, non-current liabilities due within one year

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Notes to the Financial Statements

For the period ended 30 June 2025
(Unless indicated otherwise, all amounts are expressed in RMB)

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

4. THE GROUP HAD THE FOLLOWING SIGNIFICANT RELATED TRANSACTIONS WITH THE ABOVE RELATED PARTIES DURING THE PERIOD (CONTINUED)

(7) Related party fund lending (Continued)

Related party	Loan balance at the end of the period	Starting date	Maturity date	Description
China Merchants Group Finance Co., Ltd.	24,017,333.33	2022-07-12	2028-05-10	Long-term borrowings, non-current liabilities due within one year
SINOTRANS & CSC HOLDINGS Co., Ltd.	20,000,000.00	2016-03-07	2034-03-06	Long-term payables
Lent				
Shenyang Jinyun Automobile Logistics Co., Ltd.	20,000,000.00	2023-05-15	No specific maturity date	Other receivables
MAXX LOGISTICS FZCO.	9,523,509.09	2017-12-20	No specific maturity date	Other receivables, interest receivable
Guangxi Yunyu Port Co., Ltd.	2,500,000.00	2014-10-08	No specific maturity date	Other receivables

(8) Remuneration of directors, supervisors, general managers, and senior managers

1) Remuneration of directors, supervisors, and general managers

Item	Current period	Prior period
Directors:	—	—
Fee (Note)	332,400.00	332,400.00
Other remuneration	—	—
– Wages and allowances	593,474.00	430,200.00
– Discretionary bonuses	176,884.00	—
– Contributions to the pension plan	203,677.92	116,535.36
– Share-based payments	54,388.06	178,003.83
Supervisors:	—	—
Fee	53,700.00	107,400.00
Other remuneration	—	—
– Wages and allowances	343,600.00	554,010.00
– Discretionary bonuses	40,900.00	37,434.00
– Contributions to the pension plan	105,271.68	170,245.92
– Share-based payments	—	—

Note: The directors' fees disclosed above represent the payment of RMB332,400 (prior period: RMB332,400) to independent non-executive directors.

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Notes to the Financial Statements

For the period ended 30 June 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

4. THE GROUP HAD THE FOLLOWING SIGNIFICANT RELATED TRANSACTIONS WITH THE ABOVE RELATED PARTIES DURING THE PERIOD (CONTINUED)

(8) Remuneration of directors, supervisors, general managers, and senior managers (Continued)

2) Scope of remuneration of directors, supervisors, and general managers

Item	Fees of directors	Wages and allowances	Discretionary bonuses	Contributions to the pension plan	Subtotal	Share-based payments	Total
Current period							
Directors:							
- Xiufeng Wang	-	-	-	-	-	-	-
- Yi Zhang	-	151,274.00	128,784.00	75,915.68	355,973.68	-	355,973.68
- Guofeng Yang	-	-	-	-	-	-	-
- Xiang Gao	-	300,000.00	48,100.00	88,471.68	436,571.68	54,388.06	490,959.74
- Rong Song	-	142,200.00	-	39,290.56	181,490.56	-	181,490.56
- Zhiliang Yu	-	-	-	-	-	-	-
- Wu Tao	-	-	-	-	-	-	-
- Li Luo	-	-	-	-	-	-	-
- Kewei Xu	-	-	-	-	-	-	-
- Chuanjing Huang	-	-	-	-	-	-	-
- Xiaoli Wang	83,100.00	-	-	-	83,100.00	-	83,100.00
- Yaping Ning	83,100.00	-	-	-	83,100.00	-	83,100.00
- Xinjian Cui	83,100.00	-	-	-	83,100.00	-	83,100.00
- Fan Cui	83,100.00	-	-	-	83,100.00	-	83,100.00
Supervisors:							
- Zhiyi Zhang	-	343,600.00	40,900.00	105,271.68	489,771.68	-	489,771.68
- Bulin Fu	-	-	-	-	-	-	-
- Zhaoping Fan	53,700.00	-	-	-	53,700.00	-	53,700.00
Prior period							
Directors:							
- Xiufeng Wang	-	-	-	-	-	-	-
- Rong Song	-	430,200.00	-	116,535.36	546,735.36	178,003.83	724,739.19
- Weidong Deng	-	-	-	-	-	-	-
- Li Luo	-	-	-	-	-	-	-
- Kewei Xu	-	-	-	-	-	-	-
- Zhiliang Yu	-	-	-	-	-	-	-
- Wu Tao	-	-	-	-	-	-	-
- Zhenhua Liu	-	-	-	-	-	-	-
- Taiwan Wang	72,712.50	-	-	-	72,712.50	-	72,712.50
- Yan Meng	72,712.50	-	-	-	72,712.50	-	72,712.50
- Haiqing Song	72,712.50	-	-	-	72,712.50	-	72,712.50
- Qian Li	72,712.50	-	-	-	72,712.50	-	72,712.50
- Yaping Ning	10,387.50	-	-	-	10,387.50	-	10,387.50
- Xinjian Cui	10,387.50	-	-	-	10,387.50	-	10,387.50
- Fan Cui	10,387.50	-	-	-	10,387.50	-	10,387.50
- Xiaoli Wang	10,387.50	-	-	-	10,387.50	-	10,387.50
Supervisors:							
- Zhiyi Zhang	-	329,400.00	-	103,935.36	433,335.36	-	433,335.36
- Fangsheng Zhou	53,700.00	-	-	-	53,700.00	-	53,700.00
- Zhaoping Fan	53,700.00	-	-	-	53,700.00	-	53,700.00
- Shengyun Wang	-	224,610.00	37,434.00	66,310.56	328,354.56	-	328,354.56
- Bulin Fu	-	-	-	-	-	-	-

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Notes to the Financial Statements

For the period ended 30 June 2025
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X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

4. THE GROUP HAD THE FOLLOWING SIGNIFICANT RELATED TRANSACTIONS WITH THE ABOVE RELATED PARTIES DURING THE PERIOD (CONTINUED)

(8) Remuneration of directors, supervisors, general managers, and senior managers (Continued)

3) Five highest paid individuals

Of the five highest paid individuals for the current period, 1 of them is a director (prior period: 1), 1 of them is a supervisor (prior period: none), and details of their remuneration are set out above. The details of the remuneration of the remaining 3 (prior period: 4) highest paid individuals who are not directors or supervisors for the current period are as follows:

Item	Current period	Prior period
Wages and allowances	846,600.00	1,065,600.00
Discretionary bonuses	103,500.00	–
Contributions to the pension plan	265,983.60	350,022.36
Share-based payments	129,616.40	1,487,880.66

The number of the highest paid individuals with remuneration within the following bands who are not directors or supervisors is as follows:

Item	The number of individuals in current period	The number of individuals in prior period
Less than HKD1,000,000	3	4
HKD1,000,001 to HKD1,500,000	–	–
HKD1,500,001 to HKD2,000,000	–	–
HKD2,000,001 to HKD2,500,000	–	–

- 4) None of the directors of the Company has waived or agreed to waive any remuneration during the period, except for the directors of Xiufeng Wang, Guofeng Yang, Zhiliang Yu, Wu Tao, Li Luo, Kewei Xu, and Chuanjing Huang who did not receive any remuneration from the Company during the period. During the previous record periods, the Company did not pay any remuneration to any of the directors, supervisors, or the five highest paid individuals as an inducement to join or upon joining the Company or as compensation for loss of office.

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For the period ended 30 June 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

4. THE GROUP HAD THE FOLLOWING SIGNIFICANT RELATED TRANSACTIONS WITH THE ABOVE RELATED PARTIES DURING THE PERIOD (CONTINUED)

(8) Remuneration of directors, supervisors, general managers, and senior managers (Continued)

5) *The remuneration of the major management*

The remuneration of the major management (including the amounts paid and payable to the directors, supervisors, and senior management) is as follows:

Item	Current period	Prior period
Wages and allowances	2,004,774.00	2,802,236.67
Discretionary bonuses	347,784.00	37,434.00
Contributions to the pension plan	600,359.60	889,653.33
Share-based payments	261,871.13	820,604.84
Total	3,214,788.73	4,549,928.84

(9) Related party deposits

The difference between deposits placed and withdrawals by the Group with China Merchants Bank in January-June 2025 was net withdrawals of RMB43,969,309.14 (net deposits of RMB319,414,031.03 in January-June 2024) and interest income from deposits of RMB1,912,089.80 in January-June 2025 (RMB3,025,902.42 in January-June 2024). The difference between deposits and withdrawals with the Finance Company in January-June 2025 was net withdrawals of RMB480,124,640.35 (net withdrawals of RMB811,217,995.04 in January-June 2024). Interest income from deposits of RMB39,879,589.79 in January-June 2025 (RMB34,918,683.01 in January-June 2024).

(10) Trademark licensing

The Company signed a *Trademark License Agreement* with SINOTRANS & CSC in March 2015 and renewed the agreement in November 2023, authorizing the Group to use ten trademarks, such as "SINOTRANS" of SINOTRANS & CSC with registration number 779072 from 1 March 2015 to 14 November 2026 without compensation.

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X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

4. THE GROUP HAD THE FOLLOWING SIGNIFICANT RELATED TRANSACTIONS WITH THE ABOVE RELATED PARTIES DURING THE PERIOD (CONTINUED)

(11) Others

At the Twelfth Meeting of the Third Session of the Board of Directors of the Company held on 15 June 2022, the *Proposal on the Provision of Loans to a Holding Subsidiary* was considered and passed, agreeing that the Company, through its wholly-owned subsidiary, SINOTRANS (HK) HOLDINGS, should provide a loan of USD12.60 million to China Merchants CHN-BLR Commerce, to be borrowed in three tranches (with annual downs from 2022 to 2024), each with a term not exceeding three years, at an interest rate of 1% per annum. Other shareholders of China Merchants CHN-BLR Commerce provided a loan with the same terms in proportion to their shareholdings. As of 30 June 2025, the balance of the loan was USD8.40 million.

Pursuant to the *Proposal on the Provision of Loans to a Holding Subsidiary* approved at the Company's 2023 Annual General Meeting of Shareholders, it is agreed that the Company, through its wholly-owned subsidiary, SINOTRANS (HK) HOLDINGS, provided a loan of USD14.553 million equivalent to RMB (converted at the selling rate of Bank of China's US dollar spot exchange rate on the date of signing the loan agreement) to China Merchants CHN-BLR Commerce for a term of 5 years at an annual interest rate of 2.7%. Other shareholders of China Merchants CHN-BLR Commerce provided a loan with the same terms in proportion to their shareholdings. As of 30 June 2025, the balance of the loan was RMB95,004,719.39

On 5 June 2025, the Company convened its 2024 Annual General Meeting of Shareholders, which considered and approved the *Proposal on the Provision of Loans and Loan Extensions to a Holding Subsidiary*, agreeing the conversion of the aforementioned loan of USD8.40 million to China Merchants CHN-BLR Commerce, into RMB loan (converted at the midpoint exchange rate of the People's Bank of China) through the signing of a supplementary agreement, with a five-year extension of the loan term, and the annual interest rate of 1% remained unchanged. Meanwhile, SINOTRANS (HK) HOLDINGS planned to provide a loan of RMB34.86 million to China Merchants CHN-BLR Commerce in proportion to its shareholding, with a term of five years and an annual interest rate of 2%. Other shareholders of China Merchants CHN-BLR Commerce provided loan currency conversions, extensions, extra loans with the same terms in proportion to their shareholdings. As of 30 June 2025, the Group has not yet provided the aforementioned loans to China Merchants CHN-BLR Commerce.

On 23 December 2024, the Fifth Meeting of the Fourth Session of the Board of Directors of the Company considered and approved the *Proposal on the Joint Investment with Related Parties to Establish a Joint Venture Company and Purchase Assets, and Related Party Transactions*. The subsidiaries of the Group, Sinotrans Chemical International Logistics Co., Ltd. (hereinafter referred to as "Sinotrans Chemical Logistics Company"), Sinotrans South China, and Zhanjiang Port (Group) Co., Ltd. (hereinafter referred to as "Zhanjiang Port Company"), jointly established Zhanjiang Sinotrans Chemical International Logistics Co., Ltd. (hereinafter referred to as "Zhanjiang Chemical Logistics Company"). On 6 January 2025, Zhanjiang Chemical Logistics Company was established, with a registered capital of RMB207.20 million, of which Sinotrans Chemical Logistics Company contributed RMB104.2447 million in cash (shareholding: 50%), Zhanjiang Port Company invested with the land use rights of the land of 95,950.74 square meters located on the south side of Jinxiu Avenue, the west side of Baojiang Road, and the north side of Haigang Road in the Lingang Industrial Park of Xiashan District, Zhanjiang City, valued at RMB52.1224 million (shareholding: 25%), and Sinotrans South China contributed 52.1224 million in cash (shareholding: 25%). At the same time, Zhanjiang Chemical Logistics Company acquired the land use rights of another land lot of 79,869.16 square meters located at the same address as mentioned above, transferred from Zhanjiang Port Company, for a consideration of RMB43.9727 million. The aforementioned land is exclusively used for the construction of the China Merchants Zhanjiang Chemical Logistics Hub Project.

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XI. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Group's main financial instruments include cash and bank balances, accounts receivable, other receivables, other non-current financial assets, borrowings, bonds payable, accounts payable, and other payables. The details of financial instruments are set out in the notes to items mentioned above. The risks associated with these financial instruments and the risk management policies adopted by the Group to mitigate these risks are described below. These risk exposures are managed and monitored by the management of the Group to ensure that the risks above are controlled within a limited range.

1. RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group engages in risk management with the objective of striking an appropriate balance between risks and rewards, minimizing the negative impact of risks on the Group's operating results, and maximizing the interests of shareholders and other equity investors. Based on this risk management objective, the Group's basic strategy for risk management is to identify and analyze the various risks to which the Group is exposed, establish appropriate risk tolerance floors and conduct risk management, and monitor the various risks in a timely and reliable manner to keep them within the limits.

(1) Market risk

1) Foreign exchange risk

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to foreign exchange risk relates primarily to USD, HKD, and EUR. The Group's other major business activities are denominated and settled in RMB, except for the Group's companies established in the Hong Kong Special Administrative Region and outside Hong Kong, which make purchases and sales in the registered local currency. As at 30 June 2025, changes in the fair value or future cash flows arising from changes in exchange rates of assets and liabilities in respect of the USD, HKD, and EUR balances as described in the table below may have an impact on the Group's results of operations.

Item	Assets		Liabilities	
	Closing balance	Opening balance	Closing balance	Opening balance
USD	7,264,016,499.09	6,878,006,990.30	3,757,678,816.09	3,646,120,693.32
HKD	1,083,194,083.71	1,168,853,093.21	1,155,974,892.77	1,155,924,292.45
EUR	300,653,963.29	319,325,447.01	2,087,998,916.59	1,939,247,749.88
Total	8,647,864,546.09	8,366,185,530.52	7,001,652,625.45	6,741,292,735.65

Note: The balances of assets and liabilities denominated in foreign currencies are presented in RMB at period-end exchange rates.

The Group pays close attention to the impact of exchange rate changes on the Group's foreign exchange risk. The management has made a policy to control foreign exchange risk by optimizing the structure of net foreign currency assets.

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XI. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

1. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(1) Market risk (Continued)

1) Foreign exchange risk (Continued)

Sensitivity analysis of foreign exchange risk

With other variables remaining unchanged, the pre-tax effects of reasonable changes in the exchange rate on current profit or loss and shareholders' equity are as follows:

Exchange rate changes	Current period		Prior period	
	Effect on total comprehensive income	Pre-tax effects on shareholders' equity	Effect on total comprehensive income	Pre-tax effects on shareholders' equity
USD appreciation by 5% against RMB	175,316,884.15	175,316,884.15	155,859,092.76	155,859,092.76
USD devaluation by 5% against RMB	-175,316,884.15	-175,316,884.15	-155,859,092.76	-155,859,092.76
HKD appreciation by 5% against RMB	-3,639,040.45	-3,639,040.45	1,437,620.85	1,437,620.85
HKD devaluation by 5% against RMB	3,639,040.45	3,639,040.45	-1,437,620.85	-1,437,620.85
EUR appreciation by 5% against RMB	-89,367,247.67	-89,367,247.67	-87,851,182.06	-87,851,182.06
EUR devaluation by 5% against RMB	89,367,247.67	89,367,247.67	87,851,182.06	87,851,182.06

2) Interest rate change risk

The Group's foreign currency borrowings were mainly floating rate borrowings in USD, HKD, and EUR, the interest rates of which were not affected by the adjustment of the benchmark lending rate by the People's Bank of China.

The Group's main liabilities exposed to interest rate risk are long-term borrowings and non-current liabilities due within one year.

Sensitivity analysis of interest rate risk

The sensitivity analysis of interest rate risks is based on the following assumptions:

- Any changes in market interest rates affect interest income or expenses of financial instruments with variable interest rates.
- For financial instruments with fixed interest rates that are measured at fair value, any changes in market interest rates only affect their interest income or expenses.
- Any changes in the fair value of other financial assets and liabilities that are calculated using the discounted cash flow method at the prevailing market interest rate at the date of the statement of financial position.

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XI. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

1. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(1) Market risk (Continued)

2) Interest rate change risk (Continued)

On the basis of the above assumptions, and with other variables remaining unchanged, the pre-tax effects of the possible reasonable changes in interest rates on current profit or loss and shareholders' equity are as follows:

Interest rate changes	Current period		Prior period	
	Effects on total profit	Pre-tax effects on shareholders' equity	Effects on total profit	Pre-tax effects on shareholders' equity
Interest rate rises by 0.5%	-6,058,723.65	-6,058,723.65	-6,055,257.39	-6,055,257.39
Interest rate is lowered by 0.5%	6,058,723.65	6,058,723.65	6,055,257.39	6,055,257.39

3) Other price risks

Financial assets held for trading, other equity instrument investments, and other non-current financial assets held by the Group include some investments in shares of listed companies. As a result, the Group bears the risk of price changes in the securities market. The Group usually does not make direct investments in shares of listed companies. Existing investments in shares of listed companies were mainly formed and acquired by offsetting the conversion of investee entities to publicly listed companies. With other variables remaining unchanged, the pre-tax effects of the possible reasonable changes in stock prices on shareholders' equity are as follows:

Item	Stock price changes	Current period		Prior period	
		Effects on total profit	Effect on other comprehensive income (excluding income tax)	Effects on total profit	Effect on other comprehensive income (excluding income tax)
Financial assets held for trading	Stock price rises by 10%	56,335.71	-	48,196.53	-
Other non-current financial assets		12,420,291.17	-	7,648,426.00	-
Other equity instrument investments		-	2,275,947.03	-	2,128,832.59
Financial assets held for trading	Stock price falls by 10%	-56,335.71	-	-48,196.53	-
Other non-current financial assets		-12,420,291.17	-	-7,648,426.00	-
Other equity instrument investments		-	-2,275,947.03	-	-2,128,832.59

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Notes to the Financial Statements

For the period ended 30 June 2025
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XI. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

1. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(2) Credit risk

As at 30 June 2025, the maximum credit risk exposure that is likely to cause financial losses to the Group was due primarily to the losses on the Group's financial assets arising from the failure of the other party to the contract to fulfill its obligations, including the book balance of the recognised financial assets in the consolidated statement of financial position; for financial instruments measured at fair value, the book value reflects its risk exposure that is not the maximum, and its maximum risk exposure will change with future changes in fair value. In addition, it also includes losses to be paid for the performance of contingent obligations and financial guarantees, see the amount of financial guarantee contracts disclosed in Note IX.38 and Note X.4.(6).

In order to reduce the credit risk, the Group has set up a group to determine credit lines, conduct credit approvals, and implement other monitoring procedures to ensure that any necessary measures are taken to recover overdue claims. In addition, the Group reviews the recovery of each individual receivable at the end of the reporting period to ensure that sufficient credit loss provision is made for amounts that are irrecoverable. As a result, the Group's management considers that the Group's credit risk has been reduced significantly.

See Note IV.11.2 for the Group's specific method for assessing whether credit risk has increased significantly since initial recognition, the basis for determining that credit impairment has occurred for financial assets, the portfolio method for assessing expected credit risk by dividing the portfolio into groups, and the policy for direct write-downs of financial instruments. Except for the top five closing balances of accounts receivable and other receivables disclosed in Note IX.4 and Note IX.7, the Group has no other significant credit concentration risks.

The Group's cash and cash equivalents are mainly bank deposits with related party non-bank financial institutions and reputable state-owned banks with high credit ratings and other large and medium-sized listed banks, and the Group believes that there is no significant credit risk and almost no losses will be incurred due to default.

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Notes to the Financial Statements

For the period ended 30 June 2025

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XI. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

1. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(2) Credit risk (Continued)

As part of the Group's credit risk management, the Group uses the aging of accounts receivable to assess the expected credit losses on receivables arising from operations. The Group's business involves a large number of customers. Except for situations such as disputes, litigations, or operational difficulties, restructuring and bankruptcy, and customers of related parties, there is no significant difference in the credit risk characteristics of the remaining customers, and the aging information reflects the solvency of such customers when the receivables are due. As at 30 June 2025, the credit risk and expected credit losses for the accounts receivable and contract assets of this type of customer are as follows:

Item	Expected credit loss rate over the entire life (%)	Book balance	Credit loss provision
Within 1 year (including 1 year)	1.45	15,356,917,961.84	222,675,310.45
1 to 2 years (including 2 years)	41.68	252,122,974.19	105,084,855.64
2 to 3 years (including 3 years)	88.26	30,249,574.10	26,698,274.10
Over 3 years	100.00	39,100,795.29	39,100,795.29
Total	—	15,678,391,305.42	393,559,235.48

The above expected credit loss rates throughout the holding period are based on historical actual credit loss rates and take into account current conditions and projections of future economic conditions. During the period from 1 January 2025 to 30 June 2025, there have been no significant changes to the Group's valuation approach and material assumptions.

As at 30 June 2025, the maximum amount of financial guarantees provided by the Group for joint ventures and associates was RMB423,644,110.95. Details of the financial guarantee contracts are set out in Note X.4.(6). As at 30 June 2025, the management of the Group assessed the overdue status of the relevant borrowings under the guarantees, the financial position of the relevant borrowers, and the economic situation of the industry in which the debtors operate, and concluded that there was no significant increase in the relevant credit risk since the initial recognition of this part of the financial guarantee contract. Accordingly, the Group has no financial guarantee contracts classified as requiring a loss allowance to be measured at the expected credit losses over the entire life of the contract, and the above financial guarantee contracts are measured at the amount of their loss allowance for expected credit losses over the next 12 months. During the period from 1 January 2025 to 30 June 2025, there have been no significant changes to the Group's valuation approach and material assumptions.

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Notes to the Financial Statements

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XI. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

1. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(3) Liquidity risk

In managing the liquidity risk, the Group's management believes that sufficient cash and cash equivalents should be maintained and monitored to meet the Group's business needs and to reduce the impact of cash flow fluctuations. The Group's management monitors the use of bank loans and ensures compliance with loan agreements.

The Group's unused bank borrowings at the end of the period amounted to RMB21,799 million (1 January 2025: RMB18,894 million).

According to the maturity date of the undiscounted contract or expected cash flows, the financial liabilities held by the Group are analysed as follows:

Item	Book value	Within 1 year	1 to 5 years	Over 5 years	Total
1. Non-derivative financial liabilities, etc.	—	—	—	—	—
Short-term borrowings	1,576,504,111.30	1,594,519,206.67	—	—	1,594,519,206.67
Long-term borrowings	2,460,705,991.74	51,810,817.56	2,110,486,859.98	512,707,974.17	2,675,005,651.71
Accounts payable	14,551,318,273.35	14,551,318,273.35	—	—	14,551,318,273.35
Bills payable	103,495,009.99	103,495,009.99	—	—	103,495,009.99
Other payables	2,935,927,952.13	2,935,927,952.13	—	—	2,935,927,952.13
Non-current liabilities due within one year	1,925,623,746.41	2,061,381,641.02	—	—	2,061,381,641.02
Bonds payable	4,017,677,887.24	29,154,036.54	4,175,331,251.13	—	4,204,485,287.67
Lease liabilities	2,635,355,244.74	—	1,718,665,902.90	1,725,609,060.35	3,444,274,963.25
Estimated liabilities	34,251,215.27	—	30,038,364.45	4,212,850.82	34,251,215.27
Long-term payables	20,000,000.00	240,000.00	960,000.00	20,884,054.79	22,084,054.79

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(Unless indicated otherwise, all amounts are expressed in RMB)

XI. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

2. TRANSFER OF FINANCIAL ASSETS

(1) Classification of transfer methods

Transfer method	Nature of financial assets transferred	Amount of financial assets transferred	Derecognition	Basis for determining derecognition
Bill endorsement or discounting	Bank acceptance bills	1,925,254,715.12	Note 1	Note 1
Bill endorsement or discounting	Commercial acceptance bills	158,746,303.50	Note 2	Note 2
Total	—	2,084,001,018.62	—	—

Note 1: The Group determines whether the bank acceptance bills receivable should be derecognised upon endorsement or discounting based on the credit risk rating of the acceptance bank. As the acceptance banks of the bank acceptance bills obtained by the Group are mainly large commercial banks and listed joint-stock commercial banks with high credit ratings, other bank acceptance bills do not account for a significant proportion and have small individual amounts and a large quantity. The Group derecognises the bank acceptance bills upon endorsement or discounting based on the materiality principle, unless public information indicates that there are significant abnormal changes in the credit risk of the acceptance banks. Details of bank acceptance bills endorsed or discounted at the end of the period and outstanding at the balance sheet date are shown in Note IX.5.

Note 2: The Group's commercial acceptance bills are not derecognized upon endorsement or discounting. Details of commercial acceptance bills endorsed or discounted at the end of the year and outstanding at the balance sheet date are shown in Note IX.3.

(2) Financial assets derecognized by transfer

Item	Transfer methods for financial assets	Amount of financial assets derecognized	Gains or losses related to derecognition
Bank acceptance bills	Bill endorsement or discounting	1,925,254,715.12	-1,513,347.56
Total	—	1,925,254,715.12	-1,513,347.56

- (3) As at 30 June 2025, there were no financial assets transferred, such as securitization and factoring with accounts receivable, that continued to be involved in assets and liabilities recognized.

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XI. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

3. FAIR VALUE

The fair value of financial assets and financial liabilities is determined in accordance with the following methods:

The fair value of financial assets and financial liabilities with standard terms and conditions and for which there is an active market is determined by reference to the corresponding active market prevailing bid price and prevailing asking price, respectively.

The fair value of other financial assets and financial liabilities (excluding derivatives) is determined in accordance with the common pricing model based on the discounted future cash flow method or recognized using observable current market prices.

The fair value of derivative instruments is determined using publicly quoted prices in active markets.

The Group's management believes that the book value of financial assets and financial liabilities measured at amortized cost in the financial statements approximates the fair values of those assets and liabilities.

The following table presents the fair value information and the level of the measurement at fair value at the end of the reporting period for the Group's assets and liabilities measured at fair value on a continuous and non-continuous basis at each balance sheet date. The level within which the results of the measurements at fair value fall depends on the lowest level of inputs that are significant to the measurement at fair value as a whole. The three levels of inputs are defined as:

Level I input value: the unadjusted quotation of the same assets or liabilities that can be obtained on the measurement date in the active market.

Level II input value: the direct or indirect observable input value of related assets or liabilities other than the level I input value.

Level III input value: the unobservable input value of related assets or liabilities.

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XI. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

3. FAIR VALUE (CONTINUED)

(1) The period-end fair value of assets and liabilities measured at fair value

Item	Fair value at the end of the period			Total
	Level I fair value measurement	Level II fair value measurement	Level III fair value measurement	
I. Continuous measurement at fair value	—	—	—	—
(I) Financial assets held for trading	563,357.07	—	—	563,357.07
1. Financial assets at fair value through profit or loss	563,357.07	—	—	563,357.07
Including: Equity instrument investments	563,357.07	—	—	563,357.07
(II) Receivables financing	—	449,351,104.32	—	449,351,104.32
(III) Other equity instrument investments	22,759,470.33	—	394,050,500.00	416,809,970.33
(IV) Other non-current financial assets	124,202,911.68	—	1,096,851,019.03	1,221,053,930.71
1. Financial assets at fair value through profit or loss	124,202,911.68	—	1,096,851,019.03	1,221,053,930.71
Including: Equity instrument investments	124,202,911.68	—	1,096,851,019.03	1,221,053,930.71
Total assets measured at fair value on a continuous basis	147,525,739.08	449,351,104.32	1,490,901,519.03	2,087,778,362.43

(2) Determination basis of the market price of the continuous and non-continuous items of level I fair value measurement

The Group's financial instruments included in Level I fair value measurement are shares held in listed companies, both domestic and foreign, and the fair value is determined using the closing price of the open market on the last trading day of the balance sheet date.

(3) Qualitative and quantitative information on the valuation techniques and significant parameters used for continuous and non-continuous items of level II fair value measurement

The Group's financial instruments included in Level II fair value measurement are bank acceptance bills held at fair value through other comprehensive income (receivables financing). The accepting banks for the bank acceptance bills held by the Group are mainly large commercial banks and listed joint-stock commercial banks with high credit ratings. The bank acceptance bills have the maturities of less than 6 months, and are of very low credit risk. At the balance sheet date, the book value of the bank acceptance bills receivable approximates the fair value.

(4) Qualitative and quantitative information on the valuation techniques and significant parameters used for continuous and non-continuous items of level III fair value measurement

The Group's financial instruments included in Level III fair value measurement are primarily unlisted equity investments held. The Group applies valuation techniques to determine the fair value of significant unlisted equity investments. The valuation model used is mainly a market multiplier approach. The Group needs to identify comparable listed companies on the basis of industry, type, structure, size, growth, and risk of the business and to calculate an appropriate market multiplier for each comparable listed company identified. The specific input values to the valuation technique consist primarily of PE multiples, PB multiples, EV/EBITDA multiples, EV/Sales multiples and the discount parameters for lacking market liquidity of comparable listed companies. The main unobservable input used is the discount parameters for the lack of market liquidity. The higher the discount parameter for lacking market liquidity, the lower the fair value.

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XI. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

3. FAIR VALUE (CONTINUED)

(5) Continuing Level III fair value measurement items, reconciliation information between opening and closing book values and sensitivity analysis of unobservable parameters

Reconciliation information between the beginning of the period and the end of the period Book balances:

Item	Opening balance	Transfer to Level III	Transfer from Level III	Total current period gains or losses		Purchase, issuance, sale, and settlement					Effects from translation in foreign currency statements	Closing balance	Unrealized gains or losses for the period through profit or loss on assets held at the end of the reporting period
				Included in profit or loss	Charge to other comprehensive income	Purchase	Issuance	Sale	Settlement	Others			
Financial assets held for trading	-	-	-	-	-	-	-	-	-	-	-	-	-
Other equity instrument investments	394,050,500.00	-	-	-	-	-	-	-	-	-	-	394,050,500.00	-
Other non-current financial assets	1,096,733,020.98	-	-	-	-	-	-	-	-	-	117,998.05	1,096,851,019.03	-
1. Financial assets at fair value through profit or loss	1,096,733,020.98	-	-	-	-	-	-	-	-	-	117,998.05	1,096,851,019.03	-
Including: Equity instrument investments	1,096,733,020.98	-	-	-	-	-	-	-	-	-	117,998.05	1,096,851,019.03	-
Total	1,490,783,520.98	-	-	-	-	-	-	-	-	-	117,998.05	1,490,901,519.03	-

Note: Dividend gains totaling RMB108,501.77 (gains and losses not in the current period) were obtained from the continuous items of Level III measurement at fair value during the period.

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For the period ended 30 June 2025

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XI. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

3. FAIR VALUE (CONTINUED)

- (5) **Continuing Level III fair value measurement items, reconciliation information between opening and closing book values and sensitivity analysis of unobservable parameters (Continued)**

Sensitivity analysis of unobservable inputs:

Indicator changes	Current period	
	Effect on total comprehensive income (excluding income tax)	Pre-tax effects on shareholders' equity
Increase the discount parameter for lacking market liquidity by 5%.	-74,545,075.95	-74,545,075.95
Decrease the discount parameter for lacking market liquidity by 5%.	74,545,075.95	74,545,075.95

- (6) **Reasons for conversion and policy for determining the point of conversion for items that are continuously measured at fair value and that are converted between levels during the current period**

The Group's continuous fair value items measured at fair value have not been converted between levels during the current period.

- (7) **Changes in valuation techniques occurred during the current period and the reasons for the changes**

There were no changes in the valuation techniques of the Group during the current period.

- (8) **The fair value of financial assets and financial liabilities not measured at fair value**

According to the Group's Management, the book value of financial assets and financial liabilities measured at amortised cost in the financial statements approximates their fair value as at 30 June 2025.

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Notes to the Financial Statements

For the period ended 30 June 2025
(Unless indicated otherwise, all amounts are expressed in RMB)

XI. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

4. CAPITAL MANAGEMENT

The Group's capital management objectives are to safeguard the Group's continuing operations in order to provide returns to shareholders and other equity holders while maintaining an optimal capital structure to reduce the cost of capital. The Group manages capital using a leverage ratio, which is defined as the ratio of net liabilities to adjusted capital and net liabilities. There are no significant changes to the Group's capital management objectives, policies, or procedures in 2025 and 2024. The Group's leverage ratio at the date of the statement of financial position is as follows:

Item	30 June 2025	31 December 2024
Short-term borrowings	1,576,504,111.30	3,294,191,564.22
Non-current liabilities due within one year	1,925,623,746.41	941,267,381.93
Long-term borrowings	2,460,705,991.74	3,268,291,437.12
Bonds payable	4,017,677,887.24	2,018,912,428.80
Long-term payables	20,000,000.00	20,000,000.00
Lease liabilities	2,635,355,244.74	2,084,448,674.98
Less: Cash and cash equivalents	11,698,546,245.77	13,440,376,824.37
Net liability	937,320,735.66	-1,813,265,337.32
Shareholders' equity	42,872,231,739.45	42,040,678,218.49
Shareholders' equity and net liabilities	43,809,552,475.11	40,227,412,881.17
Leverage ratio	2%	-5%

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Notes to the Financial Statements

For the period ended 30 June 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

XII. CONTINGENCIES

Item	Closing balance	Opening balance
Contingent liabilities arising from external guarantees	—	—
Including: Loan guarantee for fellow subsidiaries	1,559,634,954.08	1,540,024,640.08
Loan guarantee for associates	423,644,110.95	437,765,581.31
Total	1,983,279,065.03	1,977,790,221.39

(1) AS AT 30 JUNE 2025, THE GROUP'S SIGNIFICANT PENDING LITIGATIONS, ARBITRATIONS, AND CARGO DAMAGE DISPUTES WERE AS FOLLOWS:

Parties involved	Litigation/dispute content	Amounts involved (RMB10,000)	Recognised estimated liabilities (RMB10,000)	Litigation/ dispute status
Significant pending litigations and arbitrations:	—	24,959.46	1,450.00	—
Hefei High-tech Industrial Development Zone Investment Promotion Bureau	The Group invested and operated in Hefei High-tech Industrial Development Zone, and disputes resulted from the investment, tax, and other indicators failing to meet the required standards.	13,896.64	1,450.00	First trial in progress
Chuangang Tongyi (Shanghai) Supply Chain Management Co., Ltd.	The Group was engaged in the warehouse services for Chuangang Tongyi (Shanghai) Supply Chain Management Co., Ltd., and a dispute arose from the amount of goods warehoused.	5,531.04	—	First trial in progress
Jiangsu Sailboat Petrochemical Co., Ltd.	In the course of the Group's provision of transportation services for large equipment, the transportation vehicles and equipment were in danger due to ground subsidence, and Jiangsu Sailboat Petrochemical Co., Ltd. was required to bear the rescue and relief expenses.	2,131.68	—	First trial in progress
Schneider Electric (China) Co., Ltd.	The Group had a dispute with Schneider Electric (China) Co., Ltd. over cargo damage arising from the provision of transportation services.	2,105.60	—	Arbitration in progress
Dongguan Desheng Building Materials Co., Ltd.	The Group subleased a wharf operation site to Dongguan Desheng Building Materials Co., Ltd. and was required to pay the related losses and expenses as the berth in question did not apply for the relevant documents for berthing operation in a timely manner, resulting in the suspension of work and rectification.	1,294.50	—	Second instance pending trial
Major cargo damage disputes (not yet sued):	—	—	—	—

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Notes to the Financial Statements

For the period ended 30 June 2025
(Unless indicated otherwise, all amounts are expressed in RMB)

XII. CONTINGENCIES (CONTINUED)

(2) CONTINGENT LIABILITIES ARISING FROM OTHER MATTERS OF THE GROUP AS AT 30 JUNE 2025

The details of capital commitments are described in Note XIII.

(3) As at 30 June 2025, there were no material contingent assets resulting from the contingent events.

XIII. CAPITAL COMMITMENT

Item	Closing balance	Opening balance
Capital expenditures contracted but not recognised in the financial statements.	—	—
Including: Purchase and construction of assets (Note 1)	753,152,231.31	1,053,630,434.36
Investments in associates, joint ventures, and other investees (Note 2)	252,398,767.75	252,517,036.51
Port investment projects	58,147,377.46	57,909,470.44
Total	1,063,698,376.52	1,364,056,941.31

Note 1: As at 30 June 2025, the Group's capital expenditure contracted for but not recognised in the financial statements related to the acquisition and construction of assets mainly represented unrecognized capital expenditure related to contracts for engineering construction and general contracting entered into by the Group with CHINA HARBOUR ENGINEERING L.L.C, China Construction Eighth Engineering Division Corp., Ltd., China Construction Seventh Engineering Division Corp., Ltd. and others regarding the Sinotrans Dubai Logistics Park Project, Sinotrans Lingang International Logistics Center Project, Sinotrans Chengdu Eastern New Area Logistics Park Project.

Note 2: As at 30 June 2025, the Group's unpaid subscribed capital contribution to the associates, China Merchants Sinotrans (Shenzhen) Industrial Innovation Private Equity Investment Fund Partnership (Limited Partnership) and Guangzhou Air Cargo Co., Ltd., amounted to RMB183,503,600; the unpaid subscribed capital contribution to the joint venture, Foshan Sanshui Yinggang Freight Terminal Co., Ltd., amounted to RMB29,654,000; the unpaid subscribed capital contribution to SINO-BLR Industrial Investment Fund, L.P. (other non-current financial assets) amounted to RMB39,241,100.

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Notes to the Financial Statements

For the period ended 30 June 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

XIV. NON-ADJUSTMENT EVENTS AFTER THE DATE OF THE BALANCE SHEET

(1) PROFIT DISTRIBUTION

On 5 June 2025, the Company's 2024 Annual General Meeting of Shareholders considered and approved the Proposal on Application for Authorisation of the 2025 Interim Profit Distribution Plan, which authorized the Board of Directors of the Company to reasonably decide the declaration and payment of the 2025 interim dividend (including but not limited to deciding whether to distribute the 2025 interim dividend) based on factors such as the profitability of the Company for the first half year of 2025, the status of its capital requirements, and with reference to the previous dividend payout ratios. In accordance with the authorisation mentioned above and the Proposal on the 2025 Interim Profit Distribution Plan considered and approved by the Sixteenth Meeting of the Fourth Session of the Board of Directors of the Company held on 26 August 2025, the Company proposed to distribute an interim dividend of RMB0.145 (inclusive of tax) per share for 2025 based on the total share capital registered on the date of the share register for the implementation of the equity distribution (net of the shares in the Company's special account for repurchase), and it is expected to distribute RMB1,040,735,135.63.

The Group has no other material events after the balance sheet date other than the above-mentioned events.

XV. NON-MONETARY ASSET EXCHANGE

There were no significant non-monetary asset exchanges and transactions for the Group during the current period.

XVI. DEBT RESTRUCTURING

The Group had no significant debt restructuring transactions during the period.

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Notes to the Financial Statements

For the period ended 30 June 2025
(Unless indicated otherwise, all amounts are expressed in RMB)

XVII. NOTES TO THE MAIN ITEMS IN THE FINANCIAL STATEMENTS OF THE PARENT COMPANY

1. CASH AND BANK BALANCES

Item	Closing balance			Opening balance		
	Amount in original currency	Exchange rate	Amount in RMB	Amount in original currency	Exchange rate	Amount in RMB
Cash on hand	—	—	11,320.17	—	—	10,533.36
Including: Others	—	—	11,320.17	—	—	10,533.36
Cash at banks	—	—	2,362,858,757.69	—	—	3,735,521,605.70
Including: RMB	1,482,143,089.29	1.00000	1,482,143,089.29	3,113,412,672.87	1.00000	3,113,412,672.87
USD	122,573,727.77	7.16680	878,461,392.19	80,416,719.45	7.18840	578,067,546.09
HKD	2,222,677.79	0.91298	2,029,260.37	37,961,258.44	0.92604	35,153,643.77
JPY	177.00	0.04948	8.76	186,948,177.00	0.04623	8,642,614.22
Others	—	—	225,007.08	—	—	245,128.75
Other cash and bank balances	—	—	8,702,551.98	—	—	5,527,589.79
Including: Deposited in external financial institutions	—	—	4,685,885.30	—	—	2,484,423.12
Including: RMB	4,685,885.30	1.00000	4,685,885.30	2,484,423.12	1.00000	2,484,423.12
Deposited in finance companies	—	—	4,016,666.68	—	—	3,043,166.67
Including: RMB	4,016,666.68	1.00000	4,016,666.68	3,043,166.67	1.00000	3,043,166.67
Deposits with finance companies	—	—	1,904,594,351.12	—	—	1,770,607,208.73
Including: RMB	1,903,387,206.68	1.00000	1,903,387,206.68	1,768,108,974.93	1.00000	1,768,108,974.93
USD	168,435.41	7.16680	1,207,142.89	165,850.13	7.18840	1,192,197.07
HKD	1.70	0.91298	1.55	1,410,345.91	0.92604	1,306,036.73
Total	—	—	4,276,166,980.96	—	—	5,511,666,937.58
Including: Total amount deposited abroad	—	—	—	—	—	—

(1) Restricted use of cash and bank balances at the end of the period

Item	Closing balance	Opening balance	Reasons for restricted use
Interest receivable	8,459,858.87	5,284,896.68	Not yet settled
Credit card deposits	134,797.50	134,797.50	Credit card deposits
Security margin	107,895.61	107,895.61	Security margin
Total	8,702,551.98	5,527,589.79	—

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Notes to the Financial Statements

For the period ended 30 June 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

XVII. NOTES TO THE MAIN ITEMS IN THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (CONTINUED)

2. ACCOUNTS RECEIVABLE

(1) Overall status of accounts receivable

Item	Closing balance	Opening balance
Accounts receivable	1,086,816,307.81	996,957,595.92
Less: Credit loss provision	58,046,210.45	26,510,471.51
Total	1,028,770,097.36	970,447,124.41

(2) Overall aging of accounts receivable

The aging analysis of accounts receivable based on the transaction date is as follows:

Item	Closing balance			Opening balance		
	Book balance	Proportion (%)	Credit loss provision	Book balance	Proportion (%)	Credit loss provision
Within 1 year (including 1 year)	966,322,612.76	88.91	10,805,891.49	946,097,928.73	94.90	10,555,474.44
1 to 2 years (including 2 years)	98,767,837.64	9.09	41,009,240.41	37,726,262.05	3.78	14,323,067.74
2 to 3 years (including 3 years)	10,873,909.02	1.00	3,154,070.31	6,645,873.55	0.67	608,036.06
Over 3 years	10,851,948.39	1.00	3,077,008.24	6,487,531.59	0.65	1,023,893.27
Total	1,086,816,307.81	100.00	58,046,210.45	996,957,595.92	100.00	26,510,471.51

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Notes to the Financial Statements

For the period ended 30 June 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

XVII. NOTES TO THE MAIN ITEMS IN THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (CONTINUED)

2. ACCOUNTS RECEIVABLE (CONTINUED)

(3) Classification of accounts receivable (Continued)

Including: Accounts receivable with individual credit loss provisions at the end of the period

Company name	Book balance	Credit loss provision	Expected credit loss ratio (%)	Reasons for accrual
Others	216,700.12	216,700.12	100.00	Involved in litigation and not expected to be recovered
Total	216,700.12	216,700.12	—	—

(4) Accounts receivable of low-risk portfolio

Item	Book balance	Expected credit loss ratio (%)	Credit loss provision
Accounts receivable from related parties	236,541,099.08	—	—
Total	236,541,099.08	—	—

(5) Accounts receivable of aging portfolios

Item	Book balance	Expected credit loss ratio (%)	Credit loss provision
Within 1 year (including 1 year)	745,233,896.12	1.45	10,805,891.49
1 to 2 years (including 2 years)	98,390,691.96	41.68	41,009,240.41
2 to 3 years (including 3 years)	3,573,612.41	88.26	3,154,070.31
Over 3 years	2,860,308.12	100.00	2,860,308.12
Total	850,058,508.61	—	57,829,510.33

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Notes to the Financial Statements

For the period ended 30 June 2025
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XVII. NOTES TO THE MAIN ITEMS IN THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (CONTINUED)

2. ACCOUNTS RECEIVABLE (CONTINUED)

(6) Changes in credit loss provision of accounts receivable

Item	Opening balance	Accrual	Amount of change during the period			Closing balance
			Recovery or reversal	Carry-forward or write-off	Other changes	
Current period	26,510,471.51	31,535,738.94	–	–	–	58,046,210.45
Prior period	42,723,391.03	24,553,691.83	59,784.88	–	–	67,217,297.98

- (7) The Company had no credit loss provisions recovered or reversed during the period.
- (8) The Company had no actual write-off of accounts receivable during the period.
- (9) The Company had no outstanding amounts due from shareholders holding 5% (including 5%) voting shares at the end of the period.

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Notes to the Financial Statements

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XVII. NOTES TO THE MAIN ITEMS IN THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (CONTINUED)

2. ACCOUNTS RECEIVABLE (CONTINUED)

(10) Top five in terms of accounts receivable

Company name	Relationship with the Company	Book balance	Aging	Credit loss provision	As a percentage of total accounts receivable (%)
Hunan Zhongnan International Land Port Co., Ltd.	Subsidiary	114,360,177.98	Within 1 year	—	10.53
Entity 1	Client	58,045,644.16	Within 1 year, 1 to 2 years	6,643,813.70	5.34
Entity 2	Client	48,561,787.51	Within 1 year	704,145.92	4.47
Entity 3	Client	46,563,664.04	Within 1 year	675,173.13	4.28
Sinotrans Shenzhen International Logistics Co., Ltd.	Subsidiary	32,073,414.54	Within 1 year	—	2.95
Total	—	299,604,688.23	—	8,023,132.75	27.57

(11) The Group had no accounts receivable involving government grants at the end of the period.

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Notes to the Financial Statements

For the period ended 30 June 2025
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XVII. NOTES TO THE MAIN ITEMS IN THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (CONTINUED)

3. RECEIVABLES FINANCING

Category	Closing balance	Opening balance
Bank acceptance bills	31,980,447.67	8,812,734.22
Total	31,980,447.67	8,812,734.22

(1) There were no bank acceptance bills due to defective endorsement, etc. at the end of the period.

(2) There were no pledged receivables financing at the end of the period.

(3) **Receivables financing that have been endorsed or discounted at the end of the period and are not yet due at the balance sheet date**

Category	Amount derecognised at the end of the period	Amount not derecognised at the end of the period
Bank acceptance bills	27,212,226.70	—
Total	27,212,226.70	—

Note: The Company determines whether the bank acceptance bills receivable should be derecognised upon endorsement or discounting based on the credit risk rating of the acceptance bank. As the acceptance banks of the bank acceptance bills obtained by the Company are mainly large commercial banks and listed joint-stock commercial banks with high credit ratings, other bank acceptance bills do not account for a significant proportion and have small individual amounts and a large quantity. The Company derecognises the bank acceptance bills upon endorsement or discounting based on the materiality principle, unless public information indicates that there are significant abnormal changes in the credit risk of the acceptance banks.

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XVII. NOTES TO THE MAIN ITEMS IN THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (CONTINUED)

3. RECEIVABLES FINANCING (CONTINUED)

- (4) There were no receivables financings at the end of the period that were transferred to accounts receivable as a result of the non-performance of the issuer.

(5) **Credit loss provision for receivables financing**

Category	Closing balance				Opening balance			
	Book balance		Credit loss provision		Book balance		Credit loss provision	
	Proportion		Expected credit loss		Proportion		Expected credit loss	
	Amount	(%)	Amount	ratio (%)	Amount	(%)	Amount	ratio (%)
Credit loss provisions by portfolio	31,980,447.67	-	-	-	8,812,734.22	-	-	-
Total	31,980,447.67	-	-	—	8,812,734.22	-	-	—

1) **Receivables financing with credit loss provision on a portfolio basis**

Category	Closing balance		
	Book balance	Credit loss provision	Expected credit loss ratio (%)
Bank acceptance bills portfolio	31,980,447.67	-	-
Total	31,980,447.67	-	—

Note: As at 30 June 2025 and 31 December 2024, there were no bank acceptance bills held by the Group subject to significant credit risk and resulting in significant losses due to bank default (bills receivable are expected to be collected in full). The Company had no provision for credit losses based on materiality considerations.

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XVII. NOTES TO THE MAIN ITEMS IN THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (CONTINUED)

3. RECEIVABLES FINANCING (CONTINUED)

(6) There was no actual write-off of receivables financing during the period.

(7) Changes in receivables financing and fair value movements during the period

Note: Bank acceptance bills held by the Company at fair value through other comprehensive income are mainly accepted by large commercial banks with high credit ratings and listed share-holding commercial banks, with maturities of less than 6 months and very low credit risk. At the balance sheet date, the book value of the bank acceptance bills receivable approximates the fair value.

(8) There were no outstanding amounts due from shareholders holding 5% (including 5%) voting shares at the end of the period.

(9) The maturity date of the bank acceptance bills mentioned above is all within 360 days.

4. OTHER RECEIVABLES

Item	Closing balance	Opening balance
Interest receivable	—	—
Dividends receivable	34,135,672.11	25,553,731.83
Other receivables	14,879,899,913.13	14,169,160,830.41
Total	14,914,035,585.24	14,194,714,562.24

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XVII. NOTES TO THE MAIN ITEMS IN THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (CONTINUED)

4. OTHER RECEIVABLES (CONTINUED)

(1) Dividends receivable

Investee	Opening balance	Increase due to changes in the scope of consolidation	Increase in current period	Decrease in current period	Translation differences of the financial statements in foreign currency	Closing balance	Reason for non-recovery	Whether an impairment occurs and judgment basis
Dividends receivable aged within 1 year								
Sinotrans (Japan) Co., Ltd.	1,479,000.00	-	9,040,940.28	459,000.00	-	10,060,940.28	—	—
	-	-	9,040,940.28	-	-	9,040,940.28	Declared but not yet issued	No
Sinotrans Shandong Asia-Europe IOT Operation Co., Ltd.	1,020,000.00	-	-	-	-	1,020,000.00	Declared but not yet issued	No
Sinotrans Suzhou Logistics Center Co., Ltd.	459,000.00	-	-	459,000.00	-	-	—	—
Dividends receivable aged over 1 year								
Sinotrans Eastern Company Limited	24,074,731.83	-	-	-	-	24,074,731.83	—	—
	10,904,887.09	-	-	-	-	10,904,887.09	Support the development of subsidiary	No
Sinotrans Anhui Co., Ltd.	8,067,261.02	-	-	-	-	8,067,261.02	Support the development of subsidiary	No
Trade Sky International Limited	3,241,600.00	-	-	-	-	3,241,600.00	Support the development of subsidiary	No
SINOTRANS ALMAJOUIE MIDDLE EAST CO., LTD.	1,860,983.72	-	-	-	-	1,860,983.72	Incomplete payment approval process	No
Total	25,553,731.83	-	9,040,940.28	459,000.00	-	34,135,672.11	—	—

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XVII. NOTES TO THE MAIN ITEMS IN THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (CONTINUED)

4. OTHER RECEIVABLES (CONTINUED)

(2) Other receivables

1) Analysis by aging

Item	Closing balance			Opening balance		
	Book balance	Proportion (%)	Credit loss provision	Book balance	Proportion (%)	Credit loss provision
Within 1 year (including 1 year)	3,204,109,594.49	21.53	-	1,908,983,474.06	13.47	-
1 to 2 years (including 2 years)	5,657,687,135.99	38.02	-	7,285,230,282.20	51.42	-
2 to 3 years (including 3 years)	1,407,295,774.98	9.46	-	932,708,997.39	6.58	-
Over 3 years	4,610,807,407.67	30.99	-	4,042,238,076.76	28.53	-
Total	14,879,899,913.13	100.00	-	14,169,160,830.41	100.00	-

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For the period ended 30 June 2025

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XVII. NOTES TO THE MAIN ITEMS IN THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (CONTINUED)

4. OTHER RECEIVABLES (CONTINUED)

(2) Other receivables (Continued)

2) Classification of other receivables

Category	Closing balance			Opening balance			Credit loss provision			Book value
	Book balance		Expected credit loss ratio (%)	Book balance		Expected credit loss ratio (%)	Credit loss provision			
	Amount	Proportion (%)		Amount	Proportion (%)		Amount	Accrual ratio (%)		
Credit loss provisions on an individual basis	-	-	-	-	-	-	-	-	-	-
Credit loss provisions by portfolio	14,879,899,913.13	100.00	-	14,879,899,913.13	14,169,160,830.41	100.00	-	-	-	14,169,160,830.41
Including:										
Low-risk portfolio	14,879,899,913.13	100.00	-	14,879,899,913.13	14,169,160,830.41	100.00	-	-	-	14,169,160,830.41
Aging portfolio within 1 year	-	-	-	-	-	-	-	-	-	-
Aging portfolio over 1 year	-	-	-	-	-	-	-	-	-	-
Total	14,879,899,913.13	—	-	14,879,899,913.13	14,169,160,830.41	—	-	-	—	14,169,160,830.41

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XVII. NOTES TO THE MAIN ITEMS IN THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (CONTINUED)

4. OTHER RECEIVABLES (CONTINUED)

(2) Other receivables (Continued)

3) Other receivables of low-risk portfolio

Item	Book balance	Expected credit loss ratio (%)	Credit loss provision
Related party payments	14,514,312,036.05	—	—
Payment for disposal of equity	261,216,249.29	—	—
Advances	68,610,573.65	—	—
Deposits, collateral	28,524,637.54	—	—
Government grants	2,000,000.00	—	—
Others	5,236,416.60	—	—
Total	14,879,899,913.13	—	—

4) Analysis by nature of payments

Item	Closing balance			Opening balance		
	Book balance	Credit loss provision	Book value	Book balance	Credit loss provision	Book value
Related party payments	14,514,312,036.05	—	14,514,312,036.05	14,073,822,034.18	—	14,073,822,034.18
Payment for disposal of equity	261,216,249.29	—	261,216,249.29	37,350,000.00	—	37,350,000.00
Advances	68,610,573.65	—	68,610,573.65	33,923,156.73	—	33,923,156.73
Deposits, collateral	28,524,637.54	—	28,524,637.54	16,157,444.67	—	16,157,444.67
Government grants	2,000,000.00	—	2,000,000.00	5,000,000.00	—	5,000,000.00
Others	5,236,416.60	—	5,236,416.60	2,908,194.83	—	2,908,194.83
Total	14,879,899,913.13	—	14,879,899,913.13	14,169,160,830.41	—	14,169,160,830.41

5) Outstanding debts of shareholders holding more than 5% (including 5%) voting shares of the Company

Company name	Closing balance		Opening balance	
	Amount owed	Credit loss provision	Amount owed	Credit loss provision
SINOTRANS & CSC HOLDINGS Co., Ltd.	2,493.20	—	2,493.20	—
Total	2,493.20	—	2,493.20	—

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Notes to the Financial Statements

For the period ended 30 June 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

XVII. NOTES TO THE MAIN ITEMS IN THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (CONTINUED)

4. OTHER RECEIVABLES (CONTINUED)

(2) Other receivables (Continued)

6) The top five of the closing balances in other receivables

Company name	Relationship with the Company	Book balance	Aging	Percentage of total other receivables (%)	Credit loss provision	Nature or content
Sinotrans Logistics Co., Ltd.	Subsidiary	5,864,536,139.89	Within 1 year, 1 to 2 years, 2 to 3 years, over 3 years	39.42	-	Related party payments
SINOTRANS (HK) LOGISTICS LIMITED	Subsidiary	2,137,358,709.31	Within 1 year, 1 to 2 years, 2 to 3 years, over 3 years	14.36	-	Related party payments
Sinotrans South China Co., Ltd.	Subsidiary	1,463,867,569.28	Within 1 year, 1 to 2 years, 2 to 3 years, over 3 years	9.84	-	Related party payments
Sinotrans Logistics Investment Holdings Co., Ltd.	Subsidiary	1,458,322,558.26	Within 1 year, 1 to 2 years, 2 to 3 years, over 3 years	9.80	-	Related party payments
Sinotrans Air Transport Co., Ltd.	Subsidiary	1,006,552,006.34	Within 1 year, 1 to 2 years, 2 to 3 years, over 3 years	6.76	-	Related party payments
Total	—	11,930,636,983.08	—	80.18	-	—

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XVII. NOTES TO THE MAIN ITEMS IN THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (CONTINUED)

4. OTHER RECEIVABLES (CONTINUED)

(2) Other receivables (Continued)

7) Related party payments

Company name	Relationship with the Company	Book balance	Percentage of total other receivables (%)
Sinotrans Logistics Co., Ltd.	Subsidiary	5,864,536,139.89	39.41
SINOTRANS (HK) LOGISTICS LIMITED	Subsidiary	2,137,358,709.31	14.36
Sinotrans South China Co., Ltd.	Subsidiary	1,463,867,569.28	9.84
Sinotrans Logistics Investment Holdings Co., Ltd.	Subsidiary	1,458,322,558.26	9.80
Sinotrans Air Transport Co., Ltd.	Subsidiary	1,006,552,006.34	6.76
Sinotrans Eastern Company Limited	Subsidiary	978,970,452.53	6.58
Sinotrans Logistics Development Co., Ltd.	Subsidiary	257,279,608.09	1.73
Sinotrans Fujian Co., Ltd.	Subsidiary	173,050,572.59	1.16
Sinotrans Heavy-lift Logistics Co., Ltd.	Subsidiary	140,762,529.73	0.95
Ningbo Meishan Bonded Port Area Sinotrans Supply Chain Management Co., Ltd.	Subsidiary	134,194,689.14	0.90
Sinotrans Landbridge Transportation Co., Ltd.	Subsidiary	130,534,042.79	0.88
Sinotrans Guangxi Co., Ltd.	Subsidiary	81,072,795.87	0.54
Shenzhen Sinotrans Logistics Co., Ltd.	Subsidiary	80,137,561.33	0.54
Sinotrans Innovative Technology Co., Ltd.	Subsidiary	71,687,407.92	0.48
Zhongshan Sinotrans Logistics Co., Ltd.	Subsidiary	56,660,000.00	0.38
Dongying Sinotrans Logistics Co., Ltd.	Subsidiary	40,900,000.00	0.27
Shanghai Sinotrans Weiyun International Logistics Co., Ltd.	Subsidiary	35,676,646.19	0.24
Sinotrans Northeast Co., Ltd.	Subsidiary	35,046,178.09	0.24
Sinotrans Chemical International Logistics Co., Ltd.	Subsidiary	23,580,644.32	0.16
Guangdong Sinotrans Huangpu Warehouse Code Co., Ltd.	Subsidiary	20,000,000.00	0.13
Others	—	324,121,924.38	2.19
Total	—	14,514,312,036.05	97.54

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XVII. NOTES TO THE MAIN ITEMS IN THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (CONTINUED)

4. OTHER RECEIVABLES (CONTINUED)

(2) Other receivables (Continued)

8) Other receivables in relation to government grants

Company name	Government grant items	Closing balance	Closing aging	Expected time and amount to be received
Entity 1	Relocation grants	2,000,000.00	1 to 2 years	Full payment is expected to be recovered by the end of 2025
Total	—	2,000,000.00	—	—

9) There were no prepayments transferred to other receivables during the period.

10) The Company had no other receivables related to the centralized management of funds at the end of the period.

5. LONG-TERM EQUITY INVESTMENTS

(1) Classification of long-term equity investments

Item	Opening balance	Increase in investment	Decrease in investment	Other increases (Decrease denoted by "-")	Effects from translation in foreign currency statements	Closing balance
Investments in subsidiaries	17,378,127,429.47	360,661,594.57	-	-	-	17,738,789,024.04
Investments in joint ventures	2,112,162,474.43	-	-	465,113,736.90	-	2,577,276,211.33
Investments in associates	227,012,155.92	-	-	-7,177,703.78	-	219,834,452.14
Subtotal	19,717,302,059.82	360,661,594.57	-	457,936,033.12	-	20,535,899,687.51
Less: Impairment provision of long-term equity investments	-	-	-	-	-	-
Total	19,717,302,059.82	360,661,594.57	-	457,936,033.12	-	20,535,899,687.51

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For the period ended 30 June 2025
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XVII. NOTES TO THE MAIN ITEMS IN THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (CONTINUED)

5. LONG-TERM EQUITY INVESTMENTS (CONTINUED)

(2) Details of long-term equity investments

1) Investments in associates and joint ventures

Investee	Investment costs	Opening balance	Increase in investment	Decrease in investment	Investment profit or loss under the equity method	Changes in current period				Effects from translation in foreign currency statements	Others	Closing balance	Closing balance of impairment provision
						Other comprehensive income adjustments	Other changes in equity	Cash dividends and profits declared	Impairment provision				
Joint ventures													
DHL-Sinotrans International Air Courier Ltd.	443,264,788.72	2,112,162,474.43	-	-	465,113,736.90	-	-	-	-	-	-	2,577,276,211.33	-
Nissin-Sinotrans International Logistics Co., Ltd.	69,144,506.07	1,693,470,760.02	-	-	456,143,084.41	-	-	-	-	-	-	2,149,613,844.43	-
Sinotrans Suzhou Logistics Center Co., Ltd.	55,516,961.25	130,515,940.24	-	-	7,235,065.89	-	-	-	-	-	-	137,751,006.13	-
TP Ease Energy Co., Ltd.	97,896,300.00	110,555,639.02	-	-	1,090,047.98	-	-	-	-	-	-	111,645,687.00	-
Sinotrans PFS Cold Chain Logistics Co., Ltd.	100,000,000.00	99,082,477.89	-	-	-2,917,547.36	-	-	-	-	-	-	96,164,930.53	-
Sinotrans Logistics (Pakistan) Limited	90,000,000.00	44,691,807.42	-	-	250,619.41	-	-	-	-	-	-	44,942,426.83	-
Shanghai United Cold Chain Logistics Co., Ltd.	1,457,004.00	6,772,279.94	-	-	-289,633.10	-	-	-	-	-	-	6,482,746.84	-
Others	15,000,000.00	6,459,751.49	-	-	-554,636.67	-	-	-	-	-	-	5,905,114.82	-
Associates	14,246,018.40	20,613,618.41	-	-	4,156,636.34	-	-	-	-	-	-	24,770,454.75	-
Shanghai Pu'an Storage Co., Ltd.	234,985,246.67	227,012,155.92	-	-	-7,177,703.78	-	-	-	-	-	-	219,834,452.14	-
Qingzhui Logistics Technology Co., Ltd.	78,173,640.00	82,302,033.69	-	-	-3,387,905.53	-	-	-	-	-	-	78,914,128.16	-
China Merchants Sinotrans (Shenzhen) Industrial	49,000,000.00	37,414,633.55	-	-	-2,969,150.76	-	-	-	-	-	-	34,445,482.79	-
Innovation Private Equity Investment Fund	56,496,379.67	36,757,620.23	-	-	-1,487,404.80	-	-	-	-	-	-	35,270,215.43	-
Partnership (Limited Partnership)													
Ma'an Shan Tianshun Port Co., Ltd.	21,000,000.00	32,939,046.57	-	-	714,177.73	-	-	-	-	-	-	33,653,224.30	-
Shanghai Bulk Commodity Warehouse Receipt Registration Co., Ltd.	30,000,000.00	29,598,669.93	-	-	-389,431.33	-	-	-	-	-	-	29,209,238.60	-
China International Exhibition Transportation Co., Ltd.	315,227.00	8,000,151.95	-	-	342,010.91	-	-	-	-	-	-	8,342,162.86	-
Total	678,250,036.39	2,339,174,630.35	-	-	457,936,033.12	-	-	-	-	-	-	2,797,110,663.47	-

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Notes to the Financial Statements

For the period ended 30 June 2025

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XVII. NOTES TO THE MAIN ITEMS IN THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (CONTINUED)

5. LONG-TERM EQUITY INVESTMENTS (CONTINUED)

(2) Details of long-term equity investments (Continued)

2) Investments in subsidiaries

Name of investees	Opening balance	Increase in current period	Decrease in current period	Effects from translation in foreign currency statements	Closing balance
Sinotrans Air Transport Development Co., Ltd.	5,858,496,478.11	195,888.68	-	-	5,858,692,366.79
Sinotrans Logistics Co., Ltd.	4,741,465,047.02	287,391.48	-	-	4,741,752,438.50
Sinotrans South China Co., Ltd.	1,282,008,121.43	427,783.85	-	-	1,282,435,905.28
Sinotrans Eastern Company Limited	1,085,827,194.48	274,838.74	-	-	1,086,102,033.22
Sinotrans Changjiang Co., Ltd.	1,005,239,222.06	27,748.14	-	-	1,005,266,970.20
Sinotrans Central China Co., Ltd.	980,292,455.40	262,286.01	-	-	980,554,741.41
Sinotrans Logistics Investment Holdings Co., Ltd.	495,887,836.81	108,414,325.38	-	-	604,302,162.19
Wide Shine Development Limited	430,372,292.05	-	-	-	430,372,292.05
Trade Sky International Limited	341,057,315.76	-	-	-	341,057,315.76
Sinotrans Cold Chain Logistics Co., Ltd.	68,250,626.93	150,000,000.00	-	-	218,250,626.93
Sinotrans Fujian Co., Ltd.	201,172,981.50	11,561.73	-	-	201,184,543.23
Sinotrans Engineering Logistics Co., Ltd.	140,000,000.00	-	-	-	140,000,000.00
Sinotrans Northeast Co. Ltd	138,272,873.32	147,659.75	-	-	138,420,533.07
Sinotrans North China Co., Ltd.	137,470,295.55	117,929.61	-	-	137,588,225.16
Sinotrans Heavy-lift Logistics Co., Ltd.	135,149,538.56	34,354.84	-	-	135,183,893.40
Sinotrans Hubei Company Limited	121,352,393.11	-	-	-	121,352,393.11
Sinotrans Innovative Technology Co., Ltd.	100,583,416.92	27,748.14	-	-	100,611,165.06
Sinotrans Southwest (Chongqing) Logistics Development Co., Ltd.	-	100,050,871.59	-	-	100,050,871.59
Others	115,229,340.46	381,206.63	-	-	115,610,547.09
Total	17,378,127,429.47	360,661,594.57	-	-	17,738,789,024.04

Note: The increase in long-term equity investments in subsidiaries during the period was due to the capital increase of RMB150 million in Sinotrans Cold Chain Logistics Co., Ltd., the capital increase of RMB108.34 million in Sinotrans Logistics Investment Holdings Co., Ltd., the capital contribution of RMB100 million by Sinotrans Southwest (Chongqing) Logistics Development Co., Ltd., a newly established wholly-owned subsidiary, and the granting of stock options by the Company to the employees of a number of its subsidiaries (please refer to Note IX.69 for details), which resulted in an increase of RMB2.3216 million in long-term equity investments in subsidiaries.

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Notes to the Financial Statements

For the period ended 30 June 2025
(Unless indicated otherwise, all amounts are expressed in RMB)

XVII. NOTES TO THE MAIN ITEMS IN THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (CONTINUED)

5. LONG-TERM EQUITY INVESTMENTS (CONTINUED)

- (3) As of 30 June 2025, the Company reviewed the operating conditions, asset status, and industry operating environment of its major subsidiaries, joint ventures, or associates, and found no obvious signs of impairment. Therefore, no impairment provision was made for long-term equity investments during the period.
- (4) As at 30 June 2025, there were no significant restrictions on the Company's ability to transfer funds from joint ventures or associates to the Company.
- (5) The Company had no significant excess losses incurred in its joint ventures or associates during the period.
- (6) As at 30 June 2025, except for unpaid subscribed capital contributions to joint ventures (see Note XIII. for details), the Company had no unrecognised commitments to provide funds or resources to joint ventures, or to purchase shares of interests in joint ventures.

6. SHORT-TERM BORROWINGS

(1) Classification of short-term borrowings

Category	Closing balance	Opening balance
Fiduciary loans	350,620,465.51	1,981,557,305.56
Total	350,620,465.51	1,981,557,305.56

- (2) No short-term borrowings were due but outstanding at the end of the period.

7. LONG-TERM BORROWINGS

Type of loan	Closing balance	Opening balance	Interest rate range at the end of the period (%)
Fiduciary loans	67,000,000.00	67,000,000.00	1.20
Total	67,000,000.00	67,000,000.00	—
Less: Long-term borrowings due within one year	—	—	—
Including: Fiduciary loans	—	—	—
Long-term borrowings due after one year	67,000,000.00	67,000,000.00	—

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XVII. NOTES TO THE MAIN ITEMS IN THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (CONTINUED)

7. LONG-TERM BORROWINGS (CONTINUED)

(1) No long-term borrowings were outstanding at the end of the period.

(2) **Top five long-term borrowings in the closing balance (including long-term borrowings due within one year)**

Loan unit	Borrowing start date	Borrowing termination date	Currency	Interest rate (%)	Closing balance		Opening balance	
					Foreign currency	Local currency	Foreign currency	Local currency
Agricultural Development Bank of China	2015-11-20	2034-11-17	RMB	1.20	-	40,000,000.00	-	40,000,000.00
Agricultural Development Bank of China	2016-02-29	2033-02-28	RMB	1.20	-	27,000,000.00	-	27,000,000.00

(3) The Company had no long-term borrowings extended at the end of the period.

(4) At the end of the period, the Company had no loan arrangements classified as non-current liabilities by relying on the right to defer the settlement of liabilities, which was subject to the contractual conditions that should be complied with within one year after the balance sheet date.

(5) **The maturity date of long-term borrowings is analysed as follows**

Item	Closing balance	Opening balance
1 to 2 years (including 2 years)	-	-
2 to 5 years (including 5 years)	-	-
Over 5 years	67,000,000.00	67,000,000.00
Total	67,000,000.00	67,000,000.00

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Notes to the Financial Statements

For the period ended 30 June 2025
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XVII. NOTES TO THE MAIN ITEMS IN THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (CONTINUED)

8. BONDS PAYABLE

(1) Details of bonds payable

Item	Closing balance	Opening balance
2024 medium-term notes (phase I)	2,031,060,182.64	2,010,133,607.30
25 Sinotrans bond K1	2,014,805,114.15	—
2021 corporate bonds (phase I)	20,488,553.91	20,274,129.26
Less: Bonds payable due within one year	48,675,963.46	11,495,307.76
Total	4,017,677,887.24	2,018,912,428.80

Note: The details of bonds payable are described in Note IX.34.

(2) The maturity date of bonds payable is analysed as follows

Item	Closing balance	Opening balance
1 to 2 years (including 2 years)	19,997,430.61	19,998,638.85
2 to 5 years (including 5 years)	3,997,680,456.63	1,998,913,789.95
Total	4,017,677,887.24	2,018,912,428.80

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Notes to the Financial Statements

For the period ended 30 June 2025

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XVII. NOTES TO THE MAIN ITEMS IN THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (CONTINUED)

8. BONDS PAYABLE (CONTINUED)

(3) Specifics of bonds payable

Bond name	Face value	Coupon rate (%)	Issue date	Bond term	Issue amount	Opening balance	Effects from changes in the scope of consolidation	Issue in the current period	Interest accrued at face value	Amortisation of premium and discount	Current repayments and interest payments	Effects from translation in foreign currency statements	Closing balance	In default
2024 medium-term notes (phase I)	2,000,000,000.00	2.08	2024-09-18	3 years	2,000,000,000.00	2,010,133,607.30	-	-	20,829,041.08	297,534.26	-	-	2,031,060,182.64	No
25 Sinotrans bond (K1)	2,000,000,000.00	1.79	2025-01-21	3 years	2,000,000,000.00	-	-	1,998,960,000.00	15,893,150.69	151,963.46	-	-	2,014,805,114.15	No
2021 corporate bonds (phase I)	2,000,000,000.00	2.15	2021-07-26	5 years	2,000,000,000.00	20,274,123.26	-	-	213,232.89	1,191.76	-	-	20,488,553.91	No
Total	6,000,000,000.00	-	-	-	6,000,000,000.00	2,030,407,736.56	-	1,998,960,000.00	36,535,424.66	450,689.48	-	-	4,066,353,850.70	-
Less: Bonds payable due within one year	-	-	-	-	-	11,495,307.76	-	-	-	-	-	-	48,675,963.46	-
Bonds payable due after one year	-	-	-	-	-	2,018,912,428.80	-	-	-	-	-	-	4,017,677,887.24	-

Note: The Company's bonds payable have a coupon rate that approximates the effective interest rate, and the amount of premium and discount is small. The Company uses the simplified method to amortise the premium and discount amounts evenly over the term of the bonds.

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Notes to the Financial Statements

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XVII. NOTES TO THE MAIN ITEMS IN THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (CONTINUED)

9. CAPITAL RESERVES

Item	Opening balance	Increase in current period	Decrease in current period	Closing balance
I. Share capital premium	10,664,677,505.96	25,439,746.24	9,500,791.60	10,680,616,460.60
1. Capital invested by investors	10,753,204,807.03	25,439,746.24	9,500,791.60	10,769,143,761.67
2. Others	-88,527,301.07	-	-	-88,527,301.07
II. Other capital reserves	52,257,570.43	2,722,539.75	25,439,746.24	29,540,363.94
1. Other changes in the owner's equity of the investees other than net profit or loss, other comprehensive income and profit distributions	6,948,554.42	-	-	6,948,554.42
2. Share-based payment for unexercised rights	45,853,485.66	2,722,539.75	25,439,746.24	23,136,279.17
3. Others	-544,469.65	-	-	-544,469.65
Total	10,716,935,076.39	28,162,285.99	34,940,537.84	10,710,156,824.54
Including: Exclusively state-owned capital reserves	—	—	—	—

10. UNDISTRIBUTED PROFITS

Item	Current period	Prior period
Closing balance of the prior period	7,238,071,288.67	6,686,280,777.84
Add: Adjustments to opening undistributed profit	—	—
Opening balance of the current period	7,238,071,288.67	6,686,280,777.84
Increase in current period	457,817,528.49	767,602,417.11
Including: Net profit for the period	457,817,528.49	767,602,417.11
Decrease in current period	1,038,392,561.89	1,049,711,268.44
Including: Dividends distribution	1,038,392,561.89	1,049,711,268.44
Closing balance of the current period	6,657,496,255.27	6,404,171,926.51

11. OPERATING INCOME, COSTS

Item	Current period		Prior period	
	Income	Costs	Income	Costs
Agency and related business	1,231,342,244.76	1,212,082,462.72	1,951,683,251.47	1,871,796,647.72
Logistics	904,478,203.09	841,262,544.96	818,164,521.32	777,696,857.33
Total	2,135,820,447.85	2,053,345,007.68	2,769,847,772.79	2,649,493,505.05

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XVII. NOTES TO THE MAIN ITEMS IN THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (CONTINUED)

11. OPERATING INCOME, COSTS (CONTINUED)

(1) Information related to performance obligations

January-June 2025

Item	Agency and related business	Logistics
Operating income	—	—
Including: Recognition at a certain point	1,231,342,244.76	904,478,203.09
Recognition within a certain period	—	—
Lease income	—	—
Total	1,231,342,244.76	904,478,203.09

January-June 2024

Item	Agency and related business	Logistics
Operating income	—	—
Including: Recognition at a certain point	1,951,683,251.47	818,164,521.32
Recognition within a certain period	—	—
Lease income	—	—
Total	1,951,683,251.47	818,164,521.32

The contents and prices of services are usually explicitly agreed in the contracts (agreements, orders, etc.) entered into between the Company and its customers, which do not involve complicated payment arrangements, and the Company has an unconditional right to receive payment upon completion of the relevant services, except for advance payment arrangements.

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Notes to the Financial Statements

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XVII. NOTES TO THE MAIN ITEMS IN THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (CONTINUED)

11. OPERATING INCOME, COSTS (CONTINUED)

(1) Information related to performance obligations (Continued)

The services provided by the Company to its customers were classified into two types: agency and related business, and logistics. The entrustment of a single customer may involve a single logistics process or multiple logistics processes. When multiple logistics processes are involved, the Company decides whether or not to treat them as a single performance obligation, taking into account factors such as the degree of interconnection and dependence of each logistics process. The professional logistics and agency and related businesses conducted based on the identity of the primarily responsible person carried out by the Company usually provide customers with point-to-point logistics services. This enables customers to both obtain and consume economic benefits from the Company's performance at the same time as the Company's performance. As these services are typically completed within a relatively short period within an accounting period. The provision of services across accounting periods is not significant for the Company. Therefore, the Company recognizes the realization of income at the point of completion of the aforementioned services.

The Company recognizes income from the agency and related business conducted in the capacity of an agent when the related act of the agency is completed.

The Company determines whether its identity at the time of performing a transaction is that of a principal or an agent based on whether it has control over the goods or services prior to transferring the goods or services to the customer. In the case of agency and related businesses, the Company's status as a principal or agent is determined primarily by considering whether it has assumed the corresponding risks and liabilities.

The logistics services provided by the Company to its customers are immediate consumable services, which usually do not involve warranty, refund and other arrangements. The Company accrues estimated liabilities, as appropriate, when it is required by customers to pay compensation for damage to goods in the course of providing services.

(2) Statement of apportionment to remaining performance obligations

The Company has entered into contracts (agreements, orders, etc.) with customers at the end of the period, but the portion of the transaction price for performance obligations that have not yet been performed or have not yet been fulfilled that has been received or receivable from the customer of RMB76,390,758.47 (closing balance of contract liabilities) will be recognised as revenue within one year. The remaining transaction prices are not presented due to the expected term of these contracts being less than one year, the dispersed nature of the customers involved, and the large number of contracts, which simplifies the treatment. The Company has no variable consideration clauses in the above contracts.

- (3) The Company had no significant contract changes or significant transaction price adjustments during the period. The amount of revenue adjusted to the provisional estimate in the current period as a result of the completion of the reconciliation and settlement of performance obligations that have been fulfilled (or partially fulfilled) in the prior year is not material.

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XVII. NOTES TO THE MAIN ITEMS IN THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (CONTINUED)

12. FINANCE COSTS

Item	Current period	Prior period
Interest expenses	85,050,545.65	161,257,159.69
Including: Bank and other borrowings	5,213,612.45	2,158,700.00
Bond interest	36,986,114.14	62,483,397.26
Interest expenses on lease liabilities	12,206,108.02	12,752,433.27
Interest on collection of funds from subsidiaries	30,644,711.04	83,862,629.16
Less: Capitalized interest expenses	—	—
Less: Interest income	68,372,490.22	122,469,164.32
Net exchange loss (net gains denoted by “-”)	7,441,365.70	-1,233,942.51
Others	2,096,516.03	479,084.74
Total	26,215,937.16	38,033,137.60

13. INVESTMENT INCOME

Item	Current period	Prior period
Income from long-term equity investments under the equity method	457,936,033.12	749,914,354.16
Investment income from the disposal of other non-current financial assets	150,966,255.29	—
Investment income from holding other non-current financial assets	9,079,494.00	—
Income from long-term equity investments under the cost method	—	193,050,067.31
Total	617,981,782.41	942,964,421.47

The Company has no significant restrictions on the repatriation of investment income.

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Notes to the Financial Statements

For the period ended 30 June 2025
(Unless indicated otherwise, all amounts are expressed in RMB)

XVII. NOTES TO THE MAIN ITEMS IN THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (CONTINUED)

14. SUPPLEMENTARY INFORMATION OF THE PARENT COMPANY IN THE CASH FLOW STATEMENT

Item	Current period	Prior period
1. Reconciliation of net profit to cash flows from operating activities:	—	—
Net profit	457,817,528.49	767,602,417.11
Add: Impairment of assets	—	—
Credit impairment loss	31,535,738.94	24,493,906.95
Depreciation of fixed assets and investment properties	3,135,960.08	3,480,425.28
Depreciation of right-of-use assets	12,965,562.51	13,106,417.23
Amortisation of intangible assets	29,863,682.38	30,926,461.53
Amortisation of long-term prepaid expenses	521,598.50	587,716.72
Losses from disposal of assets (gains denoted by “-”)	-11,716.37	-202,842.93
Losses from damage and scrapping of non-current assets (gains denoted by “-”)	-1,270.33	217,146.94
Losses from changes in fair value (gains denoted by “-”)	—	—
Finance costs (income denoted by “-”)	90,638,901.16	147,738,996.31
Investment losses (income denoted by “-”)	-617,981,782.41	-942,964,421.47
Decrease in deferred tax assets (increase denoted by “-”)	—	—
Increase in deferred tax liabilities (decrease denoted by “-”)	—	—
Decrease in inventories (increase denoted by “-”)	-4,800.00	-64,757.69
Decrease in operating receivables (increase denoted by “-”)	-237,756,236.60	-126,314,907.11
Increase in operating payables (decrease denoted by “-”)	-94,674,282.21	-13,355,897.32
Others	—	—
Net cash flows from operating activities	-323,951,115.86	-94,749,338.45
2. Major investing and financing activities not involving cash receipts and payments:	—	—
Conversion of debts into capital	—	—
Convertible corporate bonds due within one year	—	—
Fixed assets under financing lease	—	—
3. Net changes in cash and cash equivalents:	—	—
Closing balance of cash and cash equivalents	4,267,464,428.98	2,654,697,475.97
Less: Opening balance of cash and cash equivalents	5,506,139,347.79	6,678,660,070.77
Net increase in cash and cash equivalents	-1,238,674,918.81	-4,023,962,594.80

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Notes to the Financial Statements

For the period ended 30 June 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

XVIII. SUPPLEMENTARY INFORMATION

1. NON-RECURRING STATEMENT OF PROFIT OR LOSS FOR THE PERIOD

In accordance with the Explanatory Announcement No.1 on Information Disclosure for Companies Offering Securities to the Public – Non-recurring Profit or Loss (as amended in 2023) issued by the China Securities Regulatory Commission, the Group's non-recurring profit or loss for January-June 2025 are as follows:

Item	Current period	Prior period	Description
Gains and losses on disposal of non-current assets, including offsetting of asset impairment provision	491,118,127.84	11,748,840.55	—
Government grants recognized in current profit or loss, except for the government grants that are closely related to the Company's normal business operations, in line with the national policies and regulations, and in accordance with the determined criteria, and have a continuous impact on the Company's profit or loss	197,437,337.08	175,444,396.87	—
Gains and losses from changes in fair value of financial assets and liabilities held by non-financial corporations and gains and losses from the disposal of financial assets and liabilities, except for effective hedging business related to the Company's normal operations	8,032,659.00	-12,255,836.67	—
Fees charged to non-financial enterprises for fund occupancy included in current profit or loss	-	509,025.55	—
Profit or loss from entrusting others to invest or manage assets	-	-	—
Profit or loss from external entrusted loans	-	-	—
Loss of assets due to force majeure factors, such as natural disasters	-	-	—
Reversal of provision for impairment of receivables subject to separate impairment tests	4,943,564.27	9,776,111.24	—
Income from the fair value of identifiable net assets of investees when the investment cost of the enterprise for the acquisition of subsidiaries, associates and joint ventures is less than the investment obtained	-	-	—
Current net profit or loss of subsidiaries from the business combination under common control from the beginning of the period to the date of combination	-	303,038.59	—
Profit or loss from exchange of non-monetary assets	-	-	—
Profit or loss from debt restructuring	-	-	—
One-time costs incurred by the enterprise due to the fact that the relevant business activities are no longer continuing, such as expenses for relocating employees	-	-	—

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Notes to the Financial Statements

For the period ended 30 June 2025
(Unless indicated otherwise, all amounts are expressed in RMB)

XVIII.SUPPLEMENTARY INFORMATION (CONTINUED)

1. NON-RECURRING STATEMENT OF PROFIT OR LOSS FOR THE PERIOD (CONTINUED)

Item	Current period	Prior period	Description
One-time effect on current profit or loss due to adjustments in tax, accounting and other laws and regulations	-	-	—
One-time share-based payment expense recognized for cancellation and modification of equity incentive plans	-	-	—
For cash-settled share-based payments, gains and losses arising from changes in the fair value of employee benefits payable after the date of exercise of options	-	-	—
Profit or loss from changes in fair value of investment properties subsequently measured using the fair value model	-	-	—
Gains arising from transactions at significantly unfair prices	-	-	—
Profit or loss arising from contingencies irrelevant to the normal business operations of the company	-	-	—
Trusteeship fee income from entrusted operations	-	-	—
Other non-operating income and expenses not mentioned above	10,509,929.29	53,846,539.21	—
Other profit and loss items that meet the definition of non-recurring profit or loss	4,076,834.77	-	—
Subtotal	716,118,452.25	239,372,115.34	—
Income tax effect amount	-97,709,616.16	-24,146,286.68	—
Amount of minority interest impact (after tax)	-69,188,229.18	-68,732,539.55	—
Total	549,220,606.91	146,493,289.11	—

The Group does not have any non-recurring gains or losses recognized as items not listed in Explanatory Announcement No.1 on Information Disclosure for Companies Offering Securities to the Public – Non-recurring Profit or Loss, and the cases in which the non-recurring profit and loss items listed in Explanatory Announcement No.1 on Information Disclosure for Companies Offering Securities to the Public – Non-recurring Profit or Loss are defined as recurring gain or loss.

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Notes to the Financial Statements

For the period ended 30 June 2025

(Unless indicated otherwise, all amounts are expressed in RMB)

XVIII. SUPPLEMENTARY INFORMATION (CONTINUED)

2. RETURN ON NET ASSETS AND EARNINGS PER SHARE

In accordance with the Explanatory Announcement No. 9 on Information Disclosure for Companies Offering Securities to the Public – Calculation and Disclosure of Return on Net Assets and Earnings per Share (as amended in 2010) issued by CSRC, the weighted average return on net assets, basic earnings per share and diluted earnings per share of the Group for January-June 2025 are as follows:

Profit during the reporting period	Weighted average return on net assets (%)	EARNINGS PER SHARE	
		Basic earnings per share (RMB/share)	Diluted earnings per share (RMB/share)
Net profit attributable to shareholders of the Company	4.84	0.2707	0.2704
Net profit attributable to shareholders of the Company after deduction of non-recurring profit or loss	3.48	0.1943	0.1941

XIX. OTHER SIGNIFICANT EVENTS

The Group has no other significant events required to be disclosed during the period.

XX. APPROVAL OF THE FINANCIAL STATEMENTS

The Group's financial statements for January-June 2025 were approved for presentation by the Board of Directors of the Group on 26 August 2025.

Chairman: Zhang Yi

Submission Date as approved by the Board: 26 August 2025

REVISION HISTORY

☐ Applicable ☒ Not applicable



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