順豐控股股份有限公司
S.F. Holding Co., Ltd.

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

RESILIENCE FOR THE LONG TERM
AI-DRIVEN INNOVATION

2026 INTERIM REPORT

HOLDING 順豐控股

Stock Code 002352.SZ 6936.HK

COMPANY VISION

To be the well-respected and the world's leading digital intelligence logistics solution provider

Important Notice

The Company's Board of Directors, Directors, and senior management hereby guarantee that the contents of this interim report (the "Report") are true, accurate, and complete, and that there are no misrepresentations, misleading statements, or material omissions, and shall assume individual and joint legal liabilities.

The interim financial report is prepared in accordance with the International Financial Reporting Standards and reviewed by PricewaterhouseCoopers.

The Report has been considered and approved at the seventh meeting of the seventh session of the Board of Directors of the Company (the "Board Meeting") with all Directors present and voting in favor.

Forward-looking statements such as future development plans contained herein do not constitute any undertaking made by the Company to investors. Investors are advised to invest rationally and to take into account possible investment risks.

The profit distribution plan considered and approved at the Board Meeting is as follows: based on the total number of Shares at the record date in respect of the implementation of 2026 interim profit distribution plan, less the Shares in repurchase securities account of the Company, an interim cash dividend of RMB4.9 (tax inclusive) per 10 Shares will be distributed to all Shareholders. The Company will not carry out bonus issue or conversion of capital reserve into share capital for the six months ended June 30, 2026. Upon preliminary calculation using the Company's total number of Shares as of the date of this Report and excluding the Shares in the repurchase securities account on the even date, the amount of the 2026 interim cash dividend distribution is expected to be RMB2.50 billion, accounting for approximately 45% of the profit attributable to owners of the Company for the six months ended June 30, 2026. The Board has been authorized by the shareholders at the 2025 Annual General Meeting of the Company to determine and implement the 2026 interim profit distribution plan.

The Report is prepared in both Chinese and English versions. If there is any ambiguity in understanding the interim financial report, the English version shall prevail. If there is any ambiguity in understanding of other contents other than the interim financial report, the Chinese version shall prevail.

Contents

Corporate Information

Board of Directors

Executive Directors

Mr. Wang Wei *(Chairman)*

Mr. Ho Chit

Mr. Xu Bensong

Independent Non-executive Directors

Mr. Chan Charles Sheung Wai

Mr. Lee Carmelo Ka Sze

Dr. Ding Yi

Audit Committee

Mr. Chan Charles Sheung Wai *(Chairman)*

Mr. Lee Carmelo Ka Sze

Dr. Ding Yi

Remuneration and Appraisal Committee

Dr. Ding Yi *(Chairlady)*

Mr. Chan Charles Sheung Wai

Mr. Lee Carmelo Ka Sze

Nomination Committee

Mr. Lee Carmelo Ka Sze *(Chairman)*

Dr. Ding Yi

Mr. Wang Wei

Strategy Committee

Mr. Chan Charles Sheung Wai *(Chairman)*

Dr. Ding Yi

Mr. Wang Wei

Risk Management Committee

Mr. Ho Chit *(Chairman)*

Mr. Chan Charles Sheung Wai

Mr. Lee Carmelo Ka Sze

H Share Registrar

Tricor Investor Services Limited

17/F, Far East Finance Centre

16 Harcourt Road

Hong Kong

Legal Advisers

As to Hong Kong laws:

Herbert Smith Freehills Kramer

23rd Floor, Gloucester Tower

15 Queen's Road Central

Hong Kong

Auditor

PricewaterhouseCoopers

Certified Public Accountants and

Registered Public Interest Entity Auditor

22/F, Prince's Building

Central, Hong Kong

Registered Address in the PRC

3/F, Complex Building

SF South China Transit Center

No. 1111 Hangzhan 4th Road

Shenzhen Airport, Caowei Community

Hangcheng Sub-district, Bao'an District, Shenzhen

Guangdong Province, the PRC

Corporate Information

Principal Place of Business in the PRC

TK Chuangzhi Tiandi Building
Keji South 1st Road
Nanshan District, Shenzhen
Guangdong Province, the PRC

Principal Place of Business in Hong Kong

9/F, Asia Logistics Hub – SF Centre
36 Hong Wan Road, Tsing Yi
New Territories, Hong Kong

Joint Company Secretaries

Ms. Gan Ling
Ms. So Ka Man *(FCG, HKFCG)*

Authorized Representatives

Mr. Ho Chit
Ms. Gan Ling

Company's Website

www.sf-express.com

"SF Holding is the largest integrated logistics service provider in China and Asia, and the fourth largest in the world[1]"

Founded in 1993, SF has evolved into Asia's largest and the world's fourth-largest integrated logistics service provider through its 33-year development, ranking 372nd on the Fortune Global 500 list. SF serves over 2.39 million corporate clients with active credit accounts and more than 830 million individual consumers, and offers logistics services spanning time-definite express services, economy express services, freight services, cold chain and pharmaceutical logistics services, intra-city on-demand delivery services, as well as supply chain and international services (including international express services, international cargo and freight forwarding services, and supply chain services). Leveraging its industry-leading technology, SF empowers customers in building global, end-to-end one-stop secure and efficient smart supply chain systems, with the vision of becoming the well-respected and the world's leading digital intelligence logistics solution provider.

SF boasts an extensive global logistics service network, with domestic operations covering all cities in China. SF's international express services, international cargo and freight forwarding services, and supply chain services extend to 94 countries and regions globally, while its international small parcel delivery services establish the footprint in 186 countries and regions. SF is the premium brand in the logistics industry both in China and globally, having been listed for ten consecutive years among "China's Most Admired Companies" by Fortune China, and has ranked first in Express Delivery Service Public Satisfaction in China for 17 consecutive years. The Company's time-definite express services maintain a commanding market share in China. In China, SF ranks first in five segments[1]: express delivery, freight, cold chain, intra-city on-demand delivery[2], and supply chain services[3]. In Asia, SF ranks first in four segments[1]: express delivery, freight, intra-city on-demand delivery[2], and international services[4].

Looking ahead, as a global logistics leader connecting Asia with the rest of the world, SF will continue to leverage its well-recognized premium brand, extensive global network coverage and comprehensive logistics service capabilities to accelerate global development, drive sustainable and healthy business growth, and position itself as the go-to logistics partner for business customers and retail customers – fostering growth together with customers and creating shared value.

Largest in Asia

Integrated logistics service provider[1]

No. 1 in Asia

Express, Freight, Intra-city On-demand Delivery[2], International Business[4]

No. 1

Public satisfaction for express services in China

17 years in a row

4th Largest Globally

Integrated logistics service provider[1]

No. 1 in China

Express, Freight, Cold Chain, Intra-city On-demand Delivery[2], Supply Chain[3]

1 According to Frost & Sullivan Report, in terms of revenue in 2025
2 Among third-party intra-city on-demand delivery service providers
3 Among non-state-owned independent third-party supply chain solution providers
4 Among the integrated logistics service providers in Asia

Business Segments

Express Logistics

Time-definite Express

- Provide time-definite and high-quality door-to-door domestic express service
- Options of half-day delivery, same-day delivery, next morning/next day delivery

Economy Express

- Provide cost-effective, timely and stable domestic parcels delivery services
- Leverage nationwide warehouse network to provide smart sub-warehouses and integrated warehousing and distribution service

Freight

- Provide domestic large parcels delivery, less-than-truck-load freight transport and full-truck-load transport services
- Dual-brand operation comprising the SF Freight directly-operated network and SX Freight franchising network

Cold Chain and Pharmaceutical Logistics

- Provide seasonal and fresh food logistics services to deliver seasonal agricultural products directly from place of origin to consumers
- Provide food cold storage and B2B2C end-to-end temperature-controlled transportation and delivery services
- Provide GSP certified pharmaceutical cold storage and pharmaceutical temperature-controlled transportation and delivery services (from -80°C to 25°C)

Intra-city On-demand Delivery

- Provide point-to-point instant delivery service for merchants and customers within the city
- City-wide delivery services within average 1 hour, delivery services for regions in 3km within average 22 minutes

Supply Chain and International

International Express

- Provide international time-definite express, cross-border e-commerce parcels delivery, overseas local express and integrated warehousing and distribution services

International Cargo and Freight Forwarding

- Provide international air, sea, railway, ground and multi-modal freight transport solutions

Supply Chain

- Provide one-stop domestic and international digital and intelligent supply chain solutions
- Covering high-tech, industrial equipment, automotive, consumer goods, retail food, retail and catering, life sciences and pharmaceuticals, and other industries

Key Accounting Data and Financial Indicators

Financial Summary

Interim Results Overview for 2026

Revenue

RMB 155.5 billion

↑ 5.9%

Total assets

RMB 228.9 billion

↑ 5.7%

Gross profit

RMB 20.5 billion

↑ 7.5%

Equity attributable to owners of the Company

RMB 102.8 billion

↑ 3.5%

EBITDA

RMB 16.7 billion

↑ 0.7%

Basic earnings per Share

RMB 1.10 per Share

↓ 5.2%

Profit attributable to owners of the Company

RMB 5.50 billion

↓ 4.1%

Cash dividend per Share

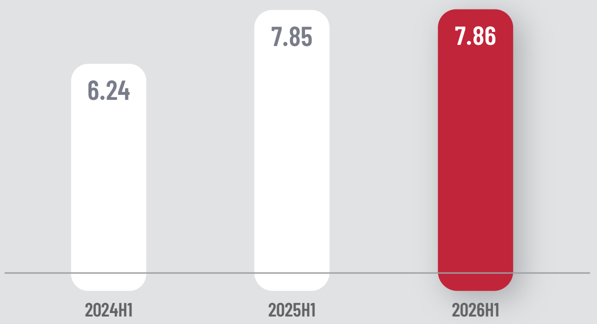
RMB 0.49 per Share

↑ 6.5%

Key Accounting Data and Financial Indicators

Total Volume

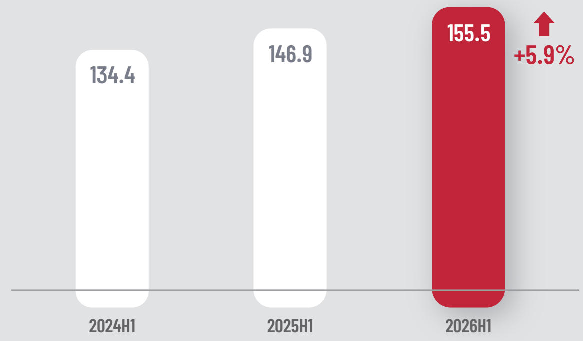
Unit: 1 billion parcels



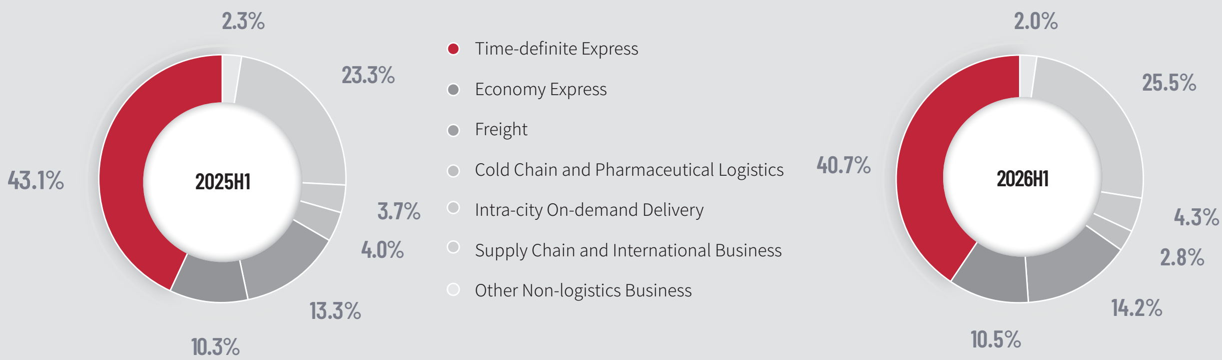
The total volume includes the volume of express logistics business and international express business (exclude oversea local express business).

Total Revenue

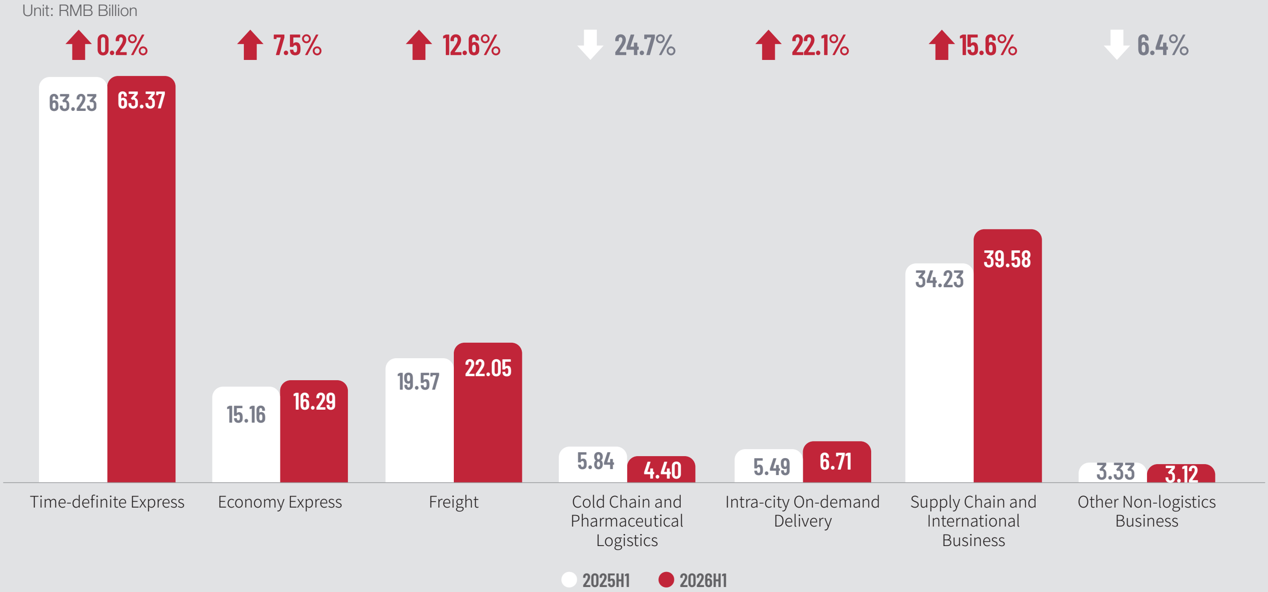
Unit: RMB Billion



Revenue Breakdown by Segment



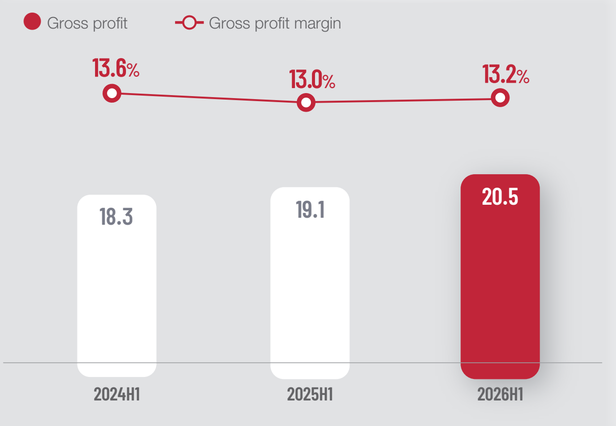
Unit: RMB Billion



Key Accounting Data and Financial Indicators

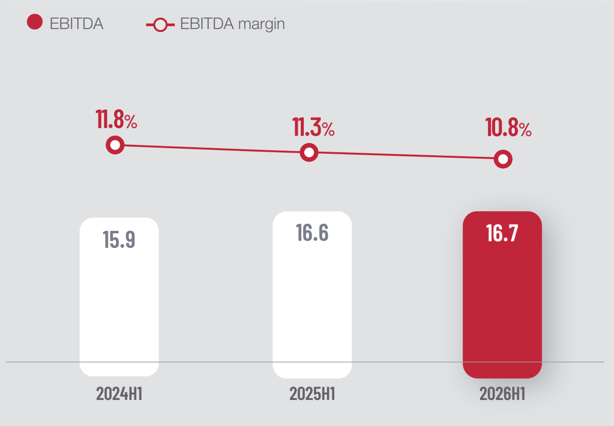
Gross profit

Unit: RMB Billion



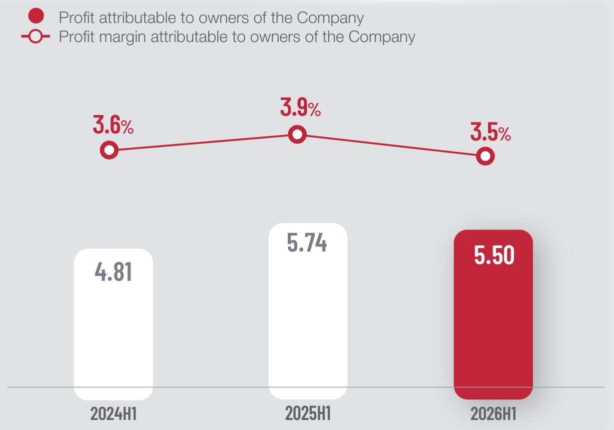
EBITDA

Unit: RMB Billion



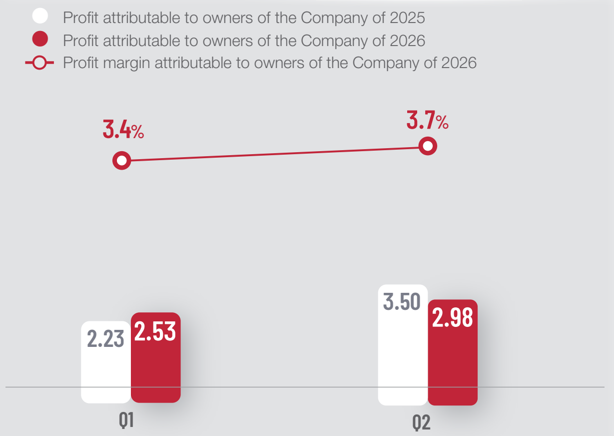
Profit attributable to owners of the Company

Unit: RMB Billion



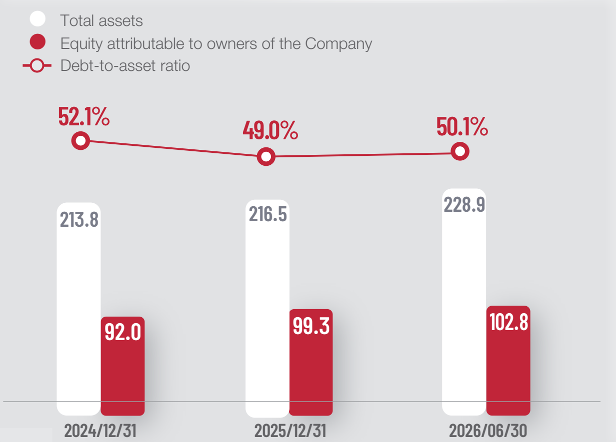
Quarterly profit attributable to owners of the Company

Unit: RMB Billion



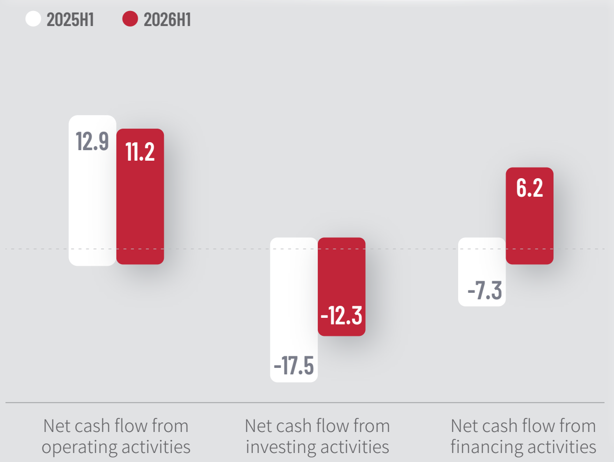
Debt-to-asset ratio

Unit: RMB Billion



Net cash flow

Unit: RMB Billion



Key Accounting Data and Financial Indicators

Income Statement Items	For the six months ended June 30, 2026 RMB'000	2025 RMB'000	Year-on-year change
Revenue	155,506,421	146,858,174	5.89%
Gross profit	20,486,658	19,060,542	7.48%
EBITDA[(1)]	16,723,953	16,610,359	0.68%
Profit for the period	5,970,017	6,012,403	-0.70%
Profit for the period attributable to owners of the Company	5,501,905	5,737,699	-4.11%

Note:

(1) EBITDA = profit for the period + depreciation and amortization + finance costs, net + income tax expense. EBITDA is not an IFRS measure. For further details, please refer to page 50 of the "Non-IFRS measures" section of this Report.

Balance Sheet Items	As of June 30, 2026 RMB'000	As of December 31, 2025 RMB'000	Period-on-period change
Total assets	228,885,266	216,469,037	5.74%
Total liabilities	114,617,329	106,144,286	7.98%
Total equity	114,267,937	110,324,751	3.57%
Equity attributable to owners of the Company	102,786,235	99,309,488	3.50%
Asset-liability ratio	50.08%	49.03%	Up by 1.05 percentage points

Cash Flows Statement Items	For the six months ended June 30, 2026 RMB'000	2025 RMB'000	Year-on-year change
Net cash generated from operating activities	11,171,404	12,936,690	-13.65%
Net cash used in investing activities	-12,261,578	-17,516,875	30.00%
Net cash used in financing activities	6,181,988	-7,280,764	184.91%

Key Accounting Data and Financial Indicators

Key Financial Indicators	For the six months ended June 30, 2026	2025	Year-on-year change
Basic earnings per Share *(RMB)*	1.10	1.16	-5.17%
Diluted earnings per Share *(RMB)*	1.10	1.16	-5.17%
Weighted average return on net assets	5.49%	6.07%	Down by 0.58 percentage point

Differences in net profit and net assets in the financial reports disclosed in accordance with the International Accounting Standards and the Chinese Accounting Standards are as follows:

	Profit attributable to owners of the Company		Equity attributable to owners of the Company	
	For the six months ended June 30,		As of June 30,	As of December 31,
	2026 *RMB'000*	2025 *RMB'000*	2026 *RMB'000*	2025 *RMB'000*
In accordance with the International Accounting Standards	5,501,905	5,737,699	102,786,235	99,309,488
In accordance with the Chinese Accounting Standards	5,501,905	5,737,699	102,786,235	99,309,488
Items and amounts adjusted in accordance with the International Accounting Standards:				
In accordance with the International Accounting Standards	–	–	–	–
Difference description	No difference			

Overall Review

Market Overview

Domestic Market

According to data released by the National Bureau of Statistics, China's GDP amounted to RMB69.6 trillion in the first half of 2026, representing a year-on-year increase of 4.7%. The economy exhibited a K-shaped divergence overall, with upward momentum mainly driven by strong growth across the investment, production and export chains, propelled by the smart technology boom. In the first half of the year, value-added industrial output of enterprises above the designated size grew by 5.4% year-on-year, while high-tech manufacturing and computer, communications and other electronic equipment manufacturing grew by 13.3% and 14.8%, respectively.

Consumer demand recovered at a slower pace. In the first half of the year, total retail sales of consumer goods increased by 1.3% year-on-year, with growth slowing month by month, primarily due to increasingly cautious consumer spending and the waning marginal effects of stimulus measures such as consumer trade-in programs. Service consumption, however, bucked the trend and led growth, with service retail sales increasing by 5.3%, 4.8 times the growth rate of goods consumption. Among sub-sectors, service consumption in catering, culture and tourism, live entertainment and sporting events maintained relatively rapid growth.

According to the China Federation of Logistics & Purchasing, the total value of social logistics in China reached RMB181.1 trillion in the first half of 2026, representing year-on-year growth of 5.1%. Growth was primarily driven by emerging industries such as high-tech manufacturing, integrated circuits and new energy. The rising share of high-value, lightweight and time-sensitive goods, coupled with strong import and export demand, drove rapid growth in demand for high-value-added logistics services, including air freight, cross-border warehousing and distribution, specialized transportation and global supply chain project logistics.

Meanwhile, total social logistics expenditure amounted to RMB9.6 trillion in the first half of the year, accounting for 13.9% of GDP, down 0.1 percentage point from the same period last year. Cost reduction and efficiency enhancement remain a long-term priority for the industry. Smart technologies and automated equipment are being piloted in scenarios such as warehousing and sorting, continuously improving operational efficiency across logistics networks. At the same time, the competitive strengths of logistics enterprises have shifted from single-point resource capabilities toward intelligent systems integration and end-to-end planning and operations. Empowering customers to optimize overall supply chain efficiency through digital foundation and smart decision-making capabilities has become critical to building a distinct competitive moat.

In the express delivery sector, according to the State Post Bureau, total parcel volume reached 100.38 billion in the first half of 2026, representing year-on-year growth of 5.0%, while industry revenue reached RMB771.41 billion, representing an increase of 7.3% year-on-year. Growth in the express delivery industry gradually moderated, with the overall market characterized by resilient volumes and enhanced quality. Average revenue per parcel recovered year-on-year as the industry moved toward high-quality and healthy development. On the supply side, regional conflicts caused crude oil prices to fluctuate at elevated levels in the second quarter, placing significant pressure on transportation costs for express delivery enterprises. Although oil prices retreated from elevated levels in June, mid- to long-term volatility risks remain. On the demand side, intensifying competition in the consumer market, coupled with channel diversification and fragmented customer touchpoints, continues to add complexity to supply chain management. Customers increasingly prioritize inventory turnover efficiency, response speed and consumer experience, supply chain resilience and end-to-end cost reduction, rather than purely focusing on transportation cost-effectiveness. Omni-channel unified inventory management and digital and intelligent supply chain capabilities have become core customer requirements.

Management Discussion and Analysis

International Market

The global economic environment remained complex and challenging in the first half of the year, with regional tensions, energy price volatility and uncertainty over tariff policies continuing to disrupt global trade and cross-border logistics. Global supply chain configurations accelerated their shift from "efficiency-first" to "security and resilience-first," as enterprises established manufacturing facilities, warehousing and sales networks across Southeast Asia, South Asia, Europe and Latin America to reduce their dependence on any single market or route.

The international freight market exhibited structural divergence. In ocean freight, the market softened initially before rebounding in the first half of the year: capacity supply was ample and freight rates fluctuated at low levels in the first quarter; in the second quarter, freight rates gradually recovered, driven by regional conflicts, route diversions and the front-loading of peak season inventories, with marked increases on core deep-sea routes. In air freight, demand on core routes to Europe and North America remained strong, supported by growth in exports of high-value-added products, peak-season stocking and a sea-to-air modal shift for certain time-sensitive cargo, driving cargo volume growth on routes from Asia to Europe and North America.

China's foreign trade maintained strong growth amid a complex external environment. According to data from the General Administration of Customs of the PRC, the total value of China's goods exports increased by 13.4% year-on-year in the first half of 2026. Exports of mechanical and electrical products increased by 20.1% year-on-year and accounted for more than 60% of total export value. The overseas development of Chinese enterprises exhibited trends of "expanding global manufacturing footprints, upgrading brand internationalization, and accelerating supply chain localization", driving international logistics demand to shift from standalone line-haul transportation toward end-to-end solutions encompassing "domestic cargo consolidation — international air and ocean freight — overseas customs clearance — integrated local warehousing and distribution — reverse logistics for returns and exchanges".

In addition, changes in tariff policies accelerated the reshaping of the industry landscape. Over the past two years, major consumer markets have successively removed de minimis tariff exemptions for cross-border small parcels, while regulatory scrutiny has tightened. As a result, cross-border e-commerce fulfillment models have shifted from "direct mailing from China" toward "overseas warehouse stocking plus localized compliant fulfillment", triggering a surge in demand for overseas warehouses. As regulatory requirements for tax, customs clearance, certification and traceability continue to increase across jurisdictions, smaller freight forwarding companies with insufficient fulfillment capabilities are being squeezed out of the market, while customers have shifted to leading logistics enterprises with global compliant fulfillment capabilities and overseas warehouse networks.

Business Strategy

RESILIENCE FOR THE LONG-TERM

AI-DRIVEN INNOVATION

In the first half of 2026, based upon its strategic blueprint, the Company steadily advanced three core priorities: the **express logistics business** remained committed to value-driven operations, achieving "stable volumes and higher profit" and reinforcing its core earnings foundation; the **supply chain and international business** captured opportunities arising from the global development of Chinese enterprises and the upgrading of flexible supply chains, with growth accelerating across the board and generating strong momentum for the second growth curve; and the **AI technology applications** drove internal efficiency enhancement and cost reduction while generating revenue from digital and intelligent services, establishing industry-leading advantages.

The Company continued to deepen its business strategy of shifting "from product operations to deeper scenario penetration, from consumer-facing services to industrial empowerment, from standalone logistics process to deeper penetration into digital and intelligent supply chains, and from domestic market cultivation to international growth". Its business and revenue mix continued to improve, significantly strengthening growth resilience. During the Reporting Period, the Company achieved revenue of RMB155.51 billion, representing a year-on-year increase of 5.9%.

Meanwhile, operational optimization and lean management remain the Company's long-term commitments. In the first half of the year, by focusing on value-driven operations, optimizing the business mix, enhancing end-to-end management efficiency, and leveraging AI to reduce costs and boost efficiency, the Company mitigated the pressure from the substantial increase in fuel prices in the second quarter to a certain extent, reflecting steady improvement in operating quality.

Express Logistics Business: Value-Driven Operations Drive High-Quality Growth

Since the Company began implementing the "Stimulate Operation Vitality" mechanism in 2025, rapid growth in parcel volume initially drove network capacity expansion and operating model optimization. To further optimize its business mix, the Company introduced an enhanced "Stimulate Operation Vitality" mechanism in the third quarter of 2025, shifting its operating focus from "scale-driven growth" to "value-driven development". By fine-tuning its market strategies dynamically, the Company safeguarded high-quality business growth. Against the high base in the same period last year, parcel volume of the express logistics business remained broadly stable in the first half of 2026, while revenue still recorded steady year-on-year growth of 3.2% to RMB112.81 billion. Average revenue per parcel increased by 3.3% year-on-year, reflecting a healthier business mix and effective implementation of the Company's business strategy.

The Company focused on the in-depth and refined cultivation of scenario ecosystems. By precisely identifying differentiated needs and incremental opportunities across various scenarios, it shifted from passively responding to logistics demand to proactively embedding itself in customer value chains, strengthening competitive barriers and customer retention. In the first half of 2026, the Company made rapid breakthroughs in the culture and tourism sectors – such as concerts, skiing, and golf – as well as the exhibition sector. The mid-to-high-end time-definite express business (excluding e-commerce returns) achieved steady growth at a rate higher than China's GDP growth, continuously reinforcing its competitive moat.

While consolidating its consumer-facing service foundation, the Company actively expanded into the upstream production side of the industry chain. As demand from high-end manufacturing continued to materialize, the Company enhanced its end-to-end solutions and core operational delivery capabilities for customers in industrial zones. During the Reporting Period, both cargo volume and revenue from the Company's LTL freight business in industrial zones grew by more than 20%, laying a solid foundation for deeper penetration into upstream supply chains.

At the same time, the Company deepened network stratification, structural streamlining and resource integration, establishing network models and resource structures tailored to different products to achieve an optimal balance between end-to-end timeliness and cost. To offset pressure from rising fuel costs, the Company accelerated the transition to new-energy transportation capacity and the application of advanced technologies. It deployed more than 1,000 additional LNG-powered heavy trucks on line-haul routes, while the number of new energy vehicles used on feeder routes and at the last mile exceeded 54,000. In addition, the Company actively explored and rolled out applications in automation equipment, upper-body robots and robotic arms, advanced driver-assistance systems, unmanned light and heavy trucks, and last-mile unmanned vehicles, driving network efficiency and cost reductions. As a result, net profit for the express and freight delivery segment increased by 3.5% year-on-year in the first half of 2026, and the profitability of the core business remained resilient.

Supply Chain and International Business: Deepening Strategic Deployment and Unlocking Growth Momentum

The Company accelerated the strategic deployment and business expansion of its supply chain and international business, unlocking strong momentum for the second growth curve. In the first half of 2026, the Company's supply chain and international business recorded revenue of RMB39.58 billion, representing a year-on-year increase of 15.6%. The revenue from the supply chain and international business segments of SF (excluding KLN) increased by 46.6% year-on-year.

In the supply chain business, for manufacturing sector, the Company captured opportunities arising from industrial upgrading and the rapid development of intelligent manufacturing, achieving rapid logistics business growth in high-growth sectors including electronic components, telecommunications equipment, new energy vehicles and smart wearable devices. For consumer sector, the Company centered its offering on digitally and intelligently enabled omni-channel unified inventory solutions covering both online and offline channels, helping customers improve inventory turnover, reduce capital tied up in inventory and respond efficiently to sales demand. Against a backdrop of slower overall consumer market growth, the Company's supply chain business grew significantly faster than the industry.

Management Discussion and Analysis

At the same time, through technological empowerment and the dual drivers of digital intelligence and automation, the Company not only sustained growth in logistics and supply chain revenue but also generated standalone revenue from digital and intelligent consulting projects and smart technologies. Leveraging its leading digital and intelligent delivery capabilities, the Company extended contract durations with its top-tier customers from 1-2 years to 3-5 years or more, significantly enhancing the stability of its partnerships.

In expanding its international supply chain business, the Company focused on its strategy of "the One in Asia with global reach", extending its services along the upstream and downstream supply chains of anchor enterprises across industry value chains and seeking to become a strategic partner for the overseas development of Chinese enterprises. The Company entered into global strategic cooperation agreements with several leading customers and piloted the LLP (Lead Logistics Provider) model for the first time by undertaking full supply chain operation services for customers in select overseas markets. In serving global enterprise accounts, the Company became one of three major logistics service providers globally serving a leading 3C and high-tech enterprise, with the cooperation gradually extending overseas. The Company's advanced digital, intelligent and automated practices implemented in China in partnership with a leading global beauty brand have earned high recognition from the client, serving as a best practice benchmark for its global supply chain management. In the first half of 2026, revenue from the international supply chain business of SF (excluding KLN) increased by 155% year-on-year.

In addition to its supply chain business, revenue from the international express and cross-border e-commerce logistics business of SF (excluding KLN) also increased rapidly by 60%. The Company continued to improve its international network connectivity and strengthen its end-to-end fulfillment capabilities, with transit times across core Asia-Pacific corridors comparable to those of leading global express delivery enterprises. Enhanced product competitiveness supported rapid business expansion and a more diversified range of growth drivers. While consolidating cooperation with leading global e-commerce platforms, the Company actively expanded its business with brands' independent overseas websites, specialized markets in manufacturing clusters and local e-commerce platforms overseas, while also developing the markets for corporate document and parcel deliveries, as well as individual ad-hoc shipments. As tariffs and regulatory requirements on cross-border parcels tighten, accelerating market consolidation, the Company has effectively captured spillover demand by leveraging its compliant fulfillment capabilities and overseas warehouse resources.

For KLN, although regional conflicts disrupted air and sea freight routes, leading to cost increases and freight rate volatility, steady progress in the "KLN 2.0" initiative, together with its comprehensive service portfolio and solution capabilities, enabled KLN to secure a substantial number of new customers in both the integrated logistics and international freight forwarding segments, driving steady growth in overall revenue.

AI-Driven Operations: Driving Cost Efficiencies and Fortifying Our Competitive Moat

SF has established a leadership position in AI-driven logistics, delivering measurable value through top-line growth and operational cost reductions.

Driven by the goal of full-chain intelligence, the Company has deployed multiple agents across various logistics operations, achieving end-to-end intelligent management from demand insights to precise fulfillment. In marketing and customer management, these agents facilitate end-to-end intelligent management from market insights and lead generation to contract conversion. In the first half of the year, this empowered frontline teams to generate over RMB1 billion in newly contracted revenue, driving revenue generation efficiency and strengthening yield management. In planning and fulfillment, spanning from network planning to execution, complex logistics network design can now be rapidly completed through human-AI collaboration. This outputs optimal solutions that balance transit times, quality, and cost, and has already begun driving internal cost efficiencies in the first half of the year. Furthermore, in parcel quality control, agents leverage multimodal recognition to enable full-chain quality monitoring, automated liability determination, and damage alerts, utilizing technology to fortify our competitive moat in service quality.

Management Discussion and Analysis

Financial Results

In the first half of 2026, the Company recorded total revenue of RMB155.51 billion, up 5.9% year-on-year, and total parcel volume of 7.86 billion, up 0.2% year-on-year. For details of revenue growth by business segment, please refer to "Business Strategy" above.

The Company has consistently advanced operational optimization and lean management. On the one hand, by optimizing the business mix, yield per shipment rebounded year-over-year, leading to steady improvements in operating profitability. On the other hand, the Company institutionalized lean controls, refined network models and resource allocation, and continuously drove structural cost reductions. Furthermore, the Company accelerated the large-scale deployment of AI technologies and automated equipments, unlocking further potential for technology-driven cost efficiencies.

Concurrently, the Company continued to strengthen its LTL and cross-border line-haul transportation networks. To accelerate expansion into domestic industrial zones and international markets, investments in air and ground capacity resources increased. Compounded by rising fuel prices in the second quarter, transportation costs rose significantly year-over-year. However, benefiting from the effective implementation of the aforementioned lean operations, the upward pressure on transportation costs was partially mitigated. Ultimately, the Company achieved a gross profit of RMB20.49 billion in the first half of 2026, representing a 7.5% increase year-over-year; the gross margin stood at 13.2%, up 0.2 percentage point year-over-year.

In terms of expenses, due to the Company's strengthened incentives for the expansion of high-value business and its enhanced efforts in building sales capabilities for the market in industrial zones, the supply chain, and international business, the total general and administrative expense ratio and the selling and distribution expense ratio slightly increased by 0.1 percentage point year-on-year. At the same time, as the Company's technological and intelligent capabilities improved and R&D efficiency increased, the R&D expense ratio decreased by 0.1 percentage point year-on-year. In addition, the Company maintained a stable capital structure. The average borrowing balance declined year-on-year, and the net finance cost ratio decreased by 0.1 percentage point year-on-year.

In terms of profit, the profit attributable to owners of the Company for the Reporting Period amounted to RMB5.50 billion, representing a year-on-year decrease of 4.1%. The decrease was primarily attributable to a high comparative base of the net profit attributable to owners of the Company in the corresponding period last year, which resulted from a one-off after-tax gain on disposal of RMB590 million generated from the transfer of three wholly-owned property-holding subsidiaries to Southern SF Logistics REIT in the first half of 2025. Excluding such non-recurring item, the profit attributable to owners of the Company recorded a year-on-year increase of 7.0%, reflecting steady improvement in profitability.

In terms of capital structure, as of the end of the Reporting Period, the Company's total assets amounted to RMB228.9 billion, and equity attributable to owners of the Company reached RMB102.8 billion. The debt-to-asset ratio was 50.1%, indicating an overall robust capital structure. At the same time, operating cash flow remained strong, with net cash generated from operating activities amounting to RMB11.2 billion.

The Company has always placed a strong emphasis on delivering value and returns to shareholders. During the first half of 2026, the Company raised the cap on the repurchase amount under the "2025 First A-Share Repurchase Plan" to RMB6.0 billion and launched its first H-Share repurchase plan. From January 1 to July 31, 2026, the Company completed cumulative repurchases of A Shares and H Shares amounting to approximately RMB4.65 billion. Furthermore, under the 2026 interim profit distribution plan, the Company proposes to distribute a cash dividend of approximately RMB2.5 billion, accounting for approximately 45% of the profit attributable to owners of the Company for the first half of 2026. This represents a further increase of 5 percentage points in the interim cash dividend payout ratio compared to 2025. On such basis, the Company proposes to amend the Shareholders' Return Plan for the Following Five Years (2024-2028) (subject to consideration and approval at the general meeting), specifying that the cash dividend payout ratio will be increased to 45% for the year of 2026, increased to 50% for the year of 2027, and be not less than 50% for the year of 2028. Through these concrete actions, the Company delivers value to its shareholders and shares in the success of its operational achievements.

Management Discussion and Analysis

Business Development of the Company

Time-Definite Express Services

In the first half of 2026, the Company's time-definite express business achieved a revenue of RMB63.37 billion, representing a year-on-year increase of 0.2%. Excluding e-commerce returns, revenue from the time-definite express business increased by 5.3% year-on-year, outpacing GDP growth.

Domestic high-end manufacturing continued to gain momentum, driving a steady release of demand for time-definite logistics, while structural opportunities emerged in the consumer market, with demand for services such as cultural tourism remaining robust. Adhering to value-driven operations, the Company focuses on specialized market segments to tap into customers' diverse needs and optimizes its positioning and footprint across core channels. It boosts customer loyalty through precise, flexible and customer-centric services, thereby consolidating its competitive moat in time-definite express services.

Optimizing and Upgrading Time-Definite Networks and Services: The Company further deepened multimodal coordination across its air, ground and high-speed rail networks. By launching new key routes, increasing flight frequencies, optimizing the volume-consolidated direct shipping model and introducing flexible capacity resources, it comprehensively elevated its time-definite service standards. Leveraging its well-established time-definite network and refined operations, the Company steadily expanded the coverage of its "Peace-of-Mind Delivery • On-Time Guarantee" service, extending it to all delivery routes for its SF Speedy Express and Half-Day Delivery products, giving effect to its customer-centric philosophy in both product design and service.

Shifting from Product Operations to Deepening Sector-Specific Services: The Company continued to explore end-to-end business opportunities, accelerating its expansion into key verticals including cultural tourism, campuses, supermarkets, exhibitions and specialized markets, and building a differentiated and refined operating ecosystem.

In the cultural and tourism sector, the Company continued to extend its services to key touchpoints such as airports, high-speed rail stations, hotels and tourist attractions, while deepening engagement with customer groups including cultural tourism groups, airlines and organizers of major sporting events and live concerts, delivering a number of benchmark cultural tourism projects. In travel services, the Company partnered with an airline to launch its "Easy Travel" service, providing seamless "door-to-cabin" luggage delivery across major aviation hubs including Beijing, Shanghai and Guangzhou and improving the passenger travel experience. In the live entertainment sector, the Company worked with event organizers to deliver one-stop solutions: for attendees, services covered luggage storage, belongings consignment and merchandise shipping throughout the event journey; for organizers, the Company provided full-lifecycle logistics support spanning stage equipment transportation, on-site replenishment, and post-event clearance and removal. In the first half of the year, the Company served approximately 780 concerts, with revenue from this sector increasing by 11% year-on-year.

In the exhibition vertical, the Company established a full-process, one-stop service covering pre-exhibition transportation, on-site delivery during the exhibition and post-exhibition clearance, complemented by dedicated exhibit packaging, fully visualized transportation and on-site stationed services. Using exhibition services as an entry point, the Company built trusted relationships with industrial manufacturing, high-tech and other enterprises, creating further opportunities for deeper cooperation. In the first half of the year, the Company served more than 2,000 exhibitions, with revenue from this vertical increasing by 19% year-on-year. In campus markets, the Company accelerated the establishment of campus express service centers, with revenue from core graduation-season business increasing by nearly 15% year-on-year. It also actively worked with a number of universities to develop smart logistics practical training centers and practice platforms, further deepening integration and collaboration between education and industry.

Accelerating Air Freight to Empower Smart Manufacturing: In the heavy air freight business, the Company continued to consolidate its operational foundation, focusing on core industries such as industrial production, auto parts, and high-tech industries. By advancing a "direct-pickup and direct-delivery" model for terminal operations and deploying 34 dedicated smart operating facilities, the Company reduced cargo collection time by 3.2 hours. Concurrently, by leveraging algorithms to match optimal flights, the Company utilized an average of over 4,000 commercial flights daily, thereby increasing the on-time fulfillment rate of its next-day heavy freight delivery by 3 percentage points. Furthermore, the Company continued to refine its customized solutions, complementing its same-day delivery products to ensure shipments are "dispatched in the morning, delivered by evening". This enabled the Company to efficiently respond to customers' urgent requirements through comprehensive service capabilities and tailored solutions.

Furthermore, the Ezhou cargo hub is building a globally leading integrated system combining a "hub-and-spoke air network, multimodal transport and smart logistics", providing strong support for industrial upgrading. As of the end of the Reporting Period, the Company had cumulatively launched 61 domestic routes and 25 international routes at the Ezhou cargo hub, with international air cargo throughput increasing by 23% year-on-year.

The Ezhou cargo hub continued to cultivate three airport-oriented industries: fresh produce and pharmaceutical bases, rapid processing and turnaround centers, and the cross-border e-commerce gateway. Building on this, the Company leveraged the hub to strengthen its time-definite services and after-sales value chain for high-end smart manufacturing. In serving a leading global optical eyewear enterprise, for example, the Company built on its existing eyewear processing and integrated warehousing and distribution business to expand into processing for emerging smart wearable devices such as VR and AR products, further enhancing its integrated service capabilities. The Company also worked closely with the high-tech industry clusters surrounding the hub to develop an efficient "global aerial gateway", establishing premium routes to Europe, America and India that precisely serve customers' import and export requirements for high-end equipment and raw materials.

Driven by seamless "air-to-air trans-shipment capabilities" and "air-truck multimodal connections", the efficient operations of its all-in-one international cargo terminals and the continued expansion of the cross-border e-commerce comprehensive pilot zone, the Ezhou cargo hub is delivering exceptional logistics performance that continues to attract trade flows and industrial clustering. As a result, it has evolved into a vital gateway linking global markets and continues to generate incremental air cargo volumes.

Economy Express Services

In the first half of 2026, the Company's economy express business achieved a revenue of RMB16.29 billion, up 7.5% year-on-year.

In the first half of 2026, overall growth in the domestic e-commerce express delivery market slowed, while industry regulatory authorities continued to steer the express delivery industry toward more orderly competition and high-quality, steady development. The Company's economy express business adhered to a value-oriented strategy of selective volume expansion. By deepening its presence in premium product categories and optimizing resource allocation, the Company achieved steady growth in business scale and continued optimization in its business structure, with revenue per parcel increasing by 6% year-on-year.

In category management, the Company focused on high-value core categories such as maternity and baby products, automotive supplies, toys, and personal care and beauty products, pursuing targeted improvements in business quality to build a solid foundation for the high-quality and sustainable development of its e-commerce business. The Company also strategically focused on key industry clusters, actively deploying industrial cluster warehouses and launching origin warehouses covering multiple categories including designer toys and entertainment products, home textiles and tea. Through an integrated service model combining regional consolidation warehousing, digitalized operations, customized packaging and consolidated line-haul transportation, the Company provided industry cluster customers with stable and efficient services, continuously supporting the development of distinctive regional industries and the cultivation of regional iconic brands.

In platform cooperation, leveraging its position as an independent third-party logistics provider, the Company deepened strategic collaboration with major e-commerce platforms, proactively adapting to platforms' new business formats and implementing innovative service models. In particular, in the proximity-based e-commerce and instant retail segments, the Company developed differentiated fulfillment products. Drawing on smart warehousing and efficient picking capabilities, and integrating with its nationwide transit and delivery networks, the Company established a mature "proximity-based half-day delivery" ("近場半日達") fulfillment model, effectively helping platforms expand their business boundaries.

In integrated warehousing and distribution, the Company continued to increase investment in automation across all warehousing operations, with the cumulative number of automated devices deployed increasing by nearly 200% year-on-year in the first half of 2026. By deploying high-density high-bay storage, multiple "goods-to-person" automated picking systems, differentiated intelligent put-wall sorting and "upper-layer warehouse, lower-layer sorting" ("上倉下中轉") automated sorting systems, combined with intelligent applications in order wave optimization, inventory distribution planning and AMR route scheduling, the Company achieved efficient end-to-end operations from storage and outbound dispatch through to reverse logistics. To date, the Company has built highly automated benchmark warehouses for a number of industries including 3C, footwear and apparel, and beauty products, successfully rolling out 9 "Lights-out Warehouses". Supported by its omni-channel unified inventory management model, these capabilities effectively drove rapid growth in the integrated warehousing and distribution business.

Freight Delivery Services

In the first half of 2026, the Company's freight delivery business achieved a revenue of RMB22.05 billion, up 12.6% year-on-year.

The freight industry sustained stable volume growth alongside improving service quality, with market share continuing to concentrate among leading enterprises and structural growth opportunities emerging. Driven by the rapid rise of high-tech manufacturing, the LTL market serving industrial production remained relatively strong. Customer requirements in industrial zones continued to become more sophisticated, gradually shifting from price alone toward superior cost-performance, stable transit times, damage-free delivery and personalized services.

SF Freight adheres to a customer-centric service philosophy. While consolidating its leading position in the large-parcel market, it concentrated resources on business customers in industrial zones and built an end-to-end premium delivery experience aligned with the exacting standards of manufacturing supply chains. In the first half of 2026, the overall shipment volume of freight delivery services increased by 9% year-on-year and the Company maintained its leading market share. The Company also continued to pursue operational excellence across key areas such as network planning, technology empowerment and operational management. By integrating external resources to optimize its network model, the Company reduced unit costs per kilogram and helped customers lower costs and improve efficiency.

Continuously Enhancing Freight Product Competitiveness: Through direct line-hauls from local stations and hubs and line-haul network optimization, the Company increased service frequency on more than 1,000 routes in the first half of the year, improving the on-time delivery rate for “Next-Morning Freight” services within economic circles by 9.9 percentage points year-on-year and that for “Second-Day Morning Freight” services between economic circles by 8.8 percentage points year-on-year. The Company also strengthened its personalized service capabilities. In the B2C segment, it focused on furniture and home appliances, deploying dedicated installation teams in 32 core cities to build specialized delivery capabilities combining in-home delivery of large items with integrated “delivery + installation” services. In the B2B segment, it comprehensively upgraded its service capabilities, expanding its fleet of larger vehicles and tail-lift trucks, supported by more than 10,000 onboard cameras and over a thousand dedicated inbound warehouse staff, responding precisely to enterprise customers’ customized logistics requirements.

Actively Expanding the LTL Market in Industrial Zones: The Company continued to refine its business model for industrial zones, deepening the integration of route resources with Dekun to reduce operating costs and strengthen its high-quality PTL backbone network. As of June 2026, the two parties had jointly established 224 trunk routes and 28 direct distribution centers, with average daily integrated cargo volume exceeding 2,100 tonnes, representing a year-on-year increase of 58%. The Company also continued to expand its specialized sales teams for industrial zones, deepening and broadening sales coverage, driving a comprehensive transformation of its services for business customers and building an end-to-end premium delivery system for industrial zone customers. In the first half of 2026, SF Freight’s directly-operated industrial large-parcel shipments (above 100 kg) increased by more than 20% year-on-year, accounting for more than 55% of directly-operated freight volume.

Maintaining Steady Growth of the Franchise Network: SX Freight continued to increase its network density, with the total number of outlets exceeding 23,800 in the first half of the year and its shipment volume maintaining a top-three market position in the franchised freight delivery market. SX Freight further optimized its product structure and network ecosystem, maintaining close collaboration with SF Freight’s directly-operated network to achieve complementary synergies and streamlining processes to enhance efficiency. Average delivery time was shortened by 1.3 hours and customer complaint rate declined by 45% year-on-year, accelerating the development of differentiated competitive advantages.

Leveraging the synergy and complementary operations of SF Freight, SX Freight and Dekun networks, the Company continued to expand shipment volume while upgrading transit time performance and strengthening personalized service capabilities, delivering efficient and reliable logistics services that generate mutual value for customers, partners and itself.

Cold Chain and Pharmaceutical Logistics

In the first half of 2026, the Company’s cold chain and pharmaceutical logistics business achieved a revenue of RMB4.40 billion, representing a year-on-year decrease of 24.7%. This was primarily because climate-related factors significantly reduced the output of certain mid- to high-end seasonal fresh fruits, weighing on the growth of the fresh and seasonal food logistics business.

Management Discussion and Analysis

Fresh and Seasonal Food Logistics Services

Upholding the principle of “quality-driven agriculture empowered by brand building”, the Company supported the transformation of agriculture from “volume-driven growth” to “quality-driven growth”. The Company further deepened cooperation with governments in production regions, organizing multiple producer-to-buyer matchmaking events during the first half of the year for agricultural products such as spring tea, fresh flowers and cherries. It also continued to advance its influencer partnership framework, leveraging KOL-driven livestreaming to drive customer traffic and building commercial channels that connect production regions directly with end consumers. In addition, the Company worked with local governments to jointly establish fruit quality and safety assurance systems, for example, advancing the “One Product, One Code” (“一品一碼”) initiative in Fujian and promoting the “Zhejiang Agriculture Code” (“浙農碼”) in Zhejiang, incorporating logistics information into the traceability chain, thereby enabling full-process verifiability and traceability across origin, harvesting, testing, and logistics, strengthening consumer confidence in food safety. The Company upgraded its packaging design, putting into use more than 100,000 “Fengtiao Boxes” (“豐調箱”), whose lightweight design and reusability extend freshness by 12 hours compared to standard packaging. Furthermore, the Company innovatively launched the integrated “multi-origin consolidation – professional cold storage – advance customs clearance – direct air freight” model, opening multiple dedicated export corridors for domestic seasonal fresh fruits and continuing to expand into overseas premium fresh markets.

Food Cold Chain Logistics Services

The Company continued to deepen its presence across the entire food cold chain value chain, integrating the operational capabilities of SXH China Logistics and the express delivery network resources. Focusing on four core segments, chain restaurants, food ingredient supply, supermarket retail and cross-border export, the Company continuously iterated its cold chain service solutions, broadening the growth potential of the food cold chain logistics.

In the chain restaurant segment, the Company scaled and replicated its extensive experience derived from serving leading western-style dining customers across the Chinese dining, tea and coffee segments. Taking a Chinese restaurant chain brand as an example, the Company initially entered through the standalone line-haul transportation, progressively extended its services to integrated warehousing, line-haul transportation and distribution, and ultimately assumed management of the customer’s entire supply chain. This allowed the Company to scale its service revenue with the client from millions of RMB to over RMB100 million and help the customer reduce costs by more than RMB10 million annually, thereby cementing a durable long-term partnership. In the food ingredient supply segment, in line with the industry trend toward integrated B2B and B2C warehousing, the Company continued to expand its presence in lower-tier markets, effectively reducing last-mile fulfillment costs through measures such as direct dispatch via dedicated cold chain routes, optimization of its vehicle mix, and the roll-out of standardized “cold roll-cage-to-store” (“冷籠到店”) delivery.

The Company also continued to deepen strategic cooperation with leading supermarket customers. Addressing the industry pain point of high spoilage rates for fresh produce at supermarkets, the Company delivered specialized and customized cold chain warehousing and logistics solutions, building a comprehensive integrated warehousing and distribution service system for supermarkets. In the cross-border cold chain segment, the Company closely followed the trend of Chinese catering brands expanding overseas, strengthening its closed-loop capabilities in customs clearance compliance and localized overseas warehousing and distribution, with cold chain services now covering 10 overseas countries in support of brands’ global development.

Pharmaceutical Logistics Services

Leveraging iterative advances in temperature-control technology and the synergistic advantages of its nationwide network resources, the Company continued to enhance its compliant and professional pharmaceutical cold chain service system, effectively strengthening the market competitiveness of its temperature-controlled logistics services. In the first half of 2026, revenue from the precision temperature-controlled business achieved rapid year-on-year growth.

In the pharmaceutical supply chain market, leveraging direct-to-hospital delivery of medical devices as an entry point, the Company has expanded into high value-added services such as the managed operations of clients' medical device warehouses. By deeply embedding itself into the supply chain networks of top-tier enterprises, the Company drives cost optimization and operational efficiency for its customers. Meanwhile, the Company continued to deepen its traditional Chinese medicine business, developing end-to-end supply chain solutions. In the online pharmaceutical retail market, the Company established dedicated pharmaceutical warehouses at the Ezhou cargo hub and built a rapid fulfillment system enabling nationwide fulfillment from a single warehouse, attracting the health and wellness segments of leading domestic e-commerce platforms to successively establish their presence.

Intra-city On-demand Delivery

In the first half of 2026, the Company's intra-city on-demand delivery business recorded revenue of RMB6.71 billion, up 22.1% year-on-year.

In terms of merchant cooperation, SF Intra-city leveraged its flexible and scalable delivery network to provide customers with high-quality fulfillment services. The market share in cooperation with multiple major customers maintained leading and continuously growing, with over 4,300 new cooperative stores added during the Reporting Period. By broadening customer acquisition channels and optimizing marketing strategies, the Company expanded the scale and types of small and medium-sized merchants it works with. Meanwhile, the Company continued to deepen diversified scenarios in cooperation with platforms, delivering stable capacity support and differentiated services tailored to each platform's diversified needs, covering to-home delivery services such as livestreaming e-commerce and supermarket one-hour delivery. For the 12 months ended 30 June 2026, SF Intra-city's annual active merchant base reached 1.23 million, representing a year-on-year increase of 44%.

In addition, SF Intra-city continued to optimize products and services around core industries and categories. In the food and beverage sector, it provided chain restaurant merchants with centralized multi-channel order management and delivery services, while expanding more value-added services to enhance cooperation stickiness. In the retail sector, it continued to iterate industry solutions for supermarket merchants, combining micro-fulfillment centers (MFCs) with intra-city on-demand delivery. Revenue from MFC customers increased rapidly, with overall delivery revenue from the supermarket industry growing over 50% year-on-year during the Reporting Period.

In terms of individual consumers services, SF Intra-city was dedicated to providing industry-leading professional on-demand fulfilment services, reinforcing the brand image as "SF Intra-city, the first choice for urgent delivery of valuable items". The number of cities covered by the "Exclusive Delivery" service continued to increase steadily, with revenue and order volume growing rapidly during the Reporting Period. At the same time, SF Intra-city supported the SF Group in accelerating the fulfillment of its intra-city express delivery business, with the order volume of 0-6 km "delivery within an hour" service continuing to increase. For the 12 months ended 30 June 2026, the number of annual active consumers of SF Intra-city exceeded 27.03 million.

In terms of technology and intelligent upgrades, SF Intra-city continued to iterate the City Logistics System (CLS), leveraging data analytics and algorithms to achieve better matching of orders and delivery capacity across complex networks. Meanwhile, SF Intra-city built a comprehensive agent ecosystem to deeply empower core business workflows and enhance the efficiency of internal operations. During the Reporting Period, SF Intra-city completed integration with mainstream AI applications, including WeChat “Xiaowei” (“小微”) and Alipay “Abao” (“阿寶”), enabling voice-interaction processes for both merchants and consumers through “placing an order with one sentence”. Meanwhile, SF Intra-city focused on planning three major intelligent agents for fulfillment, dispatching and customer service, deeply empowering frontline operations.

SF Intra-city also continued to deepen the large-scale application of smart logistics and unmanned delivery technologies across diversified commercial applications. The scale and scope of the Company’s unmanned vehicle operations continued to expand steadily across diversified scenarios, including last-mile delivery, catering, and campus delivery. Meanwhile, the Company launched innovative pilot programs for shared unmanned vehicle delivery capacity, continuously improving operational efficiency and service quality. During the Reporting Period, the on-time delivery (OTD) rate was approximately 95%, with an average delivery time of 22 minutes for orders within 3 kilometers, and the fluctuation in OTD rate during holidays and adverse weather conditions did not exceed 3 percentage points.

Supply Chain and International Business

In the first half of 2026, the Company’s supply chain and international business achieved a revenue of RMB39.58 billion, representing a year-on-year increase of 15.6%. Excluding the KLN business, the revenue from the supply chain and international business segments of SF increased by 46.6% year-on-year.

Supply Chain Business

The Company continued to strengthen the organizational foundation of its supply chain business, stepping up the development of industry-specific sales teams and solutions talent, and deepening the collaborative triad among Sales, Solutions, and Operations between the Supply Chain Division and frontline regional teams, thereby accelerating the implementation of its digital and intelligent supply chain strategy.

For manufacturing sector, the Company focused on core sectors driven by industrial upgrading and new quality productive forces, vigorously expanding manufacturing logistics operations and increasing the revenue contribution of raw materials and inbound logistics services. For consumer sector, the Company was committed to optimizing customers’ overall inventory operations across diversified sales channels, and continued to scale up its digital and intelligent warehousing and integrated warehousing and distribution businesses. The implementation of the Company’s industry-focused transformation is accelerating, driving robust growth in supply chain operations across the high-tech, industrial equipment, automotive, consumer goods, and food retail sectors.

High-Tech Industry

Anchoring the high-tech manufacturing sector as a new growth pole, the Company consolidated its supply chain capabilities in areas including cross-border supply chains for high-end large-scale equipment, integrated domestic warehousing and transportation and export consolidation for components, and integrated spare parts warehousing and distribution together with last-mile services, further supported by digital and intelligent solutions. In the first half of 2026, the Company’s supply chain service revenue from sub-sectors including electronic components, telecommunications equipment, and consumer electronics achieved high growth of 27% to 53%, of which revenue from cross-border business increased by more than 150% year-on-year.

In the consumer electronics industry, the Company continued to deepen its penetration into the production supply chains of leading consumer electronics OEM/ODM customers. By providing one-stop domestic and export consolidation services for components, the Company progressively connected to logistics business opportunities from hundreds of the customers' upstream suppliers, while precisely aligning with customers' domestic and overseas production line plans to support their capacity globalization and localized fulfillment.

Drawing on its deep understanding of customers' upstream and downstream supply chains and the trust established over many years, the Company provided a number of leading consumer electronics enterprises with digital and intelligent consulting services spanning pain-point diagnosis through to full-suite solutions. Additionally, the Company partnered with a leading client to pilot the Lead Logistics Provider (LLP) model in select overseas countries. SF helps the client orchestrate, coordinate, and manage all execution partners across the end-to-end supply chain, empowering the client to efficiently expand into overseas markets and further solidifying the Company's strategic position as a core global supply chain partner.

Industrial Equipment Industry

Intelligent manufacturing equipment and new-generation electronic information equipment have become a core engine of industrial growth, while the deep integration of smart technologies with manufacturing is driving digital and intelligent upgrades across entire industry chains. Market scale and overseas development demand are both growing rapidly across industries such as smart industrial equipment, engineering machinery, energy storage installations and power grid equipment.

Centering on anchor enterprises across industry chains, the Company leverages its digital and intelligent technologies and global network to provide end-to-end integrated services spanning procurement, production, sales, after-sales services and international reach. In the first half of 2026, the Company's supply chain service revenue from customers in industries such as intelligent equipment, machinery and power equipment increased by more than 70% year-on-year, of which revenue from cross-border business grew by nearly 180% year-on-year.

In the intelligent equipment sector, the Company provided a top-tier industrial control enterprise with milk-run pickup of supplier components, in-park line-side warehouse management and line-side logistics services, applying digital and intelligent technologies to achieve deep coordination between procurement and production and establishing a "lighthouse" case for intelligent equipment supply chain services. In the machinery sector, the Company developed a global integrated spare parts warehousing and distribution solution for a leading enterprise, spanning smart industrial park planning through to fulfillment via a global multi-tier warehouse network, helping the customer improve its 24-hour fulfillment rate by 40%.

Automotive Industry

The accelerating iteration of new domestic vehicle models is placing higher demands on the flexibility and digital coordination capabilities of automakers' production supply chains. At the same time, as Chinese automakers advance toward overseas production capacity expansion and globalization, cross-border knock-down parts and after-sales spare parts businesses have grown markedly faster, with customers increasingly focused on end-to-end fulfillment and localized overseas warehousing and distribution capabilities. The Company deepened its supply chain services for OEMs, with supply chain revenue from the top 30 OEMs increasing by 48% year-on-year in the first half of 2026. The Company also built localized integrated warehousing and distribution service capabilities in the Asia-Pacific and Europe, with revenue from cross-border business increasing by 120% year-on-year.

Management Discussion and Analysis

On the manufacturing side, drawing on its extensive end-to-end inbound logistics experience, the Company completed a pre-production regional distribution center ("RDC") integrated warehousing and distribution project for a new energy vehicle manufacturer's new plant within a highly compressed project timeline, establishing a flexible supply chain solution adapted to fast-paced production. The project efficiently achieved stable RDC warehousing and distribution operations and the precise inbound delivery of components in line with production schedules, setting a benchmark case for automotive production logistics in the new era. On the international development side, the Company provided overseas after-sales spare parts supply chain services for a new energy vehicle manufacturer, building a fully localized fulfillment system covering "overseas warehousing-regional distribution-last-mile delivery". Through end-to-end digital management enabling inventory visibility, real-time tracking and exception alerts, the solution has been successfully implemented in multiple countries including Australia, New Zealand, Singapore and the Philippines, supporting new energy vehicle manufacturers' global development.

Consumer Goods and Retail Food Industries

Against the backdrop of more rational consumer spending and increasingly diversified sales channels, enterprises face more pressing needs for omni-channel inventory coordination and improved turnover efficiency, efficient multi-channel responsiveness, and effective control of fulfillment costs. Digital and intelligent supply chains have evolved from an "option" for consumer goods enterprises into a critical pillar for their survival and growth.

The Company has built core solution capabilities in multi-consignor, multi-channel and overseas omni-channel unified inventory solutions, progressing from validation with benchmark customers to scaled replication among mid-tier customers. Focusing on key commercial districts, the Company developed smart store digitalization solutions, supporting rapid growth in its offline store delivery business. In addition, the Company progressively built nationwide reverse logistics and repair centers, applying new technologies to improve quality inspection efficiency and achieve an end-to-end service loop. In the first half of 2026, the Company's supply chain service revenue from core consumer-facing scenarios including omni-channel unified inventory solutions, store delivery, reverse returns and overseas warehouses achieved relatively fast year-on-year growth.

The Company built a smart delivery center for a leading sports brand. This facility integrates inventory across the full value chain – including e-commerce, offline stores, distributors, as well as forward and reverse logistics. By highly integrating automated equipment across all operational stages, the center achieved a 160% increase in storage capacity and a 50% improvement in outbound efficiency. The Company also established micro-fulfillment centers around core shopping districts to centrally fulfill replenishment, returns and instant retail order demands, deploying automated equipment and unmanned vehicles for efficient fulfillment, effectively lowering stores' warehousing and labor costs while enhancing the consumer experience.

Furthermore, capturing the high-growth opportunity in fresh, short shelf-life snacks, the Company continued to win warehousing and urban distribution business from leading bulk retail snack food brands, meeting customers' high-frequency, multi-SKU store replenishment needs through high-standard temperature control and stable fulfillment, effectively reducing product damage and lowering overall supply chain costs.

International Business

In the first half of 2026, the Company remained committed to the strategy of "the One in Asia with global reach", continuing to deepen its comprehensive service capabilities across all scenarios and extending its offering from standardized products to international supply chain services. Supported by its stable and efficient global network and its ability to deliver integrated solutions across all scenarios, the Company helped customers build agile global supply chain systems that flexibly adapt to external challenges.

International Network Infrastructure

Establishing an Integrated Intercontinental Backbone Network Across Air, Rail, Ground and Ocean. For air transportation, the Company launched 11 new international cargo routes in the first half of 2026 from China to destinations including Japan, Southeast Asia and Europe, bringing the total number of routes to 68. The Company continued to increase international flight frequencies. During the Reporting Period, the Company operated 7,100 international all-cargo flights. Among these, weekly return all-cargo flights in the Asia-Pacific region exceeded 210, with network density ranking among the industry leaders. The Company also worked with strategic partners to optimize its route deployment in response to geopolitical tensions and energy price movements, and expanded air-to-air transshipment capabilities covering emerging markets in South America.

For ground transportation, the Company extended its cross-border trucking network into Southeast Asia, Central Asia and Mongolia, and established hubs at multiple inland ports in Southwest and Northwest China. The Company also obtained key qualifications including international ground transportation licenses, with progressive enhancement in its cross-border trunk routes, cold chain capabilities and port hub facilities. **For rail transportation**, it has newly opened trunk routes for Central Asia block trains and launched the rail transport corridor linking Southeast Asia and Europe, strengthening network coverage and fulfillment reliability. **For ocean freight**, while maintaining its leading position in intercontinental routes, the Company strengthened its Southeast Asian short-sea shipping routes, forming a global delivery network underpinned by complementary air, rail, ground and ocean transport.

Enhancing Global Customs Clearance Capabilities and Improving Clearance Efficiency Through Digital and Intelligent Systems. The Company strengthened its in-house customs clearance capabilities at core hubs, launching in-house clearance services at core ports in Singapore and Malaysia and improving pickup and clearance efficiency at key ports by 30% to 60%. It continued to upgrade clearance capabilities across markets including Japan, South Korea, Europe and the United States. As of the end of the Reporting Period, the Company provided customs clearance services at 100 ports worldwide through in-house operations or agency partnerships. It held 12 domestic AEO Advanced Certificates and operated in-house customs clearance capabilities at 13 overseas ports, with intelligent and online systems further improving clearance efficiency.

Expanding the Global Warehouse Network and Deepening Localized Overseas Supply Chain Capabilities. Anchored in serving leading domestic brands' needs for the overseas development of their products and production capacity, the Company continued to expand its warehousing networks across Europe, the Americas and Asia-Pacific, covering fulfillment requirements for both cross-border e-commerce and localized overseas supply chains. As of the end of the Reporting Period, the Company's total overseas warehousing area exceeded 2.75 million square meters. Warehouse operations have expanded beyond general cargo and e-commerce shipments to cover temperature- and humidity-controlled, high-value and bonded goods, further reinforcing localized end-to-end supply chain services from production to sales overseas.

Enhancing Domestic and Overseas Last-Mile Networks to Strengthen End-to-End Service Capabilities. In China, the Company operated 19 dedicated international service outlets and four international small-parcel operating centers in major cross-border e-commerce clusters, enabling efficient cargo consolidation and rapid loading onto outbound flights. Overseas, through a combination of in-house development and local partnerships, the Company continued to strengthen last-mile delivery and local service capabilities in major markets including Asia-Pacific, Europe and the Americas.

Management Discussion and Analysis

International Express and Cross-Border E-Commerce Logistics

In the first half of 2026, the Company continued to strengthen its service competitiveness across core Asia-Pacific and intercontinental routes, accelerating the expansion of international express and cross-border e-commerce logistics with revenue increasing by 60% year-on-year.

The Company comprehensively upgraded its end-to-end logistics product capabilities across its three core markets of Asia, the Americas and Europe. Drawing on its all-cargo aircraft resources to develop premium and dedicated air freight lanes, the China-U.K. and China-France lanes ranked among the top three industry-wide by cargo volume, and the China-Japan lane ranked among the top five industry-wide. End-to-end next-day and second-day fulfillment capabilities improved across core Asia-Pacific corridors; in particular, the second-day delivery success rate on the China-Japan corridor improved by nearly 40 percentage points. Backed by product competitiveness and cost-effectiveness with online and offline omni-channel marketing, the Company delivered strong growth in its international business.

The Company continued to optimize the international business structure, with a more diversified customer base and broader growth drivers. Leveraging its dense domestic last-mile network and self-operated overseas customs clearance capabilities, the Company built strong competitive barriers in express delivery within the Asia-Pacific region, sustaining healthy growth in retail parcel services covering corporate business documents and parcels, high-value items, industrial samples and personal effects. The Company also continued to penetrate specialized niche markets such as wedding apparel, home textiles and electric curtains, establishing dedicated international outlets in industry clusters and offering combined solutions covering both "sample delivery and heavy and bulky freight", which drove related revenue to more than double year-on-year. In cross-border e-commerce, while consolidating its cooperation with leading platforms, the Company actively expanded business with brands' independent websites and overseas local e-commerce platforms, and explored a new model connecting domestic industry clusters with overseas livestream hosts under the "dropshipping" model. In addition, as tariffs and regulatory requirements on cross-border parcels tighten and less compliant, the industry is phasing out certain non-compliant small and mid-sized players. Backed by extensive overseas warehouse resources and end-to-end compliant fulfillment capabilities, the Company is well-positioned to capture the spillover demand and secure greater merchant recognition and business opportunities.

International Supply Chain Business

The Company captured opportunities arising from Chinese enterprises' capacity globalization and flexible supply chain upgrading, focusing on several hundred leading enterprises across industry value chains and continuing to build a service ecosystem coordinated across upstream and downstream partners. Revenue from the international supply chain business of SF (excluding KLN) increased by 155% year-on-year, with revenue from overseas warehouses increasing by over 200%.

Entering the market on the strength of its cross-border line-haul transportation capabilities, the Company expanded overseas warehouses to secure core hubs in overseas supply chains, driving the integration of upstream and downstream resources and extending its supply chain services from standalone transportation to multi-scenario coverage. The Company continued to expand its overseas warehousing areas in key Asia-Pacific markets, developing specialized operating capabilities in a number of countries for new energy products, temperature- and humidity-controlled goods, high-value consumer goods and bonded goods, and implementing a series of high-barrier specialized warehouse projects across the high-tech, new energy, automotive parts and cold chain sectors, which significantly strengthened its localized fulfillment and customized service capabilities.

The Company also pursued opportunities arising from local headquarters operations and industry clusters across Asia-Pacific markets. For a Korean beauty brand, the Company began with single-warehouse services in South Korea, establishing trust and demonstrating its fulfillment capabilities. As the customer's global footprint progressed, the Company extended its warehousing network to Malaysia, the Philippines, Indonesia, Thailand and Japan, achieving efficient coordination across globally distributed warehouses. The Company's service scope likewise expanded from last-mile delivery to seven scenarios including air and sea line-haul transportation, customs clearance agency services, local distribution, overseas warehouse operation and system support, making the project a benchmark case for serving foreign enterprises' globally distributed warehousing needs and demonstrating the organizational synergy of SF's global network.

The Company continued to reinforce the digital foundation of its international operations. Guided by the objectives of "full-process visibility, controllability of key nodes and early warning of exceptions", it further developed its digital and intelligent closed-loop supply chain management capabilities, helping enterprises strengthen the supply chain resilience and risk resistance of their overseas operations.

International Cargo and Freight Forwarding Business

In the first half of 2026, driven by the steady advancement of the "KLN 2.0" initiative, the International Freight Forwarding business of the controlling subsidiary KLN achieved steady growth in both volume and revenue.

In terms of ocean freight, volumes achieved relatively fast growth, supported by growth in Asian exports, supply chain diversification and tariff-driven front-loading of shipments. Compounded by trade lane disruptions in the second quarter and elevated fuel costs causing freight rate volatility, freight rates remained higher year-on-year in the first half, driving an increase in ocean freight revenue.

In terms of air freight, volume and revenue both achieved solid growth. Ezhou Shunjia Aviation Ground Service Co., Ltd., a subsidiary of the Company, successfully obtained all four IATA CEIV certifications (covering Pharma, Lithium Batteries, Fresh, and Live Animals), signifying that the Company has reached leading global standards in special air cargo handling.

Operational Optimization

Transit Efficiency Enhancement

The Company continued to advance sorting center consolidation and the upgrading of its network structure, streamlining transfer nodes to shorten parcel routing and improve network-wide transit timeliness. In the first half of 2026, the Company reduced the number of sorting centers by 10 through the consolidation and optimization of facility resources, making its network structure leaner and more efficient.

For transit automation deployment, the Company continued to upgrade its automation equipment across the four core processes of loading and unloading, sorting, parcel induction and bag consolidation. As of June 30, 2026, the Company deployed a total of over 3,800 sets of transit automation equipment and approximately 2,400 AGVs of various types. The Company actively explored and rolled out solutions including robotic-arm parcel induction, automated equipments for stacking, loading and unloading, and AGV-based centralized bag consolidation, leading the application of cutting-edge intelligent technologies in logistics scenarios and achieving a 7.4% year-on-year increase in transit operational efficiency. Concurrently, the Company also accelerated the construction of automated roll cage transfer centers, utilizing a roll cage containerization model to reduce the number of times parcels are sorted and lower the risk of parcel damage. The automated cage transfer centers deliver three times the operational efficiency of conventional sorting centers. Additionally, the increased deployment of automatic cage stacking and loading/unloading equipments will continue to significantly improve labor productivity at these centers.

For intelligent transit operations, the Company upgraded its underlying systems and developed dedicated agents to accelerate the build-out of an intelligent transit operating system based on real-time sensing, intelligent analysis, and dynamic optimization. In capacity monitoring, the Company advanced the development of an end-to-end facility monitoring and early warning platform to proactively prevent over-capacity risks and improve capacity utilization. In quality control, the Company leveraged computer vision to enable early warnings of mis-sorted anomalies, alongside end-to-end automatic scanning and rapid liability attribution for damaged parcels, effectively safeguarding delivery timeliness and improving transit operating quality. In management decision-making, the Company launched avatars and intelligent assistants that provide staff across multiple roles with transit operating data analysis, process diagnosis and optimization, and dispatch recommendations, supporting transit management and decision-making and advancing the transition of sorting centers from “digitalization” to “digital intelligence”.

Transportation Cost Optimization

The Company continued to optimize its ground transportation network to maximize delivery consolidation and route streamlining. As industrial LTL volume increased, the Company further scaled up its outlet-level consolidated direct-shipment model, dispatching freight to its destinations through the fewest possible routing nodes. As of the end of the Reporting Period, average daily direct-shipment volume under the new model exceeded 9,000 tonnes. The Company also continued to strengthen its heavy LTL network capabilities, with over 4,700 direct trunk routes in operation.

In response to rising fuel prices, the Company actively expanded its deployment of new energy vehicles and the application of new technologies. As of the end of the Reporting Period, the Company had over 54,000 new energy vehicles in operation across its network. Among these, over 1,100 LNG heavy trucks were added on line-haul routes during the period, bringing the total in operation to approximately 1,300 and contributing to fuel cost savings. The Company also expanded its use of advanced driver-assistance systems, adding more than 700 smart-driving vehicles during the period and bringing the total in operation to over 1,400, which reduced the driver-to-vehicle ratio, lowered driver workload and improved driving safety. In unmanned driving, the Company introduced 4.2-meter unmanned light trucks within industrial parks to handle freight transfers between facilities, carrying out route surveys, supplementary data collection and issue validation to lay a foundation for future fleet-scale deployment. In parallel, the Company commenced testing of L4 unmanned heavy trucks, continuing to validate the application of cutting-edge technologies in logistics scenarios.

The Company developed intelligent land transportation network planning tools and agents, building an end-to-end intelligent assistant spanning network planning, data inquiry, diagnostic analysis, and solution output. The Company used intelligent system decision-making to form more round-trip routes. Through intelligent matching of controllable capacity resources and suitable vehicle types, average daily operating mileage per self-operated vehicle increased by more than 20% year-on-year, and the share of line-haul tasks handled by high-capacity vehicles rose by 7.8 percentage points year-on-year. In addition, the intelligent vehicle scheduling system automatically allocates drivers and vehicles, moving from fixed driver-vehicle pairing to dynamic 24/7 vehicle deployment which, combined with optimized driver shifts, maximizes operating efficiency.

Last-Mile Capability Enhancement

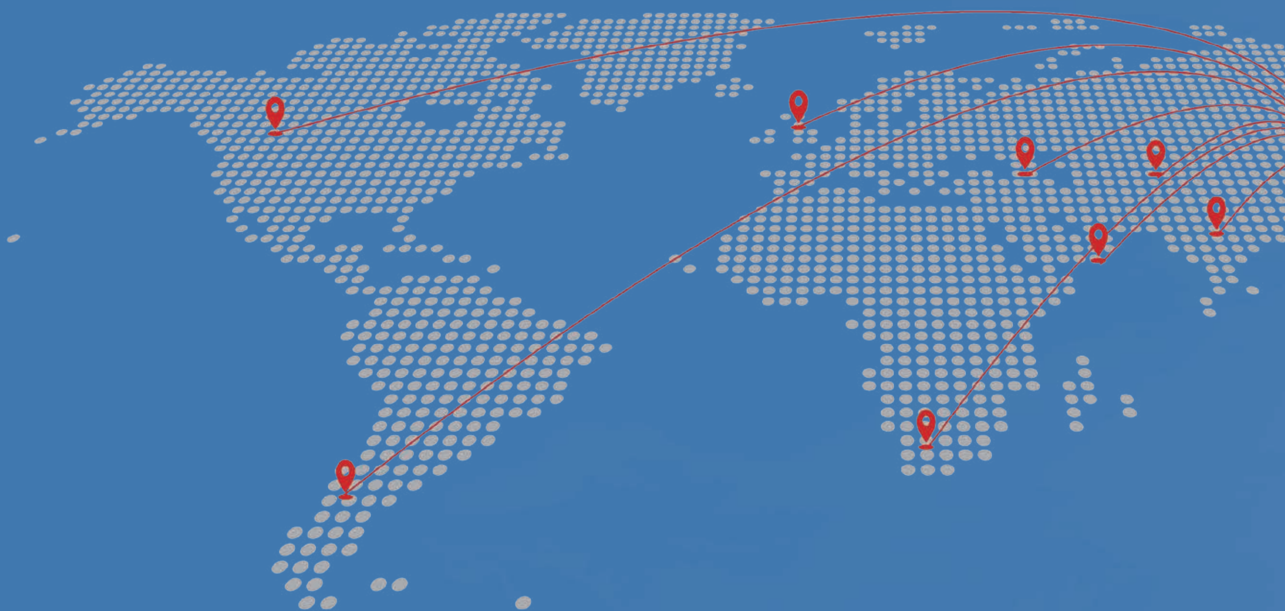
The Company continued to advance last-mile network stratification, adhering to the principle of precisely matching products, resources and models so as to optimize costs while meeting customers' time-definite requirements. In areas with dense e-commerce parcel volume, the Company established dedicated outlets as appropriate and matched them with flexible resources. Through measures such as consolidated pickup on fixed schedules and line-haul transportation using high-cube vehicles, the Company fully realized economies of scale and achieved a dynamic balance between service quality and operational efficiency.

The Company regards increasing income and safeguarding the rights and interests of frontline couriers as the foundation of sustainable development. In the first half of 2026, the Company further refined its credit authorization system and team model, making incentive rules fairer and more precisely targeted. The Company also upgraded its courier recognition system, allocating dedicated funding to implement six categories of benefits and twelve core initiatives, adding long-term incentives for residential areas, incentives for developing LTL and large-parcel business, medical insurance with coverage of up to RMB1 million and the "SF Second Generation" (豐二代) care program, further strengthening frontline couriers' sense of fulfillment and belonging, delivering a year-on-year decline in employee turnover.

The Company also drew on smart technologies and intelligent hardware to comprehensively empower last-mile fulfillment and substantially reduce couriers' physical workload. It developed a dedicated smart copilot for couriers, supporting voice inquiries and conversational interaction, which responds precisely to questions on pickup and delivery standards, product pricing and other operational matters, handling an average of more than 900,000 queries per month and helping couriers develop business efficiently. AI-powered outbound calling was applied to contact customers in batches and independently gather their delivery preferences, substantially reducing the volume of manual telephone communication. Additionally, our handheld terminals are voice-enabled, allowing for voice-controlled app navigation, automated form filling, and exception tagging. This allows couriers to work hands-free and improves on-site operating efficiency. In addition, the Company continued to deploy unmanned vehicles for feeder transit, reducing courier's transit time and mileage so that they can devote more time to high-value customer-facing services and revenue generation.

Global Service Network Coverage

Note: The data below are all as of June 30, 2026.



Domestic

Prefecture-level
divisions coverage in China

100%

County-level
divisions coverage in China

99.9%

Overseas

International express delivery, freight forwarding and supply chain businesses

94

countries and regions covered

International small parcels business

186

countries and regions covered

Ground Transport

Total volume

>7.86 billion

Vehicles under operation

>230,000

Railway Transport

Total volume of rail shipments

>1,500,000 tons

Lines of railway trains

1,436

Sea Freight

Sea freight shipments

>660,000 TEU

Maritime routes

>13,000

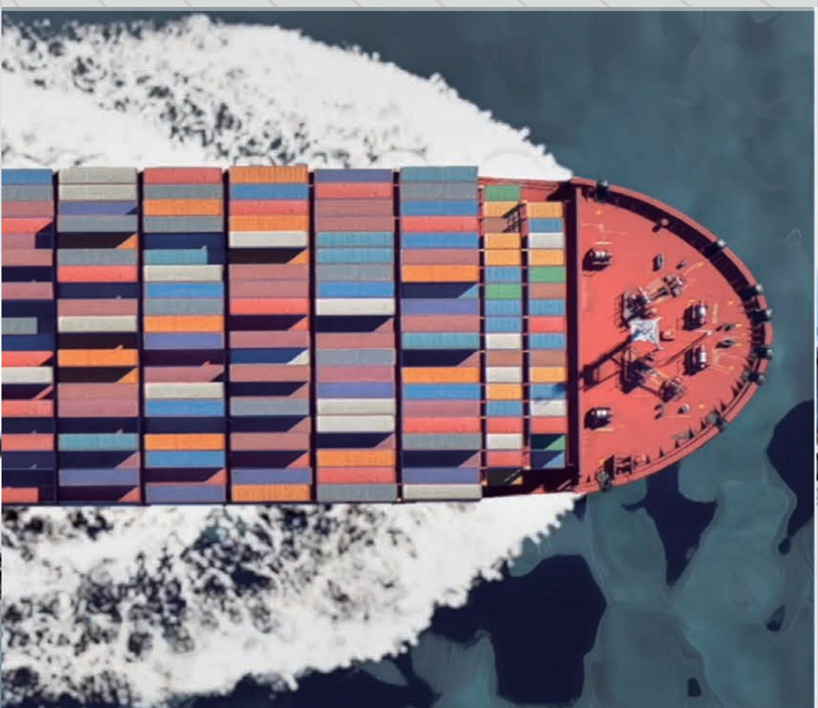
Air Cargo

Global air cargo volume

>1,450,000 tons

All-cargo aircraft in operation

111



Service Outlets

Domestic self-operated & agency & cooperative service outlets

>350,000

Overseas self-operated & agency & cooperative service outlets

>90,000

Sorting Hubs

Domestic sorting hubs of express and freight business

333

Overseas sorting hubs & facilities

47

Warehouses

Global warehouse resources

>14.65 million sqm

Number of warehouses

>1,500

Property Assets*

Total land area

12.70 million sqm

Total building area

11.59 million sqm

* Key facility assets, such as logistics parks and logistics centers, held directly by the Company and through REITs

Management Discussion and Analysis

Core Competitiveness

Efficient and Reliable Global Logistics Infrastructure Network Deeply Rooted in Asia and Connecting the World

As of the end of the first half of 2026, the Company's service network covered all cities across China, while its international express, freight and supply chain businesses expanded to 94 countries and regions worldwide. Its international small-parcel services reached 186 countries and regions globally.

China's Largest and Globally Leading Cargo Airline and the Largest Air Cargo Operator in China

A comprehensive and industry-leading aviation network forms the cornerstone of the Company's premium time-definite services. In the first half of 2026, the Company's total air cargo volume was over 1.45 million tonnes globally, representing a year-on-year increase of 8.6%. Domestic air cargo volume surpassed 930,000 tonnes, accounting for 33.8% of China's total air cargo volume and consistently ranking first nationwide. International air cargo volume reached nearly 520,000 tonnes, representing a year-on-year increase of 27.2%.

As of the end of the first half of 2026, the Company operated 111 all-cargo aircraft globally, of which 90 are self-operated aircraft of SF Airlines. Since its establishment in 2009, SF Airlines has become the largest cargo airline in China and one of the world's leading cargo carriers. It employs 895 pilots and holds 356 pairs of scarce traffic rights and flight slots. In the first half of 2026, the Company's all-cargo fleet covered 205 global routes with nearly 30,000 flights, reaching 74 domestic destinations and 59 international and regional destinations. Total all-cargo air freight volume exceeded 760,000 tonnes. Among these, international routes totaled 68, operating over 7,100 flights and carrying nearly 270,000 tonnes of cargo.

In addition, the Company maintains deep cooperation with multiple domestic and international passenger airlines to utilize belly capacity, forming a complementary airlift network with broader coverage, greater scheduling flexibility and optimized cost efficiency. In the first half of 2026, the Company transported more than 680,000 tonnes of cargo through over 1 million passenger flights globally, including more than 250,000 tonnes of international shipments.

The Ezhou cargo hub is the first dedicated air cargo hub in Asia, and fourth in the world, possessing significant strategic scarcity value. The Company commenced operation of its logistics complex in the Ezhou cargo hub in September 2023. As of the end of the Reporting Period, 61 domestic cargo routes and 25 international cargo routes have been launched. In the first half of 2026, the Company recorded over 15,000 flight movements at the hub. The hub's logistics complex is equipped with 52 kilometers of intelligent sorting lines, capable of processing up to 280,000 parcels per hour at peak capacity. Fourteen smart customs inspection lines operate in coordination with fully automated sorting systems to enable efficient customs clearance and dispatch of international shipments. In the first half of 2026, international cargo throughput at the Ezhou cargo hub increased by 23% compared with the first half of 2025.

Comprehensive Multimodal Transportation Capabilities Addressing Domestic and Cross-Border Needs

The Company commands extensive road, rail, and maritime transportation resources that operate in synergy with its aviation network, enabling the provision of tailored, cost-effective and time-efficient multimodal transportation solutions.

As of the end of the Reporting Period, the Company operated over 120,000 line-haul and short-haul trucks globally, as well as more than 110,000 vehicles dedicated to last-mile pickup and delivery. The Company also utilizes diverse railway transportation resources to meet varying product fulfillment requirements. As of the end of the Reporting Period, the Company utilized 1,012 high-speed railway routes domestically to support time-sensitive products and 156 conventional railway routes to transport economy products and heavy cargo. Internationally, it operated 268 international block train routes reaching 34 countries and regions. Total rail cargo volume in the first half of 2026 exceeded 1.5 million tonnes.

Furthermore, through extensive cooperation with shipping lines, as of the end of the Reporting Period, the Company operated over 13,000 maritime routes. In the first half of 2026, total maritime cargo volume exceeded 660,000 TEUs. Its expansive maritime network enables the Company to provide global customers with stable, reliable and cost-efficient international freight solutions.

Global Network of Service Outlets, Sorting Centers and Warehouses Supporting Globalized and Localized Operations

As of the end of the Reporting Period, the Company had established more than 42,000 self-operated and agency service outlets and customer-facing touchpoints in China, along with over 310,000 external last-mile partnership service outlets such as urban parcel stations and rural co-distribution stores, providing customers with convenient, reliable and efficient logistics services. Globally, the Company operated more than 90,000 pickup and delivery outlets – established through both self-operated initiatives and partnerships with local service providers overseas – effectively supporting cross-border end-to-end and localized delivery. The Company's network includes approximately 400,000 couriers, delivering responsive, reliable and customer-centric services that enhance the overall service experience.

The Company has established a highly efficient and intelligent integrated sorting and transit network capable of flexibly accommodating parcels of varying weights and dimensions. As of the end of the first half of 2026, it operated 192 small-parcel and 141 bulky and heavy freight sorting centers, fully equipped with advanced automated sorting systems. Overseas, the Company operates 47 sorting and consolidation facilities, strengthening its competitiveness in cross-border and overseas local markets.

The Company has established a comprehensive and diversified global warehousing network, delivering specialized warehousing solutions tailored to the unique needs of industries. As of the end of the first half of 2026, total global warehouse area exceeded 14.65 million square meters, including over 10.2 million square meters of self-operated domestic warehouses and over 1.7 million square meters of franchised partner warehouses. Internationally, overseas warehouses have been established in 37 countries and regions, totaling over 2.75 million square meters, efficiently supporting cross-border e-commerce and international supply chain operations. In addition to conventional ambient storage, the Company operates high-standard multi-temperature food cold storage facilities reaching 1.18 million square meters and pharmaceutical cold storage facilities reaching 0.17 million square meters, providing high-quality, compliant cold chain services.

In addition, the Company owns and, through REIT structures, holds significant logistics parks and logistics center assets across China and Southeast Asia. As of the end of the Reporting Period, such properties encompassed a total land area of 12.70 million square meters and 11.59 million square meters of gross floor area. Among these, completed and operational projects accounted for 10.58 million square meters of land area and 9.98 million square meters of gross floor area, while projects currently under construction accounted for 2.12 million square meters of land area and 1.61 million square meters of gross floor area.

Management Discussion and Analysis

Pioneering Logistics Technology Driving the Evolution of Smart Supply Chains

Leveraging its broad industry coverage, diverse logistics scenarios and end-to-end service capabilities, together with the customer trust it has built through years of consistent and reliable service delivery, SF has worked with numerous industry-leading customers to implement a broad range of benchmark digital and intelligent transformation projects, establishing leading practices for the digital and intelligent transformation of end-to-end supply chains.

SF's innovation and capabilities in logistics technology continued to be recognized by leading industry organizations in China and overseas. The Company's innovations in AI foundation models, agents and smart logistics applications received numerous awards, including the 2026 China Artificial Intelligence Innovation Award awarded by IDC, a leading international research institution, and the Red Dot Design Award. As of the end of the Reporting Period, SF had 4,391 patents and patent applications, as well as 2,574 software copyrights, with invention patents accounting for 66.20% of its total patents.

Leveraging AI to Drive End-to-End Efficiency Gains and Cost Reductions Across the Logistics Network

With enterprise-wide intelligence as its objective, the Company has deployed multiple agents across various logistics operations. These agents are being embedded into day-to-day workflows across marketing, service fulfillment, finance and employee management, and research and innovation. The Company is building a closed-loop, end-to-end intelligent workflow extending from demand insights to precise fulfillment services.

Sales Management: Leveraging market intelligence, the agent can automatically analyze potential business opportunities in specific scenarios. It scores and categorizes business opportunities and leads, and routes them via a "one-click dispatch" system to dedicated frontline sales personnel, regional service outlets/couriers, and call center representatives for rapid follow-up. Simultaneously with lead dispatch, the agent automatically generates marketing strategies, products, and solution recommendations tailored to customer needs, thereby driving sales efficiency and conversion rates. Supported by the AI-enabled customer management infrastructure, frontline teams followed up on hundreds of thousands of dispatched leads during the Reporting Period, helping generate over RMB1 billion in newly contracted revenue.

Planning: The Ground Network Planning Agent integrates volume forecasting, route planning, resource planning, dynamic planning, and post-implementation review and optimization. It automatically generates data-driven analyses, recommendations and plans and, in real time, produces an optimal plan that balances service quality, delivery time and cost. As of the end of the Reporting Period, the agent had been rolled out across the network. It reduced the daily workload of each network planner by an average of two hours and shortened the time required for route review and plan optimization from several hours to minutes. Following the rollout, issues affecting vehicle load factors could be identified the following day, compared with the previous retrospective review cycle of two to three days, and the network-wide empty mileage rate decreased by 35%. In a network-wide reconfiguration project for short-haul routes, the agent optimized more than 100 routes and increased the load factor of such routes by 3 percentage points.

Fulfillment: Taking the Ground Fulfillment Agent as an example, its capabilities encompass scheduling, execution, auditing, and exception resolution. For intelligent scheduling, the automated scheduling rate for line-haul and short-haul routes exceeded 98%, while the acceptance rate of intelligent resource dispatch plans exceeded 90%. To improve vehicle efficiency, the agent optimizes scheduling to increase the utilization of the Company's self-operated vehicles, effectively reducing reliance on outsourced transportation capacity and generating cost savings. Additionally, the Company built a Parcel Quality Agent that leverages enhanced computer vision algorithms to improve risk prevention and evidence gathering throughout the parcel journey. Its "Fengyu Detective" tool provides end-to-end monitoring and visualization of each parcel's journey, generates diagnostic conclusions for individual parcel exceptions within seconds and achieves diagnostic accuracy of over 90%, thereby improving the efficiency of parcel tracking and location. During the first half of 2026, the planning and fulfillment agents began to support cost savings.

Human Resources and Financial Management: In human resources management, it has developed multiple agents, including human resources shared service center (HRSSC) digital workforce and AI-powered simulation training tools, covering the full cycle of talent recruitment, development, management and deployment. Digital workforce now handle 100% of employee onboarding procedures across the network, and more than 99% of professional skills training for customer service personnel incorporates AI-powered simulations.

In financial management, the agent's functions encompass automated document submission, document review, account reconciliation, contract review, intelligent Q&A, intelligent price comparison, financial analysis, automated attribution, and cost-reduction opportunity recommendations. These capabilities effectively reduce employees' routine transactional work, empowering them to focus on high-value creation.

In addition, the Company has made foundation model applications and agent development tools available to all employees to promote the joint development of the platform ecosystem. Through a three-tier training system comprising online courses, scenario-based practical training and capability certification, more than 10,000 employees across the Group participated in AI learning and practical application during the first half of 2026. Employees have independently developed approximately 15,000 workplace agents, which are being steadily integrated into SF's daily workflows to accelerate both operational and administrative efficiency. While actively advancing comprehensive intelligent transformation, the Company has reduced its cost per million tokens by over 90% compared to the beginning of the year.

Management Discussion and Analysis

Actively Exploring Automated and Unmanned Equipment

Warehousing

Leveraging its self-developed Baichuan Digital and Intelligent Supply Chain Platform, SF has developed flexible, intelligent and data-driven automated warehousing solutions. The Company has also successfully developed several large-scale automated high-bay warehouses, providing customers across industries with digitalized, integrated and automated warehousing services.

Case study – beauty industry: SF helped a leading global beauty brand develop its intelligent supply chain operations center in China, the industry's first benchmark project featuring comprehensive automation. Incorporating advanced smart warehousing capabilities, the center is equipped with automated storage and retrieval systems (AS/RS), multi-level shuttle systems, goods-to-person picking systems and other intelligent equipment. It adopts an integrated layout with warehousing above and sorting below, providing storage capacity for more than ten million items and enabling seamless operations from picking and sorting through dispatch.

The warehouse features a 36-meter-high, high-density pallet AS/RS served by stacker cranes, with more than 35,000 pallet positions, together with a multi-level shuttle-based tote storage system. This has increased storage density to five times that of a conventional single-level warehouse. The stacker crane system uses computer vision technology to quickly identify the correspondence between storage locations and containers, enabling automated stocktaking and improving operational efficiency by 50% to 80%. The warehouse is directly connected to a bonded warehouse. The system intelligently coordinates automated conveyor lines and AGVs to complete automated receiving and put-away without manual intervention, enabling seamless inter-warehouse transfers. The logistics park also uses scheduled patrols by quadruped inspection robots and an infrared security system to establish a dual-layer, around-the-clock security network.

These highly integrated smart warehousing capabilities not only meet the customer's stringent requirement that 75% of orders be fulfilled within 24 hours, but also support the processing of more than 400,000 orders per day during peak seasons. Through an omnichannel inventory-sharing mechanism, SF helped the customer reduce its inventory cost by 10% to 20%, significantly improving inventory turnover.

Case study – footwear and apparel industry: SF helped a leading sportswear brand develop a smart fulfillment center covering e-commerce, retail store and distributor orders across both forward and reverse logistics. The center has 200,000 storage locations and a peak daily processing capacity of 370,000 items, reshaping the end-customer delivery experience through highly responsive operations.

The project integrates SF's self-developed Baichuan intelligent warehousing system to enable end-to-end digital management. Supported by the Baichuan AI-powered wave-planning agent, the supply chain has progressed from passive execution to proactive decision-making. Through real-time scheduling at the millisecond level, AI algorithms automatically generate system-wide optimal operating paths, significantly improving operational efficiency in complex scenarios. The project adopts an industry-leading mixed-size robotic coordination solution and has established a CTU (Carton Transfer Unit) tote AS/RS and a goods-to-person picking system. These systems increased picking efficiency to 3.5 times that of manual operations and reduced the required storage area by 30%, improving operating performance while reducing costs.

For B2B store orders requiring items of the same SKU to be packed together, efficient algorithms are combined with high-speed cross-belt sorters to achieve sortation throughput of 12,000 items per hour. For B2C orders containing multiple items across multiple SKUs, high-speed automated put-wall systems achieve sortation throughput of 1,500 items per hour with a sorting accuracy of 99.9%, three times the efficiency of manual operations. In addition, AMRs support end-to-end material flows throughout the warehouse, reducing the overall distance traveled by employees by 60% and increasing picking productivity by 30%.

Transit Operations

Focusing on core operating scenarios such as end-to-end sorting, parcel induction and roll cage loading at sorting centers, the Company has deployed various types of new automated equipment and digital hardware and software at scale. This has comprehensively upgraded its sorting processes while reducing costs, improving efficiency and enhancing quality in transit operations.

In the first half of 2026, the Company deployed more than 300 additional units of automated sorting equipment for transit operations, further increasing the level of automated sorting at facilities handling small and large parcels. The equipment also overcomes the limitation of conventional sorting machines, which are generally designed for parcels of a single size, by enabling small and large parcels to be sorted simultaneously on the same equipment. This reduces the floor space required for operating flows by 30%, while increasing peak processing capacity per unit by 42% compared with the conventional model using separate lines for small and large parcels.

In addition, the Company has actively introduced various types of intelligent equipments for sorting center operations. In heavy parcel facilities, the Company deployed automated palletizing equipments to increase the automated processing rate for oversized items and significantly reduce physical labor intensity for employees. In small parcel facilities, automated induction equipments were deployed to perform dexterous manipulations — such as label-facing rotation and the separation of irregularly shaped items — thereby boosting overall induction efficiency. The Company has also established an intelligent, centrally coordinated AGV fleet transfer system covering all handling and sorting scenarios within sorting centers. The system enables dynamic task allocation and intelligent path planning for AGVs, increasing their effective utilization rate by 48%. The Company has deployed approximately 2,400 AGVs for transit operations, which can handle approximately 12 million parcels per day on average.

Transportation

For line-haul transportation, the Company had put more than 1,400 intelligent-driving vehicles into operation as of the end of the Reporting Period and was also piloting 4.2-meter unmanned light-duty trucks and L4 unmanned heavy-duty trucks. In terms of short-haul feeder operations, the Company had put a cumulative total of more than 3,200 unmanned vehicles into operation in more than 150 cities, achieving large-scale deployment across multiple scenarios. For last-mile delivery, the Company has deployed automated last-mile delivery equipments in residential communities, campuses and hospitals. These equipments can automatically enter buildings and open access doors, call and operate elevators through integration with elevator control systems, issue automated calls and alerts, and deliver parcels automatically.

Management Discussion and Analysis

Premium Service Establishing an Unparalleled Brand Value

The Company has consistently adhered to a customer-centric philosophy, striving to deliver service offerings that exceed expectations. From express delivery products to comprehensive logistics services and bespoke industry-specific supply chain solutions, the Company remains deeply committed to honoring the trust placed in SF by every customer, providing services that are both reliable and value-enhancing. As of the end of the Reporting Period, the Company served more than 2.39 million customers with active credit accounts and over 830 million retail customers.

In China, SF has become the household name and synonym for high-timeliness express delivery service. “Let me SF this to you” has been equivalent to “express delivery to you”. The Company has built a strong brand reputation centered around “fast”, “reliable” and “premium service” in customers’ mindset, setting the industry benchmark for superior customer experiences. As a result, many corporate customers and e-commerce platforms actively advertise their use of SF as a symbol of premium service and brand trustworthiness. By associating their products with SF’s premium services, corporate customers and e-commerce platforms are able to enhance consumer perception of their product quality, foster greater trust and improve sales performance.

SF’s commitment to excellence has led to unparalleled brand value. Leveraging on its peer-leading service quality and reputation, the Company has built a loyal and highly engaged customer base across various industries, becoming the go-to logistics partner for many top-tier customers. This dedication to premium service has earned SF wide recognition from customers, industry peers and the public alike.

In the ranking released by the State Post Bureau, SF has been ranked first in public satisfaction with express delivery services for 17 consecutive years (2009-2025). The Company ranked 372nd (up 21 places) in the Fortune Global 500 list for 2026 released by Fortune magazine. It has been on this list for five consecutive years, and it is also the first and only Chinese private express delivery enterprise among the Fortune Global 500. Additionally, according to Brand Finance’s 2025 Global Logistics Brand Value Ranking, the Company ranked 6th globally and 1st among Chinese logistics brands.

State Post Bureau

No.1
in Overall Public Satisfaction in the first half of 2026

No.1 for **17** consecutive years
in Overall Public Satisfaction in 2025

Fortune

372nd selected for **5** consecutive years
among “2026 Global 500 Companies”

2nd selected for **10** consecutive years
among “China’s Most Admired Companies” in 2026

selected for **5** consecutive years
China ESG Impact List

Brand Finance

403rd selected for **7** consecutive years
among “World’s Top 500 Most Valuable Brands” in 2026

6th selected for **7** consecutive years
among “World’s Most Valuable Logistics Brands” in 2025

Financial Review

Revenue

In the first half of 2026, the total revenue of the Group reached RMB155.51 billion, representing an increase of 5.89% as compared to the same period in 2025. The breakdown of the revenue categorized by industry, by operating segment and by geographical region is set out below. For details of the development of each major business, please refer to "Business Development of the Company" in this section.

	For the six months ended June 30,				
	2026		2025		
	Amount *RMB'000*	Percentage of revenue	Amount *RMB'000*	Percentage of revenue	Year-on-year amount change
Total revenue	**155,506,421**	**100.00%**	**146,858,174**	**100.00%**	**5.89%**
Categorized by industry:					
Logistics and freight forwarding	152,390,950	98.00%	143,530,874	97.73%	6.17%
Other non-logistics business[1]	3,115,471	2.00%	3,327,300	2.27%	-6.37%
Categorized by operating segment:					
Express and freight delivery segment	**106,807,062**	**68.68%**	**104,772,845**	**71.34%**	**1.94%**
Time-definite express	63,365,292	40.75%	63,233,100	43.06%	0.21%
Economy express	16,293,567	10.48%	15,160,431	10.32%	7.47%
Freight	22,047,671	14.18%	19,572,650	13.33%	12.65%
Cold chain and pharmaceutical logistics	4,397,144	2.83%	5,836,978	3.97%	-24.67%
Others[2]	703,388	0.45%	969,686	0.66%	-27.46%
Intra-city on-demand delivery segment	**6,796,137**	**4.37%**	**5,582,531**	**3.80%**	**21.74%**
Intra-city on-demand delivery	6,709,255	4.31%	5,493,390	3.74%	22.13%
Others[2]	86,882	0.06%	89,141	0.06%	-2.53%
Supply chain and international segment	**41,297,465**	**26.56%**	**35,768,179**	**24.36%**	**15.46%**
Supply chain and international business	39,578,020	25.45%	34,234,325	23.31%	15.61%
Others[2]	1,719,445	1.11%	1,533,854	1.04%	12.10%
Undistributed units[3]	**605,757**	**0.39%**	**734,619**	**0.50%**	**-17.54%**
Categorized by region:					
Mainland China	134,457,351	86.46%	126,936,236	86.43%	5.93%
Hong Kong, Macao, and Taiwan, China	5,010,789	3.22%	4,705,646	3.20%	6.48%
Other international	16,038,281	10.31%	15,216,292	10.36%	5.40%

Management Discussion and Analysis

Notes:

(1) "Other non-logistics business" categorized by industry mainly represents the ancillary non-logistics services provided by the Company, including the purchase and sales of goods involved in the process of providing end-to-end supply chain services for customers, leasing services and provision of technical services.

(2) "Others" categorized by operating segment mainly comprise the purchase and sales of goods involved in the process of providing end-to-end supply chain services for customers.

(3) "Undistributed units" mainly comprise leasing services and provision of technical services.

(4) Any discrepancies between totals and sums of the numbers are due to rounding.

Cost of Revenue

The cost of revenue of the Group in the first half of 2026 amounted to RMB135.02 billion, representing an increase of 5.65% as compared to the same period in 2025, which was in line with the growth trend of revenue during the Reporting Period. The breakdown of the cost categorized by industry is set out below:

	For the six months ended June 30,				
	2026		2025		
	Amount *RMB'000*	Percentage of cost of revenue	Amount *RMB'000*	Percentage of cost of revenue	Year-on-year amount change
Total cost of revenue	**135,019,763**	**100.00%**	**127,797,632**	**100.00%**	**5.65%**
Categorized by industry:					
Logistics and freight forwarding	132,587,426	98.20%	125,144,444	97.92%	5.95%
Other non-logistics business	2,432,337	1.80%	2,653,188	2.08%	-8.32%

Gross Profit and Gross Profit Margin

The overall gross profit of the Group in the first half of 2026 amounted to RMB20.49 billion, representing an increase of 7.48% as compared to the same period in 2025. The breakdown of the gross profit categorized by industry is set out below:

	For the six months ended June 30,					
	2026		2025		Year-on-year change	
	Amount *RMB'000*	Gross profit margin	Amount *RMB'000*	Gross profit margin	Change in amount	Change in gross profit margin
Total gross profit	**20,486,658**	**13.17%**	**19,060,542**	**12.98%**	**7.48%**	**Up by 0.19 percentage point**
Categorized by industry:						
Logistics and freight forwarding	19,803,524	13.00%	18,386,430	12.81%	7.71%	Up by 0.19 percentage point
Other non-logistics business	683,134	21.93%	674,112	20.26%	1.34%	Up by 1.67 percentage points

Among which, in the first half of 2026, the gross profit of logistics and freight forwarding business was RMB19.80 billion, representing an increase of 7.71% as compared to the same period in 2025, and the gross profit margin was 13.00%, representing an increase of 0.19 percentage point as compared to the same period in 2025. The change in gross profit margin was mainly affected by changes in the percentage of the following three major cost items to revenue:

	For the six months ended June 30,				Year-on-year change	
	2026		2025			
	Amount *RMB'000*	Percentage of revenue	Amount *RMB'000*	Percentage of revenue	Change in amount	Change in the percentage of revenue
Labor cost	63,359,044	41.58%	61,684,717	42.98%	2.71%	Down by 1.40 percentage points
Transportation cost	52,494,767	34.45%	46,774,772	32.59%	12.23%	Up by 1.86 percentage points
Other operating costs	16,733,615	10.97%	16,684,955	11.62%	0.29%	Down by 0.65 percentage point

The labor cost-to-revenue ratio decreased by 1.40 percentage points compared with the same period in 2025. This was primarily driven by the Company's focus on value-driven operations and business mix optimization. Meanwhile, operational efficiency was enhanced through the application of smart and automated technologies, effectively moderating the rise in labor costs. Furthermore, the Company remained committed to enhancing the competitiveness of the compensation mechanism for frontline employees, allocated dedicated funds to launch various measures to safeguard their rights and interests, and strengthened incentives for revenue generation, thereby fostering employees' sense of achievement and belonging.

The transportation cost-to-revenue ratio increased by 1.86 percentage points compared with the same period in 2025. This was mainly because the Company accelerated the expansion of its domestic industrial park and international businesses, strengthening the development of its domestic LTL and international line-haul transportation networks. The corresponding investments in air and ground routes led to an increase in transportation costs. Coupled with a sharp rise in fuel prices in the second quarter, this resulted in a significant increase in transportation costs. At the same time, the Company partially mitigated the upward pressure on transportation costs by accelerating the replacement with new energy vehicles, deploying smart driving technologies and unmanned vehicles, and leveraging digital and intelligent capabilities to empower smart network planning and lean operations.

The other operating cost-to-revenue ratio decreased by 0.65 percentage point compared with the same period in 2025. This was primarily attributable to the Company advancing site integration, strengthening control over resource ROI, and leveraging digital and intelligent capabilities to elevate lean management, thereby keeping other operating costs stable.

Selling and Marketing Expenses

The selling and marketing expenses of the Group in the first half of 2026 amounted to RMB1.89 billion, representing a year-on-year increase of 7.38% compared with RMB1.76 billion in the same period of 2025, and the ratio of selling and marketing expense to revenue was 1.22% in the first half of 2026, representing a year-on-year increase of 0.02 percentage point compared with 1.20% in the same period of 2025. This was primarily driven by the Company's accelerated expansion of its sales team to bolster business development.

Management Discussion and Analysis

General and Administrative Expenses

The general and administrative expenses of the Group in the first half of 2026 amounted to RMB9.74 billion, representing a year-on-year increase of 6.75% compared with RMB9.12 billion in the same period of 2025, and the ratio of general and administrative expenses to revenue was 6.26% in the first half of 2026, representing a year-on-year increase of 0.05 percentage point compared with 6.21% in the same period of 2025. This was mainly due to the Company's strengthened incentives for the expansion of high-value businesses and the building of organizational capabilities for its supply chain and international businesses.

Research and Development Expenses

The research and development expenses of the Group in the first half of 2026 amounted to RMB1.08 billion, representing a year-on-year decrease of 6.16% compared with RMB1.15 billion in the same period of 2025. The ratio of research and development expenses to revenue was 0.70% in the first half of 2026, representing a year-on-year decrease of 0.09 percentage point compared with 0.79% in the same period of 2025. The overall investment in research and development of the Group remained stable. The Group's total research and development investment (including research and development expenses and development expenditures) in the first half of 2026 amounted to RMB1.45 billion, representing a decrease of 2.34% compared with the same period in 2025, and its proportion to revenue was 0.93%, representing a decrease of 0.08 percentage point compared with the same period in 2025.

Other Gains, Net

Other gains, net, of the Group in the first half of 2026 amounted to RMB0.28 billion, representing a year-on-year decrease of RMB0.54 billion compared with RMB0.82 billion in the same period of 2025, which was mainly attributable to the gain on disposal arising from the transfer of three wholly-owned property-holding subsidiaries to Southern SF Logistics REIT recorded in the same period of 2025, whereas no such gain was recorded in the first half of 2026.

Finance Costs, Net

The finance costs, net, of the Group in the first half of 2026 amounted to RMB0.68 billion, representing a year-on-year decrease of 11.58% compared with RMB0.77 billion in the same period of 2025, mainly due to the combined effect of the decrease in average borrowing balance and borrowing interest rates.

Income Tax Expense

The income tax expense of the Group in the first half of 2026 amounted to RMB1.80 billion, representing an increase of 10.91% compared with the corresponding period in 2025, which was mainly due to the growth in the Company's operating profit during the first half of the year.

Profit

The Group achieved profit of RMB5.97 billion in the first half of 2026, representing a decrease of 0.70% as compared to the same period in 2025. Of which, profit attributable to owners of the Company amounted to RMB5.50 billion, representing a decrease of 4.11% as compared to the same period in 2025. The net profit and change over the previous year for each of the Company's operating segments are set forth below:

	For the six months ended June 30,		
	2026 *RMB'000*	2025 *RMB'000*	Year-on-year change
Express and freight delivery segment	5,574,383	5,384,678	3.52%
Intra-city on-demand delivery segment	349,345	137,049	154.91%
Supply chain and international segment	30,313	-7,731	492.10%
Undistributed units[1]	66,460	554,937	-88.02%

Note 1: To better reflect the profit results of each operating segment, effective from the 2025 annual report, the Group has reallocated the financing interest expenses related to the M&A of KLN to unallocated units and restated the data for the comparative period, and will apply this approach going forward. The segment net profit for the first half of 2025 presented herein has been restated by reallocating RMB290 million in financing interest expenses related to the KLN acquisition to unallocated units.

The net profit of the express and freight delivery segment in the first half of 2026 was approximately RMB5.57 billion, representing an increase of 3.52% compared with the same period in 2025. This was mainly due to the effective implementation of the Company's advanced "Stimulate Operation Vitality" mechanism, realizing the progression from being "scale-driven growth" to "value-driven growth", with the revenue per parcel rebounding year-on-year, resulting in a healthier business mix. Furthermore, the Company effectively mitigated the impact of rising fuel prices and maintained operating costs at an optimal level through accelerated adoption of new energy fleets, deployment of automated and unmanned intelligent equipment, and digital intelligence-empowered lean management.

The net profit of the intra-city on-demand delivery segment in the first half of 2026 was approximately RMB350 million, representing an increase of 154.91% compared with the same period in 2025. This was primarily driven by the resilient demand in the on-demand delivery industry, which boosted order volumes and overall revenue. Meanwhile, relying on enhanced economies of scale, optimized investment strategies, lean operation of the courier base and the application of AI technology, the Company promoted full-chain synergy to improve quality and efficiency, achieving steady profit growth. In addition, alongside the healthy growth of its core business, the investment income of SF Intra-city also increased during the period.

The net profit of the supply chain and international segment in the first half of 2026 was approximately RMB30 million, achieving a turnaround to profitability year-on-year, representing an increase of RMB40 million compared with the same period of last year. This was mainly due to the overseas subsidiary KEX reducing its losses year-on-year through business structure optimization and cost reduction via lean operations, coupled with the rapid growth of the broader supply chain and international business.

The net profit for the unallocated units in the first half of 2026 was approximately RMB70 million. The decrease compared with the same period in 2025 was mainly due to the gain on disposal arising from the transfer of three wholly-owned property-holding subsidiaries to Southern SF Logistics REIT recorded in the same period of 2025, whereas no such gain was recorded in the first half of 2026.

Non-IFRS Measures

To supplement the consolidated financial statements which are presented by the Company in accordance with IFRS, the Company also uses certain additional non-IFRS measures, namely, EBITDA and EBITDA margin, as additional financial metrics. These non-IFRS measures are not required by or presented in accordance with IFRS.

The Company believes that these non-IFRS measures facilitate evaluation of its operating performance by eliminating potential impacts of certain items listed below. The Company also believes that such non-IFRS measures present useful information to investors in understanding and evaluating its consolidated results of operations in the same manner as they present to its management. However, its presentation of such non-IFRS measures may not be comparable to similarly titled measures presented by other companies. The use of these non-IFRS measures has limitations as an analytical tool, and you should not consider them on an isolated basis, or as substitute for analysis of, the results of operations or financial condition of the Company as reported under IFRS.

The following table reconciles profit for the period of the Company, calculated and presented in accordance with IFRS, to EBITDA (non-IFRS measure) for the periods indicated:

	For the six months ended June 30,	
	2026 *RMB'000*	2025 *RMB'000*
Profit for the period	**5,970,017**	**6,012,403**
Add:		
Depreciation and amortization	8,265,272	8,197,307
—Depreciation of right-of-use assets	3,488,477	3,337,161
—Depreciation and amortization (excluding right-of-use assets)	4,776,795	4,860,146
Finance costs, net	683,786	773,324
Income tax expense	1,804,878	1,627,325
EBITDA	**16,723,953**	**16,610,359**
EBITDA margin	**10.75%**	**11.31%**

Cash Flow

	For the six months ended June 30,		
	2026 *RMB'000*	2025 *RMB'000*	Year-on-year change
Net cash generated from operating activities	11,171,404	12,936,690	-13.65%
Net cash used in investing activities	-12,261,578	-17,516,875	30.00%
Net cash used in financing activities	6,181,988	-7,280,764	184.91%

Net cash generated from operating activities: In the first half of 2026, net cash generated from operating activities of the Group was RMB11.17 billion, representing a decrease of 13.65% as compared to the same period in 2025, primarily due to the combined effects of an increase in cash received from sales of goods or rendering of services, an increase in payments of taxes and levies and an increase in cash paid to and on behalf of employees. Please refer to note 26(a) to the consolidated financial statements for a detailed explanation of the difference between the Group's net cash generated from operating activities and net profit in the first half of 2026.

Net cash used in investing activities: In the first half of 2026, net cash used in investing activities of the Group was RMB12.26 billion, representing a decrease of 30.00% as compared to the same period in 2025, mainly attributable to the combined effects of a decrease in net outflow from structured deposit investments and an increase in net outflow from equity investments.

Net cash used in financing activities: In the first half of 2026, net cash generated from financing activities of the Group was RMB6.18 billion, representing an increase of 184.91% as compared to the same period in 2025, mainly attributable to the combined effects of an increase in net inflow from borrowings, an increase in net inflow from the issuance of H Shares to J&T Express, and an increase in net outflow from the repurchase of the Company's shares.

Assets and Liabilities

Changes in Major Items of Assets and Liabilities

	As of June 30,					
	2026		2025			
	Amount *RMB'000*	Percentage of total assets	Amount *RMB'000*	Percentage of total assets	Year-on-year amount change	Year-on-year change in the percentage of total assets
Non-current assets						
Property, plant and equipment	57,948,534	25.32%	57,047,334	26.35%	1.58%	-1.04%
Right-of-use assets	22,044,740	9.63%	21,977,705	10.15%	0.31%	-0.52%
Investment properties	6,717,949	2.94%	7,355,231	3.40%	-8.66%	-0.46%
Investments in associates and joint ventures	14,176,563	6.19%	7,033,620	3.25%	101.55%	2.94%
Financial assets at fair value through other comprehensive income	5,652,195	2.47%	8,297,043	3.83%	-31.88%	-1.36%
Current assets						
Inventories	2,999,268	1.31%	3,039,030	1.40%	-1.31%	-0.09%
Contract assets	3,077,673	1.34%	3,049,117	1.41%	0.94%	-0.07%
Trade and note receivables	32,722,352	14.30%	31,055,349	14.35%	5.37%	-0.05%
Financial assets at fair value through profit or loss	21,017,193	9.18%	16,198,976	7.48%	29.74%	1.70%
Cash and cash equivalents	25,017,931	10.93%	19,959,631	9.22%	25.34%	1.71%
Non-current liabilities						
Borrowings	16,193,497	7.07%	17,720,711	8.19%	-8.62%	-1.11%
Lease liabilities	9,682,022	4.23%	9,588,355	4.43%	0.98%	-0.20%
Current liabilities						
Trade and note payables	31,298,360	13.67%	30,281,225	13.99%	3.36%	-0.31%
Contract liabilities	1,981,763	0.87%	1,987,018	0.92%	-0.26%	-0.05%
Borrowings	26,822,663	11.72%	16,087,687	7.43%	66.73%	4.29%
Lease liabilities	5,722,495	2.50%	5,828,895	2.69%	-1.83%	-0.19%
Equity						
Reserves	54,788,203	23.94%	50,046,845	23.12%	9.47%	0.82%

Investments in associates and joint ventures: As of June 30, 2026, investments in associates and joint ventures amounted to RMB14.18 billion, representing an increase of 101.55% as compared with the end of 2025, primarily due to the additional investment through the issuance of H Shares to J&T Express. For details, please refer to note 16(a) to the consolidated financial statements.

Financial assets at fair value through other comprehensive income: As of 30 June 2026, the amount of financial assets at fair value through other comprehensive income was RMB5.65 billion, representing a decrease of 31.88% as compared with the end of 2025, primarily due to the reclassification of the investment in J&T Express from financial assets at fair value through other comprehensive income to investments in associates and joint ventures as a result of the additional investment.

Financial assets at fair value through profit or loss: As of June 30, 2026, financial assets at fair value through profit or loss amounted to RMB21.02 billion, representing an increase of 29.74% as compared with the end of 2025, mainly due to the increase in structured deposits.

Borrowings: As of June 30, 2026, the Group's borrowings under current liabilities amounted to RMB26.82 billion, representing an increase of 66.73% as compared with the end of 2025, mainly due to the bridge loan borrowed for the subscription of shares in J&T Express.

Reserves: As of June 30, 2026, the Group's reserves amounted to RMB54.79 billion, representing an increase of 23.12% as compared with the end of 2025, primarily due to the issuance of H Shares to J&T Express.

Liquidity and Capital Structure

Sources and Uses of Funds

In the first half of 2026, the Group primarily raised funds required for its development through cash generated from operating activities, proceeds from external debts and other financing activities. As of June 30, 2026, the total amount of the Group's cash and cash equivalents and structured deposits and fixed-income certificates in other current assets was RMB45.90 billion. The Group has always adopted a prudent financial management policy, maintaining sufficient and appropriate funds to meet the repayment of matured debts, capital expenditures and normal operations.

	As of June 30,	As of December 31,
	2026 *RMB'000*	2025 *RMB'000*
Cash and cash equivalents	25,017,931	19,959,631
Prepayments, other receivables and other assets – fixed income certificates	50,000	5,618,400
Financial assets at fair value through profit or loss – structured deposits	20,829,599	16,080,264
Total	**45,897,530**	**41,658,295**

The free cash inflow of the Group in the first half of 2026 was RMB5.03 billion, which was derived from net cash generated from operating activities of RMB11.17 billion less capital expenditures (excluding equity investments) of RMB6.14 billion. Looking forward, the Group believes that it will be able to meet the liquidity requirements of the Company by using the existing cash and cash equivalents, cash generated from operating activities and financing activities.

As of June 30, 2026, the Group's debt to asset ratio was 50.08%, representing an increase of 1.05 percentage points from 49.03% at the end of 2025, and the overall capital structure remained stable. (Note: Debt to asset ratio is calculated by total liabilities dividing total assets on the corresponding date)

Borrowings

As of June 30, 2026, the Group's short-term borrowings, convertible bonds, long-term borrowings, corporate bonds, and loans from non-controlling interests and other parties amounted to RMB43.02 billion in aggregate, which were mainly denominated in RMB, HKD and USD with no significant seasonal demand. Among which, the aggregate amount of non-current corporate bonds with fixed interest rates amounted to approximately RMB10.92 billion, and the rest were carried at floating interest rates. Most of the bank borrowings are unsecured, and the assets involved in some of the secured borrowings are set out in "Limitation of asset rights" under "Assets and Liabilities" in "Financial Review" in this section. The Group did not have any borrowings that were past due during the Reporting Period. Please refer to note 20 to the consolidated financial statements in the Report for details of the bank borrowings and other borrowings of the Group. The details are as follows:

	As of June 30, 2026 *RMB'000*	As of December 31, 2025 *RMB'000*
Non-current:	**16,193,497**	**17,720,711**
Long-term bank borrowings	5,102,931	5,183,331
Corporate bonds	10,916,503	12,358,825
Loans from non-controlling interests	174,063	178,555
Current:	**26,822,663**	**16,087,687**
Current portion of long-term bank borrowings	433,425	215,879
Short-term bank borrowings	17,419,452	7,197,332
Convertible bonds	2,567,427	2,620,001
Corporate bonds	6,029,711	5,693,782
Loans from non-controlling interests and other parties	372,648	360,693
Total	**43,016,160**	**33,808,398**

Limitation of Asset Rights

As of June 30, 2026, the Group's assets subject to restricted rights are mainly statutory reserve placed at the Central Bank and the bank borrowing mortgage, as set out below:

	As of June 30, 2026 *RMB'000*	Reasons for limitation
Restricted cash	1,383,685	Mainly statutory reserves in the Central Bank
Property, plant and equipment	446,894	Bank borrowing mortgage
Right-of-use assets	90,565	Bank borrowing mortgage
Investment properties	107,249	Bank borrowing mortgage
Total	**2,028,393**	

External Guarantees

As of June 30, 2026, the Group provided guarantees of RMB995 million to investee companies (such amount was RMB968 million as of December 31, 2025).

Contingent Liabilities

As of June 30, 2026, the Group did not have any material contingent liabilities.

Investments

Capital Expenditures

	For the six months ended June 30,		Year-on-year change
	2026 *RMB'000*	2025 *RMB'000*	
Total investment amount	**13,834,841**	**5,400,677**	**156.17%**

The amounts of the Group's capital expenditure items during the Reporting Period are set out below:

	For the six months ended June 30, 2026 *RMB'000*
Office and buildings	169,754
Land	108,018
Warehouse	365,659
Sorting center	2,484,497
Aircraft	1,363,349
Vehicle	553,516
Information technology equipment	457,839
Equity investments	7,694,395
Others	637,814
Total	**13,834,841**

Capital Commitments

As of June 30, 2026, the Group's capital commitments amounted to RMB3.20 billion, which mainly represented capital commitments contracted but not yet provided for. All such amounts will be settled along with the progress of the projects.

Investments in Financial Assets

Assets and liabilities measured at fair value

Item	Opening balance *RMB'000*	Gains and losses from changes in fair value in the Reporting Period *RMB'000*	Fair value changes recognized in other comprehensive income in the Reporting Period *RMB'000*	Amount of purchase in the Reporting Period *RMB'000*	Decreased amount from disposal in the Reporting Period *RMB'000*	Other changes[2] *RMB'000*	Closing balance *RMB'000*
Financial assets	**25,130,532**	**145,669**	**-1,082,061**	**4,850,213**	**152,326**	**-1,265,625**	**27,626,402**
Current financial assets at fair value through profit or loss (excluding derivative financial assets)[1]	16,198,976	40,443	79,534	4,538,843	4,473	163,870	21,017,193
Other non-current financial assets at fair value through profit or loss	634,513	105,226	–	256,169	22,700	-16,194	957,014
Financial assets at fair value through other comprehensive income	8,297,043	–	-1,161,595	55,201	125,153	-1,413,301	5,652,195
Financial liabilities	**107,268**	**-1,158**	**–**	**–**	**–**	**-3,955**	**104,471**

Notes:

(1) This item includes structured deposits that do not meet the principal-plus-interest contractual cash flow characteristics. These structured deposits, characterized by short maturities and high liquidity, are presented on a net basis for the current period's purchase and sale amounts. Except for structured deposits, all other items are presented separately with their respective purchase and sale amounts for the current period.

(2) Other changes in current financial assets at fair value through profit or loss are mainly income realized from matured structured deposits, and other changes in financial assets at fair value through other comprehensive income are primarily due to the reclassification of the investment in J&T Express to investments in associates. The Company's investment in J&T Express was originally measured at fair value. Following the additional investment during the Reporting Period, J&T Express became an associate of the Company and is accounted for using the equity method.

Investments in Securities

Security type	Stock code	Abbreviation of security	Initial investment cost *RMB'000*	Book value at the beginning of the Reporting Period *RMB'000*	Gains and losses from changes in fair value during the Reporting Period *RMB'000*	Fair value changes recognized in other comprehensive income in the Reporting Period *RMB'000*	Increased amount during the Reporting Period *RMB'000*	Decreased amount during the Reporting Period *RMB'000*	Other changes *RMB'000*	Book value at the end of the Reporting Period *RMB'000*
Funds	180302.SZ	China AMC-Shenzhen International REIT	47,962	55,519	–	1,808	–	-584	–	56,743
Total			**47,962**	**55,519**	**-**	**1,808**	**-**	**-584**	**-**	**56,743**

Note: The book value of the Company's investment in J&T Express at the beginning of the Reporting Period was RMB1.53 billion. Due to the additional investment in J&T Express during the Reporting Period, the equity interest in J&T Express, which was originally classified as financial assets at fair value through other comprehensive income, was reclassified as investments in associates accounted for using the equity method.

Investments in Derivatives

The amounts of the Group's derivatives investments for hedging purpose during the Reporting Period are set out below:

Type of derivatives investment	Initial investment amount *RMB'000*	Amount at the beginning of the Reporting Period *RMB'000*	Gains and losses from changes in fair value during the Reporting Period *RMB'000*	Fair value changes recognized in other comprehensive income in the Reporting Period *RMB'000*	Amount of purchase during the Reporting Period *RMB'000*	Amount of sales during the Reporting Period *RMB'000*	Amount at the end of the Reporting Period *RMB'000*	Percentage of investment amount at the end of the Reporting Period to net assets of the Company at the end of the Reporting Period
Forward foreign exchange	6,932,328	7,714,851	20,295	1,454	N/A	N/A	6,932,328	6.74%
Total	**6,932,328**	**7,714,851**	**20,295**	**1,454**	**N/A**	**N/A**	**6,932,328**	**6.74%**

Actual gains/losses during the Reporting Period: The actual gains/losses of derivatives investments refer to the fair value changes of derivative financial instruments recognized in other comprehensive income, which amounted to RMB80 million for the Reporting Period.

Hedging effects: The Company's derivative investment business mainly consists of hedging contracts to reduce the risks caused by fluctuations in exchange rates and interest rates, primarily involving hedging operations for the Company's US dollar bonds. Exchange losses on the US dollar bonds and gains on changes in the fair value of the forward exchange contracts are generated simultaneously when the USD strengthens against the HKD. By utilizing the derivative transactions to lock in costs, the impact of significant fluctuations in exchange rates and interest rates on the Company's profit was effectively reduced.

Use of Proceeds

Issuance of H Shares by the Company on the Hong Kong Stock Exchange

The Company was successfully listed on the Main Board of the Hong Kong Stock Exchange on November 27, 2024. A total of 170,000,000 ordinary Shares with a par value of RMB1 per Share were successfully placed and issued at a price of HKD34.3 per Share in the global offering, with an aggregate par value of RMB170,000,000. After deducting the underwriting commissions and other estimated expenses related to the global offering, the net proceeds from the share issuance in the global offering for the Company were approximately HKD5,662 million, equivalent to approximately RMB5,299 million at the exchange rate of HKD1.00 to RMB0.9358.

In light of the latest operational and business requirements, the Company convened the 4th meeting of the Seventh Session of the Board of Directors on March 30, 2026, at which the proposal on the change in the use of certain proceeds from the global offering was considered and approved. The Board of Directors approved the reallocation of approximately RMB930 million of the proceeds from the global offering of the Company, which was originally allocated for strengthening international and cross-border logistics capabilities, to strengthening and optimizing logistics network and service offerings in China.

As of June 30, 2026, the proceeds from the global offering were utilized in accordance with the planned uses and proportions as stated in the Prospectus and as reallocated pursuant to the afore-mentioned proposal of the Board of Directors. The details are as follows:

	Planned use of proceeds		As of June 30, 2026		Expected timeline for the utilization of the unutilized amount
	Percentage	Amount *RMB'000*	Utilized amount *RMB'000*	Unutilized amount *RMB'000*	
Strengthening international and cross-border logistics capabilities	27%	1,454,395	1,268,505	185,890	On or before the end of 2026
Strengthening and optimizing logistics network and service offerings in China	53%	2,784,529	1,992,430	792,099	On or before the end of 2026
Research and development of advanced technologies and digital solutions to upgrade supply chain and logistics services and implement ESG-related initiatives	10%	529,866	529,866	–	–
Working capital and general corporate purposes	10%	529,866	529,866	–	–
Total	**100%**	**5,298,656**	**4,320,667**	**977,989**	

Placing of New H Shares under General Mandate

On July 4, 2025, the Company completed the allotment and issuance of a total of 70,000,000 H Shares with a par value of RMB1 each pursuant to the General Mandate (the "Placing of H Shares"), with an aggregate par value of RMB70,000,000. The closing price as quoted on the Hong Kong Stock Exchange on June 25, 2025 (being the date on which the terms of the Placing of H Shares were fixed) was HKD46.20 per H Share. For details, please refer to the announcements of the Company dated June 26, 2025 and July 4, 2025.

The net proceeds from the placing were approximately HKD2,934 million, equivalent to approximately RMB2,681 million based on the exchange rate of HKD1.00 to RMB0.9139, after deducting the underwriting commissions and other estimated expenses related to the placing. The net price per H Share was approximately HKD41.91.

As of June 30, 2026, the proceeds from the placing have been utilized according to the planned uses and proportions set out in the placing announcement. The details are as follows:

	Planned use of proceeds		As of June 30, 2026		Expected timeline for the utilization of the unutilized amount
	Percentage	Amount *RMB'000*	Utilized amount *RMB'000*	Unutilized amount *RMB'000*	
Strengthening international and cross-border logistics capabilities	30%	804,317	149,551	654,766	On or before the end of 2027
Research and development of advanced technologies and digital solutions	30%	804,317	775,416	28,901	On or before the end of 2027
Optimizing the capital structure of the Company	30%	804,317	804,317	–	–
General corporate purposes	10%	268,106	268,106	–	–
Total	**100%**	**2,681,057**	**1,997,390**	**683,667**	

Issuance of Convertible Bonds under General Mandate

On July 10, 2025, the Company issued the bonds that may be converted into H Shares of the Company in an aggregate principal amount of HKD2,950.0 million due 2026 through SF Holding Investment 2023 Limited, a wholly-owned subsidiary of the Company, pursuant to the General Mandate (the "Convertible Bonds"), which have been unconditionally and irrevocably guaranteed by the Company. The closing price as quoted on the Hong Kong Stock Exchange on June 25, 2025 (being the date on which the terms of the subscription agreement for the Convertible Bonds was entered into) was HKD46.20 per H Share. The Convertible Bonds have an initial conversion price of HKD48.47 per Share. As a result of the Company's distribution of the 2025 interim dividend and the 2025 final dividend, the conversion price of the Convertible Bonds has been adjusted to HKD47.43 per Share with effect from May 19, 2026 (the "Adjusted Conversion Price"). Assuming full conversion at the Adjusted Conversion Price, the Convertible Bonds may be converted into a maximum of 62,196,921 ordinary Shares with a par value of RMB1.00 each, representing an aggregate par value of RMB62,196,921. For details, please refer to the announcements of the Company dated June 26, 2025, July 10, 2025 and May 13, 2026.

The net proceeds from the issuance of Convertible Bonds were approximately HKD2,909 million, equivalent to approximately RMB2,666 million based on the exchange rate of HKD1.00 to RMB0.9165, after deducting the underwriting commissions and other estimated expenses related to the issuance of Convertible Bonds.

As of June 30, 2026, the proceeds from the issuance of Convertible Bonds have been utilized according to the planned uses set out in the issuance announcement. The Company has utilized an aggregate of RMB2.533 billion for the enhancement of the Group's international and cross-border logistics capabilities, research and development of advanced technologies and digital solutions, optimizing the capital structure of the Company and general corporate purposes. The utilized amount accounted for approximately 95% of net proceeds.

On July 8, 2026, the Convertible Bonds were due, and the Company has fully settled and cancelled the Convertible Bonds.

Issuance of H Shares to J&T Express under General Mandate

To further consolidate and enhance the comprehensive competitiveness of the Company in the Asian and global logistics markets, on January 15, 2026, the Company and J&T Express entered into a subscription agreement, pursuant to which, subject to satisfaction of the relevant terms and conditions, the Company has agreed to subscribe, and J&T Express has agreed to issue 821,657,973 J&T Express Class B shares at the price of HKD10.10 per share, and J&T Express has agreed to subscribe, and the Company has agreed to issue 225,877,669 H Shares of the Company under the General Mandate at the price of HKD36.74 per Share. The closing price as quoted on the Hong Kong Stock Exchange on January 14, 2026 (being the last trading day before the terms of the issuance of H Shares to J&T Express were fixed on January 15, 2026 before trading commenced) was HKD35.36 per H Share. On June 9, 2026, certain conditions precedent set out in the aforementioned subscription agreement were all fulfilled, and the Company successfully allotted and issued 225,877,669 H Shares of the Company to J&T Express. After deducting the fees and other estimated expenses related to the issuance, the net proceeds from the issuance of the Company's H Shares to J&T Express amounted to approximately HKD8,289 million (approximately RMB7,208 million). The net price per H Share of the Company was approximately HKD36.70. The net proceeds will be fully utilized to repay the bridge loan borrowed by an offshore subsidiary of the Company for the subscription of 821,657,973 J&T Express Class B shares.

For details, please refer to the announcements of the Company dated January 15, 2026 and June 9, 2026.

Significant Investments, Acquisitions and Disposals

The Group did not make any significant investments, acquisitions and disposals of equity interests in subsidiaries or investee companies, or any significant investments and disposals of non-equity assets for the six months ended June 30, 2026.

Future Plans for Significant Investments and Capital Assets

As of June 30, 2026, the Group did not have any significant investment and capital asset plans.

Subsequent Event

On August 24, 2026, the Board approved the exercise by the Company's indirect wholly-owned subsidiary of its pre-emptive rights and potential over-allotment pre-emptive rights to subscribe for new shares issued by Hive Box Holdings Limited ("Hive Box"), subject to a maximum amount of RMB305 million. On August 28, 2026, the Company's indirect wholly-owned subsidiary entered into a subscription agreement with Hive Box to subscribe for an aggregate of 106,971,473 Class A ordinary shares of Hive Box at RMB2.8489 per share for a total consideration of approximately RMB304.8 million, increasing its shareholding in Hive Box from 8.73% to approximately 10.03% on a fully diluted and as-converted basis. For details, please refer to the announcements of the Company dated August 24, 2026 and August 28, 2026.

Corporate Governance and Other Information

Corporate Governance Practices

The Board recognizes the importance of good corporate governance to the Company's healthy growth and has devoted considerable efforts to formulating and implementing corporate governance practices appropriate to the Company's needs. The Company has adopted the principles and code provisions of the CG Code as the basis of the Company's corporate governance practices.

During the Reporting Period and up to the date of this Report, the Company has complied with all applicable principles of good corporate governance and code provisions of the CG Code, save and except in respect of code provision C.2.1 of Part 2 of the CG Code, which requires that the roles of chairman and chief executive should be separate and should not be performed by the same individual.

Chairman and General Manager

Mr. Wang Wei is the chairman of the Board and the general manager (same nature as chief executive) of the Company. Since Mr. Wang has been operating and managing the main operating subsidiaries of the Company since incorporation of the Group, the Board is of the view that it is in the best interest of the Group to have Mr. Wang taking up both roles for effective management and business development of the Group and Mr. Wang will provide strong and consistent leadership to the Group. This arrangement ensures a more effective and efficient overall strategic planning of the Group as this structure enables the Company to make and implement decisions promptly and effectively. Further, the Company has put in place an appropriate check-and-balance mechanism through the Board including three independent non-executive Directors. Therefore, the Board considers that the balance of power and authority of the present arrangement will not be impaired because such arrangement would not result in excessive concentration of power in one individual which could adversely affect the interest of minority Shareholders.

The Company will continue to review and monitor its corporate governance practices to ensure compliance with the CG Code.

Model Code for Securities Transactions

The Company has adopted the Model Code regarding Directors' dealings in the securities of the Company. Having made specific enquiry of all the Directors, all Directors confirmed that they have complied with the provisions of the Model Code during the Reporting Period and up to the date of the Report.

The Company has also established written guidelines for securities transactions by employees who are likely to be in possession of inside information of the Company on terms no less exacting than the Model Code. No incident of non-compliance with the written guidelines by the employees has been noted by the Company.

In case the Company is aware of any restricted period for dealings in the Company's securities, the Company will notify its Directors and relevant employees in advance.

Corporate Governance and Other Information

Interim Dividend

As the 2025 Annual General Meeting has considered and approved the authorization granted to the Board of Directors to determine the 2026 interim profit distribution plan, the Board reviewed and approved the 2026 interim profit distribution plan on August 28, 2026, details of which are as follows:

Based on the total number of Shares registered on the record date (the "Record Date") for the 2026 interim profit distribution plan, the Company proposes to distribute cash dividends to all shareholders whose names appear on the register of members on the Record Date, with a cash dividend of RMB4.9 (tax inclusive) per 10 Shares. The Company will not carry out bonus issue and conversion of capital reserve into share capital. Upon preliminary calculation based on the Company's total number of issued Shares as of the date of this Report, net of Shares in the repurchase securities account as of the same date, the amount of the interim cash dividend distribution is expected to be RMB2.50 billion, accounting for 45% of the profit attributable to owners of the Company for the six months ended June 30, 2026. The exact amount distributed therefor is subject to the actual distribution by the Company. Cash dividends distributed by the Company are denominated and declared in RMB and payable in RMB to holders of A Shares, and in HKD to holders of H Shares. The exchange rate for the dividend to be paid in HKD will be the average central parity rate of RMB against HKD as announced by the People's Bank of China during the five Business Days prior to the date (exclusive) of the Board's resolution on the dividend distribution plan, being RMB1.00 to HKD1.15566.

The Record Date for the 2026 interim dividend is September 16, 2026. To determine H Shareholders' entitlement to the 2026 interim dividend, the Company's H Share register will close from September 14, 2026 to September 16, 2026 (both days inclusive), with no H Share transfers registered during this period. In order to be entitled to receive the 2026 interim dividend, the H Shareholders whose transfers of Shares have not been registered shall lodge all transfer documents together with the relevant share certificates to Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on September 11, 2026.

Please refer to the section headed "Reduction and Exemption of Dividend Tax" in the 2025 annual report of the Company for detailed information on tax applicable to the dividend declared for the Shareholders.

Issued Shares

As at June 30, 2026, the Company had a total of 5,265,308,078 ordinary Shares in issue. Details of movements in the share capital of the Company during the Reporting Period are as follows:

		Changes in the Reporting Period			
	Number of Shares as at January 1, 2026	Cancellation of repurchased Shares	Issuance of new Shares	Total	Number of Shares as at June 30, 2026
A Shares	4,799,430,409[(1)]	–	–	–	4,799,430,409[(2)]
H Shares	240,000,000	–	225,877,669	225,877,669	465,877,669[(3)]
Total	**5,039,430,409**	**–**	**225,877,669**	**225,877,669**	**5,265,308,078**

Notes:

(1) Including 38,959,689 A Shares, which are treasury shares repurchased by the Company pursuant to the 2025 First A-Share Repurchase Plan and are placed in the Company's repurchase securities account. On May 8, 2026, the resolution on the amendment to the A Share repurchase plan was considered and approved at the 2025 annual general meeting, to change the use of the repurchased shares under the 2025 First A-Share Repurchase Plan from "employee share ownership plan or equity incentive scheme" to "cancellation and reduction of registered share capital".

(2) Including 156,622,000 A Shares, which are the shares repurchased for cancellation but not yet cancelled and placed in the Company's repurchase securities account.

(3) Including 1,284,800 H Shares, which are the treasury shares repurchased and held by the Company.

Purchase, Sale and Redemption of Listed Securities of the Company

During the six months ended June 30, 2026, the particulars of listed securities repurchased by the Company on the Shenzhen Stock Exchange are as follows:

Month	Number of Shares repurchased	Highest price paid per A Share	Lowest price paid per A Share	Aggregate Consideration
	A Shares	*RMB*	*RMB*	*RMB*
January	9,329,000	38.98	37.61	357,349,312.00
February	2,669,800	37.70	37.25	99,991,082.56
March	16,084,700	38.33	36.05	599,939,203.03
April	29,243,894	38.34	36.75	1,098,975,199.34
May	57,461,517	37.77	35.06	2,080,919,099.44
June	2,873,400	34.90	34.31	99,993,571.47

The repurchased A Shares listed in the table above were repurchased pursuant to the 2025 First A-Share Repurchase Plan, and will be cancelled in due course. For details of the 2025 First A-Share Repurchase Plan, please refer to the announcements of the Company dated April 28, 2025, October 30, 2025, March 30, 2026 and May 8, 2026 and the circular dated April 16, 2026.

During the six months ended June 30, 2026, the particulars of listed securities repurchased by the Company on the Hong Kong Stock Exchange are as follows:

Month	Number of Shares repurchased	Highest price paid per H Share	Lowest price paid per H Share	Aggregate Consideration
	H Shares	*HKD*	*HKD*	*HKD*
June	1,284,800	30.32	29.08	38,443,160.01

The repurchased H Shares listed in the table above were repurchased pursuant to the 2026 H Share Repurchase Plan, and are held as treasury shares. For details of the 2026 H Share Repurchase Plan, please refer to the announcement of the Company dated March 30, 2026.

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's securities (including sale of treasury shares) listed on the Hong Kong Stock Exchange or the Shenzhen Stock Exchange during the Reporting Period.

Sufficient Public Float

As at June 30, 2026, the number of issued H Shares was 465,877,669, which included 1,284,800 treasury shares, and the remaining 464,592,869 H Shares were all counted toward the Company's public float.

As at June 30, 2026, the percentage of public float of H Shares represented 8.83% of the total number of issued shares in the class to which the listed shares belong (excluding treasury shares), which is above 5% as required in Rule 19A.28B(2)(b) of the Listing Rules.

The Directors confirmed that, during the six months ended June 30, 2026, the public float of the Company has been in compliance with the applicable public float requirements.

2022 Stock Option Incentive Plan (A Shares)

The Company has adopted the 2022 Stock Option Incentive Plan as approved by the second extraordinary general meeting of 2022 on May 17, 2022. The source of shares of the 2022 Stock Option Incentive Plan shall be the A Shares repurchased by the Company and placed in the Company's repurchase securities account and/or the A Shares issued to participants. All the options under the 2022 Stock Option Incentive Plan have been granted before the Company's listing on the Hong Kong Stock Exchange and no option will be further granted.

Details of the options granted and their movements during the Reporting Period are as follows:

			Number of Options				
Name or category of participants	Date of grant	Exercise price	Outstanding as at January 1, 2026	Exercised during the Reporting Period	Cancelled during the Reporting Period[1]	Outstanding as at June 30, 2026[2]	Weighted average closing price immediately before the date of exercise of options during the Reporting Period
Directors (on individual named basis):							
Ho Chit	May 30, 2022	RMB39.301	244,000	–	–	244,000	–
Xu Bensong	May 30, 2022	RMB39.301	136,000	–	–	136,000	–
Other Eligible Participants:							
Subtotal	May 30, 2022 and October 28, 2022	RMB39.301	17,086,709	–	–	17,086,709	–
Total			**17,466,709**	**–**	**–**	**17,466,709**	

Notes:

(1) Including (i) options that cannot be exercised as individual performance targets were not achieved, (ii) options that cannot be exercised as the holding participant is no longer an employee of the Group, and (iii) options exercisable but not exercised during the respective exercise period and lapsed, with exercise prices being RMB39.301.

(2) Of these, the exercise period for 50% of the outstanding options shall be from the first trading day after the 36-month anniversary of the grant date to the last trading day before the 48-month anniversary of the grant date; the exercise period for the remaining 50% shall be from the first trading day after the 48-month anniversary of the grant date to the last trading day before the 60-month anniversary of the grant date. The vesting period of the options is from the grant date until the commencement of the exercise period.

(3) During the Reporting Period, there were no options granted. Therefore, the number of shares that may be issued in respect of options granted under the 2022 Stock Option Incentive Plan during the Reporting Period divided by the weighted average number of shares of the relevant class in issue (excluding treasury shares) is nil.

"Grow Together" Employee Shareholding Scheme (A Shares)

The Company has adopted the "Grow Together" Employee Shareholding Scheme as approved by the 2025 first extraordinary general meeting held on September 15, 2025. The source of shares of the "Grow Together" Employee Shareholding Scheme is 200,000,000 A Shares transferred from Mingde Holding to the Company on September 17, 2025 at nil consideration, which represents approximately 3.80% of the Company's issued shares as at the date of the Report (excluding treasury shares).

Details and changes to virtual share units granted under the "Grow Together" Employee Shareholding Scheme for the six months ended June 30, 2026 are as follows:

	As at January 1, 2026		During the Reporting Period					As at June 30, 2026	
Name or category of eligible participants	Number of virtual share units not yet accounted for	The number of Shares corresponding to the Shareholding Scheme Units that have been accounted for and vested	Number of virtual share units granted[1]	Number of virtual share units cancelled[2]	Number of virtual share units accounted for[3]	The number of Shares corresponding to the Shareholding Scheme Units that have been accounted for and vested[3]	The number of Shares corresponding to the Shareholding Scheme Units expired[4]	Number of virtual share units not yet accounted for	The number of Shares corresponding to the Shareholding Scheme Units that have been accounted for and vested
	(Units)	*(Shares)*	*(Units)*	*(Units)*	*(Units)*	*(Shares)*	*(Shares)*	*(Units)*	*(Shares)*
Directors (on individual named basis):									
Ho Chit	2,300,000	–	–	–	2,300,000	421,494	–	–	421,494
Xu Bensong	700,000	–	–	–	700,000	128,281	–	–	128,281
Other Participants:									
Subtotal	76,819,300	–	–	3,944,550	72,874,750	13,357,274	86,511	–	13,270,763
Total	**79,819,300**	**–**	**–**	**3,944,550**	**75,874,750**	**13,907,049**	**86,511**	**–**	**13,820,538**

Notes:

(1) During the Reporting Period, no virtual share units were granted.

(2) During the Reporting Period, upon review and approval by the Shareholding Scheme Management Committee, a total of 3,944,550 virtual share units that were initially granted but failed to meet the vesting conditions were forfeited at nil consideration and cancelled.

(3) On March 30, 2026, the 75,874,750 virtual share units held by 6,407 grantees who met the performance targets were vested as 13,907,049 Shareholding Scheme Units of the Company, corresponding to 13,907,049 A Shares.

(4) During the Reporting Period, 86,511 Shareholding Scheme Units held by 75 participants were forfeited at nil consideration due to their departure.

(5) The grantee is only entitled to cash dividends from the Relevant Shares held, and does not have the right to dispose of the Relevant Shares. The full rights to the Shares corresponding to the Shareholding Scheme Units that have been accounted for and vested will be enjoyed upon the expiration of the service period. Upon the expiration of the service period and before the expiration of the duration of the scheme, the Scheme Management Committee will, in accordance with market conditions, complete the transfer of Relevant Shares or distribute cash to the holders of the Scheme after the sale of Relevant Shares as soon as possible.

Interests and Short Positions of Substantial Shareholders in Shares and Underlying Shares of the Company

As at June 30, 2026, so far as is known to the Directors, the following persons (not being Directors or chief executive of the Company) had, or were deemed to have, interests or short positions in the Shares, underlying Shares or debentures of the Company which would fall to be disclosed to the Company and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were required to be recorded in the register of interests required to be kept by the Company under section 336 of the SFO:

Name of substantial Shareholder	Class of Shares	Nature of interest	Number of Shares interested(1)	Approximate percentage of shareholding in the relevant class of Shares(2)	Approximate percentage of shareholding in the total issued Shares(2)
Wang Wei(3)	A Shares	Interest of controlled corporation	2,461,920,119 (L)	51.30%	46.76%
Mingde Holding(3)	A Shares	Beneficial Owner	2,361,920,119 (L)(4)	49.21%	44.86%
	A Shares	Interest of controlled corporation	100,000,000 (L)	2.08%	1.90%
Li Jie(5)	H Shares	Interest of controlled corporation	225,877,669 (L)	48.48%	4.29%
Vistra Trust (Singapore) Pte. Limited(5)	H Shares	Interest of controlled corporation	225,877,669 (L)	48.48%	4.29%
Exceeding Summit Holding Limited(5)	H Shares	Interest of controlled corporation	225,877,669 (L)	48.48%	4.29%
Topping Summit Limited(5)	H Shares	Interest of controlled corporation	225,877,669 (L)	48.48%	4.29%
Jumping Summit Limited(5)	H Shares	Interest of controlled corporation	225,877,669 (L)	48.48%	4.29%
J&T Express(5)	H Shares	Beneficial Owner	225,877,669 (L)	48.48%	4.29%

Notes:

(1) The letter "L" denotes the person's long position in the Shares and the letter "S" denotes the person's short position in the Shares.

(2) The calculation is based on the total number of 5,265,308,078 issued Shares as at June 30, 2026, comprised of 4,799,430,409 A Shares and 465,877,669 H Shares (including treasury shares).

(3) Mr. Wang held the A Shares through Mingde Holding. Mingde Holding directly held 2,361,920,119 A Shares and indirectly held 100,000,000 A Shares through Shenzhen Weishun, its wholly-owned subsidiary. Mr. Wang held 99.90% of the equity interest in Mingde Holding. Accordingly, Mr. Wang was deemed to be interested in the A Shares held by Mingde Holding under Part XV of the SFO.

(4) Among them, an aggregate of 762,092,980 A Shares were subject to pledges granted under certain loans, bonds and credit facilities in favor of certain PRC financial institutions regulated by NAFR and/or CSRC.

(5) Mr. Li Jie was interested in an aggregate of 225,877,669 H Shares in the Company, which were held indirectly through certain corporations controlled by him, including Vistra Trust (Singapore) Pte. Limited, Exceeding Summit Holding Limited, Topping Summit Limited, Jumping Summit Limited and J&T Express.

(6) Pursuant to Section 336 of the SFO, if certain conditions are met, the Shareholders are required to submit a disclosure of interest notice. In the event of changes in the shareholding of the Shareholders in the Company, the Shareholders will not be required to notify the Company and the Hong Kong Stock Exchange unless certain conditions are met. Therefore, the latest shareholding of the Shareholders in the Company may be different from the shareholding submitted to the Hong Kong Stock Exchange.

Save as disclosed above, as at June 30, 2026, the Directors of the Company are not aware of any other person or corporation having an interest or short position in the Shares and underlying Shares of the Company which would require to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company pursuant to section 336 of the SFO.

Interests and Short Positions of Directors and Chief Executive in Shares, Underlying Shares and Debentures of the Company and its Associated Corporations

As at June 30, 2026, the interests or short positions of the Directors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which (a) were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were held or deemed to have under such provisions of the SFO); or (b) were required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein; or (c) were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code, were as follows:

Interest in Shares or Underlying Shares of the Company

Name of Director and chief executive	Class of Shares	Nature of interest	Number of Shares interested[1]	Approximate percentage of shareholding in the relevant class of Shares[2]	Approximate percentage of shareholding in the total issued Shares[2]
Wang Wei	A Shares	Interest of controlled corporation[3]	2,461,920,119 (L)[3]	51.30%	46.76%
Ho Chit	A Shares	Beneficial Owner	787,494 (L)[4]	0.02%	0.01%
Xu Bensong	A Shares	Beneficial Owner	318,481 (L)[5]	0.01%	0.01%
Lee Carmelo Ka Sze	A Shares	Beneficial Owner	38,000 (L)	0.001%	0.001%

Notes:

(1) The letter "L" denotes the person's long position in the Shares.

(2) The calculation is based on the total number of 5,265,308,078 issued Shares as at June 30, 2026, comprised of 4,799,430,409 A Shares and 465,877,669 H Shares (including treasury shares).

(3) Including (i) 2,361,920,119 A Shares held by Mingde Holding, and (ii) 100,000,000 A Shares held by Shenzhen Weishun, a wholly-owned subsidiary of Mingde Holding. As at June 30, 2026, Mr. Wang held 99.90% of the equity interests in Mingde Holding. Therefore, Mr. Wang was deemed to be interested in the A Shares held by Mingde Holding under Part XV of the SFO.

(4) Including (i) 122,000 A Shares held by Mr. Ho, (ii) 244,000 options granted to Mr. Ho under the 2022 Stock Option Incentive Plan, and (iii) 421,494 Shareholding Scheme Units held by Mr. Ho under the "Grow Together" Employee Shareholding Scheme, involving 421,494 A Shares.

(5) Including (i) 54,200 A Shares held by Mr. Xu, (ii) 136,000 options granted to Mr. Xu under the 2022 Stock Option Incentive Plan, and (iii) 128,281 Shareholding Scheme Units held by Mr. Xu under the "Grow Together" Employee Shareholding Scheme, involving 128,281 A Shares.

Interest in Shares or Underlying Shares of the Associated Corporation of the Company

Name of Director and chief executive	Name of associated corporation	Nature of interest	Class of interest	Number of shares/registered capital interested(1)	Total number of shares/ registered capital of the associated corporation	Approximate percentage of equity interest
Wang Wei	Mingde Holding	Beneficial Owner	Registered capital	RMB 113,286,600	RMB 113,400,000	99.90%
Wang Wei	SF Intra-city	Interest in a controlled corporation and others(2)	H Shares Unlisted domestic shares	364,738,662 (L) 171,764,898 (L)	745,610,609 171,764,898	48.92% 100.00%
Wang Wei	KLN	Interest in a controlled corporation and others(3)	H Shares	931,209,117 (L)	1,807,429,342	51.52%

Notes:

(1) The letter "L" denotes the person's long position in the shares of the associated corporation.

(2) Including 171,764,898 H Shares and 171,764,898 domestic shares held by SF Taisen, 75,000,000 H Shares held by Beijing SF Intra-city Technology Co., Ltd. (北京順豐同城科技有限公司), 117,076,764 H Shares held by SF Holding (HK), and 897,000 H Shares held by Celestial Ocean Investment Limited. Beijing SF Intra-city Technology Co., Ltd. is a non-wholly owned subsidiary of SF Technology, while Celestial Ocean Investment Limited is a wholly-owned subsidiary of SF Holding (HK), and both SF Technology and SF Holding (HK) are wholly-owned subsidiaries of SF Taisen. SF Taisen is a wholly-owned subsidiary of the Company and therefore a non-wholly owned subsidiary of Mingde Holding, which is held by Mr. Wang as to approximately 99.90%. As such, Mr. Wang was deemed to be interested in the shares of SF Intra-city.

(3) Being 931,209,117 shares of KLN held through Flourish Harmony Holdings Company Limited. Flourish Harmony Holdings Company Limited is a wholly-owned subsidiary of Advance Harmony Holdings Company Limited. Advance Harmony Holdings Company Limited is a wholly-owned subsidiary of SF Holding (HK). SF Holding (HK) is a wholly-owned subsidiary of SF Taisen. SF Taisen is a wholly-owned subsidiary of the Company and therefore a non-wholly owned subsidiary of Mingde Holding, which is held by Mr. Wang as to approximately 99.90%. As such, Mr. Wang was deemed to be interested in the shares of KLN.

(4) The shares of SF Intra-city and KLN held by Mr. Wang are all ordinary shares.

Save as disclosed above and so far as is known to the Directors and chief executive of the Company, as at June 30, 2026, none of the Directors or chief executive of the Company had or was deemed to have any other interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) (a) which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code.

Corporate Governance and Other Information

Employees

People-centric culture promotes sustainable growth internally and customer bonding externally. The Company is dedicated to creating a fair, just and open environment for its employees, with the aim of establishing SF's brand as a platform for global shining talents to realize their dreams, seek excellence and achieve career pride. The Company attracts talents through a fair recruitment policy and provides employees with training opportunities, good career development prospects and growth opportunities. The Company will continue to attract, cultivate and retain highly motivated talents with diversity, and build an energetic workforce by enriching the Company's talent pool.

The Group adopts a comprehensive remuneration policy that takes into account various factors including market benchmarks, individual performance, and the overall financial results of the Company. This approach ensures that compensation remains competitive and aligned with both corporate's overall development objectives and individual contribution levels of employees.

As at June 30, 2026, the Group had 156,580 full-time employees around the world(1).

Audit Committee and Review of Interim Financial Information

The Company has established an Audit Committee in compliance with Rule 3.21 of the Listing Rules of SEHK and the CG Code to monitor the implementation of the risk management policies across the Company on an ongoing basis, thereby ensuring that the internal control system is effective in identifying, managing and mitigating risks involved in the business operations.

The Audit Committee comprises all the independent non-executive Directors, namely Mr. Chan Charles Sheung Wai, Mr. Lee Carmelo Ka Sze and Dr. Ding Yi. Mr. Chan Charles Sheung Wai serves as the chairman of the Audit Committee and has the appropriate professional qualifications as required under Rules 3.10(2) and 3.21 of the Listing Rules of SEHK. The Audit Committee has reviewed interim results and the interim financial information of the Group for the six months ended June 30, 2026, and discussed matters with respect to the accounting policies and practices adopted by the Company and internal control with senior management members and PricewaterhouseCoopers, the auditor of the Company.

Changes in Information of Directors

Material changes in information of Directors from the date of publication of the 2025 annual report to the date of this Report are set out below:

Director	Details of changes
Wang Wei	Appointed as a non-executive director of J&T Express with effect from August 20, 2026

Save as disclosed above, there were no other changes to the information of the Directors that are required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules of SEHK.

Continuing Disclosure Obligation Pursuant to the Listing Rules of SEHK

As at the end of the Reporting Period, the Company does not have any disclosure obligations under Rules 13.20, 13.21 and 13.22 of the Listing Rules of SEHK.

Note 1: Any inconsistency in relation to this data between the interim results announcement and this Report, the data in this Report shall prevail.

Report on Review of Interim Financial Information

羅兵咸永道

To the Board of Directors of S.F. Holding Co., Ltd.

(incorporated in the People's Republic of China with limited liability)

Introduction

We have reviewed the interim financial information set out on pages 71 to 120, which comprises the interim condensed consolidated statement of financial position of S.F. Holding Co., Ltd. (the "Company") and its subsidiaries (together, the "Group") as at 30 June 2026 and the interim condensed consolidated statement of profit or loss, the interim condensed consolidated statement of comprehensive income, the interim condensed consolidated statement of changes in equity and the interim condensed consolidated statement of cash flows for the six-month period then ended, and selected explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 "Interim Financial Reporting". The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information of the Group is not prepared, in all material respects, in accordance with International Accounting Standard 34 "Interim Financial Reporting".

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, August 28, 2026

Condensed Consolidated Statement of Profit or Loss

For the six months ended June 30, 2026

		Six months ended June 30,	
	Note	2026	2025
		RMB'000	*RMB'000*
		(Unaudited)	*(Unaudited)*
Revenue	*4*	**155,506,421**	146,858,174
Cost of revenue	*7*	**(135,019,763)**	(127,797,632)
Gross profit		**20,486,658**	19,060,542
Selling and marketing expenses	*7*	**(1,892,187)**	(1,762,136)
General and administrative expenses	*7*	**(9,735,692)**	(9,120,144)
Research and development expenses	*7*	**(1,082,256)**	(1,153,311)
(Impairment losses)/net reversal of impairment losses on financial assets and contract assets		**(165,369)**	117,104
Other income	*5*	**424,460**	485,428
Other gains, net	*6*	**283,883**	821,866
Operating profit		**8,319,497**	8,449,349
Finance income	*8*	**100,132**	155,037
Finance costs	*8*	**(783,918)**	(928,361)
Finance costs, net		**(683,786)**	(773,324)
Share of profit/(loss) of associates and joint ventures, net	*16*	**171,425**	(36,297)
Impairment provision for investments in associates and joint ventures		**(32,241)**	–
Profit before income tax		**7,774,895**	7,639,728
Income tax expense	*9*	**(1,804,878)**	(1,627,325)
Profit for the period		**5,970,017**	6,012,403
Attributable to:			
Owners of the Company		**5,501,905**	5,737,699
Non-controlling interests		**468,112**	274,704
		5,970,017	6,012,403
Earnings per share for profit attributable to the owners of the Company:			
– Basic *(RMB)*		**1.10**	1.16
– Diluted *(RMB)*		**1.10**	1.16

The above condensed consolidated statement of profit or loss should be read in conjunction with the accompanying notes.

Condensed Consolidated Statement of Comprehensive Income

For the six months ended June 30, 2026

	Six months ended June 30,	
	2026 *RMB'000* *(Unaudited)*	2025 *RMB'000* *(Unaudited)*
Profit for the period	**5,970,017**	6,012,403
Other comprehensive income:		
Items that may be reclassified to profit or loss		
– Effective portion of changes in fair value of hedging instruments arising during the year	**1,454**	(70,072)
– Share of other comprehensive income of associates and joint ventures accounted for using the equity method	**8,852**	(6,390)
– Currency translation differences of foreign operations	**(713,578)**	274,856
Items that will not be reclassified to profit or loss		
– Fair value changes of equity investments designated at fair value through other comprehensive income	**(1,161,595)**	168,278
– Income tax effect	**234,151**	(11,297)
Other comprehensive income for the period net of tax	**(1,630,716)**	355,375
Total comprehensive income for the period	**4,339,301**	6,367,778
Attributable to:		
Owners of the Company	**3,817,062**	5,617,090
Non-controlling interests	**522,239**	750,688
	4,339,301	6,367,778

The above condensed consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Condensed Consolidated Statement of Financial Position

As at June 30, 2026

	Note	June 30, 2026 RMB'000 (Unaudited)	December 31, 2025 RMB'000 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	*11*	**57,948,534**	57,047,334
Right-of-use assets	*12*	**22,044,740**	21,977,705
Investment properties	*13*	**6,717,949**	7,355,231
Intangible assets	*14*	**17,823,484**	18,571,560
Deferred tax assets		**2,366,911**	2,071,156
Prepayments, other receivables and other assets	*15*	**2,296,698**	2,153,828
Investments in associates and joint ventures	*16*	**14,176,563**	7,033,620
Financial assets at fair value through other comprehensive income	*17*	**5,652,195**	8,297,043
Financial assets at fair value through profit or loss	*17*	**957,014**	634,513
Total non-current assets		**129,984,088**	125,141,990
Current assets			
Inventories		**2,999,268**	3,039,030
Contract assets		**3,077,673**	3,049,117
Trade and note receivables	*18*	**32,722,352**	31,055,349
Prepayments, other receivables and other assets	*15*	**12,365,327**	16,674,609
Financial assets at fair value through other comprehensive income	*17*	**317,749**	244,734
Financial assets at fair value through profit or loss	*17*	**21,017,193**	16,198,976
Restricted cash	*19*	**1,383,685**	1,105,601
Cash and cash equivalents	*19*	**25,017,931**	19,959,631
Total current assets		**98,901,178**	91,327,047
Total assets		**228,885,266**	216,469,037

Condensed Consolidated Statement of Financial Position

As at June 30, 2026

	Note	June 30, 2026 *RMB'000* *(Unaudited)*	December 31, 2025 *RMB'000* *(Audited)*
LIABILITIES			
Non-current liabilities			
Borrowings	*20*	**16,193,497**	17,720,711
Lease liabilities	*12*	**9,682,022**	9,588,355
Deferred tax liabilities		**3,589,882**	4,099,050
Other payables and accruals	*22*	**232,654**	228,092
Deferred income		**1,671,953**	1,613,357
Total non-current liabilities		**31,370,008**	33,249,565
Current liabilities			
Trade and note payables	*21*	**31,298,360**	30,281,225
Contract liabilities		**1,981,763**	1,987,018
Borrowings	*20*	**26,822,663**	16,087,687
Lease liabilities	*12*	**5,722,495**	5,828,895
Financial liabilities at fair value through profit or loss		**104,471**	107,268
Income tax payable		**990,820**	1,244,330
Other payables and accruals	*22*	**16,286,798**	17,326,696
Advances from customers		**39,951**	31,602
Total current liabilities		**83,247,321**	72,894,721
Total liabilities		**114,617,329**	106,144,286
Net assets		**114,267,937**	110,324,751

Condensed Consolidated Statement of Financial Position

As at June 30, 2026

	Note	June 30, 2026 RMB'000 (Unaudited)	December 31, 2025 RMB'000 (Audited)
EQUITY			
Share capital	*23*	**5,265,308**	5,039,430
Less: Treasury shares	*23*	**(5,913,630)**	(1,542,636)
Reserves	*24*	**54,788,203**	50,046,845
Retained earnings		**48,646,354**	45,765,849
Equity attributable to owners of the Company		**102,786,235**	99,309,488
Non-controlling interests		**11,481,702**	11,015,263
Total equity		**114,267,937**	110,324,751

The above condensed consolidated statement of financial position should be read in conjunction with the accompanying notes.

The financial statements on pages 71 to 120 were approved by the Board of Directors on August 28, 2026 and were signed on its behalf.

WANG Wei
Chairman

HO Chit
Director

Condensed Consolidated Statement of Changes in Equity

For the six months ended June 30, 2026

	Attributable to owners of the Company						
	Share capital *RMB'000*	Less: Treasury shares *RMB'000*	Reserves *(Note 24)* *RMB'000*	Retained earnings *RMB'000*	Total *RMB'000*	Non-controlling interests *RMB'000*	Total equity *RMB'000*
(Unaudited)							
At January 1, 2026	5,039,430	(1,542,636)	50,046,845	45,765,849	99,309,488	11,015,263	110,324,751
Comprehensive income:							
Profit for the period	–	–	–	5,501,905	5,501,905	468,112	5,970,017
Other comprehensive income	–	–	(1,684,843)	–	(1,684,843)	54,127	(1,630,716)
Total comprehensive income	–	–	(1,684,843)	5,501,905	3,817,062	522,239	4,339,301
Transfer of loss on disposal of equity investments at fair value through other comprehensive income to retained earnings	–	–	505,222	(505,222)	–	–	–
Transactions with owners							
Share-based payment	–	–	58,974	–	58,974	43,291	102,265
Issue of shares	225,878	–	5,870,889	–	6,096,767	86,013	6,182,780
Repurchase of shares	–	(4,370,994)	–	–	(4,370,994)	–	(4,370,994)
Transaction with non-controlling interests and others	–	–	(64,154)	–	(64,154)	(35,950)	(100,104)
Business combination	–	–	–	–	–	8,564	8,564
Dividends	–	–	–	(2,116,178)	(2,116,178)	(161,376)	(2,277,554)
Safety reserve appropriation	–	–	209,527	–	209,527	–	209,527
Safety reserve utilisation	–	–	(209,527)	–	(209,527)	–	(209,527)
Others	–	–	55,270	–	55,270	3,658	58,928
At June 30, 2026	5,265,308	(5,913,630)	54,788,203	48,646,354	102,786,235	11,481,702	114,267,937

Condensed Consolidated Statement of Changes in Equity

For the six months ended June 30, 2026

	Attributable to owners of the Company						
	Share capital *RMB'000*	Less: Treasury shares *RMB'000*	Reserves *(Note 24)* *RMB'000*	Retained earnings *RMB'000*	Total *RMB'000*	Non-controlling interests *RMB'000*	Total equity *RMB'000*
(Unaudited)							
At January 1, 2025	4,986,187	(758,081)	48,624,934	39,140,246	91,993,286	10,341,935	102,335,221
Comprehensive income:							
Profit for the period	–	–	–	5,737,699	5,737,699	274,704	6,012,403
Other comprehensive income	–	–	(120,609)	–	(120,609)	475,984	355,375
Total comprehensive income	–	–	(120,609)	5,737,699	5,617,090	750,688	6,367,778
Transfer of gain on disposal of equity investments at fair value through other comprehensive income to retained earnings	–	–	(19,113)	19,113	–	–	–
Transactions with owners							
Net proceeds from share option exercising	6,505	–	254,993	–	261,498	–	261,498
Capital contribution of non-controlling interests	–	–	802	–	802	30,073	30,875
Repurchase of shares	–	(100,984)	–	–	(100,984)	–	(100,984)
Share-based payment	–	–	33,635	–	33,635	9,558	43,193
Transaction with non-controlling interests and others	–	–	(205,554)	–	(205,554)	(208,146)	(413,700)
Profit appropriations to statutory reserve	–	–	3,253	(3,253)	–	–	–
Business combination	–	–	–	–	–	2,113	2,113
Dividends	–	–	–	(2,186,424)	(2,186,424)	(160,714)	(2,347,138)
Safety reserve appropriation	–	–	207,453	–	207,453	–	207,453
Safety reserve utilisation	–	–	(207,453)	–	(207,453)	–	(207,453)
Others	–	–	(13,619)	–	(13,619)	–	(13,619)
At June 30, 2025	4,992,692	(859,065)	48,558,722	42,707,381	95,399,730	10,765,507	106,165,237

The above condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Condensed Consolidated Statement of Cash Flows

For the six months ended June 30, 2026

	Note	Six months ended June 30, 2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Cash flows from operating activities			
Cash generated from operations	*26(a)*	**13,531,620**	15,109,107
Income tax paid		**(2,360,216)**	(2,172,417)
Net cash generated from operating activities		**11,171,404**	12,936,690
Cash flows from investing activities			
Redemption of financial assets at fair value through profit or loss		**50,005,358**	50,574,710
Disposal of financial assets at fair value through other comprehensive income		**125,052**	25,064
Proceeds from sales of associates and joint ventures		**24,822**	4,279
Investment gains or dividend income from financial assets at fair value through profit or loss		**238,994**	264,312
Dividends received from associates and joint ventures		**159,036**	138,699
Investment gains or dividend income from financial assets at fair value through other comprehensive income		**961**	1,849
Proceeds from disposal of property, plant and equipment and other non-current assets		**90,947**	77,057
Disposal of subsidiaries, net of cash and cash equivalents held by subsidiaries at the disposal dates		**9,948**	1,906,107
Repayment from former subsidiaries		**–**	1,149,220
Purchase of property, plant and equipment and other non-current assets		**(6,083,116)**	(4,138,165)
Acquisition of financial assets at fair value through other comprehensive income		**(55,128)**	–
Acquisition of financial assets at fair value through profit or loss		**(49,397,654)**	(66,352,871)
Acquisition of associates and joint ventures		**(7,228,840)**	(1,146,005)
Acquisition of subsidiaries, net of cash and cash equivalents held by subsidiaries at the acquisition dates		**(151,958)**	(21,131)
Net cash used in investing activities		**(12,261,578)**	(17,516,875)

Condensed Consolidated Statement of Cash Flows

For the six months ended June 30, 2026

	Note	Six months ended June 30, 2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Cash flows from financing activities			
Proceeds from issue of shares		**7,216,340**	–
Capital injection from non-controlling interests		**90,680**	31,665
Drawdown of bank borrowings		**18,495,914**	15,546,599
Drawdown of loans from non-controlling interests and other parties		**55,627**	248,770
Exercise of share options		**–**	261,498
Net cash consideration receive from non-controlling interests without change of control		**1,500**	–
Proceeds from corporate bonds and short-term debentures		**2,999,638**	2,499,378
Deposits received from lessors after the expiry of lease contracts		**18,733**	10,090
Repayment of bank borrowings		**(7,937,271)**	(18,751,194)
Repayment of corporate bonds and short-term debentures		**(3,632,532)**	(2,048,572)
Dividend paid to non-controlling interests		**(163,114)**	(315,310)
Dividend paid		**(2,110,307)**	–
Interests paid		**(482,359)**	(669,395)
Repayment of loans from non-controlling interests		**(38,399)**	(21,645)
Net cash consideration paid to non-controlling interests without change of control		**(98,051)**	(399,941)
Payments for repurchase of shares		**(4,370,994)**	(100,984)
Payments of lease liabilities		**(3,863,417)**	(3,553,854)
Payment of transaction costs related to financing activities		**–**	(17,869)
Net cash generated from/(used) in financing activities		**6,181,988**	(7,280,764)
Net increase/(decrease) in cash and cash equivalents		**5,091,814**	(11,860,949)
Cash and cash equivalents at beginning of the period		**19,959,631**	32,646,055
Exchange losses on cash and cash equivalents		**(33,514)**	(42,445)
Cash and cash equivalents at the end of the period		**25,017,931**	20,742,661

The above condensed consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the Condensed Consolidated Financial Statements

1. General Information

S.F. Holding Co., Ltd. (hereinafter "S.F. Holding" or "the Company"), formerly known as Ma'anshan Dingtai Science & Technology Co., Ltd., was established by 11 natural persons including Liu Jilu and the Labour Union of Ma'anshan Dingtai Metallic Products Co., Ltd. by cash contribution on May 22, 2003. On October 22, 2007, the Company officially changed to Ma'anshan Dingtai Rare Earth and New Materials Co., Ltd., and issued additional 19.5 million shares to the public and listed with trading on Shenzhen Stock Exchange (hereinafter "SZSE") on February 5, 2010.

In December 2016, approved by China Securities Regulatory Commission, the Company conducted a series of material asset restructuring arrangements, including entering into a material asset swap and share subscription agreement. Upon the completion of material asset restructuring, Shenzhen Mingde Holding Development Co., Ltd. ("Mingde Holding") became the parent company and ultimate controlling company of the Company, and Mr. Wang Wei was the ultimate controlling shareholder.

On November 27, 2024, the Company was successfully listed on the Main Board of Stock Exchange of Hong Kong Limited ("HKEx").

As at June 30, 2026, the Company had 5,265,308,078 shares issued and outstanding, of which 4,799,430,409 shares were listed on the SZSE ("A Shares") and 465,877,669 shares were listed on the HKEx ("H Shares").

The address of the Company's registered office is 3/F, Complex Building, SF South China Transit Center, No. 1111, Hangzhan 4th Road, Shenzhen Airport, Caowei Community, Hangcheng Sub-district, Bao'an District, Shenzhen. The Company is an investment holding company. The Company and its subsidiaries (collectively, the "Group") are principally engaged in the development of logistics ecosystem including express delivery, freight delivery, cold chain and pharmaceutical logistics, intra-city on-demand delivery, international logistics service and supply chain solutions.

Hangzhou SF Intra-city Industrial Co., Ltd., an indirect non-wholly owned subsidiary of the Company, is a listed company on the Main Board of the HKEx and primarily engaged in intra-city on-demand delivery services.

KLN Logistics Group Limited ("KLN"), an indirect non-wholly-owned subsidiary of the Company, is a listed company on the Main Board of the HKEx and primarily engaged in the provision of integrated logistics and freight forwarding services.

2. Basis of Preparation and Accounting Policies

2.1 Basis of preparation

These unaudited condensed consolidated interim financial information are prepared in accordance with IAS 34 "Interim Financial Reporting" issued by the International Accounting Standards Board ("IASB") and the disclosure requirements of Appendix D2 to the Listing Rules of HKEx. These unaudited condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended December 31, 2025, which have been prepared in accordance with International Financial Reporting Standards (the "IFRS accounting standards") issued by the IASB.

The accounting policies used in the preparation of these condensed consolidated interim financial information are consistent with those used in the annual financial statements for the year ended December 31, 2025, except for the adoption of new and amended IFRS Accounting Standards as set out below.

The condensed consolidated financial statements are presented in Renminbi ("RMB") and all values are rounded to the nearest thousand (RMB'000) except when otherwise indicated.

2. Basis of Preparation and Accounting Policies (Continued)

2.2 New and amended IFRS Accounting Standards

(a) New standards and interpretations adopted by the Group

The following amendments to existing standards and interpretation have been published that are effective for the accounting period of the Group beginning on January 1, 2026:

Amendments to IFRS 9 and IFRS 7	Classification and Measurement of Financial Instruments, Contract Referencing Nature-dependent Electricity
Annual improvement to IFRS	Annual Improvements to IFRS Accounting Standards — Volume 11

In the current interim period, the Group has applied, for the first time, the above amendments to existing standards and interpretation issued by the IASB. The adoption of the above amendments to existing standards and interpretation had no material impact on the Group's accounting policies and did not require retrospective adjustments.

(b) Impact of IFRS Accounting Standards issued but not yet applied by the Group

Standards, amendments to existing standards and interpretations that have been issued but not yet effective and have not been early adopted by the Group are as follows:

		Effective for annual periods beginning on or after
IFRS 18	Presentation and Disclosure in Financial Statements	January 1, 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures	January 1, 2027
Amendments to IAS 21	Translation to a Hyperinflationary Presentation Currency	January 1, 2027
Amendments to IAS 28	Amendments to the Fair Value Option for Investments in Associates and Joint Ventures	January 1, 2027
Amendments to Illustrative Examples on IFRS 7, IFRS 18, IAS 1, IAS 8, IAS 36 and IAS 37	Disclosures about Uncertainties in the Financial Statements	January 1, 2027
IFRS 20	Regulatory Assets and Regulatory Liabilities	January 1, 2029
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

IFRS 18 will replace IAS 1 'Presentation of Financial Statements', introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though IFRS 18 will not impact the recognition or measurement of items in the condensed consolidated financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the condensed consolidated statement of profit or loss and providing management-defined performance measures within the condensed consolidated financial statements.

Management is currently assessing the detailed implications of applying the new standard on the Group's consolidated financial statements. The Group will apply the new standard from its mandatory effective date of January 1, 2027. Retrospective application is required, and so the comparative information for the financial year ending December 31, 2026 will be stated in accordance with IFRS 18.

Except for IFRS 18, none of the above is expected to have a significant effect on the consolidated financial statements of the Group.

2. Basis of Preparation and Accounting Policies (Continued)

2.2 New and amended IFRS Accounting Standards (Continued)

(b) Impact of IFRS Accounting Standards issued but not yet applied by the Group (Continued)

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings. The preparation of condensed consolidated interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual financial statements for the year ended December 31, 2025, except for the adoption of amendments to existing standards and interpretation as set out above.

3. Financial Risk Management

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, price risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance. Risk management is carried out by the directors and senior management of the Group.

The condensed consolidated interim financial information does not include all financial risk management information and disclosures required in the annual financial statements; and should be read in conjunction with the Group's annual financial statements at December 31, 2025. There have been no changes in the Group's financial risk management structure and policies since the year end.

3.2 Fair value estimation

The table below analyzes the Group's financial instruments carried at fair value at June 30, 2026 and December 31, 2025 by level of the inputs to valuation techniques used to measure fair value. Such inputs are categorized into three levels within a fair value hierarchy as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2); and
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

3. Financial Risk Management (Continued)

3.2 Fair value estimation (Continued)

At June 30, 2026 and December 31, 2025, the financial assets measured at fair value on a recurring basis by the above three levels were analyzed below:

	Level 1 *RMB'000*	Level 2 *RMB'000*	Level 3 *RMB'000*	Total *RMB'000*
At June 30, 2026				
Non-current:				
Financial assets at fair value through profit or loss ("FVPL")				
– Industry fund investments	**–**	**–**	**278,884**	**278,884**
– Others	**–**	**–**	**678,130**	**678,130**
Financial assets at fair value through other comprehensive income ("FVOCI")				
– Equity investment in entities, at fair value	**56,743**	**–**	**5,595,452**	**5,652,195**
Current:				
Financial assets at FVPL				
– Structured deposits	**–**	**–**	**20,829,599**	**20,829,599**
– Fund investment and others	**79**	**114,946**	**72,569**	**187,594**
Financial assets at FVOCI				
– Notes held for sale	**–**	**317,749**	**–**	**317,749**
At December 31, 2025				
Non-current:				
Financial assets at FVPL				
– Industry fund investments	–	–	289,307	289,307
– Others	–	–	345,206	345,206
Financial assets at FVOCI				
– Equity investment in entities, at fair value	1,587,405	–	6,709,638	8,297,043
Current:				
Financial assets at FVPL				
– Structured deposits	–	–	16,080,264	16,080,264
– Fund investment and others	79	34,709	83,924	118,712
Financial assets at FVOCI				
– Notes held for sale	–	244,734	–	244,734

3. Financial Risk Management (Continued)

3.2 Fair value estimation (Continued)

The fair value of financial instruments traded in an active market is determined at the quoted market price; and the fair value of those not traded in an active market is determined by the Group using valuation technique. The valuation models used mainly comprise discounted cash flow model and market comparable companies model. The major inputs of the valuation models include expected rate of return and discount of lack of market liquidity.

The changes in Level 3 assets for the six months ended June 30, 2026 are analyzed below:

	Financial assets at FVPL				Financial assets at FVOCI
	Current		Non-Current		Non-Current
	Structured deposits	Fund investment and others	Industry fund investments	Others(i)	Equity investment in entities, at fair value
Opening balance	16,080,264	83,924	289,307	345,206	6,709,638
Additions	49,089,000	–	–	256,169	55,201
Reclassification	–	–	–	150	(150)
Disposals/settlements	(44,550,014)	(4,472)	(10,595)	(12,105)	(596)
Changes in fair value recognized in profit or loss	210,349	(6,883)	5,246	89,459	–
Changes in fair value recognized in other comprehensive income	–	–	–	–	(926,254)
Currency translation differences	–	–	(5,074)	(749)	(242,387)
Closing balance	20,829,599	72,569	278,884	678,130	5,595,452

(i) Others represent the Group's equity investments in unlisted companies. The increase during the period primarily arose from an investment in an embodied intelligence company. Under the Shareholders' Agreement, the Group is entitled to certain preferred shareholder rights, including, among others, a put option (i.e., the right to require the investee to repurchase the equity interests held by the Group upon the satisfaction of specified conditions) and a liquidation preference right. Accordingly, the Group's management has determined that the risks and rewards assumed by the Group with respect to this equity investment are significantly different from those held by ordinary shareholders. The investment is therefore measured at FVTPL.

The Group determines the fair value of the abovementioned investment in preferred shares by reference to the recent issuance price by the investee, incorporating the expected volatility of the share price, and taking into account the specific features of such preferred shares, including the put option and liquidation preference right. The valuation is performed using appropriate valuation techniques to estimate the fair value of this investment.

3. Financial Risk Management (Continued)

3.2 Fair value estimation (Continued)

The Group has assessed that the fair value of cash and cash equivalents,restricted bank deposits, trade receivables, trade and note payables,financial assets included in prepayments and other receivables, financial liabilities included in other payables and accruals, short-term bank borrowings and short-term debentures approximate to their carrying amounts largely due to the short-term maturities of these instruments. For the six months ended June 30, 2026, there were no significant transfers among Level 1, 2 and 3 of fair value measurements.

The following table summarizes the quantitative information about the significant unobservable inputs used in level 3 fair value measurements and the sensitivity analysis of fair value to the inputs:

Description	Fair value At June 30, 2026 RMB'000	Fair value At December 31, 2025 RMB'000	Valuation technique(s)	Significant unobservable input(s)	Range of inputs (probability-weighted average)	Sensitivity of fair value to the input(s)
Current:						
Financial assets at FVPL						
– Structured deposits	**20,829,599**	16,080,264	Discounted cash flow	Expected rate of return	1.60%-3.00%	10% increase/decrease in expected rate of return would result in increase/decrease in fair value by 0.04%
– Fund investment and others	**72,569**	83,924	Adjusted net assets value	Adjusted net assets value	N/A	10% increase/decrease in adjusted net assets value would result in increase/decrease in fair value by 10%
Non-current:						
Financial assets at FVPL						
– Industry fund investments	**278,884**	289,307	Adjusted net assets value	Adjusted net assets value	N/A	10% increase/decrease in adjusted net assets value would result in increase/decrease in fair value by 10%
– Others	**678,130**	345,206	Market approach	Expected volatility	49.41%~63.35%	The higher the expected volatility, the lower the fair value
Financial assets at FVOCI						
– Equity investment in entities, at fair value	**5,595,452**	6,709,638	Recent transaction price or a combination of observable and unobservable inputs	Discount for lack of marketability	15%~30%	10% increase/decrease in discount for lack of marketability would result in decrease/increase in fair value by 1.76%-3.10%
	27,454,634	23,508,339				

4. Revenue and Segment Information

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker ("CODM"). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive management team that makes strategic decisions.

(a) CODM reviews the Group's internal reporting in order to assess performance and allocate resources:

The CODM identifies operating segments based on the internal organization structure, management requirements and internal reporting system, and discloses segment information of reportable segments which is determined on the basis of operating segments. An operating segment is a component of the Group that satisfies all of the following conditions: (1) the component is able to earn revenues and incur expenses from its ordinary activities; (2) whose operating results are regularly reviewed by the Group's management to make decisions about resources to be allocated to the segment and to assess its performance, and (3) for which the information on financial position, operating results and cash flows is available to the Group. If two or more operating segments have similar economic characteristics and satisfy certain conditions, they are aggregated into one single operating segment.

The segment businesses are separately presented as the express and freight delivery segment, the intra-city on-demand delivery segment, and supply chain and international segment. The types of services from which reportable segments derive revenue are listed below:

- Express and freight delivery segment, which provides time-define express, economy express, cold chain and pharmaceuticals logistics service, as well as freight service;
- Intra-city on-demand delivery segment, which provides intra-city delivery for merchants and consumers, and last-mile delivery services;
- Supply chain and international segment, which provides supply chain services, international express service and international freight forwarding service.

Except for the above business segments, the other segments did not have a material impact on the Group's operating outcome, and as such are not separately presented. Management monitors the operating results of the Group's business units separately for the purpose of making decisions regarding resource allocation and performance assessment.

Segment performance is assessed based on key performance indicators. Transfer prices between operating segments are based on the amount stated in the contracts agreed by both sides.

To improve the system of segment performance evaluation, the Group conducted adjustments on the internal management structure of the Supply Chain and International Segment during the year ended December 31, 2025, with a reallocation of the Group's certain subsidiaries, which engaged in providing the Supply Chain and International Segment offshore financing services, to the Unallocated units.

The Group's segment information is summarized and disclosed based on the revised segment reporting scope. The impacts on the disclosure of segment information are summarized as follows:

The total liabilities of the Unallocated units increased by RMB16,428,010,000.

At June 30, 2025, the total liabilities of the Supply Chain and International Segment decreased by RMB16,428,010,000 and the total liabilities of the Unallocated units increased by RMB16,428,010,000. For the six months ended June 30, 2025, the profit before income tax and net profit of the Supply Chain and International Segment increased by RMB288,176,000. Meanwhile, the profit before income tax and net profit of the Unallocated units decreased by RMB288,176,000.

For the six months ended June 30, 2026 and 2025, no revenue from a single customer exceeded 10% or more of the total revenue.

4. Revenue and Segment Information (Continued)

(a) CODM reviews the Group's internal reporting in order to assess performance and allocate resources: (Continued)

Segment information for the six months ended June 30, 2026 is as follows:

	Express and freight delivery segment *RMB'000*	Supply chain and international segment *RMB'000*	Intra-city on-demand delivery segment *RMB'000*	Undistributed units *RMB'000*	Inter-segment elimination *RMB'000*	Total *RMB'000*
Revenue from external customers	**106,807,062**	**41,297,465**	**6,796,137**	**605,757**	**–**	**155,506,421**
Inter-segment revenue	**5,078,273**	**1,541,808**	**4,943,396**	**3,008,068**	**(14,571,545)**	**–**
Cost of revenue	**94,456,953**	**39,951,063**	**10,945,759**	**2,398,845**	**(12,732,857)**	**135,019,763**
Profit before income tax	**6,918,708**	**267,927**	**448,147**	**193,212**	**(53,099)**	**7,774,895**
Income tax expenses	**1,344,325**	**237,614**	**98,802**	**126,752**	**(2,615)**	**1,804,878**
Net profit	**5,574,383**	**30,313**	**349,345**	**66,460**	**(50,484)**	**5,970,017**
Total assets	**111,098,953**	**64,322,670**	**5,624,311**	**156,594,037**	**(108,754,705)**	**228,885,266**
Total liabilities	**76,743,953**	**42,431,585**	**2,377,074**	**82,868,612**	**(89,803,895)**	**114,617,329**
Depreciation of right-of-use assets *(Note 7)*	**2,799,178**	**871,829**	**7,624**	**130,565**	**(320,719)**	**3,488,477**
Depreciation and amortization (excluding right-of-use assets) *(Note 7)*	**3,597,927**	**741,339**	**28,612**	**429,811**	**(20,894)**	**4,776,795**
Impairment losses/(net reversal of impairment losses) on financial assets and contract assets	**71,087**	**78,457**	**5,904**	**(36,554)**	**46,475**	**165,369**

Notes to the Condensed Consolidated Financial Statements

4. Revenue and Segment Information (Continued)

(a) CODM reviews the Group's internal reporting in order to assess performance and allocate resources: (Continued)

Segment information for the six months ended June 30, 2025 is as follows:

	Express and freight delivery segment *RMB'000*	Supply chain and international segment *RMB'000*	Intra-city on-demand delivery segment *RMB'000*	Undistributed units *RMB'000*	Inter-segment elimination *RMB'000*	Total *RMB'000*
Revenue from external customers	104,772,845	35,768,179	5,582,531	734,619	–	146,858,174
Inter-segment revenue	4,205,446	961,448	4,653,419	2,427,769	(12,248,082)	–
Cost of revenue	92,919,243	33,704,619	9,561,887	2,705,907	(11,094,024)	127,797,632
Profit before income tax	6,349,245	402,372	157,843	795,712	(65,444)	7,639,728
Income tax expenses	964,567	410,103	20,794	240,775	(8,914)	1,627,325
Net profit/(loss)	5,384,678	(7,731)	137,049	554,937	(56,530)	6,012,403
Total assets	105,853,049	64,227,110	4,952,282	138,301,907	(95,097,845)	218,236,503
Total liabilities	75,830,311	41,264,278	1,970,058	69,497,472	(76,490,853)	112,071,266
Depreciation of right-of-use assets *(Note 7)*	2,729,313	789,829	6,681	143,512	(332,174)	3,337,161
Depreciation and amortization (excluding right-of-use assets) *(Note 7)*	3,657,347	763,324	25,470	423,947	(9,942)	4,860,146
(Net reversal of impairment losses)/ impairment losses on financial assets and contract assets	(6,400)	(113,195)	1,699	(29,879)	30,671	(117,104)

4. Revenue and Segment Information (Continued)

(b) Disaggregation of revenue

In the following table, revenue of the Group from contracts with customers is disaggregated by timing of satisfaction of performance obligations. The table also includes a reconciliation to the segment information in respect of revenue of the Group that is disclosed in the operating segment Note 4(a).

	Six months ended June 30, 2026			
	Logistics and freight forwarding services *RMB'000*	Sales of goods *RMB'000*	Others *RMB'000*	Total *RMB'000*
Revenue from main operations				
Including: At a point in time	**–**	**2,182,046**	**200,005**	**2,382,051**
Over time	**152,390,950**	**–**	**288,093**	**152,679,043**
Lease income	**–**	**–**	**157,707**	**157,707**
	152,390,950	**2,182,046**	**645,805**	**155,218,801**
Revenue from other operations				
Including: At a point in time	**–**	**–**	**88,957**	**88,957**
Over time	**–**	**–**	**43,737**	**43,737**
Lease income	**–**	**–**	**154,926**	**154,926**
	–	**–**	**287,620**	**287,620**
	152,390,950	**2,182,046**	**933,425**	**155,506,421**

	Six months ended June 30, 2025			
	Logistics and freight forwarding services *RMB'000*	Sales of goods *RMB'000*	Others *RMB'000*	Total *RMB'000*
Revenue from main operations				
Including: At a point in time	–	2,361,627	259,362	2,620,989
Over time	143,530,874	–	255,439	143,786,313
Lease income	–	–	189,652	189,652
	143,530,874	2,361,627	704,453	146,596,954
Revenue from other operations				
Including: At a point in time	–	–	93,667	93,667
Over time	–	–	38,527	38,527
Lease income	–	–	129,026	129,026
	–	–	261,220	261,220
	143,530,874	2,361,627	965,673	146,858,174

Notes to the Condensed Consolidated Financial Statements

5. Other Income

	Six months ended June 30,	
	2026 *RMB'000*	2025 *RMB'000*
Government grants *(Note (a))*	**271,522**	317,688
Dividend income	**1,951**	1,360
Others	**150,987**	166,380
	424,460	485,428

(a) The government grants were mainly incentives provided by local government authorities in the PRC, including various forms of government financial incentives and tax preferences, to recognize the Group's support and contribution to the development of local economies. As at June 30, 2026 and 2025, there were no unfulfilled conditions or contingencies relating to these government grants.

6. Other Gains, Net

	Six months ended June 30,	
	2026 *RMB'000*	2025 *RMB'000*
(Losses)/gains on disposal of investments in associates and joint ventures	**(4,173)**	11,712
(Losses)/gains on disposal of investments in subsidiaries	**(40,401)**	777,717
Fair value changes in financial assets at FVPL	**372,988**	293,339
Losses on disposal of property, plant and equipment, right-of-use assets and other non-current assets	**(55,962)**	(55,366)
Impairment of inventories, property, plant and equipment and other non-current assets	**(496)**	(43,644)
Net exchange gains/(losses)	**61,973**	(125,935)
Gains on repurchase of corporate bonds	**26,462**	65,199
Others	**(76,508)**	(101,156)
	283,883	821,866

7. Expenses by Nature

Expenses included in cost of revenue, selling and marketing expenses, general and administrative expenses and research and development expenses are analyzed as follows:

	Six months ended June 30,	
	2026 *RMB'000*	2025 *RMB'000*
Labour outsourcing cost	**55,668,766**	54,280,302
Transportation expenses	**29,942,519**	26,171,863
Transportation outsourcing cost	**22,552,248**	20,602,909
Employee benefit expenses	**17,729,005**	16,751,576
Depreciation and amortization (excluding right-of-use assets)	**4,776,795**	4,860,146
Rent and venue usage expenses	**3,995,950**	3,816,529
Depreciation of right-of-use assets *(Note 12 (b))*	**3,488,477**	3,337,161
Others	**9,576,138**	10,012,737
	147,729,898	139,833,223

(a) Government grants amounting to approximately RMB209,223,000 and RMB612,658,000 had been recognized as deduction in the cost of revenue for the six months ended June 30, 2026 and 2025, respectively.

8. Finance Income and Costs

	Six months ended June 30,	
	2026 *RMB'000*	2025 *RMB'000*
Finance income:		
Interest income on deposits in financial institutions	**100,132**	155,037
Finance costs:		
Interest expenses on borrowings	**547,040**	695,519
Interest expenses on lease liabilities *(Note 12 (b))*	**243,380**	243,551
Less: Interest capitalized	**(6,502)**	(10,709)
	783,918	928,361
Finance costs, net	**683,786**	773,324

Notes to the Condensed Consolidated Financial Statements

9. Income Tax Expense

The following table sets forth the component of income tax expense of the Group for the six months ended June 30, 2026 and 2025 respectively:

	Six months ended June 30,	
	2026 *RMB'000*	2025 *RMB'000*
Current income tax	**2,274,005**	1,659,277
Deferred income tax	**(469,127)**	(31,952)
	1,804,878	1,627,325

Reconciliation between income tax expenses and profit before income tax at applicable tax rates for the six months ended June 30, 2026 and 2025:

	Six months ended June 30,	
	2026 *RMB'000*	2025 *RMB'000*
Profit before income tax	**7,774,895**	7,639,728
Tax at the statutory tax rate of 25% *(Note (a))*	**1,943,724**	1,909,932
Effect of different tax rates available to different jurisdictions *(Note (b))*	**(131,096)**	(128,644)
Tax effect of non-taxable income	**(16,931)**	(36,382)
Adjustments of prior years	**(32,625)**	(56,142)
Tax effect of non-deductible expenses	**46,847**	78,781
Tax effect of preferential tax rate *(Note (a))*	**(93,330)**	(137,085)
Tax losses and temporary differences not recognized	**293,316**	284,032
Reversal of previously recognized tax losses and temporary differences	**4,179**	132,189
Utilization of previously unrecognized tax losses and temporary differences	**(193,658)**	(289,923)
Recognition of tax losses and temporary differences not recognized in prior years	**(15,548)**	(129,433)
	1,804,878	1,627,325

(a) PRC corporate income tax ("PRC CIT")

The income tax rate applicable to the principal subsidiaries in Chinese Mainland is 25%, except for certain subsidiaries which enjoy a preferential income tax rate.

For qualified small and micro-sized enterprises, the annual taxable income up to RMB3,000,000 (inclusive) is subject to an effective CIT rate of 5% from January 1, 2023 to December 31, 2027.

Besides, certain Group's subsidiaries benefit from a preferential tax rate of 15% under the CIT Law if they are qualified as high and new technology enterprises under relevant regulations or located in applicable PRC regions, such as certain western regions and special economic zone, as specified in the relevant catalogue of encouraged industries, subject to certain general restrictions described in the CIT Law and the related regulations.

9. Income Tax Expense (Continued)

(b) Corporate income tax in Hong Kong and other jurisdictions

(i) Hong Kong profits tax

Hong Kong profits tax has been provided for at the rate of 8.25% on assessable profits up to HK$2,000,000 and 16.5% on any assessable profits over HK$2,000,000 for the six months ended June 30, 2026 and 2025.

(ii) Corporate income tax in other jurisdictions

Income tax on profit arising from other jurisdictions, including Macau, Singapore, Japan, South Korea, the United States and Thailand, has been calculated on the estimated assessable profit for the year at the respective rates prevailing in the relevant jurisdictions, ranging from 12% to 25% for the six months ended June 30, 2026 and 2025.

(c) OECD Pillar Two Model Rules

The Group is within the scope of the Organization for Economic Co-operation and Development ("OECD") Pillar Two model rules. Pillar Two legislation became effective in certain jurisdictions from January 1, 2024. Under the legislation, the Group is obligated to pay a top-up tax for the difference if the Global Anti-Base Erosion ("GloBE") effective tax rate in any jurisdictions that are below the 15% minimum rate.

For the six months ended June 30, 2026, the management's assessment indicates that the quantitative impact of this Pillar Two top-up tax is not material to the Group's financial statements.

10. Dividend

An interim dividend for the six months ended June 30, 2026 of RMB49 cents per ordinary share (tax inclusive) (for the six months ended June 30, 2025: an interim dividend of RMB46 cents per share), which is payable to shareholders whose names appear on the Registers of Members, were approved by the directors on August 28, 2026. The dividend were not recognized as liabilities as at June 30, 2026.

Notes to the Condensed Consolidated Financial Statements

11. Property, Plant and Equipment

	Freehold land and buildings RMB'000	Aircraft, aircraft engines, rotables and high-value maintenance RMB'000	Machinery and equipment RMB'000	Transportation vehicles RMB'000	Computers and electronic equipment RMB'000	Office and other equipment RMB'000	Leasehold improvements RMB'000	Construction in progress RMB'000	Total RMB'000
Cost									
At January 1, 2026	30,454,328	19,341,759	17,716,128	7,332,135	5,564,989	10,251,492	9,194,694	2,908,619	102,764,144
Additions	8,451	318,330	165,672	990,570	476,128	148,751	97,849	2,974,781	5,180,532
Disposals	(396)	(60,854)	(232,364)	(355,518)	(221,535)	(324,983)	(40,482)	–	(1,236,132)
Disposal of subsidiaries	–	–	(179)	–	(4,013)	(1,083)	–	–	(5,275)
Transfer/reclassification	977,020	755,533	827,396	415	41,159	13,956	242,809	(2,538,086)	320,202
Currency translation differences	(240,675)	(1,274)	(241,082)	(63,703)	(42,098)	(42,662)	(84,732)	(4,576)	(720,802)
At June 30, 2026	31,198,728	20,353,494	18,235,571	7,903,899	5,814,630	10,045,471	9,410,138	3,340,738	106,302,669
Accumulated depreciation									
At January 1, 2026	4,163,749	9,467,728	7,470,916	4,992,478	4,276,442	8,239,845	6,977,450	–	45,588,608
Charge for the period *(Note (b))*	411,266	868,254	1,004,505	407,291	326,927	449,135	492,611	–	3,959,989
Disposals	(365)	(54,903)	(113,145)	(330,870)	(194,878)	(264,864)	(36,115)	–	(995,140)
Disposal of subsidiaries	–	–	(37)	–	(1,813)	(585)	–	–	(2,435)
Transfer/reclassification	28,121	–	–	–	–	–	–	–	28,121
Currency translation differences	(58,032)	(95)	(129,251)	(47,212)	(40,750)	(39,540)	(26,666)	–	(341,546)
At June 30, 2026	4,544,739	10,280,984	8,232,988	5,021,687	4,365,928	8,383,991	7,407,280	–	48,237,597
Accumulated impairment									
At January 1, 2026	–	–	86,925	33,416	7,037	697	127	–	128,202
Charge for the year	–	–	–	–	–	–	–	87	87
Disposal of subsidiaries	–	–	(1,746)	(385)	(1,416)	(41)	–	–	(3,588)
Currency translation differences	–	–	(4,828)	(2,732)	(576)	(27)	–	–	(8,163)
At June 30, 2026	–	–	80,351	30,299	5,045	629	127	87	116,538
Net book value									
At June 30, 2026 *(Note (a))*	26,653,989	10,072,510	9,922,232	2,851,913	1,443,657	1,660,851	2,002,731	3,340,651	57,948,534

(a) Certain property, plant and equipment with a net carrying amount of approximately RMB446,894,000 at June 30, 2026 (December 31, 2025: RMB485,937,000) were pledged as securities for bank loans and bank overdrafts granted to the Group (Note 20).

(b) Depreciation amounting to approximately RMB3,931,430,000 had been recognized in the condensed consolidated statements of profit or loss for the six months ended June 30, 2026 (six months period ended June 30, 2025: RMB4,001,493,000).

12. Lease

This note provides information for leases where the Group is a lessee.

(a) Amounts recognized in the condensed consolidated statement of financial position

	At June 30, 2026 *RMB'000*	At December 31, 2025 *RMB'000*
Right-of-use assets		
Buildings	**15,296,727**	15,371,723
Leasehold land and land use rights	**6,667,956**	6,521,358
Motor vehicles	**59,125**	59,294
Equipment and others	**20,932**	25,330
	22,044,740	21,977,705
Lease liabilities		
Current	**5,722,495**	5,828,895
Non-current	**9,682,022**	9,588,355
	15,404,517	15,417,250

Additions to the right-of-use assets for the six months period ended June 30, 2026 were approximately RMB4,057,754,000 (six months period ended June 30, 2025: RMB6,006,348,000).

Leasehold land and land use rights with a net carrying amount of approximately RMB90,565,000 at June 30, 2026 (At December 31, 2025: RMB95,927,000) were pledged as securities for bank loans and bank overdrafts granted to the Group (Note 20).

Notes to the Condensed Consolidated Financial Statements

12. Lease (Continued)

(b) Amounts recognized in the condensed consolidated statement of profit or loss

The condensed consolidated statement of profit or loss show the following amounts relating to leases:

	Six months ended June 30,	
	2026 *RMB'000*	2025 *RMB'000*
Depreciation charge of right-of-use assets		
Buildings	**3,372,345**	3,197,926
Leasehold land and land use rights	**87,595**	104,903
Motor vehicles	**21,744**	26,294
Equipment and others	**6,793**	8,038
	3,488,477	3,337,161
Interest expenses *(Note 8)*	**243,380**	243,551
Expense relating to short-term leases and low-value assets (included in costs and expenses)	**2,189,293**	2,108,487
Total cash outflow for leases (included in operating and financing cash outflow)	**6,184,068**	5,788,850

The Group has various lease contracts that have not yet commenced at June 30, 2026 and December 31, 2025. The future lease payments for these non-cancellable lease contracts are as below:

	At June 30, 2026 *RMB'000*	At December 31, 2025 *RMB'000*
Within 1 year (including 1 year)	**1,479,768**	1,128,349
Between 1 and 2 years (including 2 years)	**717,152**	400,916
Between 2 and 3 years (including 3 years)	**437,552**	367,397
Over 3 years	**1,340,407**	339,518
	3,974,879	2,236,180

13. Investment Properties

	At June 30, 2026 *RMB'000*
Cost	
At the beginning of the period	8,231,519
Disposals	(56)
Transfer/reclassification	(565,552)
Exchange adjustment	(27,004)
At the end of the period	7,638,907
Accumulated depreciation	
At the beginning of the period	876,288
Charge for the period	85,691
Transfer/reclassification	(43,137)
Exchange adjustment	2,116
At the end of the period	920,958
Net book value	
At the end of the period *(Note (a))*	6,717,949

(a) Certain investment properties with a net carrying amount of approximately RMB107,249,000 at June 30, 2026 (At December 31, 2025: RMB112,094,000) were pledged as securities for bank loans and bank overdrafts granted to the Group (Note 20).

13. Investment Properties (Continued)

(b) Leasing arrangements

The Group leases various offices and warehouses to lessees under non-cancellable operating lease agreements with monthly rental payments. The lease terms are mainly between 1 year and 5 years, and the majority of lease agreements are renewable at the end of the lease period at market rates.

Minimum lease payments receivable on leases of investment properties at June 30, 2026 and December 31, 2025, were as follows:

	At June 30, 2026 *RMB'000*	At December 31, 2025 *RMB'000*
Land and buildings:		
Within 1 year (including 1 year)	**468,164**	424,677
Between 1 and 2 years (including 2 years)	**259,382**	218,889
Between 2 and 3 years (including 3 years)	**148,324**	136,443
Between 3 and 4 years (including 4 years)	**98,801**	85,833
Between 4 and 5 years (including 5 years)	**59,258**	60,825
Over 5 years	**221,354**	150,053
	1,255,283	1,076,720

14. Intangible Assets

	Development expenditures *RMB'000*	Goodwill *RMB'000*	Customer relationships *RMB'000*	Software *RMB'000*	Trademarks *RMB'000*	Others *RMB'000*	Total *RMB'000*
Cost							
At January 1, 2026	161,679	9,609,469	5,936,131	9,230,796	4,932,762	369,173	30,240,010
Additions	365,608	137,702	–	68,597	–	40	571,947
Disposals	(423)	–	(11,050)	(45,169)	(10,016)	(7,728)	(74,386)
Transfer/reclassification	(399,099)	–	–	399,099	–	–	–
Currency translation differences	–	(333,910)	(209,296)	(20,651)	(178,113)	(5,056)	(747,026)
At June 30, 2026	127,765	9,413,261	5,715,785	9,632,672	4,744,633	356,429	29,990,545
Accumulated amortization							
At January 1, 2026	–	–	1,800,263	7,977,586	1,483,294	261,383	11,522,526
Charge for the period	–	–	170,661	436,242	108,109	11,077	726,089
Disposals	–	–	(11,050)	(37,258)	(10,013)	(7,714)	(66,035)
Currency translation differences	–	–	(81,428)	(17,212)	(55,047)	(4,490)	(158,177)
At June 30, 2026	–	–	1,878,446	8,359,358	1,526,343	260,256	12,024,403
Impairment							
At January 1, 2026	70	64,160	14,738	66,950	–	6	145,924
Currency translation differences	–	(2,244)	(536)	(486)	–	–	(3,266)
At June 30, 2026	70	61,916	14,202	66,464	–	6	142,658
Net book value							
At June 30, 2026	127,695	9,351,345	3,823,137	1,206,850	3,218,290	96,167	17,823,484

14. Intangible Assets (Continued)

(a) Goodwill

The carrying amount of goodwill allocated to Cash-Generating Units ("CGUs") or the groups of Cash-Generating Units:

	At June 30, 2026 *RMB'000*	At December 31, 2025 *RMB'000*
KLN CGUs	**5,691,379**	5,895,878
Fenghao Supply Chain CGUs	**2,936,548**	3,047,302
SXH China Logistics CGUs	**350,369**	363,743
SX Freight CGUs	**149,587**	149,587
Others	**223,462**	88,799
	9,351,345	9,545,309

Goodwill is allocated to the CGUs that are expected to benefit from business combination.

Goodwill would be tested for impairment annually and when there is indication that they may be impaired. The recoverable amount of a CGU is determined based on the higher of its fair value less costs of disposal and value in-use.

Management did not identify any adverse changes indicating any impairment in the carrying amounts of goodwill for all CGU at June 30, 2026.

15. Prepayments, Other Receivables and Other Assets

	At June 30, 2026 *RMB'000*	At December 31, 2025 *RMB'000*
Non-current:		
Amounts due from related parties *(Note 29(d))*	**129,058**	106,973
Prepayments *(Note (a))*	**959,637**	922,010
Deferred pilot recruitment costs	**689,643**	706,707
Finance lease receivables	**121,737**	129,553
Others	**416,693**	307,644
	2,316,768	2,172,887
Less: Allowance for expected credit losses	**(20,070)**	(19,059)
	2,296,698	2,153,828
Current:		
Amounts due from related parties *(Note 29(d))*	**485,455**	323,686
Value-added tax recoverable	**3,507,710**	3,529,293
Prepayments *(Note (b))*	**3,543,161**	2,881,143
Fixed Income Certificates	**50,000**	5,618,400
Deposits	**1,997,307**	1,790,403
Cash to collect on behalf of customers	**597,265**	723,087
Prepaid corporate income tax	**186,092**	353,392
Finance lease receivables	**35,512**	41,459
Others	**2,309,370**	1,755,991
	12,711,872	17,016,854
Less: Allowance for expected credit losses	**(346,545)**	(342,245)
	12,365,327	16,674,609

(a) The balances of the Group mainly comprised prepaid construction equipment balances at June 30, 2026 and December 31, 2025.

(b) The balances of the Group mainly comprised prepaid freight and transportation costs at June 30, 2026 and December 31, 2025.

Notes to the Condensed Consolidated Financial Statements

16. Investments in Associates and Joint Ventures

Movement of investments in associates and joint ventures for the six months ended June 30, 2026 is analyzed as follows:

	Investments in associates *RMB'000*	Investments in joint ventures *RMB'000*
At the beginning of the period	**4,356,047**	**2,677,573**
Additions and disposals, net *(Note (a))*	**7,202,628**	**8,500**
Share of profit, net	**38,520**	**132,905**
Share of other comprehensive income	**9,970**	**(1,118)**
Share of other equity movement	**68,982**	**19**
Dividend declared during the period	**(154,144)**	**–**
Exchange differences	**(130,136)**	**(942)**
Less: Impairment loss provided for the period	**(912)**	**(31,329)**
At the end of the period	**11,390,955**	**2,785,608**

Notes:

(a) Investment in J&T Express Global Limited

On January 15, 2026, the Group entered into a subscription agreement with J&T Express Global Limited ("J&T Express"), under which the Group subscribed for 821,657,973 newly issued Class B shares of J&T Express for HK$8,298.75 million, and J&T Express subscribed for 225,877,669 newly issued H shares of the Company for HK$8,298.75 million, resulting in a cross-shareholding between the two parties. Both subscriptions were completed on June 9, 2026 (the "Completion Date"), and the transaction price is equivalent to approximately RMB7,216,340,000.

The Group previously held 150,300,355 Class B ordinary shares of J&T Express. Upon completion of the above subscriptions, the Group's aggregate shareholding in J&T Express increased to 971,958,328 Class B ordinary shares, representing approximately 10% of the total issued share capital of J&T Express. Concurrently, J&T Express holds approximately 4% of the Company's total issued H shares.

Prior to the Completion Date, the Group designated its original equity investment in J&T Express as a financial asset measured at fair value through other comprehensive income. Pursuant to the subscription agreement, the Group concluded that, upon completion of the transaction, the Group's shareholding percentage in J&T Express increased, and it has the right to appoint a director to the board of J&T Express and is able to exercise significant influence over J&T Express's financial and operating policies. Accordingly, the Group concluded that J&T Express became an associate of the Group, and the investment is accounted for using the equity method in accordance with IAS 28 Investments in Associates and Joint Ventures. The Group concluded that the substance of the transaction was to acquire newly issued shares of J&T Express by issuing the Company's own H shares as consideration. The initial carrying amount of the associate was determined based on the fair value of the previously held equity interest of RMB1,125,298,000 and the fair value of the 225,877,669 H shares issued by the Company of RMB6,096,767,000 (HK$31.04 fair value of per share), amounting to RMB7,222,065,000 in total. The cumulative fair value changes previously recognized in other comprehensive income amounting to RMB446,255,000 were reclassified to retained earnings upon the reclassification of the investment.

(b) There is no associate and joint venture that is individually significant to the Group.

17. Financial Assets at FVPL and FVOCI

(a) Financial assets at FVPL

	At June 30, 2026 *RMB'000*	At December 31, 2025 *RMB'000*
Non-current:		
– Industry fund investments	**278,884**	289,307
– Equity investment in unlisted entities, at fair value	**671,939**	338,816
– Others	**6,191**	6,390
	957,014	634,513
Current:		
– Structured deposits	**20,829,599**	16,080,264
– Fund investment and others	**187,594**	118,712
	21,017,193	16,198,976

(b) Financial assets at FVOCI

	At June 30, 2026 *RMB'000*	At December 31, 2025 *RMB'000*
Non-current:		
– Listed equity investments, at fair value *(Note 16(a))*	**56,743**	1,587,405
– Unlisted equity investments, at fair value (i)	**5,595,452**	6,709,638
	5,652,195	8,297,043
Current:		
– Notes held for sale	**317,749**	244,734
	317,749	244,734

For the six months ended June 30, 2026, the loss recognized in other comprehensive income was primarily attributable to the changes in fair value of Hive Box Holdings Limited ("Hive Box").

18. Trade and Note Receivables

	At June 30, 2026 RMB'000	At December 31, 2025 RMB'000
Trade and note receivables		
– related parties *(Note 29(d))*	**507,490**	525,273
– third parties	**33,138,298**	31,362,506
	33,645,788	31,887,779
Less: Allowance for expected credit losses	**(923,436)**	(832,430)
	32,722,352	31,055,349

(a) The Group has various credit policies for different business operations depending on the requirements of the markets and businesses. The ageing analysis of the trade and note receivables based on invoice dates is as follows:

	At June 30, 2026 RMB'000	At December 31, 2025 RMB'000
Within 1 year (including 1 year)	**32,826,930**	31,224,876
Between 1 and 2 years (including 2 years)	**286,162**	308,010
Over 2 years	**532,696**	354,893
	33,645,788	31,887,779

There is no concentration of credit risk with respect to trade and note receivables, as the Group has a large number of customers.

(b) The Group applies the simplified approach to provide for expected credit losses prescribed by IFRS 9. At June 30, 2026, trade receivables of approximately RMB923,436,000 (At December 31, 2025: RMB832,430,000) were impaired and provided for impairment provision.

(c) The provision and reversal of provision for impairment of receivables have been included in impairment losses on financial assets and contract assets in the condensed consolidated statement of profit or loss. Amounts charged to the allowance account are written off when it is expected cannot be recovered.

(d) The carrying amount at the reporting date approximated the fair value of each class of receivables mentioned above.

19. Restricted Cash and Cash and Cash Equivalents

	At June 30, 2026 *RMB'000*	At December 31, 2025 *RMB'000*
Restricted cash		
Statutory reserve deposits with the PBOC for banking operations *(Note (a))*	**1,003,587**	895,679
Pledged bank deposits and others	**380,098**	209,922
	1,383,685	1,105,601
Cash and cash equivalents		
Cash on hand and cash at banks (excluding PBOC)	**25,010,393**	19,951,626
Surplus reserve deposits with the PBOC *(Note (b))*	**7,538**	8,005
	25,017,931	19,959,631

Notes:

(a) On September 18, 2016, the Group incorporated SF Holding Group Finance Co., Ltd., a licensed financial institution, principally engaging in the provision of cash management services within the group internally.

(b) SF Holding Group Finance Co., Ltd. is required to deposit with the People's Bank of China (the "PBOC") an amount that equals to 5% of qualified RMB deposits from corporates. The required reserve deposits are restricted and not available for use in the daily business. Deposits with the PBOC in excess of the required reserve deposits are excess reserve deposits, which are maintained mainly for clearance settlement purposes.

Notes to the Condensed Consolidated Financial Statements

20. Borrowings

	At June 30, 2026 *RMB'000*	At December 31, 2025 *RMB'000*
Non-current:		
Long-term bank borrowings *(Note (a))*		
– secured *(Note (a)(i))*	**3,432**	4,930
– unsecured *(Note (a)(ii))*	**5,099,499**	5,178,401
Corporate bonds *(Note (c))*	**10,916,503**	12,358,825
Loans from non-controlling interests and other parties	**174,063**	178,555
	16,193,497	17,720,711
Current portion of non-current:		
Long-term bank borrowings *(Note (a))*		
– secured *(Note (a)(i))*	**20,724**	24,609
– unsecured *(Note (a)(ii))*	**412,701**	191,270
Corporate bonds *(Note (c))*	**6,029,711**	5,693,782
Short term:		
Short-term bank borrowings *(Note (b))*		
– secured *(Note (b)(i))*	**82,658**	104,338
– unsecured *(Note (b)(ii))*	**17,336,794**	7,092,994
Convertible bonds *(Note (c))*	**2,567,427**	2,620,001
Loans from non-controlling interests and other parties	**372,648**	360,693
	26,822,663	16,087,687

Notes:

(a) Long-term bank borrowings

(i) Certain non-current assets had been pledged as securities for long-term bank borrowings at June 30, 2026 and December 31, 2025. Refer to Note 11(a), Note 12(a), Note 13(a) and Note 18(d).

(ii) The bank borrowings of approximately RMB5,270,425,000 at June 30, 2026 (At December 31, 2025: RMB5,124,631,000) had been guaranteed by the subsidiaries within the Group.

(iii) The Group had complied with all of the financial covenants of its borrowing facilities for the six months ended June 30,2026 and the year ended December 31, 2025.

(iv) The range of interest rates of major non-current bank borrowings were 1.50% to 4.59% at June 30, 2026 (At December 31, 2025: 1.00% to 6.17%).

20. Borrowings (Continued)

Notes: (Continued)

(b) Short-term bank borrowings

(i) Certain non-current assets had been pledged as securities for short-term bank borrowings at June 30, 2026 and December 31, 2025. Refer to Note 11(a), Note 12(a), Note 13(a) and Note 18(d).

(ii) Short-term bank borrowings of approximately RMB2,013,760,000 at June 30, 2026 (At December 31, 2025: RMB2,477,183,000) had been guaranteed by the subsidiaries of the Group.

(iii) The range of interest rates of major short-term bank borrowings were 0.52% to 8.54% at June 30, 2026 (At December 31, 2025: 1.00% to 9.25%).

(c) Corporate bonds and convertible bonds

(i) Bonds amounting to RMB17,487,952,000 at June 30, 2026 (At December 31, 2025: RMB18,645,270,000) had been guaranteed by the Company.

(ii) The range of interest rates of bonds and debentures were 2.38% to 3.13% at June 30, 2026 (At December 31, 2025: 2.15% to 3.13%).

(iii) With the approval of the Hong Kong Stock Exchange, SF Holding Investment 2023 Limited, a wholly-owned subsidiary of the Group, issued offshore convertible bonds at a total of HK$2,950,000,000 (equivalent of RMB2,703,675,000), which can be converted into H Shares of the Company under specific conditions ("H Share convertible bonds") to professional investors on July 10, 2025. After deduction of issue fees and expenses, the actual net proceeds raised were RMB2,666,878,000. Among which, the liability component of the convertible bonds amounted to RMB2,626,737,000 was included in borrowings, while the equity component amounted to RMB40,141,000 was included in reserve.

The H Share convertible bonds have a term of 363 days, and the maturity date is July 8, 2026, with a zero coupon rate and no interest bearing. Unless previously redeemed, converted or purchased or cancelled, the Group will redeem each convertible bond at 100.50% of its principal amount on the maturity date. The conversion period is from the 41st day after the issue date up to the close of business on the date falling into 10 days prior to the maturity date of the convertible bonds (i.e., from August 20, 2025 to June 28, 2026) when the bondholders may apply for conversion. The initial conversion price of the H Share convertible bonds at the time of issuance was HK$48.47 per share, which was subsequently adjusted to HK$47.43 per share due to the distribution of dividends to shareholders.

21. Trade and Note Payables

	At June 30, 2026 *RMB'000*	At December 31, 2025 *RMB'000*
Trade and note payables		
– related parties *(Note 29(d))*	**504,921**	505,415
– third parties	**30,793,439**	29,775,810
	31,298,360	30,281,225

21. Trade and Note Payables (Continued)

The ageing analysis of the trade and note payables based on invoice date at June 30, 2026 and December 31, 2025 were as follows:

	At June 30, 2026 *RMB'000*	At December 31, 2025 *RMB'000*
Within 1 year (including 1 year)	**31,080,599**	30,110,808
Over 1 year	**217,761**	170,417
	31,298,360	30,281,225

22. Other Payables and Accruals

	At June 30, 2026 *RMB'000*	At December 31, 2025 *RMB'000*
Non-current:		
Salaries, wages and benefits	**74,991**	75,741
Others	**157,663**	152,351
	232,654	228,092
Current:		
Amounts due to related parties *(Note 29(d))*	**169,075**	166,552
Salaries, wages and benefits	**4,923,446**	6,193,421
Payable for purchase of property, plant and equipment	**2,888,259**	3,156,556
Deposits	**3,117,789**	2,864,951
Dividend payable	**30,233**	24,945
Payables of cash collected on delivery service	**1,238,016**	1,367,940
Other taxes payable	**961,878**	881,517
Consideration payable for business combinations	**9,118**	10,961
Others	**2,948,984**	2,659,853
	16,286,798	17,326,696

23. Share Capital and Treasury Shares

	Number of fully paid ordinary shares	Share capital RMB'000	Treasury shares RMB'000	Total RMB'000
At January 1, 2026	**5,039,430,409**	**5,039,430**	**(1,542,636)**	**3,496,794**
Issue of shares *(Note (a))*	**225,877,669**	**225,878**	**–**	**225,878**
Repurchase of shares *(Note (b))*	**–**	**–**	**(4,370,994)**	**(4,370,994)**
At June 30, 2026	**5,265,308,078**	**5,265,308**	**(5,913,630)**	**(648,322)**
At January 1, 2025	4,986,186,983	4,986,187	(758,081)	4,228,106
Exercise of share options *(Note (a))*	6,505,034	6,505	–	6,505
Repurchase of shares *(Note (b))*	–	–	(100,984)	(100,984)
At June 30, 2025	4,992,692,017	4,992,692	(859,065)	4,133,627

(a) Issuance of H Shares to J&T Express

As disclosed in Note 16(a), on June 9, 2026, the Company issued 225,877,669 H Shares to J&T Express. The fair value of the H shares issued was RMB6,096,767,000, of which RMB225,878,000 was credited to share capital and RMB5,870,889,000 was credited to capital reserve.

(b) Repurchase of shares

During the six months ended June 30, 2026, a total of 117,662,311 A shares and 1,284,800 H shares were repurchased for cancellation to reduce the Company's registered capital. Treasury shares of approximately RMB4,337,620,000 (A shares) and RMB33,374,000 (H shares) were recorded as a deduction from equity.

Notes to the Condensed Consolidated Financial Statements

24. Reserves

	Capital reserve RMB'000	Conversion option reserve RMB'000	Other comprehensive income RMB'000	General and regulatory reserve RMB'000	Special reserve RMB'000	Statutory reserve RMB'000	Total RMB'000
At January 1, 2026	42,363,874	40,141	4,445,694	524,376	–	2,672,760	50,046,845
Other comprehensive income	–	–	(1,684,843)	–	–	–	(1,684,843)
Transfer of loss on disposal of equity investments at fair value through other comprehensive income to retained earnings	–	–	505,222	–	–	–	505,222
Transactions with owners							
Issue of shares	5,870,889	–	–	–	–	–	5,870,889
Share-based payment	58,974	–	–	–	–	–	58,974
Transaction with non-controlling interests and others	(64,154)	–	–	–	–	–	(64,154)
Safety reserve appropriation	–	–	–	–	209,527	–	209,527
Safety reserve utilisation	–	–	–	–	(209,527)	–	(209,527)
Others	55,270	–	–	–	–	–	55,270
At June 30, 2026	48,284,853	40,141	3,266,073	524,376	–	2,672,760	54,788,203

	Capital reserve RMB'000	Other comprehensive income RMB'000	General and regulatory reserve RMB'000	Special reserve RMB'000	Statutory reserve RMB'000	Total RMB'000
At January 1, 2025	40,924,932	4,529,488	524,376	–	2,646,138	48,624,934
Other comprehensive income	–	(120,609)	–	–	–	(120,609)
Transfer of gain on disposal of equity investments at fair value through other comprehensive income to retained earnings	–	(19,113)	–	–	–	(19,113)
Transactions with owners						
Net proceeds from share option exercising	254,993	–	–	–	–	254,993
Capital contribution of non-controlling interests	802	–	–	–	–	802
Profit appropriations to statutory reserve	–	–	–	–	3,253	3,253
Share-based payment	33,635	–	–	–	–	33,635
Transaction with non-controlling interests and others	(205,554)	–	–	–	–	(205,554)
Safety reserve appropriation	–	–	–	207,453	–	207,453
Safety reserve utilisation	–	–	–	(207,453)	–	(207,453)
Others	(13,619)	–	–	–	–	(13,619)
At June 30, 2025	40,995,189	4,389,766	524,376	–	2,649,391	48,558,722

25. Share-based payment

(a) Share-based payment expenses during the period were as follows:

	Six months ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
Equity settled share-based payment	**102,265**	43,193

(b) Equity settled share-based payment arrangement

(i) 2022 A Share Option Incentive Plan of the Company

2022 A Stock Option Incentive Plan, approved by the board in May 2022, is designed to reward qualified participants who contribute to the growth of the Group's operations and provide long-term incentives for employees to deliver sustainable shareholder returns.

The stock options vest over a period of 4 years on the condition that the employees, officers and directors remain in service and certain performance standards are met.

As of June 30, 2026, there were 17,467,709 share options outstanding under the 2022 A Share Option Incentive Plan.

The Group recognizes share-based payments in capital reserves and its consolidated statement of profit or loss based on options ultimately expected to vest, after considering estimated forfeitures of the share options. Forfeitures are estimated based on the historical experience and revised in the subsequent periods if actual forfeitures differ from those estimates. The impact of the revision of the original estimates on non-market vesting conditions, if any, is recognized in the profit and loss over the remaining vesting period, with a corresponding adjustment to capital reserves.

Share-based payment expenses of RMB13,895,000 related to the above share options were reversed in the condensed consolidated statement of profit or loss for the six months ended June 30, 2026 (six months ended June 30, 2025: expenses of RMB20,167,000 were recognized).

An accumulated amount of RMB569,936,000 had been recognized as capital reserve at June 30, 2026 (At December 31, 2025: RMB583,831,000).

(ii) "Grow Together" Employee Shareholding Scheme (A Shares)

On September 15, 2025, the "Grow Together Employee Shareholding Scheme (A Share) (Draft)" ("the Scheme") was reviewed and approved in the 2025 first extraordinary general meeting held by the Company. A total quantity of up to 1,620,000,000 virtual share units will be granted to the qualified employees of the Group over a period of 9 years within the Scheme's duration of no more than 15 years. In the first quarter of the next year after the virtual share units are granted to the qualified employees in each year, under the jointly consideration of the performance of the Company and the individual employee, the Board of Directors will calculate the total number of each employee's shares eligible for vesting based on the increase amount of the agreed share price compared to the grant price of the virtual share units.

The shares under the Scheme, comprising 200,000,000 A Shares of the Company, were donated by Mingde Holding with no consideration payment made by the Group. The total number of shares had been transferred to the securities account in China Securities Depository and Clearing Corporation Limited established by the Scheme.

25. Share-based payment (Continued)

(b) Equity settled share-based payment arrangement (Continued)

(ii) "Grow Together" Employee Shareholding Scheme (A Shares) (Continued)

The portfolio holders who are the qualified employees of the Group are responsible for the operation and management of the Scheme itself. Holders' Meeting is set up and serves as a top authorized organization of the Scheme. If any holders are directors or supervisors, or members of the senior management, they should waive their voting and proposal rights in the Holders' Meeting, and waive their voting rights on any resolutions related to the Scheme at board meetings or shareholders' meeting of the Company. A Management Committee is established and authorized to serve as the administrator by the Holders' Meeting. The Management Committee is responsible for the management of the Scheme's daily operation and execution of the holders' rights on behalf of all holders of the Scheme. Members of the Management Committee are elected by the Holders' Meeting. Controlling shareholders, ultimate controlling persons, directors, supervisors, and members of the senior management of the Company, or any of their connected parties, cannot serve as members of the Management Committee.

The assets held by the Scheme are independent from the Company's assets. Throughout the duration of the Scheme and its liquidation period, any ungranted shares and dividends or any other assets held by the Scheme do not belong to the Company.

The 2025 initial grant of Virtual Share Units ("the 2025 Plan")

The agreed share price of the shares eligible for vesting is the average closing price of the Company's A shares during the year. A 12-month lock-up period starting from each vesting date is applied to each vesting. At the same time, a service period is set after the end of the lock-up period, starting from the date after the last lock-up period date. The service period of the first vesting will be 96 months, following by an 84 months service period for the second vesting, and so on. No service period is required for the ninth vesting, which is only applied for a 12-month lock-up period. On September 15, 2025, as approved by the 2025 first extraordinary general meeting, a total of 79,819,300 virtual share units were granted to qualified employees with a grant price of RMB35 yuan per share.

The Company determines the fair value of the shares on the grant date based on the closing market price and uses a Monte Carlo simulation model to calculate the estimated number of share units to be eligible for vesting. As at June 30, 2026 the accumulated amount recognized in capital reserve and attributable to the owners of the Company related to the Scheme was RMB21,611,000 (At December 31, 2025: RMB8,332,000). Share-based payment expenses of RMB13,279,000 related to the Scheme were recognized in the condensed consolidated statement of profit or loss for the six months ended June 30, 2026 (six months ended June 30, 2025: nil).

(iii) Share incentive Plan of the subsidiary entities

Subsidiaries of the Group issued restricted share units ('RSU') or share options of their own shares to senior executives and other employees.

The fair value at grant date is independently determined by share price or using the Discounted Cash Flow model or Binomial Option Pricing model.

Share-based payment expenses of approximately RMB102,881,000 related to the above share awards were recognized in the condensed consolidated statement of profit or loss for the six months ended June 30, 2026 (six months ended June 30, 2025: RMB23,026,000).

An accumulated amount of RMB845,191,000 has been recognized as capital reserve as at June 30, 2026 (At December 31, 2025: RMB742,310,000).

26. Notes to the Condensed Consolidated Statement of Cash Flows

(a) Reconciliation of profit before income tax to net cash generated from operations:

	Six months ended June 30,	
	2026 *RMB'000*	2025 *RMB'000*
Profit before income tax for the period	**7,774,895**	7,639,728
Adjustments for:		
Depreciation of right-of-use assets *(Note 12 (b))*	**3,488,477**	3,337,161
Depreciation and amortization (excluding right-of-use assets) *(Note 7)*	**4,776,795**	4,860,146
Impairment losses / (net reversal of impairment losses) on financial assets and contract assets	**165,369**	(117,104)
Impairment of inventories, property, plant and equipment and other non-current assets *(Note 6)*	**496**	43,644
Equity settled share-based compensation expenses	**102,265**	43,193
Losses on disposal of property, plant and equipment, right-of-use assets and other non-current assets *(Note 6)*	**55,962**	55,366
Fair value changes in financial assets at FVPL *(Note 6)*	**(372,988)**	(293,339)
Gains on repurchase of corporate bonds *(Note 6)*	**(26,462)**	(65,199)
Losses/(gains) on disposal of investments in subsidiaries	**40,401**	(777,717)
Share of (profit)/loss of associates and joint ventures, net	**(171,425)**	36,297
Losses/(gains) on disposal of investments in associates and joint ventures *(Note 6)*	**4,173**	(11,712)
Dividend income *(Note 5)*	**(1,951)**	(1,360)
Amortization of deferred income	**(56,809)**	(33,044)
Finance costs *(Note 8)*	**783,918**	928,361
Operating cash flow before working capital changes	**16,563,116**	15,644,421
Changes in working capital:		
Decrease in inventories	**39,368**	106,309
Increase in trade receivables, prepayment, contract assets and other receivable	**(4,148,409)**	(2,057,725)
Increase in trade payables, contract liabilities, and other payables	**1,077,545**	1,416,102
Cash generated from operations	**13,531,620**	15,109,107

Notes to the Condensed Consolidated Financial Statements

27. Disposal of Subsidiaries

No material disposals of subsidiaries by the Group for the six months ended June 30, 2026.

28. Partly Owned Subsidiaries with Material Non-Controlling Interests

Set out below is summarized financial information for KLN which has material non-controlling interests.

	At June 30, 2026 *RMB'000*	At December 31, 2025 *RMB'000*
Current assets	**21,264,345**	20,566,942
Non-current assets	**22,324,021**	23,865,727
Total assets	**43,588,366**	44,432,669
Current liabilities	**14,597,264**	14,654,013
Non-current liabilities	**8,545,872**	8,931,977
Total liabilities	**23,143,136**	23,585,990

	Six months ended June 30,	
	2026 *RMB'000*	2025 *RMB'000*
Revenue	**26,201,160**	25,316,546
Net profit	**607,939**	639,240
Attributable to owners of the Company	**277,212**	283,307
Net cash generated from operating activities	**649,395**	1,707,819

(i) The financial position, operating results and cash flows of KLN are disclosed in its performance announcements published on HKEx. The financial information presented above has been adjusted to reflect the fair value of identifiable assets and liabilities at the acquisition date, as well as the alignment of accounting policies, but do not take the eliminations of the transactions between KLN and other subsidiaries of the Group into account.

(ii) Except for KLN and its subsidiaries, no other subsidiaries had non-controlling interests that are material to the Group for the six months ended June 30, 2026 and 2025.

29. Related Party Transactions

(a) Parent entities

			Ownership interest	
Name	Type	Place of incorporation	At June 30, 2026	At December 31, 2025
Shenzhen Mingde Holding Development Co., Ltd. ("Mingde Holding")	Investment	Shenzhen	**46.76%**	48.85%

The Company's ultimate holding company is Mingde Holding, and the ultimate controlling person is Mr. Wang Wei.

(b) Names and relationships with related parties

Related parties are those parties that have the ability to control, jointly control or exercise significant influence over the other party in holding 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 investor's returns. Parties are also considered to be related if they are subject to common control or joint control. Related parties maybe individuals or other entities.

The directors of the Company are of the view that the following parties/companies were related parties that had transactions with the Group during the six months ended June 30, 2026 and 2025, and/or balances with the Group as of June 30, 2026 and December 31, 2025.

Name of related parties	Relationship with the Group
Hive Box Holdings Limited and its subsidiaries	Entities controlled by the ultimate controlling person of the Company
Shenzhen Fengxiang Information Technology Co., Ltd. and its subsidiaries	Entities controlled by the ultimate controlling person of the Company
Hangzhou Fengtai E-Commerce Industrial Park Management Ltd. and its subsidiaries	Entities controlled by the ultimate controlling person of the Company
Guangdong Fengxing Zhitu Technology Co., Ltd. and its subsidiaries	Entities controlled by the ultimate controlling person of the Company
Shenzhen Weitai Enterprise Development Co., Ltd. and its subsidiaries	Entities controlled by the ultimate controlling person of the Company
Shenzhen Fengxiu Technology Co., Ltd. and its subsidiaries	Changed from a subsidiary of the Group to an associate since April 2026
J&T Express and its subsidiaries	Became an associate company of the Group since June 2026
Shenzhen Zhongwang Finance and Tax Supply Chain Co., Ltd.	Associates of the Group
Sichuan Wulianyida Technology Co., Ltd. and its subsidiaries	Associates of the Group
SF Real Estate Investment Trust and its subsidiaries	Associates of the Group
Zhejiang Galaxis Technology Group Co., Ltd. and its subsidiaries	Associates of the Group
KENGIC Intelligent Technology Co., Ltd and its subsidiaries	Associates of the Group
Yihai SF (Shanghai) Supply Chain Technology Co., Ltd.	Associates of the Group
South SF Logistics REIT	Associates of the Group
ST Engineering Aerospace (Hubei) Aviation Services Co., Ltd.	Associates of the Group

29. Related Party Transactions (Continued)

(b) Names and relationships with related parties (Continued)

Name of related parties	Relationship with the Group
Ezhou CCCC SF Airport Industrial Park Investment and Development Co., Ltd.	A joint venture of the Group
Hubei International Logistics Airport Co., Ltd.	A joint venture of the Group
Chinese Security Culture Co., Ltd.	A joint venture of the Group
Hubei Nongfa Chushi Fresh Supply Chain Co., Ltd.	A joint venture of the Group
Guangzhou Xuehang Logistics Co., Ltd. and its subsidiaries	A joint venture of the Group
Shenzhen Yizhan Renewal Service Technology Co., Ltd. and its subsidiaries	A joint venture of the Group
Global Connect Holding Limited	A joint venture of the Group
Beijing Wulian Shuntong Technology Co., Ltd. and its subsidiaries	A joint venture of the Group
CR-SF International Express Co., Ltd.	A joint venture of the Group
SF Public Welfare Foundation	An organization established by the controlling shareholder and subsidiaries of the Company, in which senior management of the Company serve as members of the board of directors

(c) Transactions with related parties

The following significant transactions were carried out between the Group and its related parties for the six months ended June 30, 2026 and 2025. In the opinion of the directors of the Company, the related party transactions were carried out in the normal course of business and at terms negotiated between the Group and the respective related parties.

	Six months ended June 30,	
	2026 *RMB'000*	2025 *RMB'000*
Sales of goods and services:		
Controlling shareholder	**447**	282
Entities controlled by the ultimate controlling person of the Company	**947,839**	806,235
Joint ventures of the Group	**24,113**	13,668
Associates of the Group	**45,554**	18,192
	1,017,953	838,377

29. Related Party Transactions (Continued)

(c) Transactions with related parties (Continued)

	Six months ended June 30,	
	2026 *RMB'000*	2025 *RMB'000*
Purchases of goods and services:		
Joint ventures of the Group	**923,405**	582,638
Entities controlled by the ultimate controlling person of the Company	**437,915**	393,935
Associates of the Group	**591,987**	261,582
	1,953,307	1,238,155
Disposal of equity:		
Associates of the Group	**–**	2,083,358
	–	2,083,358
Absorb investment:		
Associates of the Group	**50,019**	–
	50,019	–
Depreciation and interest expenses borne by the Group as the lessee:		
Associates of the Group	**187,792**	167,665
Entities controlled by the ultimate controlling person of the Company	**3,218**	3,781
Joint ventures of the Group	**2,634**	–
	193,644	171,446
Additions of right-of-use assets:		
Associates of the Group	**434,940**	311,283
Entities controlled by the ultimate controlling person of the Company	**–**	838
	434,940	312,121
Other transactions:		
Associates of the Group	**45,293**	42,311
Entities controlled by the ultimate controlling person of the Company	**3,258**	3,185
Controlling shareholder	**347**	343
Joint ventures of the Group	**491**	305
	49,389	46,144

29. Related Party Transactions (Continued)

(d) Balances with related parties

	At June 30, 2026 *RMB'000*	At December 31, 2025 *RMB'000*
Amounts due from related parties:		
Controlling shareholder	**84**	45
Entities controlled by the ultimate controlling person of the Company	**569,847**	634,358
Joint ventures of the Group	**98,587**	18,738
Associates of the Group	**472,327**	319,280
	1,140,845	972,421
Amounts due to related parties:		
Controlling shareholder	**137**	131
Entities controlled by the ultimate controlling person of the Company	**158,286**	171,288
Joint ventures of the Group	**297,924**	304,134
Associates of the Group	**246,466**	260,877
	702,813	736,430
Lease Liabilities:		
Entities controlled by the ultimate controlling person of the Company	**50,152**	53,156
Associates of the Group	**641,329**	411,879
	691,481	465,035

(e) Guarantee to related parties

(i) Guarantee provided

	At June 30, 2026		
Guaranteed entities:	Guaranteed amount *RMB'000*	Guaranteed period	Whether the guarantee has been fulfilled
Joint ventures	**864,571**	September 29, 2021 to April 29, 2055	No

29. Related Party Transactions (Continued)

(e) Guarantee to related parties (Continued)

(i) Guarantee provided (Continued)

	At December 31, 2025		
Guaranteed entities:	Guaranteed amount *RMB'000*	Guaranteed period	Whether the guarantee has been fulfilled
Joint ventures	805,000	September 29, 2021 to April 29, 2055	No

(ii) Contracted not yet provided

	At June 30, 2026 *RMB'000*	At December 31, 2025 *RMB'000*
Joint ventures	**2,289,420**	2,361,180

(f) Key management compensation

	Six months ended June 30,	
	2026 *RMB'000*	2025 *RMB'000*
Key management compensation	**18,558**	22,579

30. Commitments

(a) Capital Commitments

	At June 30, 2026 *RMB'000*	At December 31, 2025 *RMB'000*
Contracted, but not provided for purchase of property, plant and equipment	**3,108,368**	3,556,117
Investment to be paid	**87,786**	39,723
	3,196,154	3,595,840

31. Subsequent Event

(a) Redemption of Convertible Bonds

On July 10, 2025, the Company's subsidiary, SF Holding Investment 2023 Limited, issued convertible bonds (the "Bonds") to institutional investors with an aggregate principal amount of HK$2,950,000,000 (equivalent to approximately RMB2,703,675,000). The Bonds were convertible into H Shares of the Company upon satisfaction of certain conditions. On 8 July 2026, upon maturity of the Bonds, the Group redeemed all outstanding Bonds issued at a redemption price of 100.50% of the par value.

(b) Repurchase of A Shares

Pursuant to the Resolution on amendments to the A-Share Repurchase Plan, as approved by the Board of Directors on March 30, 2026, the Company repurchased 3,538,000 A-shares through a dedicated securities account by way of centralized bidding from July 1, 2026 to July 22, 2026 (the date of the last repurchase progress announcement prior to the authorisation date of these financial statements).

The 2025 First Tranche A-Share Repurchase Programme was completed during the period from September 3, 2025 to July 21, 2026. Under the Programme, the Company repurchased an aggregate of 160,160,000 A shares through centralized bidding, using its own funds, with a total consideration of approximately RMB5,999,593,000(excluding transaction costs).

(c) Profit distribution after the balance sheet date

As stated in Note 10, the Directors have declared an interim dividend of RMB49 cents per share (tax inclusive) for the six months ended June 30, 2026 (for the six months ended June 30, 2025: an interim dividend of RMB46 cents per share (tax inclusive).

(d) Subscription of Hive Box Shares

On August 24, 2026, the Board approved the exercise of the Group's preemptive right to subscribe for 46,829,077 Class A Shares of Hive Box at RMB2.8489 per share (approximately RMB133 million in aggregate). The Group may also exercise the excess preemptive right, subject to an aggregate cap of RMB305,000,000.Assuming full exercise up to the cap, the Group would hold approximately 107 million shares, representing approximately 10.03% of Hive Box.

Upon completion, as the Group will obtain a board seat and participate in financial and operating policy decisions, the investment in Hive Box will be reclassified from FVOCI to an associate accounted for using the equity method.

"active consumer(s)"	the number of unique consumer accounts that purchase a particular service at least once during the prescribed period
"active merchant(s)"	the number of unique merchant accounts that purchase a particular service at least once during the prescribed period
"A Share(s)"	ordinary shares issued by the Company, with a nominal value of RMB1.00 each, which are listed on the Shenzhen Stock Exchange and traded in RMB
"AEO"	Authorized Economic Operator, qualified enterprises certified by the World Customs Organization and provided with facilitation and preferential policies for customs clearance
"AFRC"	Accounting and Financial Reporting Council of Hong Kong
"AGV"	automated guided vehicle, a transport vehicle with handling function that can travel automatically along a prescribed path
"AMR"	Automated Mobile Robot
"Articles of Association"	the articles of association of the Company adopted on August 17, 2023 with effect upon Listing (as amended from time to time)
"associate(s)"	has the meaning ascribed thereto under the Listing Rules of SEHK
"Audit Committee"	the audit committee of the Board
"Board" or "Board of Directors"	the board of Directors of the Company
"B2B"	business to business
"B2C"	business to customer
"Business Day"	a day on which banks in Hong Kong are generally open for normal business to the public and which is not a Saturday, Sunday or public holiday in Hong Kong
"China" or "the PRC"	the People's Republic of China, except where the content or context requires otherwise
"China Federation of Logistics & Purchasing"	China Federation of Logistics & Purchasing
"CG Code"	the Corporate Governance Code as set out in the Appendix C1 to the Listing Rules of SEHK
"Companies Ordinance"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Company" or "SF"	S.F. Holding Co., Ltd. (順豐控股股份有限公司), formerly registered under the name Maanshan Dingtai Rare Earth & New Materials Co., Ltd.* (馬鞍山鼎泰稀土新材料股份有限公司), a joint stock company with limited liability established in the PRC on May 22, 2003, the A Shares of which have been listed on the Shenzhen Stock Exchange (stock code: 002352.SZ) and the H Shares of which have been listed on the Hong Kong Stock Exchange (stock code: 6936.HK)
"connected person(s)"	has the meaning ascribed thereto under the Listing Rules of SEHK
"connected transaction(s)"	has the meaning ascribed thereto under the Listing Rules of SEHK
"Controlling Shareholder(s)"	has the meaning ascribed thereto under the Listing Rules of SEHK
"CSRC"	China Securities Regulatory Commission
"Director(s)"	the director(s) of the Company

Definitions

"dividend payout ratio"	calculated as the dividends paid in respect of a year/reporting period divided by the profit attributable to owners of the Company for the same period, expressed as a percentage
"express logistics business"	includes the Company's time-definite express, economy express, freight delivery, cold chain and pharmaceuticals logistics, and intra-city on-demand delivery business
"Ezhou cargo hub"	the air cargo hub located in Ezhou, Hubei Province, which mainly comprises Ezhou Huahu International Airport and the logistics complex
"Fenghao Supply Chain"	the business entities acquired by the Company from DHL that engage in supply chain business in Chinese Mainland, Hong Kong and Macau
"Frost & Sullivan Report"	the industry report prepared by Frost & Sullivan (Beijing) Inc., Shanghai Branch Co. on the global logistics market
"GDP"	gross domestic product
"General Mandate"	the general mandate granted to the Board to allot and issue H Shares by the Shareholders pursuant to a special resolution passed at the 2024 Annual General Meeting
"Group"	the Company and its subsidiaries
"H Share(s)"	overseas listed foreign ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which are listed on the Hong Kong Stock Exchange and traded in HKD
"H Share Registrar"	Tricor Investor Services Limited
"HKFRS(s)"	Hong Kong Financial Reporting Standards, amendments and interpretations issued by the Hong Kong Institute of Certified Public Accountants
"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong dollars" or "HKD"	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong
"Hong Kong Stock Exchange" or "SEHK"	The Stock Exchange of Hong Kong Limited, a wholly owned subsidiary of Hong Kong Exchanges and Clearing Limited
"IASB"	International Accounting Standards Board
"IFRS"	the IFRS Accounting Standards, which as collective term includes all applicable individual International Financial Reporting Standards, International Accounting Standards and Interpretations issued by the IASB
"J&T Express"	J&T Global Express Limited (極兔速遞環球有限公司), an exempted company incorporated in the Cayman Islands with limited liability on October 24, 2019, the shares of which are listed on the Hong Kong Stock Exchange (stock code: 1519.HK)
"KEX"	KEX Express (Thailand) Public Company Limited, a holding subsidiary of the Company operating express delivery business in Thailand
"KLN"	KLN Logistics Group Limited, a company listed on the Main Board of the Hong Kong Stock Exchange (stock code: 0636.HK), and a holding subsidiary of the Company
"Listing Rules of SEHK"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended, supplemented or otherwise modified from time to time)
"LLP"	Lead Logistics Provider
"logistics and freight forwarding services"	includes the Company's time-definite express, economy express, freight delivery, cold chain and pharmaceuticals logistics, intra-city on-demand delivery, and supply chain and international business

"lower-tier markets"	generally refers to the market in third- or lower-tier cities, counties, towns and rural areas, or the market where customers place greater emphasis on cost-effectiveness
"LTL"	less-than-truckload, the transportation of goods that do not require a full truckload
"Mingde Holding"	Shenzhen Mingde Holding Development Co., Ltd.* (深圳明德控股發展有限公司), a limited liability company established under the laws of the PRC on November 5, 1997, one of the Controlling Shareholders
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 to the Listing Rules of SEHK
"NAFR"	National Administration of Financial Regulation of the PRC (中華人民共和國國家金融監督管理總局) (which was established on the basis of the China Banking and Insurance Regulatory Commission (中國銀行保險監督管理委員會))
"Nomination Committee"	the nomination committee of the Board
"ODM"	Original Design Manufacturer
"OEM"	Original Equipment Manufacturer
"PRC Company Law"	the Company Law of the People's Republic of China (中華人民共和國公司法), as amended, supplemented or otherwise modified from time to time
"PRC GAAP"	Generally accepted accounting principles of the PRC
"Prospectus"	the prospectus of the Company dated November 19, 2024
"PTL"	Partial Truckload, the transportation of goods that are relatively large in volume but still not sufficient for a full truckload, requiring consolidated shipping
"RDC"	Regional Distribution Center
"Reporting Period"	from January 1, 2026 to June 30, 2026
"Remuneration and Appraisal Committee"	the remuneration and appraisal committee of the Board
"reverse logistics"	logistics services that manage the movement of goods from consumers back to manufacturers or sellers, generally for purposes including returns, recycling, or repairs
"RFID"	Radio Frequency Identification
"Risk Management Committee"	the risk management committee of the Board
"RMB"	Renminbi, the lawful currency of the PRC
"R&D"	research and development
"Securities and Futures Commission" or "SFC"	the Securities and Futures Commission of Hong Kong
"SF Express"	S.F. Express Co., Ltd.* (順豐速運有限公司), an indirect wholly-owned subsidiary of the Company
"SF Express (Group)"	SF Express (Group) Limited* (順豐速運(集團)有限公司), the predecessor of Mingde Holding
"SF Holding (Group)"	SF Holding (Group) Co., Limited* (順豐控股(集團)股份有限公司), the predecessor of SF Taisen
"SF Holding (HK)"	SF Holding (HK) Limited (順豐控股(香港)有限公司), an indirect wholly-owned subsidiary of the Company, formerly known as SF Holding Limited (順豐控股有限公司)
"SF Intra-city" or "Intra-city Industrial"	Hangzhou SF Intra-city Industrial Co., Ltd. (杭州順豐同城實業股份有限公司), a company listed on the Main Board of the Hong Kong Stock Exchange (stock code: 9699.HK), an indirect non-wholly owned subsidiary of the Company

Definitions

"SF REIT"	SF Real Estate Investment Trust, listed on the Main Board of the Hong Kong Stock Exchange (stock code: 2191.HK), is an associate of the Company
"SF Taisen"	Shenzhen S.F. Taisen Holding (Group) Co., Ltd.* (深圳順豐泰森控股(集團)有限公司), previously known as SF Holding (Group) Co., Limited* (順豐控股(集團)股份有限公司), a direct wholly-owned subsidiary of the Company
"SF Technology"	SF Technology Co., Ltd.* (順豐科技有限公司), an indirect wholly-owned subsidiary of the Company
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Share(s)"	ordinary share(s) in the capital of the Company with a nominal value of RMB1.00 each, including both A Shares and H Shares
"Shareholder(s)"	holder(s) of the Share(s)
"Shenzhen Stock Exchange"	Shenzhen Stock Exchange
"Shenzhen Weishun"	Shenzhen Weishun Enterprise Management Co., Ltd.*(深圳市瑋順企業管理有限公司), a limited liability company established under the laws of the PRC on January 31, 2023, one of the Controlling Shareholders and owned as to 100% by Mingde Holding
"SKU"	stock keeping unit, a unique code that identifies a commodity, which represents the smallest traceable unit in inventory management and is used to illustrate the identification and tracking of inventory
"Southern SF Logistics REIT"	the Southern SF Warehouse Logistics Closed-end Infrastructure Securities Investment Fund, listed on the Shenzhen Stock Exchange (180305), is an associate of the Company
"Strategy Committee"	the strategy committee of the Board
"subsidiary(ies)"	has the meaning ascribed thereto under the Listing Rules of SEHK
"substantial shareholder(s)"	has the meaning ascribed thereto under the Listing Rules of SEHK
"Supply chain and international business"	includes the Company's international express, international cargo and freight forwarding business, and supply chain business
"SXH China Logistics"	the business entities acquired by the Company from HAVI China Holding LLC that engage in cold chain business in mainland China, Hong Kong and Macau
"TEU"	twenty-foot equivalent unit, a standard unit of measurement of the volume of a container with a length of 20 feet, height of eight feet six inches and width of eight feet
"US dollar(s)" or "USD"	United States dollars, the lawful currency of the United States
"2022 Stock Option Incentive Plan"	the stock option incentive plan approved and adopted by the Company on April 28, 2022, selected participants including Directors and members of senior management team, key management members and key staff
"2024 Annual General Meeting"	the annual general meeting of the Company held on June 13, 2025
"2025 Annual General Meeting"	the annual general meeting of the Company held on May 8, 2026
"3C electronics"	computer, communication, and consumer electronic
"%"	per cent

* For identification purpose only

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