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中國外運

中國外運股份有限公司

Sinotrans Limited

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

(Stock Code: 00598)

ANNOUNCEMENT OF ANNUAL RESULTS OF THE GROUP FOR THE YEAR ENDED 31 DECEMBER 2024

The board of directors (the “**Board**”) of Sinotrans Limited (the “**Company**”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively the “**Group**”) for the year ended 31 December 2024, which have been prepared in accordance with China Accounting Standards for Business Enterprises. This announcement, including the full text of the 2024 Annual Report of the Company, complies with the relevant requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited in relation to information to accompany preliminary announcement of annual results. The Group’s 2024 Annual Report will be published on the websites of The Stock Exchange of Hong Kong Limited at www.hkexnews.hk and of the Company at www.sinotrans.com on or before 30 April 2025.



中國外運

中國外運股份有限公司
SINOTRANS LIMITED

Stock Code: 00598HK 601598SH

ANNUAL REPORT 2024



CUSTOMERS' SUCCESS
OUR ACHIEVEMENT

Important Notice

1. The Board and the Supervisory Committee and the Directors, Supervisors and members of the Senior Management of the Company warrant the truthfulness, accuracy and completeness of the contents in this Annual Report and confirm that there are no misrepresentations or misleading statements contained in or material omissions from this Annual Report, and accept several and joint legal responsibilities.
2. All Directors were present at the Board Meeting.
3. ShineWing Certified Public Accountants LLP has issued a standard auditors' report with unqualified opinions for the Company.
4. Person in charge of the Company, Wang Xiufeng; Chief Financial Officer, Li Xiaoyan; and the person in charge of the Financial Department (person in charge of accounting), Ding Guilin, hereby make the statement that they warrant the financial statements contained in this Annual Report are true, accurate and complete.
5. Proposal for profit distribution or proposal for conversion of common reserve fund into share capital during the Reporting Period considered and approved by the Board

The Company has distributed the 2024 interim cash dividend of RMB0.145 per Share (tax included) on 15 October 2024, totaling RMB1,053,563,321.16 (tax included). The Board proposed that the final dividend for 2024 is RMB0.145 per Share (tax included) in cash based on the total share capital registered on the record date of the equity distribution (excluding the Shares in the Special Accounts for Repurchase of the Company). As at the date of the disclosure of this Annual Report, the total share capital is 7,294,216,875 Shares, deducting the total number of Shares in the Special Accounts for Repurchase of the Company (being 90,545,452 A Shares and 22,019,000 H Shares), based on which, the total amount of the final dividend is expected to be RMB1,041,339,601.34 (tax included). The proposal is subject to the approval of the general meeting of the Company.

Upon the approval of the final dividend proposal by the general meeting, the dividend in the full year of 2024 will be RMB0.29 per Share (tax included) aggregately.

6. Risk disclaimer of forward-looking statements

☒ Applicable ☐ Not applicable

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

7. Whether the controlling shareholder and other related parties have misappropriated the Company's funds for purposes other than for business

No

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

No

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

No

10. Significant risk alert

The Company has described the potential risks in detail in this Report. Please refer to "Chapter 4 Management Discussion and Analysis (Report of the Board) – VI. DISCUSSION AND ANALYSIS OF THE FUTURE DEVELOPMENT OF THE COMPANY – (IV) Potential Risks" in this Report.

11. Others

☒ Applicable ☐ Not applicable

The Company's 2024 financial report has been prepared in accordance with Accounting Standards for Business Enterprises published by the Ministry of Finance of the People's Republic of China and related provisions. Unless otherwise specified, the reporting currency in this Report is RMB.

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



CORPORATE MISSION

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

CORPORATE VISION

Becoming a world-class intelligent
logistics platform enterprise

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Documents Available for Check

1. Financial statements signed and sealed by person in charge of the Company, chief financial officer and head of the Financial Department.
2. Original copy of the auditor's report sealed by the auditor, signed and sealed by the certified public accountants.
3. Original copies of all documents and announcements of the Company which have been disclosed to the public on the media meeting the requirements of the CSRC and the website of the SSE during the Reporting Period.
4. The Annual Reports published on the website of the SEHK.

Highlights of 2024



Revenue

105.6
billion $\uparrow$ **3.79%**



Net profit attributable to Shareholders of the Company

3.918
billion



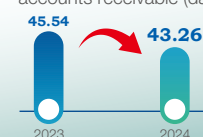
Payout ratio (%)



Debt-asset ratio (%)



The turnover days of accounts receivable (days)



Sea Freight Forwarding



Business volume $\uparrow$ **13.3%**

Revenue $\uparrow$ **9.1%**

Air Channel*



Business volume $\uparrow$ **14%**

Controllable **251** thousand tons $\uparrow$ **7%**

Revenue $\uparrow$ **7%**

Railway Freight Forwarding



Business volume $\uparrow$ **13.7%**

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

Highlights of 2024



Advanced the “new carrier” model, facilitating the transformation and development of the Company



Air channel: Operated 6 new charter routes and stably operated 11 freighter charter routes with 1,132 flights; established a concentration and dispatch system transiting through Hungary to 38 European countries



Sea freight: Deepened cooperation with shipping companies, enhancing our control over trunk line capacity to export Middle East, India and Pakistan, Southeast Asia and other region and forged shipping related products



Land channel: The accumulative volume of international railway express was over 1.7 million TEUs; our 2 self-operated platforms in Changsha and Shenyang have been recognized as national assembly centers for China-Europe railway express; launched the first dedicated international freight train for automobile export and supported global expansion of Chinese manufacture brands



Optimized our global layout and cultivated momentum of overseas business expansion



Continuously optimized special overseas strategic plan



Enhanced overseas layout and asset allocation in key regions, with the completion of phase II construction of Thailand Warehouse; overseas investment recorded a YOY increase of 44%



Opened multiple cross-border trucking truck routes in **Southeast Asia**, including China-Indochina Peninsula and Thailand-Laos, achieving a 13% YOY increase in cross-border trucking business volume and establishing Indonesia's first 5G smart warehouse; kept expanding the self-owned network in **Latin America** and established a new subsidiary in Mexico; achieved YOY increase in operating revenue and initiated physical operations in Serbia despite ongoing economic challenges in **Europe**



Led technological innovation and established a benchmark for “new quality productive forces in logistics”



Established the first carbon calculator (called over 4.3 million times throughout the year) in the domestic logistics industry authorized by GLEC (the Global Logistics Emissions Council) and 9 carbon neutral parks



Our logistics parks became the first state-owned enterprise logistics parks where all warehouses have achieved Gold-level or above LEED certification



The annual capacity of our automated logistics document processing service reached over 15 million bills; the cumulative commercial operation mileage of autonomous driving reached 2.4 million kilometers, maintaining a leading position domestically



Steadily advanced the solutions with GTM (Global Trade Management solutions)



The case of "Digital Intelligence-Driven Model Innovation to Empower the Improvement and Efficiency Enhancement of Fast-Moving Consumer Goods Supply Chain" was selected as one of the first batch of typical cases effectively reducing the overall society's logistics costs by the National Development and Reform Commission



Attached great importance to returns to Shareholders and implemented repurchase



In 2024, the Company initiated the repurchase of its A Shares and H Shares. As at the date of this Report, the Company has cumulatively repurchased approximately 63.65 million A Shares, amounting to approximately RMB329 million (excluding transaction costs), and approximately 22.02 million H Shares, amounting to approximately HK\$79.91 million (excluding transaction costs). All above repurchased shares will be canceled.

Chapter 1 Definitions

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

A Share(s)	the domestic listed Share(s) of the Company with nominal value of RMB1.00 each, which are listed on the SSE and traded in RMB
Articles of Association	the Articles of Association of Sinotrans Limited
Board	the Board of Directors of the Company
CG Code	code provisions of Corporate Governance Code as set out in Appendix C1 to the SEHK Listing Rules
China Merchants	China Merchants Group Limited (招商局集團有限公司), a wholly state-owned enterprise established under the laws of the PRC under direct control of the State-owned Assets Supervision and Administration Commission of the State Council, the actual controller of the Company, which aggregately holds 59.20% of the issued share capital of the Company as at the date of this Report
China Merchants Group	China Merchants and its subsidiaries
Companies Ordinance	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
Company or Sinotrans	Sinotrans Limited (中國外運股份有限公司), a joint stock limited company incorporated in the PRC with limited liability, whose H Shares are listed on the SEHK and A Shares are listed on the SSE
Company Law	the Company Law of the People's Republic of China
CSRC	China Securities Regulatory Commission
Director(s)/Supervisor(s)	director(s)/supervisor(s) of the Company
Finance Company	China Merchants Group Finance Co., Ltd. (招商局集團財務有限公司), a company owned as to 51% by China Merchants and 49% by Sinotrans & CSC as at the date of this Report
Group	the Company and its subsidiaries
H Share(s)	the overseas listed Share(s) of the Company with nominal value of RMB1.00 each, which are listed on the Hong Kong Stock Exchange and traded in HK\$

Chapter 1 Definitions

Hong Kong	Hong Kong Special Administrative Region of the People's Republic of China
Hong Kong Stock Exchange/SEHK	The Stock Exchange of Hong Kong Limited
Model Code	the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 to the SEHK Listing Rules
PRC	the People's Republic of China
Reporting Period/Period	the period from 1 January 2024 to 31 December 2024
SASAC	the State-owned Assets Supervision and Administration Commission of the State Council of the PRC
SEHK Listing Rules	the Rules Governing the Listing of Securities on the SEHK
Senior Management/Management	the Group's major operating decision-makers
SFO	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
Share(s)	H Share(s) and A Share(s)
Sinotrans & CSC	Sinotrans & CSC Holdings Co., Ltd. (中國外運長航集團有限公司), a wholly state-owned enterprise established under the laws of the PRC, a wholly-owned subsidiary of China Merchants, which aggregately holds 36.08% of the issued share capital of the Company as at the date of this Report
Sinotrans & CSC Group	Sinotrans & CSC and its subsidiaries
SSE	Shanghai Stock Exchange
SSE Listing Rules	Listing Rules of Shanghai Stock Exchange
Subsidiary(ies)	has the meaning ascribed to it under the SEHK Listing Rules
Supervisory Committee	the Supervisory Committee of the Company

Chapter 2

General Information and Key Financial Indicators

I. COMPANY INFORMATION

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

II. CONTACTS

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

III. BASIC INFORMATION

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

IV. INFORMATION DISCLOSURE AND PREPARATION LOCATIONS

Name and website of the media to disclose the Annual Report	Securities Daily (www.zqrb.cn) Securities Times (www.stcn.com)
Websites of the stock exchanges to disclose the Annual Report	www.sse.com.cn , www.hkexnews.hk
Location for Annual Report stock	10/F, China Merchants Plaza Tower B, Building 10, No. 5 Anding Road, Chaoyang District, Beijing, China

Chapter 2

General Information and Key Financial Indicators

V. OVERVIEW OF COMPANY STOCK

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

VI. OTHER INFORMATION

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

Chapter 2

General Information and Key Financial Indicators

VII. KEY ACCOUNTING DATA AND FINANCIAL INDICATORS FOR THE RECENT FIVE YEARS

(I) Key Accounting Data

Unit: million Currency: RMB

Key accounting data	2024	2023 Restated	Before restatement	Change as compared to the corresponding period of last year (%)	2022	2021	2020
Operating income	105,620.77	101,764.65	101,704.56	3.79	109,293.50	124,348.39	84,536.84
Net profit attributable to shareholders of the Company	3,917.65	4,214.79	4,221.84	-7.05	4,079.19	3,713.52	2,754.42
Net profit net of non-recurring gains or losses attributable to shareholders of the Company	3,163.41	3,456.64	3,456.64	-8.48	3,534.75	3,389.24	2,354.37
Net cash flows from operating activities	4,111.26	3,832.94	3,837.12	7.26	5,245.41	4,164.56	3,956.39

	As at the end of 2024	As at the end of 2023 Restated	Before restatement	Change as compared to the corresponding period of last year (%)	As at the end of 2022	As at the end of 2021	As at the end of 2020
Net assets attributable to shareholders of the Company	39,567.59	37,803.81	37,801.73	4.67	34,804.43	33,101.22	30,448.00
Total assets	77,195.50	75,906.79	75,886.62	1.70	78,502.44	74,306.36	65,818.70
Total liabilities	35,154.82	35,785.43	35,767.34	-1.76	41,572.73	39,256.06	33,567.92

Chapter 2

General Information and Key Financial Indicators

(II) Key Financial Indicators

Key financial indicators	2024	2023		Change as compared to the corresponding period of last year (%)	2022	2021	2020
		Restated	Before restatement				
Basic earnings per share (RMB)	0.5396	0.5817	0.5827	-7.24	0.5549	0.5018	0.3722
Diluted earnings per share (RMB)	0.5386	0.5812	0.5822	-7.33	0.5549	0.5018	0.3722
Basic earnings per share, net of non-recurring gains or losses (RMB)	0.4357	0.4771	0.4771	-8.68	0.4809	0.4580	0.3181
Weighted average return on equity (%)	10.05	11.57	11.59	Decreased by 1.52 percentage points	11.99	11.69	9.35
Weighted average return on equity, net of non-recurring gains or losses (%)	8.11	9.47	9.47	Decreased by 1.36 percentage points	10.36	10.67	7.99

Explanations on the key accounting data and financial indicators of the Company for the recent five years

☒ Applicable ☐ Not applicable

In 2024, the Company achieved revenue of RMB105.621 billion, representing a year-on-year increase of 3.79%, which was mainly due to the increasing business volume. The net profits attributable to shareholders of the Company amounted to RMB3.918 billion, representing a year-on-year decrease of 7.05%, which was mainly due to the impact of weak market demand and the intensified competition, as well as customers' stricter control in logistics costs.

Chapter 2

General Information and Key Financial Indicators

VIII. ACCOUNTING DATA DIFFERENCES BETWEEN DOMESTIC AND OVERSEAS ACCOUNTING STANDARDS

(I) Difference of Net Profits and Net Assets Attributable to Shareholders of the Company in the Financial Reports Disclosed Simultaneously under IFRS and PRC GAAP Standards

☐ Applicable ☒ Not applicable

(II) Difference of Net Profits and Net Assets Attributable to Shareholders of the Company in the Financial Report Disclosed under the Overseas Accounting Standards and PRC GAAP Standards

☐ Applicable ☒ Not applicable

(III) Explanation on the Differences between Domestic and Overseas Accounting Standards:

☐ Applicable ☒ Not applicable

IX. KEY FINANCIAL INDICATORS OF 2024 BY QUARTER

Unit: RMB

	The First Quarter (January-March)	The Second Quarter (April-June)	The Third Quarter (July-September)	The Fourth Quarter (October-December)
Operating income	24,286,629,941.58	32,081,067,906.74	29,504,584,251.12	19,748,491,255.99
Net profit attributable to shareholders of the Company	802,732,725.54	1,142,325,744.21	880,170,856.25	1,092,422,035.38
Net profit net of non-recurring gains or losses attributable to shareholders of the Company	731,381,240.34	1,067,486,978.89	792,131,634.33	572,405,471.51
Net cash flows from operating activities	-2,710,335,331.56	1,061,924,055.73	2,063,647,644.90	3,696,023,445.63

Explanation on the Differences between the Quarterly Data and Data Disclosed in Periodic Reports

☐ Applicable ☒ Not applicable

Chapter 2

General Information and Key Financial Indicators

X. NON-RECURRING PROFIT OR LOSS ITEMS AND AMOUNTS

✓Applicable ☐Not applicable

Non-recurring gains and losses items	Unit: RMB		
	2024	2023	2022
Gains and losses from disposal of non-current assets, including the part offset with the provision for impairment of assets	239,580,647.47	201,831,564.08	350,540,722.71
Government subsidies included in current profit or loss, except government subsidies which are closely related to the Company's normal business operations, which comply with national policies and can be obtained based on established standards and which have a continuing impact on the Company's profit or loss	448,607,261.18	457,354,478.82	310,188,323.62
Profit or loss from changes in fair value arising from financial assets and financial liabilities held by non-financial enterprises, and profit or loss from disposal of financial assets and financial liabilities other than effective hedging business related to the Company's normal business operations	244,562,022.92	336,641,169.45	-33,173,887.57
Capital occupation fees charged from the non-financial enterprises and counted into the current profit or loss of the Company	1,536,236.08	2,165,495.36	4,202,336.71
Profit or loss from entrusting others to invest or manage assets			
Profit or loss from external entrusted loans			
Asset impairment due to force majeure factors such as natural disasters			
Reversal of impairment of accounts receivables that had impairment test separately	23,972,817.96	19,756,232.63	19,622,046.75
Gains when the investment cost of acquiring a subsidiary, an associate and a joint venture is less than the fair value of the identifiable net assets of the invested entity			
Current net profit or loss of subsidiaries from the merger of enterprise under common control from the beginning of the period to the date of the merger	303,038.59	23,266,992.79	31,743,765.86
Profit or loss from exchange of non-monetary assets			
Profit or loss from debt restructuring			-1,107,968.89
One-off costs incurred by the enterprise as a result of the discontinuation of the relevant business activities, e.g. staff settlement expenses, etc.			
One-off effect on the current profit or loss due to adjustments according to laws and regulations related to tax and accounting			

Chapter 2

General Information and Key Financial Indicators

Non-recurring gains and losses items	2024	2023	2022
One-off share-based payment expense recognised as a result of cancellation and modification of the share incentive scheme			
Profit or loss from changes in fair value of employee remuneration payable after the date on which the cash-settled share-based payments become exercisable			
Profit or loss from changes in fair value of investment properties subsequently measured in the fair value model			
Profit or loss in transactions with unfair price			
Profit or loss arising from contingencies irrelevant to the Company's normal business operations			
Entrustment fee income from entrusted operations			
Other non-operating income and expenses other than the above items	67,575,958.80	9,713,577.16	-27,646,046.93
Other gains and losses classified to non-recurring profit or loss	7,769,875.66	82,062,043.30	103,686,105.15
Less: Impact on income tax	106,399,075.15	213,467,777.82	124,367,018.61
Impact on minority interests (after tax)	173,262,747.20	161,176,623.65	89,243,789.55
Total	754,246,036.31	758,147,152.12	544,444,589.25

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

☐ Applicable ☒ Not applicable

XI. ITEMS MEASURED BY FAIR VALUE

☒ Applicable ☐ Not applicable

Unit: RMB				
Items	Balances at the beginning of the period	Balances at the end of the period	Current changes	Effect on current profit
Held-for-trading financial assets (Note 1)	520,189.78	574,374.32	54,184.54	72,440.77
Other non-current financial assets (Note 2)	976,841,095.30	1,215,266,140.98	238,425,045.68	244,487,581.53
Other equity instrument investments (Note 3)	415,223,441.98	416,867,662.27	1,644,220.29	—
Total	1,392,584,727.06	1,632,708,177.57	240,123,450.51	244,560,022.30

Note 1: Held-for-trading financial assets mainly refer to shares of Antong Holdings Co., Ltd. and shares of Shenzhen Soling Industrial Co., Ltd. acquired by the Group due to debt restructuring.

Note 2: Other non-current financial assets are mainly the equity interests of China Southern Air Logistics Company Limited, Nanjing Port Longtan Container Co., Ltd., China Merchants Logistics Synergy Limited Partnership, Ouyee Cloud Business Co., Ltd. held by the Group.

Note 3: Other equity instrument investments refer to the 2,884,597 shares of Air China Limited held by the Group and 13% equity interest in CSC Cargo Co., Ltd.

XII. OTHERS

☐ Applicable ☒ Not applicable

Chapter 3 Chairman's Statement

Wang Xiufeng



STABLE OPERATING RESULTS

In 2024, the domestic and overseas economic environments were complex and rigorous, with external pressures intensifying and internal difficulties increasing. The global supply chain has been undergoing profound evolution in the direction of “diversified layout, regional cooperation, green transformation, and digital acceleration”. The domestic market was lack of sufficient demand, and the profitability of enterprises underwent continuous compression, posing greater challenges to the operation of the economic system. In addition, factors such as tight global transportation capacity and two-way squeeze on both supply and demand ends have led to increasingly fierce competition in the logistics industry, which in turn has narrowed profitability.

Chapter 3

Chairman's Statement

In the face of such difficult internal and external environments, the Group brought its initiative into full play and rose to the challenges by proactively developing the “new carrier” model, pragmatically advancing the comprehensive digital transformation, continuously expanding its international and domestic markets and further implementing effective measures for quality and efficiency enhancement, and has achieved positive results. In 2024, the Company achieved a revenue of RMB105.621 billion, continuing to maintain a revenue scale of over one-hundred-billion, while the debt-asset ratio was 45.54%, decreased by 1.60 percentage points, indicating a sound and healthy overall financial position.

ATTACHED GREAT IMPORTANCE TO RETURNS TO SHAREHOLDERS

Upon the approvals of the general meeting and/or the Board of the Company, the Company distributed the 2023 final dividend (RMB0.145 per Share, tax included) and the 2024 interim dividend (RMB0.145 per Share, tax included) on 22 July and 15 October 2024, respectively, with a total cash dividend payout of RMB2.107 billion (tax included) for the whole year. Upon the approval at the Board meeting of the Company convened on 25 March 2025, it was proposed to the general meeting that the 2024 final dividend is RMB0.145 per Share in cash (tax included) to be distributed based on the total share numbers on the record date of equity distribution (excluding the Shares in the Company's Special Accounts for Repurchase); if approved, the Company's annual dividend in 2024 will be RMB0.29 per Share (tax included) in aggregate, and the total payout amount would be RMB2.095 billion (tax included), which, together with the amount cumulatively used in 2024 for share repurchase of approximately RMB69 million, representing a payout ratio of 55.2% (including the cash used for share repurchase).

ENVIRONMENTAL AND SOCIAL RESPONSIBILITIES

Sinotrans always integrates the concept of green, low-carbon and sustainable development into its corporate development, impels revolution in the industry with innovation, pursues responsible business practices, and steadfastly pushes forward the Company's high-quality development, with a view of creating greater value for the country, customers, investors, employees and the society. For detailed information on the Group's performance of environmental and social responsibilities in 2024, please refer to the “2024 Environmental, Social and Governance Report” published by the Company.

INVESTOR RELATIONS

While returning investors with stable business performance, the Company attaches great importance to maintaining investor relations, and strengthens communication with Shareholders and potential investors. Through results briefings, roadshows, reverse roadshows, and many other methods, we engage in multidimensional communications with our investors through various channels, at multiple levels and at multi-dimensions, effectively conveying its value. In 2024, the Company accumulatively communicated with nearly 800 investors, organized and held four regular results briefings, and hosted two reverse roadshows in Beijing and Zhangjiagang, which further enhanced investors' understanding of the Company's business and development strategies. Furthermore, to meet the investors' requirements, the Group continued to improve the quality and transparency of information disclosure to ensure that all investors, especially minority Shareholders, can obtain information in a timely and fair manner and effectively safeguard the legitimate interests of investors.

Chapter 3 Chairman's Statement

OUTLOOK

In 2025, the domestic and overseas economic situation will remain full of uncertainties, and it is difficult to alleviate the fierce competition in the logistics industry in the short term. Meanwhile, as the transformation and upgrading of the logistics industry towards digitalization and greening speed up, the competition in the market will become even fiercer. In the face of the complex and rigorous internal and external environments, the Group will concentrate its efforts on the following four areas while strengthening its risk management and control:

Firstly, from the perspective of “control the cargo source, control the capacity and control the two ends”, the Group will continue to deepen its innovation and expansion. Insisting on “cargo control prioritises”, the Group will enhance the development of strategic and direct customers, in an effort to turn stock and fragmented cargo volume on the market into controllable cargo volume and incremental volume for channels. Adhering to the objective of “constructing and controlling the core capacity pool and key logistics resources in various forms”, the Group will steadily improve its control over the capacity. In addition, the Group will continue to enhance its delivery capability in overseas markets. **Secondly, the Group will seize opportunities to proactively expand its new advantages in high-quality development.** Capitalizing on the rapid development of cross-border e-commerce, the Group will accelerate the expansion of its business footprint. It will seize opportunities in overseas warehouse development to enhance its overseas warehousing and distribution service capacity; and grasp opportunities in smart warehouse development to create a new advantage in smart warehousing. **Thirdly, the Group will intensify its efforts for the implementation of its overseas development strategies and expedite the pace of internationalization.** The Group will reinforce the layout of its overseas networks and resources, promote integrated operation and digital transformation overseas, and strengthen the joint construction, sharing and utilization of overseas resources with its customers. **Fourthly, the Group will comprehensively boost the momentum of integration to unite joint efforts for high-quality development.** To this end, the Group will devise an integrated digitalization system and create a digitalization platform with “whole supply chain + one-stop” services.

ACKNOWLEDGEMENTS

Finally, on behalf of the Board, I would like to extend my sincere gratitude to stakeholders, including Shareholders, partners and customers, for their support, and express my most heartfelt gratitude to all Directors, Supervisors and employees for their contributions to Sinotrans.

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Management Discussion and Analysis

(Report of the Board)

I. DISCUSSION AND ANALYSIS OF BUSINESS PERFORMANCE

(I) General Operating Situation during the Reporting Period

In 2024, the **international** political and economic landscape presented a complex situation characterized by “turbulence, division, and slow recovery.” Continuous geopolitical conflicts, intense policy clashes, and intertwined structural contradictions have led to persistently weak economic growth. The International Monetary Fund (IMF) predicted that the global economic growth rate would remain significantly lower than pre-pandemic levels despite a slight rebound of 3.2%. The Federal Reserve initiated another interest rate cut cycle, with its policy spillover effects intensifying, severely impacting emerging markets due to fluctuations in the US dollar. Following elections in several major Western economies, the international power structure faced a reshuffle, with the influence of unilateralist and protectionist policies escalating. Coupled with the continuous intensification of regional conflicts, the stability and resilience of global supply chains were severely challenged. During the year, **China’s** economy grew by 5% year-on-year, with the supply side recovering faster than the demand side. In 2024, China’s warehousing market experienced an overall price decline and an increase in vacancy rate. Although some regions adopted aggressive measures such as “trading price for volume” to stimulate demand, the results were unsatisfactory.

Facing a complex and severe external environment, as well as multiple pressures including insufficient market demand, tightening transportation resources, and intensifying industry competition, the Company responded actively with proactive measures, firmly pursuing transformation breakthroughs amidst supply-demand pressures while seeking a balance between quantity and quality when making strategic decisions. Meanwhile, the Company accelerated the construction of a new carrier model, vigorously expanding domestic and global markets while strengthening the layout of key overseas node resources. During the year, the Company recorded operating revenue of RMB105.621 billion, continuing to maintain a revenue scale of over one-hundred-billion, with an accounts receivable turnover days accelerating by 2 days, and interest-bearing debt ratio decreasing by 2.78 percentage points, contributing to a sound financial condition.

1. *Continuously expanding the market and consolidating our market position*

Under enormous pressure, the Company actively explored business growth within the existing market. In 2024, the Company’s core business segments achieved double-digit growth, with sea freight forwarding, air channel, and rail freight forwarding increasing by 13.3%, 14%, and 13.7% year-on-year, respectively. Meanwhile, the Company continued to strengthen the co-construction of a logistical ecosystem with its core clients, with revenue from core direct clients growing by 15.3% year-on-year.

2. *Accelerating the construction of the “New Carrier” model to propel our business transformation*

In 2024, the Company continued to promote the transformation of its traditional businesses while accelerating the construction of a New Carrier model. **Air freight business** strengthened its cooperation with resource providers by launching 6 new scheduled cargo routes and stably operating 11 freighter charter routes, with a total of 1,132 flights completed, a controllable capacity of 251 thousand tons, and an aggregate business volume of 1.028 million tons. **Sea freight forwarding business** also deepened its cooperation with shipping companies, exploring diversified cooperation models such as block space. It also strengthened its control over capacity on routes in the Middle East, India-Pakistan and Southeast Asia, and jointly developed multiple high-quality routes with resource providers. **Land freight business** continued to grow, with our self-operated platforms in Changsha and Shenyang approved as national hubs for the China-Europe Freight Trains. The business volume of the international freight trains exceeded 1.7 million TEUs, with our main land freight system becoming the first “Single-window” in China to successfully connect with China Customs system.

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3. *Optimizing overseas resource allocation and improving overseas network layout*

The Company has continuously optimized a special overseas strategic plan, which further clarifies the positioning, direction, and path for its overseas development. By strengthening overseas market development and optimizing the allocation of network resources in the key nodes, the Company vigorously supported Chinese enterprises in “going global” and actively expanded logistics business among third-party countries. In 2024, the Company’s overseas investment increased by 44%, with its overseas operating revenue growing by 9% and net profit increasing by 43%, year-on-year. **In Southeast Asia**, the second phase of our warehouse in Thailand was successfully completed. **In Latin America**, the Company continued to improve its network coverage by establishing a new subsidiary in Mexico. **In Europe**, despite the ongoing economic downturn, the Group’s revenue in Europe achieved active growth, and explored physical operations in Serbia.

4. *Leading technological innovation and shaping the benchmark of “New Logistical Productivity”*

In terms of smart logistics, the Company has been relentlessly promoting the application of AI, with which its document automation service now handles over 15 million orders annually, significantly improving its overall efficiency. The cumulative commercial operation mileage of our autonomous driving fleet on highways exceeded 2.4 million kilometers, consolidating our leading position in China. Meanwhile, the Company accelerated the construction of its independently-developed and controllable core technology system, with a pool of 230 patents and 428 software copyrights. **In terms of green logistics**, the Company provided customized green logistical solutions to its clients, and has completed the development of China’s first public carbon calculator in the logistics industry certified by the Global Logistics Emissions Council (GLEC), which was called over 4.3 million times throughout the year. Meanwhile, the Company continued to strengthen the application and technological transformation of renewable energy, and has built 9 carbon-neutral parks of various types such as industrial parks, stations, and terminals.

5. *Further advancing digital transformation, with remarkable achievements harvested*

Firstly, the institutional framework has been further improved. The Company developed the digital transformation metric system that highly aligns with business performance indicators, and completed the preliminary testing of digital operation system by facilitating and promoting 13 key tasks related to construction of the operation system, with organisation and mechanism adjustment and process optimization as supplementary initiatives. **Secondly**, the application of digital system has penetrated to a deeper level. The CRM (Customer Relationship Management) system witnessed further coverage expansion, evolving into a powerful tool that effectively empowered the sales team.

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

Logistics

In 2024, the external revenue from the Group's logistics business amounted to RMB27,951 million, representing an increase of 1.56% from RMB27,522 million of last year, and the segment profit amounted to RMB724 million, representing a decrease of 31.81% from RMB1,061 million of last year. During 2024, the domestic market was lack of sufficient demand, and the vacancy rate of related asset like warehouses increased. The Group actively seized the market and expanded the cooperation with clients, which led to the stabilization and increase in revenue; however with the price decline of market factors, and customers' stricter control in logistics costs, the service fee of newly signed contracts also declined, while part of logistics cost was rigid, which caused to the significant decrease in business profits.

Forwarding and Related Business

In 2024, the external revenue from the Group's forwarding and related business amounted to RMB67,170 million, representing an increase of 8.37% from RMB61,980 million of last year, which was mainly due to the growing business volume and the year-on-year increase in freight rates. The segment profit amounted to RMB2,249 million, representing a decrease of 2.16% from RMB2,298 million of last year as a result of the fierce market competition in sea freight forward, railway freight and storage services.

E-commerce Business

In 2024, the external revenue from the Group's e-commerce business amounted to RMB10,500 million, representing a decrease of 14.38% from RMB12,263 million of last year, the segment profit amounted to RMB159 million, representing a decrease of 19.97% from RMB199 million of last year, which was mainly due to the impact of the decline in business volume.

Financial Performance of Business Segments

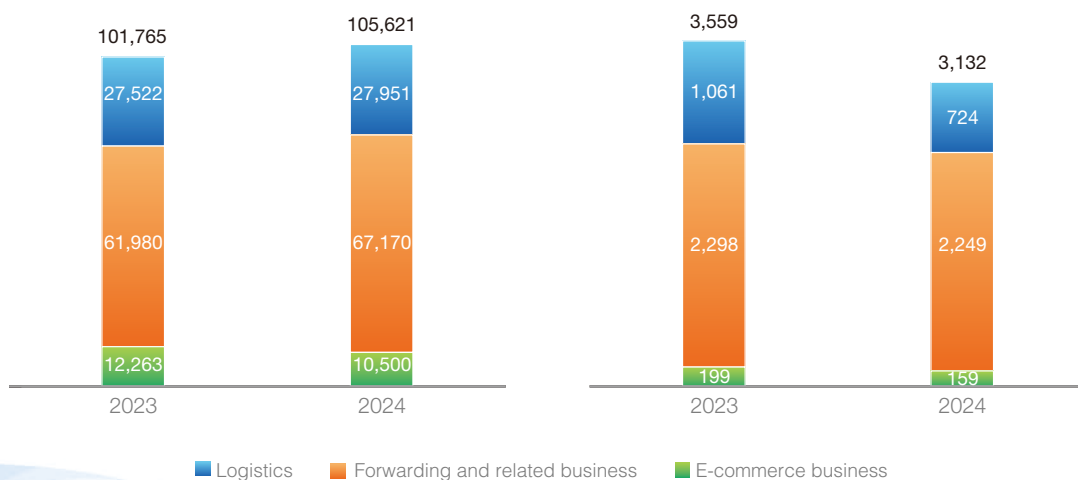
Revenue

(RMB million)



Segment Profit

(RMB million)



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RMB million		2024	2023
Logistics			
Contract Logistics*	Revenue	22,227	21,529
	Segment Profit	501	777
Project Logistics	Revenue	3,790	4,086
	Segment Profit	74	138
Chemical Logistics	Revenue	1,895	1,989
	Segment Profit	109	121
Forwarding and Related Business			
Sea Freight Forwarding	Revenue	44,778	41,057
	Segment Profit	784	780
Air Freight Forwarding	Revenue	9,403	7,000
	Segment Profit	288	284
Railway Freight Forwarding	Revenue	10,261	12,351
	Segment Profit	134	163
Shipping Agency	Revenue	3,634	5,053
	Segment Profit	491	507
Storage and Yard Operation	Revenue	3,972	3,821
	Segment Profit	301	315
Air Channel*	Revenue	17,227	16,097
	Segment Profit	364	390
E-commerce Business			
Cross-border E-commerce Logistics	Revenue	7,824	9,097
	Segment Profit	76	106
Logistics Equipment Sharing Platform	Revenue	152	163
	Segment Profit	60	68
Logistics E-commerce Platform	Revenue	6,482	6,188
	Segment Profit	24	27

* According to internal adjustments of the Company, cold chain logistics has been merged into contract logistics

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

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(III) Operation Statistics of Principal Business

In 2024, the volume of **contract logistics** (including cold chain logistics) was 49.90 million tonnes (47.80 million tonnes in 2023); the volume of **project logistics** was 6.56 million tonnes (6.28 million tonnes in 2023); the volume of **chemical logistics** was 4.22 million tonnes (3.83 million tonnes in 2023);

In 2024, the volume of sea **freight forwarding** was 15.16 million TEUs (13.37 million TEUs in 2023); the volume of **air channel** was 1,028 thousand tonnes (including 204 thousand tons of cross-border e-commerce logistics business), which was 902 thousand tonnes in 2023 (including 204 thousand tons of cross-border e-commerce logistics business); the volume of **rail freight forwarding** was 573 thousand TEUs (504 thousand TEUs in 2023); the volume of **shipping agency** was 66,845 vessel calls (62,300 vessel calls in 2023); the volume of **storage and yard operation** was 28.45 million tonnes (26.23 million tonnes in 2023).

In 2024, the volume of **cross-border e-commerce logistics** was 179.07 million shipments (363.40 million shipments in 2023); the volume of **logistics e-commerce platform** was 2.70 million TEUs (2.47 million TEUs in 2023); the volume of **logistics equipment sharing platform** was 85 thousand TEUs/day (84 thousand TEUs/day in 2023).



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II. INDUSTRY THE COMPANY INVOLVED IN DURING THE REPORTING PERIOD

(I) Amidst a stable yet decelerated global economic growth, domestic economy achieved steady progress

The global economy might be exposed to a significant downturn caused by multiple factors, such as the highly complex and volatile international landscape, lingering and escalating geopolitical conflicts, increasingly prominent global debt problem, inflationary pressures still in existence and other political factors. The trade integration was faced with severe challenges. In general, the trade demand was on the rise amidst the intensifying geopolitical tensions and deepening supply chain restructuring, however, the risks of imbalanced development and increased uncertainty have become more pronounced, with the more challenges faced, the service trade has become the driving force for global trade growth. The International Monetary Fund (IMF) forecasts a growth rate of 3.2% and 3.3% for the global economy in 2024 and 2025 respectively.

China's economy was generally stable with steady progress. In 2024, China's economic output reached a high record of RMB134.91 trillion, surpassing the RMB130 trillion threshold for the first time, which represented a year-on-year increase of 5.0% based on constant prices, achieving the expected target for economic growth. However, China's economy continued to be confronted by numerous difficulties and challenges, primarily due to the increasing unfavorable impact brought about by the external environment, and difficulties in production and operation of some enterprises resulted from insufficient domestic demand. In terms of trade, the imports and exports of China totaled RMB43.85 trillion in 2024, representing a year-on-year increase of 5%, of which exports were RMB25.45 trillion with a year-on-year increase of 7.1%, and imports were RMB18.39 trillion with a year-on-year increase of 2.3%. In terms of trading partners, in 2024, China's imports from and exports to countries along the "Belt and Road" Initiative totaled RMB22.07 trillion with a year-on-year increase of 6.4%, accounting for over 50% of China's total import and export value for the first time. China's imports from and exports to ASEAN increased by 9%, and China and ASEAN have been each other's largest trading partner for five consecutive years. China's imports from and exports to European Union and the United States achieved a year-on-year increase of 1.6% and 4.9%, respectively.

(II) China's logistics industry remained generally stable with steady progress, logistics demand saw a sign of recovery

In 2024, China successively introduced a number of industry policies, including the Massive Transportation Equipment Renewal Action Plan (《交通運輸大規模設備更新行動方案》), Opinions on Accelerating Comprehensive and Green Transformation of Economic and Social Development (《關於加快經濟社會發展全面綠色轉型的意見》), and the Action Plan for Effectively Reducing the Overall Logistics Costs of the Society (《有效降低全社會物流成本行動方案》), in order to promote the reduction of costs, enhancement of quality and increase of efficiency of logistics. In 2024, the total value of China's social logistics reached RMB360.6 trillion, representing a year-on-year increase of 5.8% (5.2% in the same period of 2023) calculated at comparable prices. On a quarterly basis, the growth rates were 5.9%, 5.7%, 5.3%, and 5.8% respectively. With a good start in the first quarter, a continued stable development trend in the second quarter, a slowdown in growth with downward pressure emerging in the third quarter, and the stable recovery in the fourth quarter under the impetus of a package of policies and measures, the logistics demand for the whole year was stable with steady progress. Driven by policy incentives, diverse demand and other factors, the superimposition and alternating recovery of old and new drivers became more evident, and the transformation of growth mode of logistics demand from extensive to high-quality was accelerated. Intelligent manufacturing and high-tech manufacturing industries maintained high-speed growth, with evident growing trend of green and digital logistics demand. In terms of growth contribution, the total logistics value from industrial products increased by 5.8% year-on-year, with a contribution rate of 77%, while the total logistics value from units and residents increased by 6.7%, with a contribution rate of 11%.

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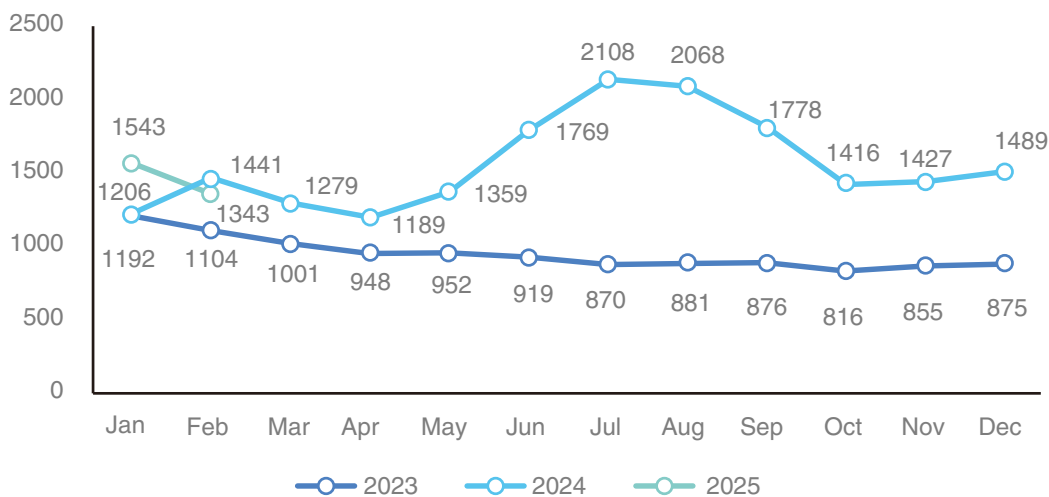
(Report of the Board)

(III) The container shipping market experienced demand recovery and volatile freight rates increase

On the demand side, since 2024, the global consumer manufacturing industry has seen a sigh of recovery, economic activities and international trade have continued to improve steadily, and the demand for shipping trade has gradually recovered. Furthermore, the container shipping index (105.8) was above the trend level, as indicated in the Goods Trade Barometer issued by the World Trade Organization in December. **On the supply side**, according to data from Alphaliner, the global container fleet capacity exceeded 30 million TEUs in 2024. However, the ongoing changes in the Red Sea situation, which led to altered shipping routes, and factors such as shipping companies' capacity allocation and route selection, collectively contributed to the overall tightness in the global supply chain. **In terms of freight rates**, the container shipping market experienced an overall significant increase in market freight rates with fluctuation, due to the recovered transportation demand, tightness in supply chain and geopolitical disturbances. The CCFI in 2024 had an average value of 1,550.59 points, representing a year-on-year increase of 65%.

In 2024, China's port container throughput was 332 million TEUs, representing a year-on-year growth of 7% (4.9% in the same period of 2023); and China's port cargo throughput was 17,600 million tonnes, representing a year-on-year growth of 3.7%, with export cargo throughput increasing by 6.9% year-on-year.

CCFI (monthly average)



(IV) Global air freight market experienced strong demand and shortage of capacity, resulting in high freight rates

According to data from the International Air Transport Association (IATA), **on the demand side**, for the year 2024, the global air cargo demand, which is measured in cargo tonne-kilometers (CTKs), was up 11.3% year-on-year (of which international demand increased by 12.2%), with full-year cargo demand in 2024 exceeding the peak record of 2021. IATA forecasts that the growth will slow down to 5.8% in 2025, in line with historical levels. This is primarily due to the falling oil prices and continuous trade growth, whereas the air cargo industry will be challenged by geopolitical changes.

On the supply side, the air cargo capacity, which is measured in available cargo tonne-kilometers (ACTKs), grew by 7.4% year-over-year in 2024. **In terms of freight rates**, the air freight rates were supported by the rising demand.

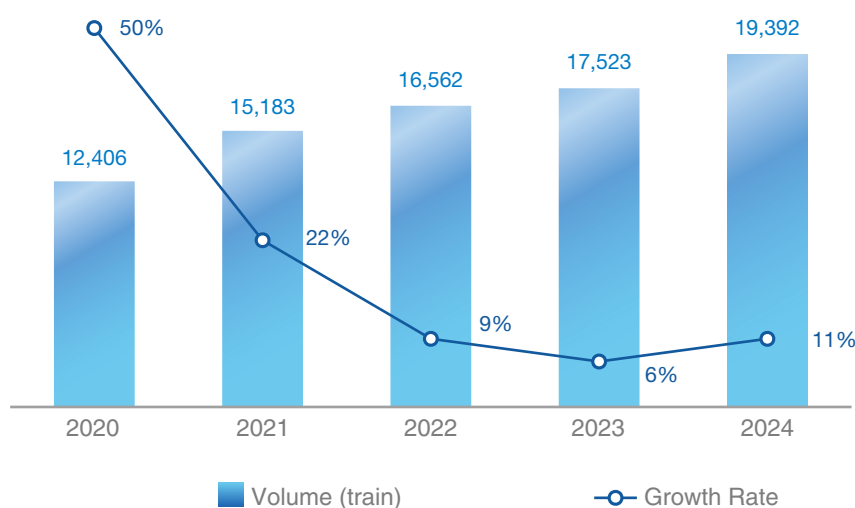
According to statistics from the Civil Aviation Administration of China, in 2024, China's cargo and mail transportation volume totaled 8.982 million tonnes, representing a year-on-year increase of 22.1% and an increase of 19.3% as compared with 2019.

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(V) China-Europe Railway Express continued to grow steadily and China-Laos & China-Vietnam Railway achieved booming development

In 2024, the China-Europe Railway Express launched a total of 19,392 trains and transported 2.077 million TEUs of goods throughout the year, representing a year-on-year increase of 10.7% and 9.2%, respectively. Full timetable for China-Europe Railway Express launched 17 trains as scheduled per week, attracting a large number of high-value-added cargo sources. Meanwhile, efforts were intensified to build the transportation routes of the China-Europe Railway Express. The trains via the three main transportation routes of the China-Europe Railway Express in the West (via Alashankou and Horgos port), Central (via Erenhot port), and East (via Manzhouli, Suifenhe, and Tongjiang North port) saw year-on-year increases of 24%, 7%, and -10%, respectively. The trans-Caspian transport route of the China-Europe Railway Express was also launched regularly. A total of 193,000 TEUs were transported via the China-Laos Railway, representing a year-on-year increase of 24%, while a total of 22,700 TEUs were transported via the China-Vietnam Railway, representing a year-on-year increase of 512%.

Scale of China-Europe Railway Express and Its Growth Rate



(VI) The market size of cross-border e-commerce continued to expand with growth rate slowing down

In recent years, the surge of cross-border e-commerce has brought tremendous opportunities to the global air cargo market. According to customs statistics, in 2024, the total import and export volume of China's cross-border e-commerce reached RMB2.63 trillion, representing a year-on-year growth of 10.8%. With the rapid development of cross-border e-commerce, the export parcel volume in China's cross-border e-commerce exceeds 10,000 tonnes per day. The pattern of the air cargo market is dominated by the flow of e-commerce platforms, which have already controlled more than 50% of the air cargo capacity. The centralization of upstream capacity resources and the oligarchic development trend of downstream customers of e-commerce platforms have brought great challenges to air freight forwarding enterprises.

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III. THE BUSINESS OF THE COMPANY DURING THE REPORTING PERIOD

Adhering to the mission of the enterprise of “creating a logistics ecology system connecting the world to successfully promote industrial progress”, leveraging on its comprehensive service network, abundant logistics resources, strong professional capabilities of logistics solutions, and leading supply chain logistics model, the Group provides customers with customized logistics solutions and integrated whole supply chain logistics services. The Group’s principal businesses include logistics, forwarding and related business and e-commerce business.

(I) Logistics

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

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

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

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

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

(II) Forwarding and related business

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

In respect of **sea freight forwarding**, Sinotrans mainly provides customers with multilink logistics services related to shipping such as space booking, arranging transportation, container delivery, container loading, storage, port concentration and dispatch, customs declaration and inspection, distribution and delivery. Sinotrans is one of the world renowned sea freight forwarding service providers, handling more than 15 million TEUs of containers each year, and is capable of providing whole supply chain logistics services between major ports in China and all the trading countries and regions, and between third countries around the world.

In respect of **air freight forwarding**, Sinotrans mainly provides professional air freight forwarding services such as pick-up and dispatch, customs declaration and inspection, warehousing, packaging, booking and handling, trunk air-line freight forwarding and trucking transit services. As a world renowned air freight forwarding company in China, Sinotrans has accumulated extensive industrial experience and established stable strategic cooperative relationship with major domestic and international airlines, core overseas agents and domestic logistics service providers to ensure the stability of the supply chain. At the same time, the Company continues to promote the construction of a "new carrier" system, as at the end of 2024, the Company has operated 11 freighter chartered routes, involving Europe, America, Middle East and Asia, etc., and through controllable capacity and resource, the Company provides customers with full-process, visualized and standardized whole supply chain air related logistics services.

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In terms of **railway freight forwarding**, Sinotrans is a leading railway freight forwarding service provider in the PRC. It is able to provide customers with railway freight forwarding and information services in bulk cargo, containers and in a variety of ways, including integrated whole supply chain service like domestic railway freight forwarding, international railway freight forwarding (including transit railway freight forwarding) and sea-rail multimodal transportation. As at the end of 2024, the Company's international trains have a cumulative transportation volume of more than 13 thousand trains and more than 1.70 million TEUs. Self-operated cross-border railway express platform of the Company covers over 50 routes (including 15 routine weekly routes) from Changsha, Shenyang, Shenzhen, Dongguan, Xinxiang, Mianyang, Chifeng and other places. Meanwhile, the Company proactively participated in the construction of the China-Laos-Thailand railway channel, created products for the China-Laos-Thailand Railway Express with normalized operation, and provided the comprehensive service capacity of the China-Laos railway two-way transportation, cross-border transfer, container management, etc.

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

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

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

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

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(III) E-commerce business

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

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

IV. ANALYSIS OF CORE COMPETITIVENESS DURING THE REPORTING PERIOD

☒ Applicable ☐ Not applicable

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

The Group has an extensive and comprehensive domestic and overseas service network. The domestic service network covers 32 provinces, autonomous regions, municipalities and special administrative areas in China. Domestically the Group owns more than 13 million sq.m. of land resources, including more than 4.7 million sq.m. of warehouses, approximately 2.2 million sq.m. of yards and 11 river terminals with more than 4,400 meters of coastal line resources. The self-owned overseas network of the Group covers 43 countries and regions with 69 self-owned institutions worldwide, providing customers with access to global logistics services.

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

The Company continues to promote the implementation of the “14th Five-Year” plan and strives to be the leader of intelligent logistics, the builder of supply chain ecology, and the promoter of China’s high-quality logistics industry. Under the strategic guidance, the Company has deepened strategic cooperation with customers, enhanced customer service capabilities, promoted product channel construction and innovation, promoted digital transformation towards deeper and more practical implementation, and further constructed a network-wide operation system of strong customers, strong products and strong operations. The Company continuously improves overseas layout, promotes product and channel construction, and increase network construction and investment in resources. The Company deepens organizational reform, strengthens headquarters capability construction and continues to promote “Pilot Demonstration Zones for the reform, innovation and high-quality development of Sinotrans in the New Era”, and the role of leading demonstration is significant.

(III) Strong Capabilities for Logistics Solutions

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

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(IV) Leading Supply Chain Logistics Service Model

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

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

With more than 70 years of history and experience, the Group has established good brand recognition in the logistics industry at home and abroad and has been granted many important awards in the industry. From an international perspective, in 2024, Sinotrans' sea freight forwarding ranks second globally and first in Asia, while its air freight forwarding ranks fifth globally and first in Asia. From a domestic perspective, as an AAAAA logistics enterprise rated by the China Federation of Logistics & Purchasing, Sinotrans has consecutively won the first prize of the Top 100 Logistics Enterprises in China and the first prize of the Top 100 International Freight Forwarding Logistics in China, and has been awarded as the "Most Competitive (Influential) Logistics Enterprises in China" for many times. As the leading third-party logistics service provider in China, the Company has good reputation and image among both customers and suppliers. On one hand, Sinotrans has established long-term and stable cooperative relationship with many well-known domestic enterprises and multinational corporations, and has been well recognized by customers. On the other hand, based on its own stable customer resources and strong logistics service capabilities, Sinotrans maintains good and stable partnership with many suppliers, such as internationally renowned shipping companies and airlines.

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

Sinotrans continues to deepen comprehensive digital transformation, gave full play to its advantages of global networking and service diversification to promote business restructuring and operation reshaping, drove the construction of intelligent logistics with scientific and technological innovation, grasped the industry trend in combination with its own business development, and continuously carried out the layout of cutting-edge technologies oriented to business value. Through scientific and technological innovation, organizational change and application of cutting-edge technologies, the Company continuously improved the human efficiency level, enhanced the operation/delivery quality, realized the connection and collaboration with customers and experience improvement with order management and technology empowerment as the core, promoted the diversification and differentiation of logistics services, and enhanced the safety operation and management capabilities to facilitate the security of the supply chain. The Company is committed to becoming "a practitioner and innovator in the construction of a green logistics ecosystem", actively explores the technical application and model innovation of green logistics through the two-wheel drive of "digitalization + greening", continuously deepens the green and low-carbon practice measures, provides customers with comprehensive services of green logistics with high added value, and facilitates the green and low-carbon development of the logistics industry.

At present, the Company has obtained 230 patents and 428 software copyrights in total, formed a technical framework with artificial intelligence model research and development and autonomous driving technology breakthrough as the two pillars, and provided systematic solutions for the intelligent transformation of the industry.

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1. **Marketing services**

AI + Sales: We have developed and launched an AI-empowered business solution generator to support automatic industrial solution creation, enabling our sales teams to quickly process business materials based on the overall logistics resources of Sinotrans, significantly improving service efficiency and quality.

2. **Customer services**

Digital Online Services: We have launched a one-stop online service platform known as “Sinotrans Guaranteed Delivery (外運必達)” for corporate customers, leveraging digital intelligence to offer selfservice options such as paperless bill of lading replacement, bill of lading application, electronic EIR, USD electronic payments, and container yard/terminal/warehouse pickup and delivery reservations through web portals and WeChat mini-programs in 2024, offering 24/7 uninterrupted self-service for our customers.

3. **Documentation services**

AI + Documentation Processing: We have developed a logistics document processing system known as “Logistics Documents Hub(物流單證通)” equipped with logistics expertise and document understanding capabilities based on our proprietary intelligent document processing platform, focusing on overcoming the technical challenges of handling small, scattered, and diverse documents from long-tail customers, where identification difficulty is significant and accuracy is low. The system is now capable of processing over 15 million bills annually through automated services.

4. **Cargo storage**

AI + Inventory Management: Leveraging AI visual recognition, AGV navigation, and control technologies, we have developed an intelligent, unmanned inventory management solution, which utilizes visual perception, optimization, and control systems to achieve comprehensive recognition of cargo attributes and rapid identification, significantly enhancing inventory efficiency. It is expected to increase operating efficiency by 4 to 5 times, save RMB500,000 to RMB1 million in labor costs annually, and improve warehouse operational efficiency by 30% to 50%. By 2024, this solution has been widely applied in multiple projects across Sinotrans' operational regions and specialized subsidiaries.

AI + Inbound Operations: By converting manual forklifts into smart forklifts, we have achieved automated data collection of cargo barcode information for efficient record-keeping. 3D radar positioning modules are now installed on top of our forklifts, enabling real-time environmental scanning and high-precision localization. This allows automatic locking of cargo storage locations without manual scanning, enabling seamless cargo information entry and management. Additionally, the in-vehicle terminal provides real-time navigation within the warehouse, assisting drivers in accurately determining locations and distances. This solution has already been applied in three subsidiaries of Sinotrans, covering six regions and four industries.

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AI + Receiving and Shipping: Our self-developed Cargo Recognition System known as “Smart Goods Identifier (識貨寶)” is based on visual recognition and multi-sensor fusion technology, which automates and intellectualizes the receiving and shipping process. By integrating hardware and software for cloud-end collaboration, it quickly identifies cargo specifications, quantities, batches, and labels in special scenarios, ensuring accurate record-keeping. This system has been applied in multiple industries such as electronics, fast-moving consumer goods, and tires, improving warehouse operational efficiency by 2 times and recognition accuracy by 99% or higher.

5. *Trucking*

AI + Transportation: Sinotrans further advanced the commercialization of autonomous driving technology by optimizing the route network and innovating application scenarios. By the end of 2024, Sinotrans has been unremittingly advancing the commercial application of autonomous driving on highways in the Pearl River Delta-Yangtze River Delta-Shandong Economic Corridor, with a cumulative mileage of 2.428 million kilometers. In January 2024, it was approved as the first cross-provincial intelligently-connected heavy truck demonstration application on the Jing-Jin-Tang (京津唐) Highway and officially launched commercial operations. Additionally, we have successfully launched China’s first large-scale autonomous driving electric container truck application in a mixed traffic scenario at Jiangmen High-Tech Port, representing a significant breakthrough in container transportation technology at inland terminals.

AI + Dispatch: The development and application of the Wendao Intelligent Dispatch System (問道智能調度系統) has reduced the working time of dispatchers by over 70% and lowered costs by an average of 3.13%. Furthermore, intelligent dispatch can help customers optimize their inventory planning.

6. *Office management*

AI+ Office Management: We have launched an industry-wide general knowledge Q&A management platform for the logistics sector, providing users with Retrieval-Augmented Generation (RAG) solutions to help our business units quickly develop AI-based question and answer services tailored to their specialized knowledge.

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V. MAJOR BUSINESS CONDITIONS DURING THE REPORTING PERIOD

(I) Analysis on Principal Businesses

1. Analysis Statement of Changes to Relevant Items in Statements of Income and Cash Flow

Unit: RMB

Item	Amount for the current period	Amount for the corresponding period of last year	Change (%)
Operating income	105,620,773,355.43	101,764,652,538.80	3.79
Operating cost	100,077,475,111.46	95,957,211,293.68	4.29
Selling expenses	1,000,310,718.12	1,075,970,269.71	-7.03
Administrative expenses	3,328,915,531.87	3,383,414,426.41	-1.61
Finance costs	247,162,446.05	258,861,518.48	-4.52
Research and development expenses	120,658,190.73	233,188,701.16	-48.26
Net cash flows from operating activities	4,111,259,814.70	3,832,937,488.82	7.26
Net cash flows from investment activities	207,387,715.78	218,308,730.67	-5.00
Net cash flows from financing activities	-4,739,201,328.55	-6,704,816,117.56	-29.32

The change in operating income and operating cost was mainly due to the increase in business volume, leading to a year-on-year increase in operating income and cost of the Group.

The change in selling expenses and administrative expense was due to the Company's continuous efforts on cost and expense control, leading to the decrease in selling expenses and administrative expense.

The change in finance costs was mainly due to the Company's continued optimization of debt structure, reduction of interest bearing debts and enhancement of the routine management of foreign exchange, leading to a year-on-year decrease in finance costs.

The change in research and development expenses was mainly due to the decrease in the expensed R&D investment of the Group.

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The change in net cash flows from operating activities was mainly due to the fact that the Group adhered to the principal of “cash is paramount”, strengthened funds management and accounts receivable management, resulting in a year-on-year increase in net cash flows from operating activities.

The change in net cash flows from investment activities was primarily due to the decrease in dividend received from joint ventures and associations during the year.

The change in net cash flows from financing activities was primarily due to the Group’s continuous optimization of the debt structure and the decrease in net cash outflows from repayment of debts during the year as compared to that of last year.

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

☐ Applicable ☒ Not applicable

2. Income and Cost Analysis

☒ Applicable ☐ Not applicable

(1) Principal Businesses by Sector, Product, Geographical Region and Sales Model

Unit: RMB

Principal businesses by sector						
By sector	Operating income	Operating cost	Gross margin (%)	Change in operating income over last year (%)	Change in operating cost over last year (%)	Change in gross margin over last year (%)
Logistics industry	105,620,773,355.43	100,077,475,111.46	5.25	3.79	4.29	Decreased by 0.46 percentage point

Principal businesses by product						
By product	Operating income	Operating cost	Gross margin (%)	Change in operating income over last year (%)	Change in operating cost over last year (%)	Change in gross margin over last year (%)
Forwarding and related	67,170,242,886.86	63,646,189,305.52	5.25	8.37	8.41	Decreased by 0.03 percentage point
Business logistics	27,950,844,234.42	25,831,014,404.50	7.58	1.56	3.36	Decreased by 1.61 percentage points
E-commerce business	10,499,686,234.15	10,600,271,401.44	-0.96	-14.38	-13.52	Decreased by 1.01 percentage points

Note: The above gross profit calculation does not include the impact of government subsidies such as logistics subsidies closely related to daily business activities received by the Group. These subsidies are compensation for operating costs. If this factor is taken into account, the gross profit margins of the Forwarding and related business, Business logistics, and E-commerce business segments are 7.96%, 7.74%, and 3.83%, respectively, a decrease of 0.77 percentage point, a decrease of 1.74 percentage points, and an increase of 0.47 percentage point compared to the same period last year.

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(2) *Analysis Statement of Production and Sales*

☐Applicable ☒Not applicable

(3) *Performance of Material Procurement Contracts and Material Sales Contracts*

☐Applicable ☒Not applicable

(4) *Statement of Cost Analysis*

Unit: RMB

By sector		By sector				Change in amount for the current period as compared with the corresponding period of last year (%)
By sector	Cost components	Amount for the current period	Percentage of total cost for current period (%)	Amount for the corresponding period of last year	Percentage of total cost for the corresponding period of last year (%)	
Logistics industry	Transportation and relevant expense	90,409,395,542.42	90.34	86,346,004,945.07	89.98	4.71
Logistics industry	Labor cost	4,708,216,382.81	4.70	4,721,872,546.87	4.92	-0.29
Logistics industry	Depreciation and amortization	2,128,143,823.05	2.13	2,113,128,681.93	2.20	0.71
Logistics industry	Repair and maintenance expense	150,286,843.79	0.15	150,702,946.83	0.16	-0.28
Logistics industry	Fuel expense	460,682,217.79	0.46	436,412,707.87	0.45	5.56
Logistics industry	Rental cost	734,088,035.24	0.73	696,796,163.20	0.73	5.35
Logistics industry	Safe production expense	106,115,541.69	0.11	101,221,637.07	0.11	4.83
Logistics industry	Other operating expenses	1,380,546,724.67	1.38	1,391,071,664.84	1.45	-0.76

(5) *Changes in the Scope of Consolidation as a result of Changes in Equity Interests in Major Subsidiaries during the Reporting Period*

☐Applicable ☒Not applicable

(6) *Significant Change in or Adjustment of the Businesses, Products or Services of the Company during the Reporting Period*

☐Applicable ☒Not applicable

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Management Discussion and Analysis (Report of the Board)

(7) *Key Customers and Key Suppliers*

A. Key customers of the Company

☒ Applicable ☐ Not applicable

Total sales to top five customers amounted to RMB9.036 billion, accounting for 8.56% of the total sales in the year; among which, sales to related party were nil.

Name of customer	Amounts of sales	Unit: RMB Ten Thousand	
		Percentage of total sales of the year (%)	Whether it is a related party
Customer 1	248,273.10	2.35	No
Customer 2	235,445.41	2.23	No
Customer 3	166,475.47	1.58	No
Customer 4	131,512.77	1.25	No
Customer 5	121,920.80	1.15	No
Total	903,627.55	8.56	/

The proportion of sales to a single customer exceeded 50% of the total amount, new customers among the top five customers or heavy dependence on a few customers during the Reporting Period

☐ Applicable ☒ Not applicable

B. Key Suppliers of the Company

☒ Applicable ☐ Not applicable

Total purchases from top five suppliers amounted to RMB12.556 billion, accounting for 12.55% of the total purchases in the year; among which, purchases from related party were nil.

Name of supplier	Amounts of purchase	Unit: RMB Ten Thousand	
		Percentage of total purchases of the year (%)	Whether it is a related party
Supplier 1	288,676.19	2.88	No
Supplier 2	277,616.86	2.77	No
Supplier 3	276,130.22	2.76	No
Supplier 4	214,236.83	2.14	No
Supplier 5	198,975.28	1.99	No
Total	1,255,635.38	12.55	/

The proportion of purchases to a single supplier exceeded 50% of the total amount, new suppliers among the top five suppliers or heavy dependence on a few suppliers during the Reporting Period

☐ Applicable ☒ Not applicable

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Other Matters:

- (i) During the year ended 31 December 2024, none of the Directors, Supervisors, their close associates and any Shareholders (who to the knowledge of the Board owns more than 5% of the share capital of the Company) of the Company had any interests in the top five customers or the top five suppliers of the Group.
- (ii) **Relationship with Customers**
The Group maintains long-standing, healthy and cooperative relationships with the Company's major customers, following general commercial terms and sharing consistent credit terms with other customers. The Group settles its major customers in accordance with the contract payment terms, combining judgment on amount of account receivables, adopts provision for bad debts of receivables that are specifically classified by similar credit risk. The Group monitors and assesses the information of major customers on an on going and timely basis, and conducts customer satisfaction surveys to promote the communication and relationship with major customers.
- (iii) **Relationship with Suppliers**
In selecting suppliers to purchase from, the Group has been applying a standard of high quality and high integrity, and has established relevant systems to ensure that the purchase process remains open, fair and just. Aiming to improve purchase quality, critical assessment and guidelines are utilized by the Group to measure the sustainability of the suppliers in terms of labor, health and safety and environmental influences. Relevant departments of the Group conduct performance assessments to the suppliers on a regular basis in order to manage the suppliers in a more efficient manner and reduce potential risks in suppliers, which promote the communication and relationship with the suppliers.

3. **Expense**

☒ Applicable ☐ Not applicable

For details, please refer to "(I) Analysis on Principal Businesses 1. Analysis Statement of Changes to Relevant Items in Statements of Income and Cash Flow" under "V. MAJOR BUSINESS CONDITIONS DURING THE REPORTING PERIOD" in this chapter.

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4. R&D Investment

(1) Statement of research and development (R&D) investment

☒ Applicable ☐ Not applicable

Unit: RMB

Expensed R&D investment for the Reporting Period	120,658,190.73
Capitalized R&D investment for the Reporting Period	169,272,114.29
Total R&D investment	289,930,305.02
Total R&D investment as a percentage of operating income (%)	0.27
Capitalized R&D investment as a percentage of total R&D investment (%)	58.38

(2) Statement of R&D employees

☒ Applicable ☐ Not applicable

Number of R&D employees in the Company	671
R&D employees as a percentage of total employees of the Company (%)	2.11

Educational background structure of R&D employees

Degree	Number
Doctoral candidate	4
Master degree	133
Bachelor degree	458
Associate degree	70
High school and below	6

Age of R&D employees

Age	Number
Under 30 years old (30 years old exclusive)	157
30–40 years old (30 years old inclusive, 40 years old exclusive)	307
40–50 years old (40 years old inclusive, 50 years old exclusive)	176
50–60 years old (50 years old inclusive, 60 years old exclusive)	30
60 years old and above	1

(3) Explanation

☐ Applicable ☒ Not applicable

(4) Reasons of major changes in the composition of R&D employees and its impact on the Company's future development

☐ Applicable ☒ Not applicable

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5. Cash Flow

☒ Applicable ☐ Not applicable

	2024	Unit: million 2023
Net cash flow generated from operating activities	4,111.26	3,832.94
Net cash flow generated from investment activities	207.39	218.31
Net cash flow generated from financing activities	-4,739.20	-6,704.82
Effect of changes in exchange rate on cash and cash equivalents	34.63	73.61
Net increase in cash and cash equivalents	-385.92	-2,579.96
Balance of cash and cash equivalents at the end of the period	13,440.38	13,826.30

Operating Activities

For the year ended 31 December 2024, the net cash inflow generated from operating activities was RMB4,111 million, representing an increase of RMB278 million as compared with RMB3,833 million of last year. The increase was mainly due to the increasing business volume and strengthening capital control and accounts receivable management during the year, resulting in an increase in net cash flow generated from operating activities, of which, cash received for sale of products and provision of services was approximately RMB111,336 million (2023: RMB108,363 million), cash paid for purchase of goods and receipt of services was RMB98,576 million (2023: RMB95,126 million), with the net cash of RMB12,760 million (last year: RMB13,200 million), representing a decrease of RMB439 million as compared with last year; cash paid to and on behalf of employees by the Group decreased by RMB42 million as compared with last year, while other cash paid related to operating activities decreased by RMB930 million compared with last year.

Investment Activities

For the year ended 31 December 2024, net cash inflow generated from investment activities amounted to RMB207 million, representing a decrease of RMB10.92 million as compared with last year. The decrease was mainly due to the decrease in the Group's dividends received from joint ventures and associates during the year, of which, cash received from investment income was RMB1,773 million, representing a year-on-year decrease of RMB427 million; net cash received from disposal of fixed assets, intangible assets and other long-term assets was RMB153 million, representing a decrease of RMB235 million as compared with the corresponding period of last year; net cash received from disposal of subsidiaries and other operating units represented an increase of RMB49 million as compared with last year; cash paid for purchase and construction of fixed assets, intangible assets and other long-term assets was RMB1,555 million, representing a decrease of RMB57 million as compared with the corresponding period of last year; cash paid for investments was RMB337 million, representing an increase of RMB23 million as compared with the corresponding period of last year; and net cash paid for acquisition of subsidiaries and other operating units decreased by RMB485 million year-on-year.

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Financing Activities

For the year ended 31 December 2024, net cash outflow generated from financing activities amounted to RMB4,739 million, representing a decrease of RMB1,966 million as compared with the corresponding period of last year. The decrease was mainly due to the Group's continuous efforts on optimization of debt structure, leading to a decrease in net cash outflow arising from debt repayment during the year as compared with last year, of which, cash received from borrowing was RMB8,440 million, representing an increase of RMB7,317 million as compared with the corresponding period of last year, cash paid for debt repayment was RMB9,350 million, representing an increase of RMB5,018 million as compared with the corresponding period of last year and cash paid for dividend and profit distribution and interest payment was RMB2,727 million, representing an increase of RMB354 million as compared with the corresponding period of last year.

6. Other Matters

(1) Tax

Details of the Group's taxes as at 31 December 2024 are set out in Note VII to the financial statements under "Chapter 11 Financial Report" of this Report.

(2) Income Tax

The Group's income tax expense was RMB838 million, representing a year-on-year decrease of 20.56% as compared with RMB1,055 million of last year, mainly due to the decrease in the Group's profit level of this year compared to the same period last year.

(3) Fixed Assets

The details of changes in fixed assets of the Group as at 31 December 2024 are set out in Note IX. 15 to the financial statements under "Chapter 11 Financial Report" of this Report.

(4) Capital Expenditure

For the year ended 31 December 2024, the Group's capital expenditure was RMB1,984 million, mainly including RMB1,015 million used for the construction of infrastructure, port and terminals facilities and other constructions, RMB135 million used for the purchase of land and software, RMB391 million used for the purchase of machineries and equipment, containers and vehicles, and RMB105 million used for asset decoration and improvement.

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(5) *Securities Investment*

As at 31 December 2024, the listed equity investments held by the Group was RMB142 million, the details of which are set out in Note IX. 2, 12 and 13 to the financial statements under “Chapter 11 Financial Report” of this Report.

(6) *Contingent Liabilities and Guarantees*

As at 31 December 2024, contingent liabilities mainly comprised pending lawsuits of the Group arising from its ordinary course of business amounting to RMB148 million (as at 31 December 2023: RMB138 million).

Please see “XIII. MATERIAL CONTRACTS AND PERFORMANCE (II) Guarantees” under “Chapter 7 Significant Matters” of this Report for details of the guarantees.

(7) *Borrowings and Bonds*

As at 31 December 2024, the Group’s total borrowings amounted to RMB6,792 million (as at 31 December 2023: RMB5,360 million), among which, RMB4,284 million shall be settled in Renminbi, RMB244 million in U.S. dollars, RMB1,440 million in Euros and RMB825 million in Hong Kong dollars. Of the above borrowings, RMB3,524 million was bank borrowings payable within a year.

As at 31 December 2024, the Group’s total bonds payable amounted to RMB2,030 million (as at 31 December 2023: RMB4,066 million). Of the above bonds, RMB11 million shall be payable within a year.

The details of the Group’s borrowings and bonds for the year ended 31 December 2024 are set out in Note IX. 25, 34 and 35 to the financial statements under “Chapter 11 Financial Report” of this Report.

(8) *Bank Loans*

The details of the Company’s and the Group’s bank loans are set out in Note IX. 25 and 34 to the financial statements under “Chapter 11 Financial Report” of this Report.

(9) *Secured and Guaranteed Borrowings*

For details, please refer to “3. Restriction on Material Assets as at the End of the Reporting Period” in “V. MAJOR BUSINESS CONDITIONS DURING THE REPORTING PERIOD (III) Analysis of Assets and Liabilities” under “Chapter 4 Management Discussion and Analysis (Report of the Board)” and “XIII. MATERIAL CONTRACTS AND PERFORMANCE (II) Guarantees” under “Chapter 7 Significant Matters” of this Report.

(10) *Special Reserve*

As at 31 December 2024, the special reserve of the Group was approximately RMB143 million.

(11) *Distributable Reserves*

Distributable reserves of the Company as at 31 December 2024 amounted to approximately RMB7.238 billion.

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(12) Debt-to-Asset Ratio

As at 31 December 2024, the debt-to-asset ratio of the Group was 45.54% (as at 31 December 2023: 47.14%), which was calculated by dividing total liabilities by total assets of the Group as at 31 December 2024.

(13) Material Litigation and Contingent Liabilities

Details of the Group's material litigation and contingent liabilities as at 31 December 2024 are set out in Note XII to the financial statements under "Chapter 11 Financial Report" of this Report.

(14) Foreign Exchange Risk

The Group's turnover and transportation and related expenses are partially settled in foreign currencies. The Group's expose to foreign exchange risk is mainly from the exchange rate fluctuation of foreign currencies, such as U.S. dollars and Hong Kong dollars. Details are set out in Note XI to the financial statements under "Chapter 11 Financial Report" of this Report.

(15) Government Subsidy

During the year ended 31 December 2024, the Group received government subsidies related to income totaling RMB2,156 million, details of which are set out in Note IX. 62 to the financial statements under "Chapter 11 Financial Report" of this Report.

(16) Pension Schemes

All the full-time employees of the Group are covered by the basic pension insurance which is operated by the government pursuant to national policies. For the year ended 31 December 2024, the Group paid pension insurance to the local social insurance agencies every month according to the stipulated social security bases and proportion, for the benefits of its employees. After the retirement, the local human resources and social security department are responsible to pay the basic pension. When an employee has rendered service to the Group during an accounting period, the Group shall recognise the accrued amount according to the above social security provisions as a liability and charge to profit or loss in the current period or to the cost of the related assets. Apart from the above monthly payment, the Group bears no further payment obligation. Corresponding expenses are recorded in the profit or loss in the current period or the cost of the related assets when incurred. In addition, the Group has established an enterprise annuity scheme. Fees required for the enterprise annuity plan shall be jointly paid by the enterprise and its employees. Employees may determine whether or not to join the enterprise annuity plan on a voluntary basis.

The total enterprise annuity expense of the Group for the year ended 31 December 2024 was approximately RMB249 million (2023: RMB196 million). The corresponding expenses are included in the profit or loss in the current period or the cost of the related assets when incurred. As at 31 December 2024, the Group had no forfeited contributions from retirement scheme.

Details of the Group's pension schemes for the year ended 31 December 2024 are set out in Note IX. 29 to the financial statements under "Chapter 11 Financial Report" of this Report.

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For the year ended 31 December 2024, the Group did not have any defined benefit plan at the group level. However, there were defined benefit plans only relating to the extra-uniform costs in respect of the socialized transfer of retired staff provided by China Yangtze River Shipping Co., Ltd, SINOTRANS Jiuling Transport & Storage Co., Ltd and Zhoushan Sinotrans Customs Company Limited, all being acquired by the subsidiaries of the Company. The number of beneficiaries involved in the defined benefit plans was 144 as at 31 December 2024, and the scope and amount of its impact are not material to the Group. For details, please refer to Note IX. 38 to the financial statements under “Chapter 11 Financial Report” of this Report.

(17) Donations

During the Reporting Period, the Group made charitable and other donations amounted to approximately RMB9.0422 million.

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

☐ Applicable ☒ Not applicable

(III) Analysis of Assets and Liabilities

☒ Applicable ☐ Not applicable

1. Assets and Liabilities

Unit: RMB

Item	Amount at the end of the period	Amount at the end of the period as a percentage of total asset (%)	Amount at the end of the previous period	Amount at the end of the previous period as a percentage of total assets (%)	Year-on-year change (%)
Bill receivables	164,294,636.42	0.21	119,812,566.60	0.16	37.13
Development expenditure	266,352,514.14	0.35	165,869,779.23	0.22	60.58
Other non-current assets	149,785,291.62	0.19	321,472,116.06	0.42	-53.41
Short-term borrowings	3,294,191,564.22	4.27	610,217,777.09	0.80	439.84
Bills payable	183,554,323.76	0.24	80,827,292.06	0.11	127.09
Non-current liabilities due within one year	941,267,381.93	1.22	5,211,189,002.62	6.87	-81.94
Long-term borrowings	3,268,291,437.12	4.23	2,355,004,648.70	3.10	38.78
Estimated liabilities	23,339,731.15	0.03	151,935,993.70	0.20	-84.64

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Other descriptions:

The change in operating income and operating cost was due to the increase of settlement of bills of certain subsidiaries of the Group during the year.

The change in development expenditure was due to an increase in capitalized development expenditure during the year.

The change in other non-current liabilities was due to completion of the liquidation of assets under the entrusted management of the companies of the Group, resulting in a corresponding decrease in other non-current assets.

The change in short-term borrowings was due to the Group's continuous optimization of debt structure, resulting in an increase in revolving short-term borrowings at the end of the Reporting Period.

The change in bills payable was due to the increase of settlement of bills during the year.

The change in non-current liabilities due within one year was due to repayment of bonds payable and long-term borrowings due within the year.

The change in long-term borrowings was due to the Group's optimization of debt structure, leading to an increase in long-term borrowings.

The change in estimated liabilities was due to the closure of some litigation related matters in the Reporting period, and a portion of the estimated liabilities have been offset.

2. Overseas Assets

☒ Applicable ☐ Not applicable

(1) Asset Size

Including: overseas assets of RMB20,435,533,523.48 (unit: RMB), accounting for 26.47% of total assets.

(2) Description of Relatively High Proportion of Overseas Assets

☐ Applicable ☒ Not applicable

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

☒ Applicable ☐ Not applicable

Details are set out in Note IX. 23 of the Financial Statements in “Chapter 11 Financial Report” of this Report.

4. **Other Descriptions**

☐ Applicable ☒ Not applicable

(IV) Analysis of the Industry Operation Information

☒ Applicable ☐ Not applicable

Please refer to “II. INDUSTRY THE COMPANY INVOLVED IN DURING THE REPORTING PERIOD” in this chapter for details.

(V) Analysis of Investments

Overall Analysis of External Equity Investments

☒ Applicable ☐ Not applicable

The Group’s long-term equity investment at the end of the Reporting Period amounted to RMB9,240 million, representing an increase of RMB102 million as compared to RMB9,137 million at the beginning of the year, which was mainly due to the adjustments to the carrying value of long-term equity investments based on the operating conditions of the joint ventures and associates such as DHL-Sinotrans International Air Courier Ltd. and Loscam International Co., Ltd.

1. **Major equity investment**

☐ Applicable ☒ Not applicable

2. **Major non-equity investment**

☐ Applicable ☒ Not applicable

3. **Financial assets at fair value**

☒ Applicable ☐ Not applicable

Unit: RMB

Asset Category	Opening balance	Gains and losses from changes in value fair for Reporting Period	Accumulated changes in value fair recognised in equity	Impairment accrued during the Reporting Period	Acquisition during the Reporting Period	Disposal/ Redemption during the Reporting Period	Other changes	Closing balance
Equity securities	110,321,447.76	27,387,937.07	4,234,315.16			19,043.40		141,924,656.59
Others	1,739,827,558.17	217,172,085.23	-285,000.00				-35,040,382.94	1,921,674,260.46
Total	1,850,149,005.93	244,560,022.30	3,949,315.16			19,043.40	-35,040,382.94	2,063,598,917.05

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Securities Investment

☒ Applicable ☐ Not applicable

Unit: RMB

Type of securities	Stock code	Stock abbreviation	Initial Investment cost	Source of funds	Opening carrying amount at the beginning of the Reporting Period	Gains and losses from changes in fair value during the Reporting Period	Accumulated changes in fair value recognized in equity	Acquisition during the Reporting Period	Disposal during the Reporting Period	Investment gains or losses during the Reporting Period	Closing carrying amount	Accounting subjects
Equity securities	SH601111	Air China	8,076,871.60	Self-financing	21,172,941.98		1,644,220.29				22,817,162.27	Other equity instrument investments
Equity securities	HK02618	JD Logistics	184,647,154.48	Self-financing	88,628,316.00	27,315,496.30	2,589,307.70				118,533,120.00	Other non-current financial assets
Equity securities	SH600179	Antong Holdings	777,684.20	Self-financing	415,522.50	54,848.97					470,371.47	Held-for-trading financial assets
Equity securities	SZ001872	China Merchants Port	15,570.07	Self-financing	33,163.74	10,803.94	787.17				44,754.85	Held-for-trading financial assets
Equity securities	SZ002766	Soling	121,222.65	Self-financing	56,156.80	3,091.20					59,248.00	Held-for-trading financial assets
Equity securities	SZ600221	HNA	21,955.92	Self-financing	15,346.74	3,696.66			19,043.40			Held-for-trading financial assets
Total	/	/	193,660,458.92	/	110,321,447.76	27,387,937.07	4,234,315.16		19,043.40		141,924,656.59	/

Securities investment

☐ Applicable ☒ Not applicable

Private fund investment

☐ Applicable ☒ Not applicable

Derivatives investment

☐ Applicable ☒ Not applicable

4. The specific progress of material asset restructuring during the Reporting Period

☐ Applicable ☒ Not applicable

(VI) Disposal of Major Assets and Equity

☐ Applicable ☒ Not applicable

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

☒ Applicable ☐ Not applicable

1. Major Subsidiaries Controlled by the Company

Company Name	Nature of business	Registered Capital (RMB)	Share holding (%)	Total assets (RMB: ten thousand)	Net assets (RMB: ten thousand)	Operating income (RMB: ten thousand)	Net profit (RMB: ten thousand)
Sinotrans Logistics Co., Ltd.	Logistics	1,444,000,000.00	100.00	2,277,449.04	839,472.09	1,799,481.58	26,728.95
Sinotrans South China Co., Ltd.	Freight forwarding, logistics, and storage and terminal services	1,349,668,931.90	100.00	1,091,643.18	437,418.99	1,326,685.58	52,852.94
Sinotrans Eastern Company Limited	Freight forwarding, logistics, and storage and terminal services	1,120,503,439.18	100.00	748,877.32	358,523.89	1,605,057.40	45,308.72
Sinotrans Air Transportation Development Co., Ltd.	Air freight forwarding and express services	905,481,720.00	100.00	1,120,349.82	796,919.56	1,512,241.03	30,149.91
Sinotrans Central China Co., Ltd.	Freight forwarding and logistics	1,000,000,000.00	100.00	721,807.94	267,427.66	1,303,707.66	46,932.24

2. Major Joint Ventures and Associates

Company Name	Nature of business	Registered Capital	Share holding (%)	Total assets (RMB: ten thousand)	Net assets (RMB: ten thousand)	Operating income (RMB: ten thousand)	Net profit (RMB: ten thousand)
Wuhan Port Container Co., Ltd.	Containers handling and freight forwarding	RMB400 million	30.00	72,873.67	62,653.74	13,686.48	2,751.52
DHL-Sinotrans International Air Courier Ltd.	International express	US\$14.50 million	50.00	676,561.18	338,694.15	2,104,465.81	277,027.31
Loscam International Holdings Co., Ltd.	Pallet leasing	US\$101	45.00	940,167.57	566,715.00	245,492.46	46,589.40

Details of the financial information of the major joint ventures and associates of the Group are set out in Note IX. 11 of the Financial Statements in “Chapter 11 Financial Report” of this Report.

(VIII) Structured Entities Controlled by the Company

☐ Applicable ☒ Not applicable

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VI. DISCUSSION AND ANALYSIS OF THE FUTURE DEVELOPMENT OF THE COMPANY

(I) Industrial Layout and Trend

☒ Applicable ☐ Not applicable

From the perspective of the global macro situation, the world economy is gradually regaining its moderate pre-pandemic growth momentum, according to the World Economic Outlook published by the International Monetary Fund (IMF) in January 2025. However, the global economic prospects are still subject to a number of uncertainties, including trade policy uncertainties, geopolitical conflicts and possible tightening of financial conditions in emerging markets. It is estimated that the global economy will grow at a rate of 3.3% in 2025, which is still slower than the historical average of 3.7% for the period from 2000 to 2019.

From the perspective of the domestic macro situation, China's economy enjoys a stable foundation, numerous advantages, strong resilience and great potential, and the underlying conditions for and general trend of long-term improvement remains unchanged. In January 2025, the economic prosperity level maintained an upward trend, with the Consumer Price Index (CPI) rebounding for two consecutive months and the Purchasing Managers' Index (PMI) standing above the boom-and-bust line, indicating a positive signal for economic development. The target for China's GDP growth rate in 2025 is about 5%.

In the logistics industry, elements, including a resilient supply chain, prevention of supply chain risks, synergetic development of smart logistics, green logistics and sustainable development, and of regionalization and globalization, and reduction of logistics costs for the whole society, become industrial highlights. **Firstly,** with the ongoing implementation of the "Belt and Road" Initiative, the going overseas initiatives of Chinese manufacture brands are becoming more intensified and gradually evolving towards "localized production for globalized circulation", which has prompted the strategic and core customers to attach more importance to the stability and security of the global supply chain, and encouraged logistics enterprises to strengthen the deployment of global logistics resources, effectively enhance the capability for full-range end-to-end services, and proactively reinforce the resilience of supply chain services. **Secondly,** the restructuring of the global supply chain is speeding up, trade protectionism is on the rise, geopolitical conflicts are frequent, and tariff barriers, quota-based restrictions and other measures are leading to a rise in risks in the global supply chain. In this context, logistics enterprises are expected to pay more attention to overseas political risk, compliance risk and credit risk in expanding their international business and building a global logistics network. **Thirdly,** the global supply chain is showing a development trend of diversification, greening, digitization and regionalization, which may alter the operation strategies of upstream and downstream enterprises along the supply chain, and urge logistics enterprises to constantly innovate and improve the management of their supply chains. **Fourthly,** the logistics industry will enter a critical era of effectively reducing the logistics costs of the whole society, during which a series of initiatives like structural adjustment, easing of congestion and promotion of integration will be launched in concert, thereby pointing out the direction of accelerated transformation and upgrading for logistics enterprises. In view of this, logistics enterprises are expected to keep optimizing their transport structure, improve the efficiency of integrated transport, develop efficient multimodal transport; to refine data-sharing standards, promote sharing and common use of data, and realize seamless convergence of multiple modes of transport; and to explore new modes of integrated and synergistic development for logistics and manufacturing enterprises, and practically enhance the resilience and competitiveness of the logistics supply chain.

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In view of the above trend, the logistics industry presents both opportunities and risks. As a leading integrated logistics service provider and integrator, Sinotrans has an extensive logistics service network at home and abroad. It will firmly insist on turning market stock into Sinotrans' increment. Moreover, Sinotrans will systematically advance its strategic marketing system and promote the transformation and upgrading of its business model. In particular, it will speed up the process of network-wide operation on the basis of comprehensive digital transformation, insist on the dual-wheel drive of technological innovation and green development, and promote its business development in the direction of intelligence and greening. It will also take overseas development as a new engine to create new growth poles for Sinotrans, constantly strengthen its overseas network and resource deployment, and enhance its full-range end-to-end supply chain service capability. Furthermore, Sinotrans will strengthen its risk prevention, control and contingency plans to avoid systemic risks, so as to keep creating value for its customers and shareholders, and to contribute to the smooth flow of the global industrial and supply chains.

(II) Development Strategy of the Company

☒ Applicable ☐ Not applicable

As the unified operation platform and brand of logistics business of China Merchants Group, Sinotrans has persisted in ensuring the security and stability of the supply chains and its mission of “creating a logistics ecology system connecting the world to successfully promote industrial progress” and has established the corporate vision of “becoming a world-class smart logistics platform enterprise”. During the “14th Five-Year” Plan period, the Company will also adhere to its development theory of “quality, profitability and moderate scale”, enhance and optimize the core businesses of logistics, accelerate the transformation and upgrading through innovation driven and digital empowerment with the customer as center to increase its market competitiveness, create an “integrated, open, shared and collaborative” supply chain logistics ecosystem, and assist the stabilization of global supply chain and international and domestic dual circulation to realize the high-quality development. The Company will spare no effort to realize the strategy target of the world-class logistics business in scale, efficiency, operation and management capacity. Meanwhile, the Company will continue to pay attention to the changes in the market and industry situation, focus on strengthening the expansion of overseas markets and resource allocation, dynamically adjust and improve specific strategic strategies and measures, and enhance the ability of strategies implement.

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(III) Operating Plans

☒Applicable ☐Not applicable

Presently, the external environment is becoming increasingly complex, with rising uncertainties and instabilities, while geopolitical conflicts, unilateralism, and protectionism continue to escalate, posing significant challenges to the stable growth of foreign trade. From the perspective of the market and the industry, customers' multi-dimensional demand is dynamically evolving, with increasing focus on the resilience and security of the supply chain, while competition among multiple players in the market is driving the accelerated deployment of key resources. In the face of a complex situation, the Company will adhere to the general principle of "pursuing progress while ensuring stability", maintain strategic stability, and focus on the following key areas of work.

1. *Promoting a strategic marketing system oriented to market demand*

Promote the development of strategic marketing organisations to enhance service efficiency and customer satisfaction; leverage digital tools to optimize strategic customer management and expand the customer base; formulate industry-level solutions and foster win-win partnerships with industry leaders through strategic marketing initiatives such as technological innovation, green logistics, and Global Trade Management (GTM) solutions to drive incremental business growth.

2. *Developing new carrier models with business transformation as the starting point*

In terms of sea freight business, we will expand route operations and explore innovative value-bundling models with shipping companies; deepen collaboration with shipping companies to achieve the scale effect of controllable capacity. **In terms of air freight business**, we will further cultivate high-value industries and strengthen specialised solution capabilities; enhance risk assessment in capacity procurement to improve the stability and controllability of capacity; rationally plan hub bases, strengthen capacity building in key incremental markets, and elevate service standards. **In terms of land freight business**, we will focus on developing premium channel products and enhancing the controllability of end-to-end services. **In terms of trucking business**, we will establish a diversified capacity system, strengthen risk prevention and control, reduce capacity procurement costs, and explore the advancement of standardisation and productisation.

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3. *Leveraging overseas development as a new engine to drive new growth*

Firstly, we will strengthen the deployment of overseas networks and resources to enhance the supportive capabilities. We will refine the sub-logistics network in Southeast Asia and complete the establishment of overseas resources of relevant new entities and optimize our global network layout; steadily promote the development of the logistics center in Dubai South Free Zone and accelerate the implementation of the land acquisition and warehouse construction project in Malaysia. **Secondly**, we will promote the integration of overseas operations to build core competitiveness in international markets. (1) Focus on developing a new carrier model by strengthening the construction of local corridors and products. In the air freight business, while stabilizing the operation of existing routes, we will continue to enhance the capacity of the Western Europe corridor and establish the Liège hub as a key air freight transshipment corridor to Africa. (2) Expand customer acquisition efforts and actively develop local contract logistics and third-country business. (3) Accelerate the development of an overseas management system and establish a unified overseas settlement system with standardized settlement procedures, uniform standards, and consistent statistics.

4. *Driven by technological innovation, promoting the intelligent and green development of our business*

Guided by intelligent logistics innovation, harnessing the power of digital intelligence. Add more than five “AI Big Model +” application scenarios, promote “pan-AI” technology, expand autonomous driving application scenarios, and initiate the construction of the Automation Innovation Center. Continuously iterate the business operation and delivery system, and develop end-to-end visualization solutions. **Linking industrial ecosystems with green logistics and strengthening green leadership.** Focusing on building core competitiveness in green logistics, releasing a new version of the Green Logistics White Paper to drive the implementation of green carbon-reduction initiatives. Optimizing green logistics solutions, iteratively upgrading the carbon management system, the carbon calculator, and other platform tools, while strengthening their promotion and application.

5. *Leveraging digital transformation as a foundation, expediting deployment of full-network operation*

Firstly, we will remain focused on key projects, advance construction of the four-tier operation system with systematic approaches, accelerate business model evolution and promote its application, thus consolidating the achievements of transformation initiatives. **Secondly**, we will strengthen the development of transformation-oriented organisation and talent team, and enable accomplishment of complex, cross-organisational, cross-boundary and cross-domain tasks with effective measures.

Under the influence of uncertain factors including macro-economy, industry development status and market demand, it is estimated that the operating income for 2025 will be RMB100.85 billion, which does not constitute a performance commitment or profit forecast made to the investors.

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(IV) Potential Risks

✓Applicable ☐Not applicable

1. *External Political and Economic Risks*

The turbulent international political situation, the rising complexity, severity and uncertainty of the external environment, the lack of overall market demand and the intensified internal involution of the logistics industry may adversely affect the operating performance of the Company.

Counter measures: The Company continued to maintain its strategic focus, and systematically promoted its strategic marketing system with market demand as the core orientation. Combining Sinotrans' cargo flow current situation and resource advantages, the Company will sort and analyze key market industries, the Company's strategies and core customer needs, study the layout of channel hubs between China and key trade regions and the major countries of the "Belt and Road", and clarify the direction of channel construction of the Company and promote the implementation of the Company's strategy.

2. *Overseas Business Risk*

Under the background of globalization and affected by several unpredictable factors such as the international situation and trade relations, overseas projects of the Company may face risks in respect of geopolitics, environmental and safe production, business environment and public opinion. In case that the Company cannot take effective counter measures, it may adversely affect the development of its overseas business.

Countermeasures: The Company will improve its overseas system, strengthen internal management, as well as identify key risk control measures for key companies, key businesses and key fields. The Company will enhance the control of country-specific risks in overseas projects, conduct risk assessments for new projects, comprehensively utilize various measures to prevent and control relevant risks, focus on improving foreign exchange planning capabilities, utilize exchange rate management systems to empower precise management of foreign currency positions, strengthen the effectiveness of investigation and monitoring of high-compliance-risk businesses, and at the same time, build overseas key-node resources to continuously improve risk prevention and control capabilities and the standard of international management practices.

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3. *Market Changes and Competition Risks*

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

Countermeasures: Accelerate the construction of global end-to-end long-term delivery capabilities, deeply explore existing opportunities, and actively explore new incremental opportunities. Pay attention to niche markets and regional market clearing opportunities. Accelerate the development of new quality productivity, promote innovation in business models, operational mechanisms and organizational management, and focus on transforming and upgrading traditional businesses. Proactively lay out in emerging industries such as green technology and digital intelligence technology, strive to seize the commanding heights of the next round of competition, and enhance long-term competitiveness. Accelerate investment and construction of key overseas logistics nodes and important channels, improve operational support capabilities, and improve the global network layout.

4. *Risks Associated with Product Development*

The inability of product system development to meet market trends and customer demands, or its mismatch with the Company's integrated operation model, which may lead to difficulties in achieving established strategic goals and affect the Company's future sustainable development.

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

5. *Credit Receivable Risk*

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

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

(V) Other Disclosures

☐ Applicable ☒ Not applicable

VII. EXPLANATION AND REASONS FOR FAILURE TO DISCLOSE IN ACCORDANCE WITH STANDARDS DUE TO INAPPLICABILITY OF STANDARDS OR SPECIAL REASONS SUCH AS NATIONAL OR TRADE SECRETS

☐ Applicable ☒ Not applicable

VIII. OTHER DISCLOSURES (DISCLOSED IN ACCORDANCE WITH THE REQUIREMENTS OF THE SEHK LISTING RULES)

(I) Principal Business

For details, please refer to “III. THE BUSINESS OF THE COMPANY DURING THE REPORTING PERIOD” in this chapter.

(II) Final Dividend and Book Closure Periods

For details, please refer to “XIII. PROPOSALS OF SHARES PROFIT DISTRIBUTION OR CONVERSION OF RESERVES INTO SHARE CAPITAL (I) Formulation, Implementation of or Adjustment to the Cash Dividend Policy” under “Chapter 5 Corporate Governance (Corporate Governance Report)” in this Report. The Company is not aware of any arrangement under which a shareholder has waived or agreed to waive any dividends.

(III) Employee, Major Customers and Suppliers

The Group fully understands that employees, customers and suppliers are the key to our sustained and stable development. We are committed to working closely with our employees and suppliers to provide our customers with quality products and services to achieve sustainable growth.

For details of the employees of the Group, please refer to “XII. EMPLOYEES OF THE COMPANY AND MAJOR SUBSIDIARIES” under “Chapter 5 Corporate Governance (Corporate Governance Report)” in this Report.

For details of major customers and suppliers, please refers to “(7) Key Customers and Key Suppliers” under “V. MAJOR BUSINESS CONDITIONS DURING THE REPORTING PERIOD (I) Analysis on Principal Businesses 2. Income and Cost Analysis” in this chapter.

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(IV) Issuance of Shares and Debentures

Please refer to “II. SECURITY ISSUANCE AND LISTING” under “Chapter 8 Changes in Shareholding and Particulars of Shareholders” in this Report.

(V) Sufficiency of Public Float

As at the date of this Report, the Directors confirm that, based on publicly available information and to the knowledge of the Directors, the Company has sufficient public float as required under the SEHK Listing Rules.

(VI) Equity-Linked Agreement

During the Reporting Period, as far as the Directors of the Company were aware, the Company was not involved in any equity-linked agreement.

(VII) Repurchase, Sale or Redemption of Securities

1. Repurchase of A Shares

On 15 November 2024, the 2024 Second Extraordinary General Meeting, the 2024 Second A Shareholders' Class Meeting and the 2024 Second H Shareholders' Class Meeting respectively reviewed and approved the Resolution in Relation to the Plan on Repurchase of A Shares through Centralized Bidding Trading, and agreed that the Company proposes to use its self-owned or self-financed funds of not less than RMB271 million (inclusive) but not more than RMB542 million (inclusive) to repurchase A Shares through centralized price bidding, with the repurchase price not exceeding RMB7.43 per Share within 12 months from the date of approval by the General Meetings, and all A Shares repurchased will be cancelled and the registered capital of the Company will be reduced. Such repurchases were out of the confidence of the Company's future development prospects and the recognition of the Company's value, with an aim at aligning the interests of investors, enhancing investors' confidence in the Company, stabilizing and enhancing the value of the Company.

During the Reporting Period, the Company has repurchased 11,381,122 A Shares, accounting for approximately 0.16% of the total number of Shares and approximately 0.22% of the total number of A Shares issued by the Company as at 31 December 2024. Details of repurchase of A Shares are as follows:

Month of repurchase	Number of shares repurchased (A Shares)	Maximum price per share (RMB)	Lowest price per share (RMB)	Total amount (RMB) (excluding transaction costs)
November 2024	6,382,622	5.27	5.19	33,566,642
December 2024	4,998,500	5.28	5.23	26,304,429
Total	11,381,122	/	/	59,871,070.61

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As at the date of the disclosure of this Report, the Company has repurchased 63,653,917 A Shares, accounting for approximately 0.87% of the total number of Shares and approximately 1.21% of the total number of A Shares issued by the Company with the repurchase amount of RMB329,295,397.16 (excluding transaction costs).

2. Repurchase of H Shares

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

During the Reporting Period, the Company has repurchased 3,055,000 H Shares, accounting for approximately 0.04% of the total number of Shares and approximately 0.15% of the total number of H Shares issued by the Company as at 31 December 2024. Such repurchases boosted the market confidence and were in the interests of the Company and its shareholders as a whole. Details of repurchase of H Shares are as follows:

Month of repurchase	Number of shares repurchased (H Shares)	Maximum price per share (HK\$)	Lowest price per share (HK\$)	Total amount (HK\$) (excluding transaction costs)
November 2024	3,055,000	3.34	3.25	9,993,380

As at the date of the disclosure of this Report, the Company has repurchased 22,019,000 H Shares, accounting for approximately 0.30% of the total number of Shares and approximately 1.08% of the total number of H Shares issued by the Company with the repurchase amount of HK\$79,908,450 (excluding transaction costs).

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

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

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(VIII) Tax Relief and Exemption

The Company is not aware of any particulars of tax relief and exemption available to Shareholders for holding of the Company's securities.

(IX) Pre-Emptive Rights

There are no provisions for pre-emptive rights under the Articles of Association of the Company or the laws of the PRC.

(X) Related Matters of Directors, Supervisors and Senior Management

1. Directors, Supervisors and senior management member, and their biographies, changes and remuneration are set out in "V. Directors, Supervisors and Senior Management" under "Chapter 5 Corporate Governance (Corporate Governance Report)" in this Report.
2. Directors' and Supervisors' service contracts, interests in Shares, interests in transactions, arrangements or contracts, interests in competing businesses and rights to acquire shares or bonds are set out in "V. Directors, Supervisors and Senior Management" under "Chapter 5 Corporate Governance (Corporate Governance Report)" in this Report.
3. The Articles of Association does not contain any permitted indemnity provision as specified in section 470 of the Companies Ordinance.

(XI) Material Contracts with Connected Parties

The details of the connected transactions and continuing connected transaction agreements of the Company are set out in "XII. CONNECTED TRANSACTIONS, MAJOR RELATED PARTY TRANSACTIONS (I) Connected Transactions (Disclosed in Accordance with the SEHK Listing Rules)" under "Chapter 7 Significant Matters" in this Report.

(XII) Management Contracts

No contract concerning the management of or administrative work on the whole or any substantial part of the business of the Company was entered into or existed during the Reporting Period.

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(XIII) Compliance with the Relevant Laws and Regulations that Have a Significant Impact on the Company

The Group has set up a department in charge of documenting and updating the laws and regulations that have a significant impact on the Company, and continuously monitoring their compliance to ensure that the Group abides by such laws and regulations from time to time. Besides those general laws and regulations such as the Company Law of the PRC, the SEHK Listing Rules, the Group has also complied in all material respects with all the logistics related laws and regulations that have a significant impact on the business of the Group during the Reporting Period, including the Road Traffic Safety Law of the PRC, the Maritime Law of the PRC, etc.

(XIV) Environmental and Social Responsibilities

Sinotrans always adheres to the green, low-carbon and sustainable development philosophy embedded in our operation DNA, endeavouring to drive industry transformation through innovation while carrying our responsibilities to advance ethical business practices, and to resolutely pursue high-quality development, and create greater value for the country, customers, investors, employees and society. For more information on the Group's performance of environmental and social responsibilities in 2024, please refer to the "2024 Environmental, Social and Governance Report" published by the Company.

(XV) Important Events After the Reporting Period

☐ Applicable ☒ Not applicable

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I. RELEVANT INFORMATION OF CORPORATE GOVERNANCE

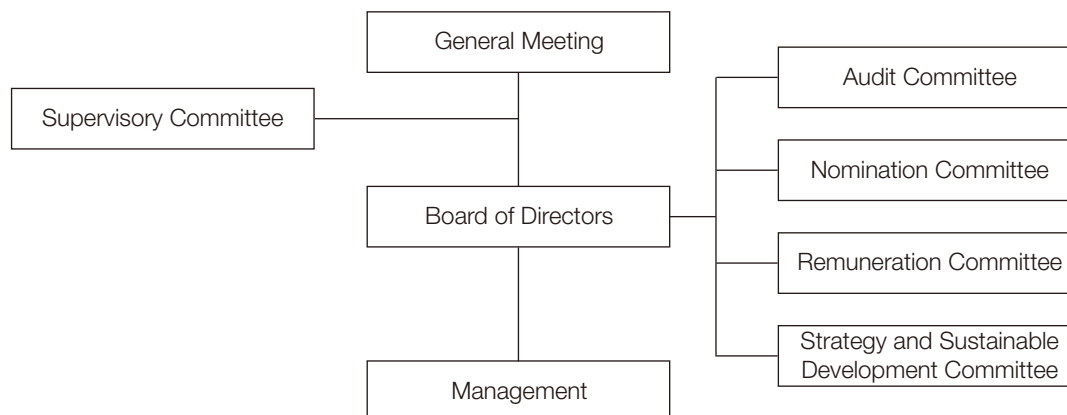
☒ Applicable ☐ Not applicable

During the Reporting Period, the Company strictly abided by the Company Law, Securities Law, and the Code of Corporate Governance for Listed Companies decreed by the CSRC and other applicable laws and regulations, as well as the requirements on corporate governance by the SSE and the SEHK, and also complied with the code provisions of the CG Code issued by the SEHK, continuously strengthening and improving corporate governance.

(I) Standardized Operation of Corporate Governance

The Company persistently improved the corporate governance structure where the shareholders' General Meeting, the Board, the Supervisory Committee, and the Management fulfill their respective roles with clear authorities and responsibilities while achieving effective checks and balances and coordinated operation among them. During the Reporting Period, the Company formulated/revised 21 corporate governance systems, including the Articles of Association, Rules of Procedure for the Audit Committee, and Working Rules for Independent Directors' Special Meetings, further improving the corporate governance system, which is based on the Articles of Association, takes the rules of procedure of the Board and related governance bodies as the framework and supported by the Board's authorized management system and management systems for related-party transactions, external guarantees, ESG, and others. Through the guarantee of these systems, standardized implementation and effective supervision, the effective operation of the Company's corporate governance mechanism is ensured.

The corporate governance structure of the Company is as below:



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The General Meeting is the highest authority of the Company. The Company empowered the Shareholders in accordance with the Articles of Association and other regulations and adopted the mode combining online voting (A Shares) with on-site voting to organize general meetings, to effectively protect the rights of the Shareholders to know, to participate and to decide, especially the minority shareholders. During the Reporting Period, the Company convened 1 annual general meeting, 2 extraordinary general meetings and 4 class meetings. For details, please refer to “III. BRIEF INTRODUCTION OF SHAREHOLDERS’ GENERAL MEETINGS” in this chapter.

The Board is the operational decision-making authority of the Company, conscientiously implements the resolutions of the general meetings and accepts the supervision of the General Meeting and Supervisory Committee. The Board highlighted its role in enhancing corporate governance, providing strategic guidance, exercising decision-making oversight, and implementing risk prevention measures under the responsibility orientation of “determining strategies, making decisions and preventing risks”. The Board has four special committees, namely the Audit Committee, the Nomination Committee, the Remuneration Committee and the Strategy and Sustainable Development Committee, which conduct prior review and provide reference suggestions when making decisions on major matters by the Board. Meanwhile, the Company has established a special meeting mechanism for independent Directors, empowering independent non-executive Directors with special rights such as the independent engagement of intermediary agencies, the proposal to convene extraordinary general meetings and board meetings and the prior review of matters such as related-party transactions that should be disclosed. During the Reporting Period, the Company convened 9 meetings of Board, 7 meetings of the Audit Committee, 4 meetings of the Nomination Committee, 2 meetings of the Remuneration Committee, 1 meeting of the Strategy and Sustainable Development Committee, and 2 special meetings of independent Directors. For details, please refer to “VIII. THE PERFORMANCE OF DIRECTORS’ DUTIES” and “IX. SPECIAL COMMITTEES UNDER THE BOARD” in this chapter.

The Supervisory Committee, as the Company’s supervisory organization, is responsible for reviewing and supervising the Company’s finance, auditing, and the legal compliance of performance of duties of the Directors and senior management in accordance with relevant laws and regulations and the Articles of Association. During the Reporting Period, the Company convened 6 meetings of the Supervisory Committee. For details, please refer to “X. SUPERVISORY COMMITTEE” in this chapter.

The management, as the Company’s executive agency, answers to the Board. In accordance with the Articles of Association and the authorization of the Board, the management convenes the president’s working meetings to discuss material matters of the Company, strictly implements the resolutions of the Board and the General Meeting, reports the operation and management to the Board regularly and reports to the Chairman during the intersessional period of the Board meetings.

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(II) Information Disclosure

In accordance with the regulatory requirements of the listing rules of the listing places, the Company strengthened proactive disclosure based on investor demand, and continued to disclose information in an increasingly targeted and effective manner to improve the quality of information disclosure of the Company, giving full play to the role of information disclosure as a “window”. In 2024, the Company disclosed 149 documents on the SSE and 235 documents on the Hong Kong Stock Exchange, including regular reports, connected transactions and continuing connected/related-party transactions, and other material matters. The Company was awarded the highest rating A in the SSE’s evaluation of information disclosure work for 2023–2024 for the fourth consecutive year.

(III) Investor Relations

Since the listing, the Company has always attached great importance to investor relationship management, and carries out multi-level and multi-dimension investor communication through results briefings, SSE e-interactions, roadshows and reverse roadshows, reception of investor research visits, and participation in strategy meetings with investment banks, investor hotlines and mailboxes, etc. Through these initiatives, the Company effectively communicates its value to the shareholders, strengthening recognition and attention from the capital market. In 2024, the Company received nearly 800 investor visits. Sinotrans organised four results presentations for regular reports, collective performance briefings of listed companies of China Merchants Group; organised more than 20 management roadshows and participated in around 20 strategy meetings with investment banks. The Company held two reverse roadshows in Beijing and Zhangjiagang. Those activities enhanced investors’ understanding of the Company’s business and development strategy. In addition, the Company strengthened the two-way communication channels between capital market and the Company by disseminating key issues of investors’ concern to the management on a regular basis.

The Board has reviewed the implementation of the Company’s Shareholder Communications Policy for 2024. Considering the aforesaid channels of communication with investors, the measures taken by the Company and the events it held, the Company believes that its Shareholder Communications Policy implemented in 2024 was effective.

(IV) Financial Report, Risk Management, Internal Control And Anti-Corruption And Whistleblowing

The Company has a well-designed organizational structure which clearly specifies the duties for each department. The Board has authorized the management to establish a series of policies, rules and processes in relation to financial management, operation and legal compliance, which are being monitored on a routine basis for ongoing improvements. The Board ensures the adequacy of resources in accounting, internal audit and financial reporting, and the rich qualifications and experience of the staff. The Board also ensures that there are enough training programs budgets for staff to get related training courses and periodically reviews matters such as risk management, internal control, and financial control.

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1. **Financial report**

The Company allocates adequate resources to accounting and financial reporting functions, and the relevant staff has rich qualifications and experience. The Company has established a comprehensive accounting management system to provide the management with financial information and indicators for accurate and full assessment of the Company's financial position and operating performance, as well as any financial information available for disclosure. The management provides financial information and the operation conditions to the Directors on a regular basis, to make the Directors aware of the latest situation of the Company. Directors acknowledge their responsibility for preparing the accounts. In particular, the Board and the Audit Committee monitor the preparation of the accounts for each financial period, ensuring that the accounts of the Company truly and fairly reflect the business situation, financial performance and cash flow position of the Company during the period. At the same time, external auditors also make a declaration to their reporting responsibilities and obligations in the auditor's report of the financial statements.

2. **Risk management and internal monitoring system**

The Company has established a comprehensive risk management and internal control system in order to provide a reasonable assurance for the legality and compliance of operation and management, safety of assets, accuracy and integrity of financial reports. The Board is responsible to the system and oversees the system on an on- going basis, ensures that a review of the effectiveness of the Company's and its subsidiaries' risk management and internal control systems has been conducted at least annually through the Audit Committee and disclose the internal control evaluation report truthfully.

During the Reporting Period, the management of the Company has confirmed the effectiveness and adequacy of the overall risk management and internal control system and internal audit function. The Audit Committee and the Board have reviewed and ensured the effectiveness of the Company's and its subsidiaries' risk management and internal control system. The Company has optimized its risk management functions. The headquarters and all secondary units have established risk management organizations to achieve centralized management of responsibilities including risk management, internal control, internal audit, legal compliance, insurance management and comprehensive quality management system. At the same time, the Company has set up three lines of defense with clear main responsibilities of each line including organization and coordination, professional control, risk decision-making, as well as independent supervision and evaluation, integrating "risk management, internal control, law, compliance, auditing, accountability and insurance" as a seven-in-one significant risk control system.

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Based on ISO9001:2015, ISO14001:2015 and ISO45001:2018 standards, the Company has established a comprehensive management system including quality management, environmental management, and occupational health and safety management, which not only regulates the Company's basic management activities and work processes, but also provides practical operating standards for freight forwarding and shipping agency business and improves market competitiveness. Meanwhile, internal audits were conducted on the compliance, adequacy and effectiveness of the Company's comprehensive management system which also passed external audits. Major projects including finance, operations and compliance were monitored, covering various key tasks within the system, based on documents about the Company's comprehensive management system, relevant laws, regulations and contracts.

In 2024, the Company continued to improve its risk control system, strengthened precise control, and made positive progress in risk control. Firstly, it promoted the initiation and implementation of risk control planning by strengthening the integration and collaboration of functional lines, and gradually enhancing organizational construction. Secondly, it focused on specific business scenarios to establish risk management standards, proposed control requirements for key business processes, and advanced the construction of standardized system control functions. Thirdly, it continued to establish and improve a risk control tower by continuously building risk identification models in various fields, and thus forming a sustainable and expandable digital risk control platform. For more information on ESG risk management, please refer to the 2024 Environmental, Social and Governance Report disclosed by the Company on the Shanghai Stock Exchange's website (www.sse.com.cn) and the Hong Kong Stock Exchange's website (www.hkexnews.hk).

3. Identification, evaluation and management of significant risks

Based on the current management status and external environment, the Company updates and improves the risk database every year, evaluates and determines the Company's top ten key risks, and regularly tracks risk factors and the implementation of response plans and measures, to ensure that various measures are effectively implemented. During the Reporting Period, in order to focus on key risk prevention and control and enhance supervision of overseas projects, the Company continued to improve its overseas risk preference indicator system and dynamic tracking, and focused on key areas such as country risk, business environment risk, exchange rate risk and others, and identified the key points for prevention and control of overseas business projects based on local conditions for daily operational control. Meanwhile, it controlled major risks from the investment side to avoid significant investment risks, with a focus on sanctions risks and information data security. The Company strengthened the internalization of foreign laws to guard against major compliance risks.

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4. *Internal control evaluation and internal audit*

The Group has completed the full-coverage construction of internal control system. No material managing defects were found in the existing internal control system. In 2024, the Company carried out a special rectification of internal control management, conducting a thorough investigation and rectification of the weak links in internal control within key specialized areas. For the issues identified, the Company analyzed the underlying causes and tracked the rectification. Through internal control inspections, audit supervision and other measures, the Company intensified its oversight of the evaluation process and deepened the systematic analysis and rectification of identified problems and deficiencies. By employing a combination of accountability mechanisms, performance assessments, warning notifications and system function integration, the Company effectively enhanced the operation and evaluation effectiveness of its internal controls. During the year, no significant management deficiencies were found in the construction and execution of the existing internal control system.

The Company has set up a department with internal audit functions and formulated the Internal Audit Management System. In accordance with the requirements of the Company's management, independent, objective and systematic methods were used based on risk assessment results to supervise, evaluate and inspect the adequacy and effectiveness of control activities, including the Company's governance, operations and information system. In terms of specific inspection, with in-depth involvement in business processes and management links, we focused on financial management and accounting, as well as on inspecting the development of high-risk businesses. Internal audit work and major issues will be reported to the Management and the Audit Committee of the Company.

5. *The processing and release of inside information and internal monitoring*

The Company has formulated and kept improving the Administration Policies on Insiders of Inside Information of the Company and the Administration Policies on Information Disclosure of the Company in accordance with the requirements of the Securities Law, the SFO and the Listing Rules in listing places, to clarify the scope of inside information and insiders of inside information, and stipulate the responsibilities of reporting, registration, confidentiality and disclosure of inside information. During the Reporting Period, the Company continuously strengthened the awareness of the controlling shareholders, Directors, Supervisors, Senior Management and employees of the Company on the confidentiality of inside information and compliance transactions, and further ensured the effective implementation of relevant systems by issuing internal blackout period notification. And the Company strictly registered and managed insiders of internal information such as periodic reports and share repurchase. During the Reporting Period, there was no insider trading before the disclosure of material and sensitive information related to stock prices, nor relevant punishment made by the regulatory authorities.

6. *Anti-corruption and whistleblowing*

Sinotrans strictly complies with national and local laws and regulations regarding the prevention of corruption, bribery, extortion, fraud and money laundering. It has formulated the Sinotrans Compliance Manual (《中國外運合規手冊》) and the Measures of Sinotrans for the Compliance Management of Business Partners (《中國外運商業夥伴合規管理辦法》) to regulate the compliance obligations and code of conduct of the Group and its employees in anti-money laundering, anti-corruption, etc., and put focus on the ability of business partners to perform compliance obligations in compliant operations, anticorruption, anti-bribery, and anti-money laundering.

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In 2024, the Company adhered to the integration of promoting integrity of the Party with its anti-corruption efforts in every aspect of corporate governance. **In terms of supervision**, we strengthened political supervision and maintain our routine supervision efforts. We have promulgated the “Key Tasks of the Discipline Inspection Commission of Sinotrans in 2024” and the “Action Plan of Discipline Inspection and Supervision in 2024”, highlighting the supervision responsibilities of the “people in charge” and the leading groups; we have also introduced the debriefing review procedures, and routines of supervision at the democratic life meetings of the CPC members, the rules of supervision of the selection and appointment of candidates as well as supervision during the course of discipline enforcement, so as to effectively prevent and control corruption; we also carried out specific inspection efforts to identify and correct the “Four Malpractices (Formalism, Bureaucratism, Hedonism and Extravagance)” during the holidays, with the aim of preventing the use of public funds for private purposes such as sightseeing, gift giving and other disciplinary violations and promoting the development of a clean and honest culture of integrity. **In terms of inspection tours**, we formulated inspection action plans based on the actual conditions of the Company, ensured rectification effect with the application of the achievements, improved the supervision mechanism, and form a closed loop. We also solidified the linkage between the higher levels and lower levels, promoted high-quality development of our inspection efforts, and further improved our governance and supervision mechanisms. **In terms of publicity and education**, we conducted Corruption Fighting and Integrity Promotion monthly programs through activities such as lectures/workshops and thematic articles solicitation on the theme of “complying with rules and regulations, observing discipline, and respecting integrity”, aiming to enhance their moral quality and awareness of integrity and promote the establishment of our disciplinary system. In 2023, the number of our employees who received anti-corruption training amounted to 26,404 (including 3,521 directors and manages). **In terms of disciplinary system construction**, we were highly concerned about the establishment of our disciplinary system while insisting on the leadership of our directors, and combination of systematic learning with practices. **In terms of maintaining efficient channels for reporting**, whistleblowers can report cases through the Company’s publicized hotline and mailbox. In 2024, the case clue handling rate and case investigation rate both reached 100%, and there were no corruption litigation cases filed against the Company and its employees.

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(V) Corporate Culture

Sinotrans focuses on customer needs and deep-rooted business pressures and challenges, and makes every effort to create business and social value with the best solutions and services. The Company attaches great importance to the development and inheritance of corporate culture, and understands that corporate culture is the soul of an enterprise and the inexhaustible driving force for its development. The Company firmly believes that corporate culture is the foundation for the Group to realize its vision of becoming a world-class smart logistics platform enterprise, and that it is the gene and essence of the enterprise in the process of development. In the course of its development, adhering to the corporate philosophy of “achieving customers and creating value”, the Group has brought together Sinotrans’ excellent corporate culture, which has contributed to its strategic transformation and laid the foundation for the future implementation of its strategies. Sinotrans keeps innovating the way to implement the corporate culture. It promoted corporate culture, implemented corporate culture behaviors and set up benchmarking examples, so that every employee can perceive, practice and inherit the corporate culture, which in turn empowers its continuous high-quality development.

In 2024, the Company continued to deeply advance corporate culture construction and achieved significant results. Firstly, the Company took the Cultural Guidelines for Sinotrans’ Reform, Innovation and High-Quality Development in the New Era as a blueprint, carried out in-depth corporate culture promotion, driving cultural concepts to be deeply understood and internalized by employees, and effectively transformed these into a spiritual impetus that empowers high-quality corporate development. Secondly, the Company organised a series of communication activities for corporate culture demonstration bases, deeply excavated the advanced typical cases of realising the core connotations of the corporate culture, and facilitated the sharing of the experiences of the construction of the corporate culture as well as the integration of the innovations. Thirdly, the Company innovatively conducted a series of cultural activities such as the collection and online promotion of typical cases of “climbing higher to new goals and setting off again for re-entrepreneurship” and the photography of “1120” corporate culture day were launched to show the vivid practice of implementing the core connotation of the “spirit of third-time entrepreneurship” and “promoting the spirit of Shekou, deepening reforms, and enhancing efficiency, and Sinotrans setting out again” in an all-round way.

Whether there are material differences between corporate governance and laws, administrative regulations, and the provisions of CSRC on the listed company’s governance; if there are material differences, the reasons should be explained.

☐ Applicable ☒ Not applicable

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II. SPECIFIC MEASURES TAKEN BY CONTROLLING SHAREHOLDERS AND ACTUAL CONTROLLERS OF THE COMPANY TO ENSURE THE INDEPENDENCE OF ASSETS, PERSONNEL, FINANCE, ORGANIZATION AND BUSINESS OF THE COMPANY, AS WELL AS SOLUTIONS, WORK SCHEDULES AND FOLLOW-UP WORK PLANS ADOPTED TO AFFECT THE INDEPENDENCE OF THE COMPANY

☐Applicable ☒Not applicable

The controlling shareholders, actual controllers and other units under their control are engaged in the same or similar business with the Company, and the impact of horizontal competition or major changes in horizontal competition on the Company, the solutions taken, the progress of the solutions and the follow-up solutions

☒Applicable ☐Not applicable

When merging by absorption through share swap of Sinoair by the Company and the realization of the Company's A Share listing, in addition to the Company and its subsidiaries, Sinotrans & CSC has some subsidiaries that are engaged in integrated logistics business (the "Excluded Companies"), which compete with the Company to a certain extent. In this regard, Sinotrans & CSC issued the Statement and Commitment on Matters Relating to the Avoidance of Peer Competition (《關於避免同業競爭相關事宜的聲明和承諾》) (the "Letter of Commitment") in April 2018. In October 2021, Sinotrans & CSC issued the Supplemental Commitment Letter on Further Avoiding Peer Competition (《關於進一步避免同業競爭的補充承諾函》), and asked for extending the commitment period in relation to thoroughly resolving the horizontal competition in substance with Sinotrans & CSC and its subsidiaries for three years and has undertaken that "Sinotrans & CSC will continue to reduce the scale and area of the integrated logistics business of those entities that have horizontal competition in substance, and through ways of transfer of equity, asset restructure, asset divestment and optimizing the entrusted management model for Sinotrans, Sinotrans & CSC shall thoroughly resolve the horizontal competition in substance with Sinotrans and its subsidiaries before 17 January 2025". The above-mentioned has been considered and approved by the Company's 2021 second extraordinary general meeting. As at 17 January 2025, the above commitments have been fulfilled. For details, please refer to the relevant announcements of the Company dated 27 October 2021, 11 November 2021 and 30 November 2021 disclosed on the websites of the SSE (www.sse.com.cn) and the SEHK (www.hkexnews.hk).

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III. BRIEF INTRODUCTION OF SHAREHOLDERS' GENERAL MEETINGS

Sessions of meeting	Date	Inquiry index of designated website for publication of the resolutions	Disclosure date of the publication of the resolutions	Meeting resolutions
2023 Annual General Meeting, 2024 First H Shareholders' Class Meeting and 2024 First A Shareholders' Class Meeting	7 June 2024	The websites of SSE (www.sse.com.cn), and SEHK (www.hkexnews.hk)	8 June 2024	All deliberated resolutions were passed
2024 First Extraordinary General Meeting	29 October 2024	The websites of SSE (www.sse.com.cn), and SEHK (www.hkexnews.hk)	30 October 2024	All deliberated resolutions were passed
2024 Second Extraordinary General Meeting, 2024 Second H Shareholders' Class Meeting and 2024 Second A Shareholders' Class Meeting	15 November 2024	The websites of SSE (www.sse.com.cn), and SEHK (www.hkexnews.hk)	16 November 2024	All deliberated resolutions were passed

Request for convening an extraordinary general meeting by preference shareholders with recovered voting rights

☐ Applicable ☒ Not applicable

Explanations of general meetings

☒ Applicable ☐ Not applicable

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1. The Company has successively held 2023 Annual General Meeting, 2024 First H Shareholders' Class Meeting and 2024 First A Shareholders' Class Meeting (the "Class Meetings") on 7 June 2024.

The 2023 Annual General Meeting has considered and approved the following resolutions: (1) the resolution in relation to the Work Report of the Board for the year 2023; (2) the resolution in relation to the Work Report of the Supervisory Committee for the year 2023; (3) the resolution in relation to the Financial Accounts Report of the Company for the year 2023; (4) the resolution in relation to the Annual Report of the Company and its summary for the year 2023; (5) the resolution in relation to the financial budget of the Company for the year 2024; (6) the resolution in relation to the profit distribution plan of the Company for the year 2023; (7) the resolution in relation to the grant of authorization to the Board to decide on the interim profit distribution plan of the Company for the year 2024; (8) the resolution in relation to the re-appointment of auditor for the year 2024; (9) the resolution in relation to the provision of a loan to a holding subsidiary; (10) the resolution in relation to the renewal of liability insurance for Directors, Supervisors and senior management members of the Company; (11) the resolution in relation to the general mandate to issue, allot and deal with H Shares; (12) the resolution in relation to the general mandate to repurchase H Shares; (13) the resolution in relation to the Mandate of the issue of Debt Financing Instruments; (14) the resolution in relation to the estimated guarantees of the Company for the year 2024; (15) the resolution in relation to the proposed amendments to the Articles of Association; (16) the resolution in relation to the proposed amendments to certain internal policies of the Company (including the Procedural Rules for General Meetings, the Procedural Rules for Meetings of the Board of Directors, the Procedural Rules for Meetings of the Supervisory Committee, the Working Manual for the Independent Directors, the Policy for the Management of Connected Transactions and the Policy for the Management of External Guarantees to be Provided by the Company); (17) the resolution in relation to the election of non-independent Directors; (18) the resolution in relation to the election of independent Directors; (19) the resolution in relation to the re-appointment of Supervisors. Among them, the resolution No.12 has been approved by the Class Meetings.

2. The Company convened the 2024 First Extraordinary General Meeting on 29 October 2024, which has considered and approved the resolutions: (1) the proposed revision of annual caps for the continuing connected transactions between the Group and the Y2T Group; and (2) the election of a Director.
3. The Company convened the 2024 Second Extraordinary General Meeting, 2024 Second H Shareholders' Class Meeting and 2024 Second A Shareholders' Class Meeting on 15 November 2024, which have considered and approved the resolution in relation to the plan on the repurchase of A Shares through centralized bidding trading.

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IV. SHAREHOLDERS' RIGHTS

(I) Shareholders' Right to Convene an Extraordinary General Meeting or a Class Meeting

1. Pursuant to Article 53 of the Articles of Association, Shareholders may request to convene an extraordinary general meeting in accordance with the following procedures:

Shareholders individually or jointly holding more than ten percent of voting shares of the Company shall have the right to request the Board for convening an extraordinary general meeting, and shall do so in writing. The Board shall, in accordance with laws, administrative regulations and the Articles of Association, bring forward a feedback opinion in writing, within ten days of receiving the request, on agreeing or disagreeing with convening the extraordinary general meeting.

- (1) In the event that the Board agrees to convene the extraordinary general meeting, it shall issue a notice of convening an extraordinary general meeting within five days after making a Board resolution. Any changes to the original request in the notice shall be approved by the relevant shareholders.
- (2) In the event that the Board does not agree to convene the extraordinary general meeting or does not make any feedback within ten days after receiving the request, shareholders individually or jointly holding more than ten percent of voting shares of the Company shall have the right to propose to the Supervisory Committee the convening of an extraordinary general meeting, and shall do so in writing.

In the event that the Supervisory Committee agrees to convene the extraordinary general meeting, it shall issue a notice of convening an extraordinary general meeting within five days after receiving the request. Any changes to the original proposal in the notice shall be approved by the relevant shareholders.

In the event that the Supervisory Committee does not issue a notice of extraordinary general meeting within the prescribed time limit, it shall be deemed as being not to convene and preside over the extraordinary general meeting. Shareholders who individually or jointly have been holding more than ten percent of voting shares of the Company for consecutive ninety days may convene and preside over a meeting on their own.

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2. Pursuant to Article 100 of the Articles of Association, shareholders may request to convene a class meeting in accordance with the following procedures:
 - (1) Two or more shareholders holding in aggregate 10 percent (inclusive) or more of the Shares with voting rights at a meeting may request the Board to convene a class meeting by signing and submitting to the Board one or more counterpart written request(s). The written request(s) must state the matters to be considered at that meeting. The Board shall convene the class meeting as soon as possible after receiving such written request(s). The shareholdings referred to above shall be calculated as at the date of delivery of the written request(s) submitted by the shareholders.
 - (2) If the Board fails to issue a notice to convene a meeting within 30 days after receiving the written request from the shareholders, the shareholders requesting the meeting may convene the meeting themselves within 4 months from the date on which the Board of Directors received the written request. The procedure for convening such meeting shall, so far as is possible, be the same as the procedure of the Board to convene a general meeting. The Company shall be responsible for the reasonable fees incurred by the shareholders in convening a meeting due to the failure of the Board to convene the meeting. The Company shall deduct such fees from the amount owed by the Company to the Directors who have neglected their duties.
3. Pursuant to Article 54 of the Articles of Association, in the event that the Supervisory Committee or Shareholders decide(s) to convene a shareholders' general meeting on its/ their own, it or they shall notify the Board in writing and report the same to the stock exchange. Prior to the announcement of the resolution of the general meeting, the proportion of the shares with voting rights held by the shareholders must not be less than 10%. The Supervisory Committee or the convening Shareholders shall submit relevant evidence to the stock exchange when giving a notice of Shareholders' general meeting and making an announcement on the resolutions made at such meeting.

(II) Shareholders' Right to Put Forward Provisional Proposals

Pursuant to Article 58 of the Articles of Association, shareholders individually or jointly holding more than three percent of voting shares of the Company may put forward provisional proposals and submit the same in writing to the convenor ten days prior to the shareholders' general meeting. The convenor shall issue a supplementary notice of shareholders' general meeting within two days after receiving the proposals and publish particulars of the provisional proposals.

(III) Shareholders' Right to Put Forward Enquiries to the Board and Communication Channels

Pursuant to relevant provisions of the Company Law, the Company should provide materials, including the Articles of Association, the share register, corporate bond certificates, minutes of general meetings, resolutions of Board meetings, resolutions of Supervisory Committee meetings as well as financial and accounting reports, to the shareholders for review, if required. The Company provides communication channels to receive suggestions or enquiries from shareholders on the Company's operations. Contact person and contact information of the Company are detailed in "Chapter 2 General Company Information and Key Financial Indicators" of this Report.

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V. DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

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

✓Applicable □Not applicable

Unit: shares

Name	Position	Gender	Age	Date of term commencement	Date of term expiration	Number of shares held at the beginning of the year	Number of shares held at the end of the year	Change in shares amount during the Reporting Period	Reasons for Change	Total pre-tax remuneration received from the Company during the Reporting Period (RMB'000)	Whether to get remuneration from related parties of the Company
Wang Xiufeng	Chairman, Director	Male	54	31 July 2023	14 March 2025	0	0	0	/	0	Y
Song Rong	Director	Male	52	1 June 2018	6 June 2027	0	100,000	100,000	exercised share options	163.88	N
	President			22 April 2019	14 March 2025						
Yang Guofeng	Director	Male	50	29 October 2024	6 June 2027	0	0	0	/	0	Y
Luo Li	Director	Female	41	28 September 2022	6 June 2027	0	0	0	/	0	Y
Yu Zhiliang	Director	Male	56	31 July 2023	6 June 2027	0	0	0	/	0	Y
Tao Wu	Director	Male	58	31 July 2023	6 June 2027	0	0	0	/	0	Y
Jerry Hsu	Director	Male	74	18 June 2003	6 June 2027	0	0	0	/	0	N
Wang Xiaoli	Independent non-executive Director	Female	62	7 June 2024	6 June 2027	0	0	0	/	9.35	N
Ning Yaping	Independent non-executive Director	Female	65	7 June 2024	6 June 2027	0	0	0	/	9.35	N
Cui Xinjian	Independent non-executive Director	Male	62	7 June 2024	6 June 2027	0	0	0	/	9.35	N
Cui Fan	Independent non-executive Director	Male	52	7 June 2024	6 June 2027	0	0	0	/	9.35	N
Zhang Zhiyi	Chairman of Supervisory Committee, Staff representative Supervisor	Female	53	20 October 2023	6 June 2027	0	0	0	/	112.48	N
Fu Bulin	Supervisor	Male	53	31 July 2023	6 June 2027	0	0	0	/	0	Y
Fan Zhaoping	Independent Supervisor	Male	70	1 June 2018	6 June 2027	0	0	0	/	10.74	N

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Name	Position	Gender	Age	Date of term commencement	Date of term expiration	Number of shares held at the beginning of the year	Number of shares held at the end of the year	Change in shares amount during the Reporting Period	Reasons for Change	Total pre-tax remuneration received from the Company during the Reporting Period (RMB'0'000)	Whether to get remuneration from related parties of the Company
Li Shichu	Vice President Secretary of the Board Company Secretary General Counsel (Chief Compliance Officer)	Male	54	23 February 2022 28 December 2016 27 December 2019 24 January 2025	6 June 2027 6 June 2027 6 June 2027 6 June 2027	0	256,267	256,267	exercised share options	110.21	N
Gao Xiang	Vice President Chief Digital Officer	Male	52	23 February 2022 14 September 2016	6 June 2027 6 June 2027	0	210,000	210,000	exercised share options	117.45	N
Li Xiaoyan	Chief Financial Officer	Female	47	20 May 2024	6 June 2027	0	0	0	/	54.65	N
He Fei	Vice President	Male	42	15 June 2022	6 June 2027	0	0	0	/	110.21	N
Wang Dupeng	Vice President	Male	53	16 June 2023	6 June 2027	56,400	285,267	228,867	exercised share options	106.30	N
Wang Jian	Vice President	Male	53	14 August 2023	6 June 2027	0	160,000	160,000	exercised share options	99.21	N
Deng Weidong (Resigned)	Director	Male	57	2 November 2021	18 March 2024	0	0	0	/	0	Y
Liu Zhenhua (Resigned)	Director	Male	51	7 June 2024	8 August 2024	0	0	0	/	0	Y
Wang Taiwen (Resigned)	Independent non-executive Director	Male	78	28 December 2017	7 June 2024	0	0	0	/	7.27	N
Meng Yan (Resigned)	Independent non-executive Director	Male	69	1 June 2018	7 June 2024	0	0	0	/	7.27	N
Song Haiqing (Resigned)	Independent non-executive Director	Male	46	1 June 2018	7 June 2024	0	0	0	/	7.27	N
Li Qian (Resigned)	Independent non-executive Director	Female	56	1 June 2018	7 June 2024	0	0	0	/	7.27	N
Zhou Fangsheng (Resigned)	Independent Supervisor	Male	75	30 December 2011	8 August 2024	0	0	0	/	6.51	N
Wang Shengyun (Resigned)	Staff representative Supervisor	Male	60	25 September 2020	24 October 2024	0	0	0	/	88.86	N
Wang Jiuyun (Resigned)	Chief Financial Officer	Male	58	20 December 2016	20 May 2024	0	156,267	156,267	exercised share options	112.37	N
Tian Lei (Resigned)	General Counsel	Male	59	27 August 2020	24 January 2025	0	278,600	278,600	exercised share options	116.94	N
Total	/	/	/	/	/	56,400	1,446,401	1,390,001	/	1,276.30	/

Notes:

- The above remuneration is the remuneration should be received as the Director, Supervisor, or Senior Management during the Reporting Period. The remuneration listed above does not include the share option-based payment during the exercise period for share options. For the details, please refer to Note X. 4 of the Financial Statements in "Chapter 11 Financial Report" of this Report.
- The changes in Directors, Supervisors or Senior Management are detailed in this chapter "(IV) Changes of Directors, Supervisors and Senior Management of the Company".

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Corporate Governance (Corporate Governance Report)

Name	Major work experience
Wang Xiufeng	Mr. Wang Xiufeng is the Chairman of the Company, the chairman of the Strategy and Sustainable Development Committee and a member of the Nomination Committee of the Board. Mr. Wang is a senior accountant and a senior engineer, graduated from the Northeastern University with a bachelor degree in Industrial Accounting and then obtained a master's degree in Business Administration from Tsinghua University. He currently serves as Vice President of China Merchants Group Limited. From November 2018 to August 2021, Mr. Wang served as Chairman of China Merchants Expressway Network & Technology Holdings Co., Ltd. (Stock code: SZ001965). Mr. Wang served as Chief Executive Officer and Vice Chairman of China Merchants Port Group Co., Ltd. (Stock code: SZ001872) from August 2021 to July 2023, and served as Executive Director and Managing Director of China Merchants Port Holdings Company Limited (Stock code: HK00144) from August 2021 to November 2021, and Vice Chairman and Chief Executive Officer from November 2021 to July 2023. Besides, Mr. Wang served as Director of Liaoning Port Group Limited from October 2021 to September 2023, Vice Chairman of Shanghai International Port (Group) Co., Ltd. (Stock code: SZ600018) from June 2022 to April 2024, and Chairman of China Nanshan Development (Group) Incorporation since December 2024. Mr. Wang was appointed as the Chairman and a Director of the Company in July 2023. In March 2025, Mr. Wang no longer served as the Chairman and a Director of the Company due to work re-allocation. Accordingly, Mr. Wang also no longer served as the chairman of the Strategy and Sustainable Development Committee of the Board and a member of the Remuneration Committee.

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Name	Major work experience
Song Rong	Mr. Song Rong is the Director and President of the Company and a member of the Strategy and Sustainable Development Committee of the Board. Mr. Song graduated from University of International Business and Economics with a bachelor degree in economics, and then obtained an MBA degree for Senior Executives from Olin Business School of Washington University. Mr. Song joined China National Foreign Trade Transportation (Group) Corporation in 1995. From August 2006 to January 2008, Mr. Song served as Deputy General Manager of Sinotrans Container Lines Co., Ltd. From January 2008 to June 2012, Mr. Song served as General Manager of Operation Department of the Company. From June 2012 to August 2016, Mr. Song was appointed as the General Manager of Sinotrans Shandong Co., Ltd. From December 2015 to April 2019, Mr. Song was appointed as the Vice President of the Company. From September 2017 to August 2018, Mr. Song served as the General Manager of China Merchants Logistics Holding Group Co., Ltd. (renamed as "Sinotrans Logistics Co., Ltd.", hereinafter referred to as "Sinotrans Logistics"). Mr. Song served as the Chairman of Sinotrans Logistics from August 2018. Mr. Song was appointed as the Director of the Company in June 2018. Mr. Song was appointed as President of the Company in April 2019. Mr. Song was appointed as Secretary of the Communist Party Committee of the Company in September 2021. In June 2022, Mr. Song was appointed as the chairman of DHL-Sinotrans International Air Courier Ltd. In March 2025, Mr. Song no longer served as President and Secretary of Communist Party Committee of the Company due to work re-allocation.

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Corporate Governance (Corporate Governance Report)

Name	Major work experience
Yang Guofeng	Mr. Yang Guofeng is the Director of the Company and a member of the Strategy and Sustainable Development Committee of the Board. Mr. Yang is a senior engineer and holds a doctoral degree. Mr. Yang is currently the Head of Transportation and Logistics Division of China Merchants Group Limited, and the Secretary of the Communist Party Committee and General Manager of Sinotrans & CSC Holdings Co., Ltd. (Group Beijing Headquarters). From February 2006 to April 2024, Mr. Yang successively served as the Deputy Director, the Director, the Associate Counsel of the Highway Bureau of the Ministry of Transport, the Senior Director of China Merchants Expressway Network & Technology Holdings Co., Ltd. (Stock Code: SZ001965), the Deputy Director of Transportation and Logistics Division of China Merchants Group Limited (Group Beijing Headquarters) and the Deputy General Manager of Sinotrans & CSC Holdings Co., Ltd., the General Manager of China Merchants Chongqing Communications Technology Research & Design Institute Co., Ltd., etc. Mr. Yang was appointed as a Director of the Company in October 2024.
Luo Li	Ms. Luo Li is the Director of the Company. Ms. Luo is a member of Certified Management Accountant, a Senior Practitioner of the Hong Kong Securities and Investment Institute and a Senior Economist. Ms. Luo graduated from school of economics in Central University of Finance and Economics with a master degree in economics. She currently serves as the Head of the Finance Department (Property Rights Department) of China Merchants. Ms. Luo successively served as the Chief of Fund of the Financial Department of Sinotrans & CSC Holdings Co., Ltd., General Manager of Settlement Department, Assistant to General Manager, the member of the Party Committee of the Sinotrans & CSC Finance Co., Ltd. (now known as China Merchants Group Finance Co., Ltd.), Assistant to General Manager of the Finance Department (Property Rights Department) of China Merchants Group Limited, Deputy General Manager of China Merchants International Finance Co., Ltd and Deputy of the Finance Department (Property Rights Department) of China Merchants. From November 2022 to October 2023, she served as a Director of China Merchants Shekou Industrial Zone Holdings Co., Ltd. (Stock Code: SZ001979). Ms. Luo was appointed as the Director of the Company in September 2022.

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Name	Major work experience
Yu Zhiliang	Mr. Yu Zhiliang is the Director of the Company and a member of the Strategy and Sustainable Development Committee of the Board. Mr. Yu is a senior engineer, and graduated from South China University of Technology with a doctorate degree in Management. Mr. Yu is the professional external Director appointed by China Merchants. Mr. Yu has successively served as Director of the Planning and Development Division of the State-owned Assets Supervision and Administration Commission of Guangdong Province, Deputy General Manager of Guangdong Steel Group Company Limited, Director, General Manager and Chairman of Guangdong Guangye Assets Management Company Limited, Chairman of Guangdong Guangye Group Company Limited. From January 2019 to December 2020, Mr. Yu served as Head of the Environmental Industry Preparatory Division (with Head of Department ranking) of China Merchants Group. From December 2020 to June 2023, Mr. Yu served as Vice President (with President ranking) of China Merchants Industry Holdings Co., Ltd. Mr. Yu served as the Chairman of the Board and Chief Executive Officer of CMIC Ocean En-Tech Holding Co., Ltd. (Stock Code: HK00206) from December 2022 to August 2023. Since July 2023, he has been serving as a Director of China Merchants Energy Shipping Company (Stock Code: SH601872). Since November 2023, he has been serving as a Director of China Merchants Shekou Industrial Zone Holdings Co., Ltd. (Stock Code: SZ001979). Mr. Yu was appointed as the Director of the Company in July 2023.
Tao Wu	Mr. Tao Wu is the Director of the Company. Mr. Tao graduated from Southwestern University of Finance and Economics with a bachelor degree in Economics. Mr. Tao is the professional external Director appointed by China Merchants. Mr. Tao served as Assistant General Manager and Deputy General Manager of Finance Department of China Merchants Shekou Industrial Zone Co., Ltd., Deputy General Manager, Senior Deputy General Manager of Capital Department of China Merchants Shekou Industrial Zone Holdings Co., Ltd. (Stock Code: SZ001979). From November 2016 to January 2019, Mr. Tao successively served as General Manager of Finance & Planning Department, Finance Department and Capital Department of China Merchants Financial Leasing Co., Ltd. Mr. Tao served as Deputy Chief Financial Officer from January 2017 to January 2019 and Chief Financial Officer from February 2019 to June 2023 of China Merchants Financial Leasing Co., Ltd.. Since July 2023, he has been serving as a Director of China Merchants Energy Shipping Company (Stock Code: SH601872). Since November 2023, he has been serving as a Director of China Merchants Shekou Industrial Zone Holdings Co., Ltd. (Stock Code: SZ001979). Mr. Tao was appointed as the Director of the Company in July 2023.

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Corporate Governance (Corporate Governance Report)

Name	Major work experience
Jerry Hsu	Mr. Jerry Hsu is the Director of the Company. Mr. Jerry Hsu is the Advisor to Global Management Board of DHL Express. Mr. Hsu is responsible to provide management advice to the Global Management Board on strategic issues of DHL Express worldwide network. Before December 2015, Mr. Hsu was CEO of DHL Express Asia Pacific and a member of the DHL Express Global Management Board responsible for Mainland China, HKSAR, Taiwan, China, Japan, Korea, South East Asia, India and South Asia, Oceania and other markets and regions. Before September 2002, Mr. Hsu was the International Area Director of DHL responsible for Hong Kong, Singapore, Taiwan, South Korea, Mongolia and North Korea and other countries or regions. Prior to joining DHL in January 2001, Mr. Hsu held various senior management positions in Daimler Chrysler Corporation. Mr. Hsu holds BA/MA degree in International Economics and Politics. Mr. Hsu also holds directorships in various companies within the DPWN Group. Mr. Hsu was appointed as the Director of the Company in June 2003. • Mr. Jerry Hsu is representative nominated by our Strategic Investors pursuant to the strategic placing agreements entered into at the time of the listing of the Company's H shares in February 2003 between the Company and DHL (the "Strategic Investor"). • DHL Worldwide Express BV ("DHL") is a member of the Deutsche Post World Net Group ("DPWN Group") whose business operations are global mail, express delivery, logistics and financial services serving both in Europe and around the world. The DPWN Group's express delivery business in China operated through DHL, which formed a 50/50 joint venture named DHL-Sinotrans International Air Courier Ltd. with Sinoair in 1986. This joint venture has helped to establish a business relationship between our Group and the DPWN Group. • For the purposes of the SEHK Listing Rules, the Strategic Investor's nominee director above has interests (by way of minority equity interests or stock options or directorships) in competing businesses (i.e. those of the Strategic Investors, each being a major international company in the transportation and logistics industry), and the Company has been and continues to carry on its own businesses that are independent of and at arms-length from, those businesses and also deal with businesses through its joint ventures and cooperation arrangements with those Strategic Investors.

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Corporate Governance (Corporate Governance Report)

Name	Major work experience
Wang Xiaoli	Ms. Wang Xiaoli is the independent non-executive Director of the Company and the member of the Audit Committee, the Remuneration Committee and the Nomination Committee of the Board. Ms. Wang is a full-time undergraduate with a bachelor degree in Agriculture and a senior accountant. Ms. Wang started her career in 1983 and has more than 30 years of substantial economic management experience. Ms. Wang joined The People's Insurance Company (Group) of China Limited (Stock Code: HK01339 and SH601319) in March 2016, and successively served as the Deputy General Manager (in charge) of the Audit Department of PICC Capital Investment Management Co., Ltd., the Deputy General Manager (manager level) of the Supervision Department/Audit Department, the Senior Expert and Deputy General Manager, and the General Manager of the Audit Department/Office of the Board of Supervisors of PICC Property and Casualty Company Limited. From May 2020 to July 2022, Ms. Wang served as an employee representative supervisor of PICC Property and Casualty Company Limited (Stock Code: HK02328) and a shareholder supervisor of PICC Life Insurance Company Limited. Ms. Wang was appointed as the independent non-executive Director of the Company in June 2024.
Ning Yaping	Ms. Ning Yaping is the independent non-executive Director of the Company and the Chairman of the Audit Committee and the member of the Remuneration Committee and the Nomination Committee of the Board. Ms. Ning graduated from the Business School of the University of Queensland, Australia with a Ph.D. degree in Management Accounting. From July 2002 to February 2019, Ms. Ning served as an associate professor in the Accounting Department at the Peking University's Guanghua School of Management. Ms. Ning served as an independent director of listed companies such as Tangshan Jidong Cement Co., Ltd. (Stock Code: SZ000401), Dawning Information Industry Co., Ltd. (Stock Code: SH603019), and Baoxiniao Holding Co., Ltd. (Stock Code: SZ002154). Ms. Ning was appointed as the independent non-executive Director of the Company in June 2024.

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Corporate Governance (Corporate Governance Report)

Name	Major work experience
Cui Xinjian	Mr. Cui Xinjian is the independent non-executive Director of the Company the Chairman of the Nomination Committee and the member of the Strategy and Sustainable Development Committee, the Audit Committee and the Remuneration Committee of the Board. Mr. Cui graduated from the Central University of Finance and Economics with a Ph.D. degree in Economics. Mr. Cui currently serves as a professor, doctoral supervisor and the Director of the International Business Research Center (國際企業研究中心) at the School of Business of the Central University of Finance and Economics. He also serves as the Vice President of the Chinese Institute of Business Administration, a member of the National Enterprise Management Modernization and Innovations Certification Committee (全國企業管理現代化創新成果審定委員會) and an external director of Beijing Automotive Group Co., Ltd. In 2023, he was appointed as a counselor to the People's Government of Beijing Municipality. From 2003 to 2016, Mr. Cui served as the Associate Dean of the School of Business of Central University of Finance and Economics. Mr. Cui was appointed as the independent non-executive Director of the Company in June 2024.
Cui Fan	Mr. Cui Fan is the independent non-executive Director of the Company and the Chairman of the Remuneration Committee and the member of the Audit Committee and the Nomination Committee of the Board. Mr. Cui graduated from The London School of Economics and Political Science in the United Kingdom with a Ph.D. degree in Economics and a master degree in International Business Law. Currently, Mr. Cui serves as a professor and doctoral supervisor in the International Trade Department at the School of International Trade and Economics, and the Chief Expert of the Hainan Research Institute of the University of International Business and Economics. He also serves as the Director of the Research Department (研究部) at the China Society for World Trade Organization Studies, an expert of the Global Value Chain Expert Group of the Advisory Committee for Economic & Trade Policy (經貿政策諮詢委員會全球價值鏈專家組) of the Ministry of Commerce of the PRC, the Executive Lead of the Expert Committee on International Financial Studies (國際財經研究專家工作室) of the Ministry of Finance of the PRC, the Chairman of the Compliance Working Committee (合規工作委員會) of the China Entry-Exit Inspection & Quarantine Association, an arbitrator of the China International Economic and Trade Arbitration Commission, and the Senior Advisor of Beijing Dacheng Law Offices, LLP. Mr. Cui was appointed as the independent non-executive Director of the Company in June 2024.

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Corporate Governance (Corporate Governance Report)

Name	Major work experience
Zhang Zhiyi	Ms. Zhang Zhiyi is the Vice Secretary of the Party Committee, Chairman of the Supervisory Committee, and staff representative supervisor of the Company. Ms. Zhang is a senior human resources manager and assistant engineer. Ms. Zhang graduated from computer science and engineering department of Jilin University of Technology, majoring in computer application with a bachelor's degree of engineering, and then obtained a master's degree in Business Administration from HEC Paris. From December 2003 to January 2009, Ms. Zhang served as Deputy General Manager of the Human Resources Department of China National Foreign Trade Transportation (Group) Corporation (renamed as SINOTRANS & CSC Holdings Co., Ltd.). From January 2009 to September 2016, Ms. Zhang successively served as Deputy General Manager of the Human Resources Department, Deputy Head of the Organizational Cadres Department, General Manager of the Human Resources Department and Head of the Organizational Cadres Department of SINOTRANS & CSC Holdings Co., Ltd.. From February 2016 to September 2023, Ms. Zhang successively served as Deputy Head of the Human Resources Department, Deputy Head of the Organization Department of the Communist Party Committee and Deputy Head of the Human Resources Department (Organization Department of the Communist Party Committee) of China Merchants Group Limited. During the period, Ms. Zhang served as Deputy Head of the Office of the Communist Party Committee of China Merchants Group Limited from February 2016 to October 2020, and successively served as Deputy Head of Party Work Department and Deputy Head of the Party Building Department of China Merchants Group Limited from May 2017 to August 2021. Since September 2023, Ms. Zhang has been serving as Deputy Secretary of the Communist Party Committee of the Company. In October 2023, Ms. Zhang was appointed as the staff representative supervisor and Chairman of the Supervisory Committee of the Company.

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Corporate Governance (Corporate Governance Report)

Name	Major work experience
Fu Bulin	Mr. Fu Bulin is the Supervisor of the Company. Mr. Fu is an intermediate accountant, and graduated from Shanghai Maritime University majoring in accounting with a bachelor degree in Economics, and then obtained an MBA degree from the University of South Australia. Mr. Fu is Deputy Head of Audit Department of China Merchants. From July 1995 to September 2021, Mr. Fu successively served as Head of Accounting Section of China Merchants Zhangzhou Development Zone Co., Ltd., and Deputy Head, Manager, Senior Manager, Assistant General Manager of Audit Department, Assistant General Manager of Risk Management Department, and Deputy Head of Audit Center of China Merchants Group Limited. Mr. Fu has been serving as Supervisor of China Merchants Sharing Service Co., Ltd. since April 2021, Supervisor of China Merchants Hainan Development Investment Co., Ltd. since January 2022, Supervisor of China Merchants Port Group Co., Ltd. (Stock code: SZ001872) since April 2022, Supervisor of China Merchants Investment Development Co., Ltd. since October 2022 and Supervisor of China Yangtze Shipping Group Co., Ltd. since June 2023. He was appointed as the Supervisor of the Company in July 2023.
Fan Zhaoping	Mr. Fan Zhaoping is the independent Supervisor of the Company. Mr. Fan graduated from the Institute of Financial Science under the Ministry of Finance with a master degree in Economics. Mr. Fan served as the assistant manager and manager of the finance department of Shenzhen Chiwan Petroleum Supply Base Company Limited, manager of the finance department and financial investment department in and assistant general manager of China Nanshan Development (Group) Incorporation. From 1998 to 2014, Mr. Fan served as vice president of China Nanshan Development (Group) Incorporation and has now retired from such position. Mr. Fan also served as CFO and director of Shenzhen Chiwan Wharf Holdings Limited, supervisor and chairman of Shenzhen Chiwan Petroleum Supply Base Company Limited, chairman of Shenzhen BLOGIS Holdings Limited, vice-chairman of China Association of Warehouses and Storage, chairman of Shenzhen Chiwan Oriental Logistics Company Limited, chairman of Hefei Baowan International Company Limited and the chairman of executive committee of the board and vice-chairman of Shenzhen Chiwan Sembawang Engineering Co., Ltd. Mr. Fan was appointed as an independent director of CIMC Vehicles (Group) Co., Ltd. (Stock Code: HK01839) from June 2019 to September 2024. Mr. Fan was appointed as the independent Supervisor of the Company in June 2018.

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Corporate Governance (Corporate Governance Report)

Name	Major work experience
Li Shichu	Mr. Li Shichu is the Vice President, Board Secretary/Company Secretary and the General Counsel (Chief Compliance Officer) of the Company. Mr. Li obtained his bachelor degree in economics from University of International Business and Economics, and graduated with an EMBA degree from Cheung Kong Graduate School of Business. Mr. Li joined China National Foreign Trade Transportation (Group) Corporation in 1993. From 1993 to 2000, Mr. Li was under the employment of China Marine Shipping Agency Co., Ltd. and President Office of China National Foreign Trade Transportation (Group) Corporation. From 2000 to 2002, Mr. Li acted as the Deputy Director of President Office of China National Foreign Trade Transportation (Group) Corporation. From April 2002 to December 2002, Mr. Li acted as the Head of Integrated Group of Listing Office of China National Foreign Trade Transportation (Group) Corporation. From 2002 to 2008, Mr. Li acted as the General Manager of Securities & Legal Affairs Department of the Company. From 2008 to 2012, Mr. Li acted as the General Manager of Sinotrans Anhui Company. From 2012 to 2017, Mr. Li was the General Manager of the Developing & Planning Department of the Company. In December 2016, Mr. Li was appointed as the Board Secretary. In August 2019, Mr. Li was appointed as a director of DHL-Sinotrans International Air Courier Ltd. In February 2022, Mr. Li was appointed as the Vice President of the Company. In January 2025, Mr. Li was appointed as the General Counsel (Chief Compliance Officer) of the Company.
Gao Xiang	Mr. Gao Xiang is the Vice President and Chief Digital Officer of the Company. Mr. Gao graduated from Nankai University in 1995. From the year of 1995 to the year of 2016, Mr. Gao was employed by TravelSky Technology Limited with experience as Engineer, Executive Manager of marketing division, General Manager of aviation business division and General Manager and Interim Secretary of the party committee of research and development center. In September 2016, Mr. Gao was appointed as the Chief Information Officer of the Company (renamed as “Chief Digital Officer” in 2019). In February 2022, Mr. Gao was appointed as the Vice President of the Company. In December 2024, Mr. Gao was appointed as a director of DHL-Sinotrans International Air Courier Ltd.

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Name	Major work experience
Li Xiaoyan	Ms. Li Xiaoyan is the Chief Financial Officer of the Company. Ms. Li is a senior accountant, Chinese Certified Public Accountant (CPA), UK Royal Chartered Accountant (ACCA), Chartered Global Management Accountant (CGMA), and national high-end accounting talent. Ms. Li graduated from Xi'an Jiaotong University majoring in accounting with a master's degree in Management. Ms. Li successively served as the Assistant General Manager and the Deputy General Manager of the Financial Department of the Company from March 2008 to March 2012. Ms. Li served as the CFO of Project Transportation Division of the Company from March 2012 to June 2015. Ms. Li successively served as the Deputy General Manager and the General Manager of the Financial Department of the Company from June 2015 to April 2020. From April 2020 to March 2022, Ms. Li served as the Deputy Financial Director of China Merchants Expressway Network & Technology Holdings Co., Ltd (Stock Code: SZ001965), and concurrently served as the General Manager of the Financial Department from November 2020 to March 2022. Ms. Li served as the CFO of China Merchants Expressway Network & Technology Holdings Co., Ltd. from April 2022 to May 2024. Ms. Li has served as the CFO of the Company since May 2024. In December 2024, Ms. Li was appointed as a director of DHL-Sinotrans International Air Courier Ltd.

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Name	Major work experience
He Fei	Mr. He Fei is the Vice President of the Company. Mr. He graduated from JiMei University with a bachelor degree in engineering, and obtained a master degree of science from NEOMA Business School. From August 2007 to December 2014, Mr. He successively served in Qingdao Port China Merchants International Container Terminal Co., Ltd., Qingdao Qianwan West Port United Terminal Co., Ltd. and China Merchants Holdings (International) Co., Ltd. From December 2014 to July 2017, Mr. He successively served as the chief representative of China Merchants Holdings (International) Co., Ltd. to Beijing and the assistant president of China Merchants International Terminal (Qingdao) Co., Ltd. From March 2017 to August 2018, Mr. He served as the deputy director of Resident Office in Beijing of China Merchants Group, vice president of China Merchants Group (Beijing) Co., Ltd. From August 2018 to January 2019, Mr. He served as the assistant director of the Transportation and Logistics Division/Beijing Headquarters of China Merchants Group, assistant president of Sinotrans & CSC Holdings Co., Ltd. and vice president of China Merchants (Beijing) Co., Ltd. Mr. He served as the deputy chief representative of Representative Office in Djibouti of China Merchants Group from January 2019 to March 2020, during which, he served as the vice president of China Merchants Holdings Djibouti from February 2019 to July 2020, and the president of Institution of Djibouti International Port Operation from February 2019 to August 2020. Mr. He served as the chief representative to Djibouti of China Merchants Group from March 2020 to January 2022, and the president of China Merchants Holdings (Djibouti) from July 2020 to June 2022. Mr. He was appointed as the Vice President of the Company in June 2022. In June 2024, Mr. He was appointed as a member of the Standing Committee of the Guiyang Committee, the deputy mayor, and a member of the Party Committee of the Guiyang Municipal Government.

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Corporate Governance (Corporate Governance Report)

Name	Major work experience
Wang Dupeng	Mr. Wang Dupeng is the Vice President of the Company. Mr. Wang, a Senior Economist, graduated from Nanjing University with a doctor's degree in management. Mr. Wang joined Sinotrans in 1991 and successively served as department manager and general manager of several subsidiaries of Sinotrans. From January 1999 to December 2003, Mr. Wang served as the General Manager of Freight Branch of Sinotrans Jiangsu Company. From December 2003 to January 2007, Mr. Wang served as the Assistant General Manager of Jiangsu Sinotrans Co., Ltd, and he also served as the General Manager of Jiangsu Shiyun International Freight Co., Ltd from December 2003 to December 2006. From December 2006 to January 2012, Mr. Wang served as the General Manager of Shanghai Sinotrans Chemical International Logistics Co., Ltd. From February 2012 to October 2018, Mr. Wang served as the General Manager of Sinotrans Chemical International Logistics Co., Ltd. from June 2018 to April 2024, Mr. Wang has been serving as the General Manager of Sinotrans Eastern Co., Ltd. From January 2022 to June 2023, Mr. Wang served as the Assistant President of the Company. Mr. Wang was appointed as the Vice President of the Company in June 2023.
Wang Jian	Mr. Wang Jian is the Vice President of the Company. Mr. Wang graduated from Wuhan University with a master's degree in Business Administration. Mr. Wang served as Deputy Manager of China Merchants Logistics Group Shanghai Co., Ltd. from November 2005 to August 2009, Deputy General Manager of Operation Management Center of China Merchants Logistics Holding Group Co., Ltd. from August 2009 to March 2012, Assistant General Manager of China Merchants Logistics Holding Group Co., Ltd. from February 2012 to August 2018, Executive Deputy General Manager of China Merchants Holding Logistics Group Co., Ltd. from August 2018 to March 2019, and successively served as Executive Deputy General Manager and General Manager of Sinotrans Logistics Co., Ltd. from March 2019 to September 2021, Assistant General Manager of Sinotrans Limited from September 2022 to August 2023. Mr. Wang has been serving as General Manager of Sinotrans South China Co., Ltd. since September 2021 and Vice President of the Company since August 2023.

Other information

☐ Applicable ☒ Not applicable

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(II) Positions that Directors, Supervisors and Senior Management Who are Currently Serving or Have Served During the Reporting Period

1. Position in the Shareholder's Entity

☒ Applicable

☐ Not applicable

Name of officer	Name of shareholder's entity	Position in the shareholder's entity	Start date of appointment	End date of appointment
Wang Xiufeng	China Merchants Group Limited	Vice President	April 2023	
Yang Guofeng	China Merchants Group Limited	Head of Transportation and Logistics Division	April 2024	
	Sinotrans & CSC Holdings Co., Ltd. (Group Beijing Headquarters)	Secretary of the Communist Party Committee and General Manager	April 2024	
Luo Li	China Merchants Group Limited	Deputy Head of Finance Department (Property Department)	January 2022	November 2024
	China Merchants Group Limited	Head of Finance Department (Property Department)	November 2024	
	Sinotrans & CSC Holdings Co., Ltd.	Director	January 2024	
Fu Bulin	China Merchants Group Limited	Deputy Head of Audit Department	September 2021	
Deng Weidong (Resigned)	China Merchants Group Limited	Chief Strategic Officer	August 2022	March 2024
	China Merchants Group Limited	Head of the Strategic and Development Department/ Technological Innovation Department	August 2021	March 2024
Liu Zhenhua (Resigned)	China Merchants Group Limited	Head of Transportation and Logistics Division	February 2023	March 2024
	Sinotrans & CSC Holdings Co., Ltd. (Group Beijing Headquarters)	Chairman, General Manager and Secretary of the Communist Party Committee	February 2023	March 2024
	China Merchants Group Limited	Head of the Strategic and Development Department/ Technological Innovation Department	March 2024	
Explanation on position in the shareholder's entity	Nil			

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2. Position in Other Entities

☒ Applicable ☐ Not applicable

Name of officer	Name of the other entities	Position in the other entities	Start date of appointment	End date of appointment
Wang Xiufeng	Shanghai International Port (Group) Co., Ltd.	Vice Chairman	June 2022	April 2024
	China Merchants Hoi Tung Trading Company Limited	Chairman	July 2023	June 2024
	China Merchants Health Industry Holdings Co., Ltd.	Chairman	July 2023	June 2024
	China Nanshan Development (Group) Incorporation	Chairman	December 2024	
	China Merchants Chongqing Communications Technology Research & Design Institute Co., Ltd.	Chairman	March 2024	December 2024
Song Rong	Loscam International Holdings Co., Ltd.	Chairman	December 2018	
	CYANTRON LOGISTICS TECHNOLOGY CO., LTD.	Chairman	February 2022	
	DHL-Sinotrans International Air Courier Ltd.	Chairman	June 2022	
	International Djibouti Industrial Parks Operation FZCO	Director	August 2024	
	Khor Ambado FZCO	Director	August 2024	
	East Aden Holding Company Limited	Director	August 2024	
Luo Li	China Merchants Investment Development Co., Ltd.	Director	September 2022	
	China Merchants Finance Co., Ltd.	Director	September 2022	
	China Merchants Hoi Tung Trading Company Limited	Director	September 2022	
	China Merchants (Shanghai) Co., Ltd	Supervisor	October 2022	
	Bosera Funds Management Co., Ltd.	Director	July 2024	
	Liaoning Port Group Co., Ltd.	Director	January 2025	

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Name of officer	Name of the other entities	Position in the other entities	Start date of appointment	End date of appointment
Yu Zhiliang	China Merchants Energy Shipping Company Limited	Director	July 2023	
	China Merchants Shekou Industrial Zone Holdings Co., Ltd.	Director	November 2023	
Tao Wu	China Merchants Energy Shipping Company Limited	Director	July 2023	
	China Merchants Shekou Industrial Zone Holdings Co., Ltd.	Director	November 2023	
Cui Xinjian	Central University of Finance and Economics	Professor, PhD Supervisor	November 2003	
Cui Fan	University of International Business and Economics	Professor, PhD Supervisor	January 2014	
Jerry Hsu	DHL-Sinotrans International Air Courier Ltd.	Vice Chairman	November 2002	
Zhang Zhiyi	China Yangtze Shipping Group Co., Ltd.	Director	December 2018	July 2024
Fu Bulin	China Merchants Sharing Service Co., Ltd.	Supervisor	April 2021	
	China Merchants Hainan Development Investment Co., Ltd. (招商局海南開發投資有限公司)	Supervisor	January 2022	
	China Merchants Port Group Co., Ltd.	Supervisor	April 2022	
	China Merchants Investment Development Co., Ltd.	Supervisor	October 2022	
	China Yangtze Shipping Group Co., Ltd.	Supervisor	June 2023	
Li Shichu	DHL-Sinotrans International Air Courier Ltd.	Director	August 2019	
	Nissin-Sinotrans International Logistics Co., Ltd.	Chairman	March 2024	
Gao Xiang	CYANTRON LOGISTICS TECHNOLOGY CO., LTD.	Director	February 2022	
	DHL-Sinotrans International Air Courier Ltd.	Director	December 2024	
Li Xiaoyan	Shenzhen Expressway Company Limited	Director	January 2021	January 2025
	Jiangsu Expressway Company Limited	Director	June 2021	June 2024
	China Merchants Expressway Network & Technology Holdings Co., Ltd.	Chief Financial Officer	April 2022	May 2024

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Name of officer	Name of the other entities	Position in the other entities	Start date of appointment	End date of appointment
	China Merchants Chongqing Communications Technology Research & Design Institute Co. Ltd.	Director	May 2023	January 2025
	DHL-Sinotrans International Air Courier Ltd.	Director	December 2024	
Wang Dupeng	Shanghai Tongyun International Logistics Co., Ltd.	Chairman	September 2020	June 2024
	SIPG Sinotrans Container Depot Co., Ltd.	Vice Chairman	September 2020	September 2024
	Shanghai Bulk Commodity Warehouse Receipt Registration Co., Ltd.	Director	December 2022	
Wang Jian	Shenzhen Haixing Harbor Development Co., Ltd.	Vice Chairman	December 2021	
Deng Weidong (Resigned)	China Merchants Energy Shipping Co., Ltd.	Director	April 2019	August 2024
	China International Marine Containers (Group) Co., Ltd.	Director	October 2020	January 2025
	China Merchants Securities Co., Ltd.	Director	April 2022	September 2024
Liu Zhenhua (Resigned)	China Merchants Energy Shipping Co., Ltd.	Director	September 2024	
	China Merchants Securities Co., Ltd.	Director	October 2024	
Wang Taiwen (Resigned)	Beijing Huansheng Technology Co., Ltd. (北京寰升科技有限公司)	Chairman	June 2018	
Meng Yan (Resigned)	Central University of Finance and Economics	Professor, PhD Supervisor	September 1997	
	Qi An Xin Technology Group Inc.	Independent Director	May 2019	
	Changchun Engley Automobile Industry Co., Ltd.	Independent Director	July 2018	July 2024
Song Haiqing (Resigned)	Sun Yat-Sen University	Professor, PhD Supervisor	January 2011	
Li Qian (Resigned)	Beijing Hylands (Shanghai) Law Firm	Partner	January 2019	
Zhou Fangsheng (Resigned)	China National Building Material Company Limited	Independent Non-executive Director	May 2016	
Wang Jiuyun (Resigned)	DHL-Sinotrans International Air Courier Ltd.	Director	December 2015	December 2024
	China Merchants Hainan Development Investment Co., Ltd. (招商局海南開發投資有限公司)	Director	December 2018	
Explanation on position in other entities	The above positions do not include those of directors, supervisors and senior management in Sinotrans and its subsidiaries and shareholders' entities.			

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(III) Remuneration of Directors, Supervisors and Senior Management of the Company

✓Applicable ☐Not applicable

Decision-making process of remuneration of Directors, Supervisors and senior management

The Remuneration Committee of the Board makes recommendations to the Board on the remuneration policy and structure of Directors and senior management of the Company, formulates remuneration packages for senior management, and makes recommendations to the Board on the remuneration of Directors. The remuneration of senior management is determined by the Board. The remuneration of directors and supervisors who are non-staff representative are determined by the general meetings.

Whether Directors avoid discussing their own compensation at the Board meetings

Yes

Specific information on the recommendations made by the Remuneration and Appraisal Committee or the Independent Director's Special Meeting on the remuneration of Directors, Supervisors, and Senior management

The Remuneration Committee of the Company reviewed the proposal for the Director' and Senior Management's Performance Appraisal and Remuneration Distribution for the Year 2024 with the agreement of all members.

Basis for determining the remuneration of Directors, Supervisors and senior management

The remuneration of Directors, Supervisors and senior management are determined in accordance with the Articles of Association and the Rules of Procedure of the Remuneration Committee of the Board of Directors of Sinotrans and their respective assessment results.

Actual payment of remuneration of Directors, Supervisors and senior management

For the remuneration payable to Directors, Supervisors and senior management who are currently serving or have served during the Reporting Period, please refer to the "V. (I) Changes in Shareholding and Remuneration of Present Directors, Supervisors and Senior Management and the Ones Resigned During the Reporting Period" of this section.

Total payment of remuneration before tax to Directors, Supervisors and senior management as at the end of the Reporting Period

During the Reporting Period, the remuneration of Directors, Supervisors and senior management who receive payment from the Company is RMB12.7630 million.

Note: The pre-tax remuneration to Directors, Supervisors and senior management consist of salaries, bonuses, allowances, subsidies, employee benefits and the portion payable by the Company in the social insurance, housing provident funds and annuities that are paid in accordance with local policies with respect to labour and insurance, as well as payments in other forms made by the Company(not including the share-based payment).

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(IV) Changes of Directors, Supervisors and Senior Management of the Company

☒ Applicable ☐ Not applicable

Name	Position	Changes	Reasons for Changes
Liu Zhenhua (Note 3)	Director	Elected	Director change
Wang Xiaoli (Note 3)	Independent non-executive Director	Elected	Director change
Ning Yaping (Note 3)	Independent non-executive Director	Elected	Director change
Cui Xinjian (Note 3)	Independent non-executive Director	Elected	Director change
Cui Fan (Note 3)	Independent non-executive Director	Elected	Director change
Yang Guofeng (Note 5)	Director	Elected	Director change
Li Shichu (Note 8)	General Counsel (Chief Compliance Officer)	Appointed	Senior Management change
Li Xiaoyan (Notes 2 and 4)	Chief Financial Officer	Appointed	Senior Management change
Deng Weidong (Note 1)	Director	Resigned	Work re-allocation
Liu Zhenhua (Note 5)	Director	Resigned	Work re-allocation
Wang Taiwen (Note 3)	Independent non-executive Director	Resigned	The term of office expired for 6 years
Meng Yan (Note 3)	Independent non-executive Director	Resigned	The term of office expired for 6 years
Song Haiqing (Note 3)	Independent non-executive Director	Resigned	The term of office expired for 6 years
Li Qian (Note 3)	Independent non-executive Director	Resigned	The term of office expired for 6 years
Wang Xiufeng (Note 9)	Chairman, Director	Resigned	Work re-allocation
Song Rong (Note 10)	President	Resigned	Work re-allocation
Zhou Fangsheng (Note 6)	Independent Supervisor	Resigned	The reason of age
Wang Shengyun (Note 7)	Staff representative Supervisor	Resigned	The reason of age
Wang Jiuyun (Note 2)	Chief Financial Officer	Resigned	Work re-allocation
Tian Lei (Note 8)	General Counsel (Chief Compliance Officer)	Resigned	Work re-allocation

- In March 2024, the Board received the resignation letter from Mr. Deng Weidong, the then Director, due to the work re-allocation, Mr. Deng Weidong resigned as a Director with effect from 18 March 2024. Accordingly, Mr. Deng Weidong also ceased to be the member of the Strategy Committee of the Company.
- In May 2024, the Board received the resignation letter from Mr. Wang Jiuyun, the then Chief Financial Officer of the Company, due to the work re-allocation, Mr. Wang Jiuyun resigned as the Chief Financial Officer with effect from 20 May 2024. On 20 May 2024, the 31st meeting of the third session of the Board considered and approved the "Proposal on the Appointment of Chief Financial Officer of the Company", at which Ms. Li Xiaoyan was appointed as the Chief Financial Officer of the Company, with a term of office from 20 May 2024 to the date of conclusion of the third session of the Board.

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3. In June 2024, the 2023 Annual General Meeting of the Company considered and approved "the resolution in relation to the election of non-independent Directors" and "the resolution in relation to the election of independent Directors", at which Mr. Liu Zhenhua was elected as a Director, Ms. Wang Xiaoli, Ms. Ning Yaping, Mr. Cui Xinjian and Mr. Cui Fan were elected as independent non-executive Directors, each with a term of office for three years commencing from the date of the approval of the Shareholders at the 2023 Annual General Meeting. Mr. Wang Taiwen, Mr. Meng Yan, Mr. Song Haiqing and Ms. Li Qian were not nominated as independent non-executive Directors candidates of the fourth session of the Board because they have served or will serve consecutive terms of office for six years. Therefore, they ceased to serve as the independent non-executive Directors from 7 June 2024. Mr. Liu Zhenhua obtained legal advice pursuant to Rule 3.09D of the SEHK Listing Rules on 13 March 2024, and all of Ms. Wang Xiaoli, Ms. Ning Yaping, Mr. Cui Xinjian and Mr. Cui Fan obtained legal advice pursuant to Rule 3.09D of the SEHK Listing Rules on 11 March 2024. All of the abovementioned Directors have confirmed that they understood the obligations as a Director.
4. In June 2024, the first meeting of the fourth session of the Board considered and approved the "Proposal on the Re-appointment of Senior Management", among which, Mr. Tian Lei was re-appointed as the General Counsel, with a term of office from 7 June 2024 to the date of his retirement for no longer serving as the General Counsel of the Company; the terms of office of other Senior Management (including the President, Vice Presidents, Chief Financial Officer, etc.) are three years commencing from 7 June 2024.
5. In August 2024, the Board received the resignation letter from Mr. Liu Zhenhua, the then Director, due to the work re-allocation, Mr. Liu Zhenhua resigned as the Director with effect from 8 August 2024. Accordingly, Mr. Liu Zhenhua also ceased to be the member of the Strategy Committee of the Company. On 29 October 2024, 2024 first extraordinary general meeting of the Company considered and approved the "Proposal on the Election of the Director", at which, Mr. Yang Guofeng was elected as the Director, with a term of office from the date of the approval of the Shareholders at the general meeting of the Company to the date of conclusion of the fourth session of the Board. Mr. Yang Guofeng obtained legal advice pursuant to Rule 3.09D of the SEHK Listing Rules on 9 August 2024, and has confirmed that he understood the obligations as a Director.
6. In August 2024, the Supervisory Committee received the resignation letter from Mr. Zhou Fangsheng, the then independent Supervisor, due to the reason of age, Mr. Zhou Fangsheng resigned as the independent Supervisor with effect from 8 August 2024.
7. In October 2024, the Supervisory Committee received the resignation letter from Mr. Wang Shengyun, the then staff representative Supervisor, due to the reason of age, Mr. Wang Shengyun resigned as the staff representative Supervisor with effect from 24 October 2024.
8. In January 2025, the Board received the resignation letter from Mr. Tian Lei, the then General Counsel (Chief Compliance Officer) of the Company, due to the work re-allocation, Mr. Tian Lei resigned as the General Counsel (Chief Compliance Officer) with effect from 24 January 2025. On 24 January 2025, the 6th meeting of the fourth session of the Board considered and approved the "Proposal on the Appointment of General Counsel (Chief Compliance Officer) of the Company", approving to appoint Mr. Li Shichu as the General Counsel (Chief Compliance Officer) of the Company, with a term of office from the date of the approval of the Board to the date of conclusion of the fourth session of the Board.
9. In March 2025, the Board received the resignation letter from Mr. Wang Xiufeng, the then Chairman and a Director, due to the work re-allocation, Mr. Wang Xiufeng resigned as the Chairman and a Director of the Company with effect from 14 March 2025. Accordingly, Mr. Wang Xiufeng also ceased to be a member of the Remuneration Committee and the chairman of the Strategy and Sustainable Development Committee of the Board.
10. In March 2025, the Board received the resignation letter from Mr. Song Rong, the then President, due to the work re-allocation, Mr. Song Rong resigned as the President of the Company with effect from 14 March 2025.

For details, please refer to relevant announcements of the Company disclosed on the websites of SSE (www.sse.com.cn) and SEHK (www.hkexnews.hk).

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(V) Details of Fines Imposed by Securities Regulatory Bodies in the Recent 3 Years

☐ Applicable ☒ Not applicable

(VI) Others

☒ Applicable ☐ Not applicable

1. Directors' and Supervisors' Service Contracts and Remuneration

Each of the Directors of the Company has entered into a service contract with the Company. The Company did not enter into any service contract which is not determinable by the Company within one year without payment of compensation (other than statutory compensation) with any Director or Supervisor.

Details of the remuneration of the Directors and the Supervisors of the Company are set out in "V. (I) Changes in Shareholding and Remuneration of Present Directors, Supervisors and Senior Management and the Ones Resigned During the Reporting Period" in this chapter. Remuneration of the Directors is determined based on the Director's duties, experiences and the Group's performance.

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

As at 31 December 2024, so far as the Directors were aware, the interests or short positions of the Directors, Supervisors, chief executive or their associates in the shares or debentures of the Company or any associated corporation of the Company which were required to be notified to the Company and Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of SFO (including interests and short positions which they are deemed to have under such provisions of the SFO), or which were required pursuant to Section 352 of SFO to be recorded in the register kept by the Company referred to therein, or which were required to be notified to the Company and Hong Kong Stock Exchange pursuant to the Model Code were as follows:

Name	Position	Category of Shares	Nature of interests	Number of Shares interested (Note 1)	Approximate percentage of the total number of the relevant class of Shares of the Company as at 31 December 2024 (%)	Approximate percentage of the issued share capital of the Company as at 31 December 2024 (%)
Song Rong	Director	A Shares	Beneficial Owner	1,286,800 (L) (Note 2)	0.02	0.02

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

Note 2: On 25 January 2022, Mr. Song Rong was granted 1,286,800 Share Options pursuant to Share Option Incentive Scheme of the Company. Among them, 100,000 Share Options have completed exercise registration on 27 March 2024.

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

3. *Directors' and Supervisors' Interests in Transactions, Arrangements or Contracts*

During the Reporting Period, none of the Directors or Supervisors or any entities connected with such Directors and Supervisors had any material interests directly or indirectly in any new or existing transactions, arrangements or contracts of the Company to which the Company, its subsidiaries, its ultimate holding company or its fellow subsidiaries was a party. During the Reporting Period, no remuneration was paid by the Group to the Directors, Supervisors or the five individuals with the highest emolument as an inducement to join or upon joining the Group or as compensation for loss of office.

4. *Interests of Directors and Supervisors in Competing Businesses*

As at the date of disclosure of this Report, no directors held any interest in any business that directly or indirectly constitutes or may constitute competition with the Group.

5. *Directors' and Supervisors' Rights to Acquire Shares or Bonds*

Other than the Share Option Incentive Scheme adopted by the Company on 24 January 2022 (please refer to "XIV. THE COMPANY'S EQUITY INCENTIVE SCHEME, EMPLOYEE STOCK OWNERSHIP SCHEME OR OTHER EMPLOYEE INCENTIVES AND THE IMPACT THEREOF" in this chapter for details), at no time during the Reporting Period was the Company, its subsidiaries, its ultimate holding company or its fellow subsidiaries a party to any arrangements or existing arrangements which would enable the Company's Directors or Supervisors to acquire benefits by means of the acquisition of shares in or bonds of the Company or of any other legal entities.

6. *Model Code for Securities Transactions by Directors and Supervisors*

The Company has adopted the Model Code as the code of conduct for securities transactions by the Directors and Supervisors of the Company. The Directors and Supervisors have confirmed that they have complied with the required standards set out in the Model Code during the Reporting Period.

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VI. BOARD OF DIRECTORS

(I) Duties and Operations of the Board

The Board is the decision-making authority of the Company and mainly exercises the following powers: to be responsible for the convening of the general meetings and to report on its work to the general meetings; to implement the resolutions of the general meetings; to decide on the Company's business plans and investment plans; to formulate the Company's annual budget and final financial accounts; to formulate the Company's profit distribution plan and plan for making up losses; to formulate plans for the Company's proposals for increases or reductions of its registered capital and the issue of and listing of corporate debentures or other securities; to draft plans for material acquisition, share repurchase, merger, division, dissolution or change in corporate form; to determine matters relating to the Company's external investment, asset acquisition and disposal, asset pledge, asset management mandate, related party transactions, external guarantee and external donation within the authorization of the general meetings; to determine the establishment of the Company's internal management structure; to decide to appoint or dismiss the Company's president, the secretary of the Board and other senior managements and decide on their remuneration, rewards and punishments; and pursuant to the president's nominations to decide to appoint or dismiss the vice presidents, the Chief Financial Officer, the Chief Digital Officer, General Counsel (Chief Compliance Officer) and other senior managements of the Company and decide on their remuneration rewards and penalties; to establish the Company's basic management system, including basic compliance management system; to formulate proposals for any amendment to the Company's Articles of Association; to deal with information disclosure of the Company; to propose to the general meetings for appointment or replacement of the accounting firms serving as the auditors of the Company; to debrief work report submitted by the president, to review his performance and to evaluate effectiveness of the compliance management of the Company, etc.

During the Reporting Period, the Board carried out the following corporate governance functions including: a) to develop and review the Company's policies and practices on corporate governance; b) to review and monitor the training and continuous professional development of Directors and senior management; c) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements; d) to formulate, review and monitor the code of conduct and compliance manual applicable to employees and Directors; and e) to review the Company's compliance with the CG Code and disclosure in the Corporate Governance Report, etc. During the Reporting Period, in accordance with the relevant provisions of the Company Law, listing rules in listing places, the Articles of Association and the Procedural Rules for the Board of Directors in relation to the notice period, voting procedure, resolution and conference records of the meetings, the Company organized and held Board meetings and fully guaranteed Directors to perform their duties.

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(II) Composition of the Board

According to the Articles of Association, the Directors are elected by the general meetings for a term of three years (or until the end of the session of the Board) and can be re-elected, but the consecutive term of independent non-executive Directors shall not exceed 6 years. Meanwhile, the Company has arranged appropriate insurance for the Director's possible involvement in legal action.

In 2024, the Board completed the election of the fourth session of Board. As at 31 December 2024, the Board comprised 11 Directors, including 7 Directors (Mr. Wang Xiufeng, the Chairman, Mr. Song Rong, Mr. Yang Guofeng, Ms. Luo Li, Mr. Yu Zhiliang, Mr. Tao Wu and Mr. Jerry Hsu) and 4 independent non-executive Directors, namely, Ms. Wang Xiaoli, Ms. Ning Yaping, Mr. Cui Xinjian and Mr. Cui Fan. The number of independent non-executive Directors reached more than one-third of the number of the board members, and the composition of the Board has complied with relevant requirements under the Listing Rules in listing places.

For changes and resumes of the Directors, please refer to “V. Directors, Supervisors and Senior Management” in this chapter.

(III) Policies for the Diversity of the Composition of the Board

To meet the latest regulatory requirements and as the criteria of supervision and assessment of the diversity of the composition of the Board, the Rules of Procedure of the Nomination Committee of the Board clearly set out the policies for the diversity of the composition of the Board. In assessing the diversity of the Board composition, the Nomination Committee would take into account various aspects, including but not limited to gender, age, cultural and educational background, race, professional qualifications, experience, skills, knowledge and length of service. In practice, the Company has been adhering to the principle of diversity of the Board. In combination with the Company's own business model and specific needs and the Directors' own advantages, and after comprehensive consideration of relevant factors, the candidates for directorship will be considered based on their strengths and their contribution to the Board. At present, the members of the Directors have appropriate business and management experience, abilities, and skills, including experts in the transportation and logistics industry, as well as experts and senior scholars in finance and law. The knowledge structure and experience of each Director complement each other, and their viewpoints and perspectives are independent and diverse, ensuring the scientific decision-making of the Directors.

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As at 31 December 2024, the number of female Directors has increased to three, increasing one female Director as compared to 31 December 2023, the proportion of the female Directors to the total number of Directors increased to 27.27%. The female employees, distributed in different regions, at various ages and with different educational backgrounds, accounted for 39.20% of the whole staff of the Company (including management). Directors (including independent non-executive Directors) have appropriate professional qualifications and experience, and have expertise in management, economy, finance, law, logistics and internal control etc., with complementary knowledge structure and experience. The independent non-executive Directors also serve as members of the Strategy and Sustainable Development Committee, the Audit Committee, the Remuneration Committee and the Nomination Committee of the Company. They can provide professional and independent opinions about the Company's daily operation management and development planning, and conduct prior review and provide reference suggestions when the Board makes decisions on major matters, which ensure the scientificity of the decision-making of the Board. To sum up, the Company has taken and will continue to take such measures to promote the diversity of the Board of the Company, including but not limited to searching for directors with various backgrounds. The Board intends to keep the proportion of female members at the current level.

The Board has reviewed the implementation of the diversity of the composition of the Board in 2024 and believes that the diversity policy of the Board in 2024 has been effectively implemented.

(IV) Independence of the Board

1. *Independent Non-executive Directors*

The Company has appointed a sufficient number of independent non-executive Directors with appropriate professional qualifications (such as accounting or related financial management expertise) in accordance with relevant requirements under the listing rules of the SSE and the SEHK etc. The Nomination Committee of the Board has assessed the independence of elected or re-elected independent non-executive Directors, and the Company has also explained the independence of each independent non-executive Director in the circular of the general meetings. Independent non-executive Directors of the Company were not involved in the daily management of the Company and there were no relationships or circumstances which would constitute intervention to their practice of providing independent judgments. The Company has received annual confirmation letters of independence from all independent non-executive Directors and considers all independent non-executive Directors independent.

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The Company's independent non-executive Directors serve as members of the Audit Committee, Remuneration Committee, Nomination Committee and Strategy and Sustainable Development Committee, and all the chairpersons of the Audit Committee, Remuneration Committee and Nomination Committee are independent non-executive Directors. At the same time, the Company established a special meeting mechanism for independent Directors, empowering independent non-executive Directors with special rights such as the independent engagement of intermediary agencies, the proposal to convene extraordinary general meetings and Board meetings and the prior review of matters such as related-party transactions that should be disclosed, which enabled independent non-executive Directors to provide professional opinions when exercising prior review rights. By leveraging their respective professional knowledge and experience, they can offer constructive opinions and advice on aspects such as the business management, development strategy and risk control of the Company, thereby fully playing their roles in decision-making participation, supervision and balance and professional consultation. In addition, the Company established a pre-meeting reporting mechanism i.e. pre-communication will be conducted with independent non-executive Directors in advance of deliberation of important matters by the Board, so as to further assure the right to know of the independent non-executive Directors.

2. *Voting avoidance mechanism*

In accordance with rules and regulations including the listing rules in listing places, if a Director is connected with or is materially interested in any contract, transaction, arrangement or any other types of proposals to be considered by the Board, that Director shall abstain from voting on the relevant resolutions. Even though none of the Directors has a material interest in the transactions, for any Director concurrently holding positions in such connected party under the transactions, he or she shall abstain from voting at the Board meeting of the Company in respect of the relevant proposed resolution and the transactions in accordance with the relevant PRC laws and regulations. During the Reporting Period, related Directors have abstained from voting on related-party transactions, remuneration of senior management and adjusting the exercise price of share options and other matters.

In conclusion, the Company has established relevant mechanisms (including but not limited to the Articles of Association, the Procedural Rules for the Board of Directors, the Working Manual for the Independent Directors, Rules for the Work of Special Meetings of Independent Directors, and the Rules of Procedure of the Nominating Committee of the Board of Directors, etc.) to ensure that independent opinions and inputs are available to the Board. These include the Company's procedures and selection criteria for the election and appointment of Directors (including independent non-executive Directors), the mechanism for reviewing the independence of independent non-executive Directors from time to time, the voting avoidance mechanism for the Board, the authority of independent non-executive Directors to pre-approve of some major matters and to engage independent professional advisers or other professional advisers, etc. The Company has reviewed the implementation and effectiveness of these mechanisms and believed that they can ensure that independent opinions and inputs are available to the Board.

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(V) Responsibilities of the Board and Senior Management

The Board and senior management have a clear division of responsibilities, established the Authorization Management System of the Company's Board of Directors and strictly abide by the Articles of Association, Rules of Procedure of the Board of Directors, General Manager Working Rules and other relevant regulations. The Board is the decision-making administrative authority and has authorized the management to fulfil a number of specific management and operation functions, and conducts periodic reviews to ensure that the arrangement remains in line with the needs of the Group. For specific responsibilities, please refer to "(I) Duties and Operations of the Board" of "VI. The Board of Directors" in this chapter.

The management conducts daily operation and management within the scope of authority and authority approved by the Board and is accountable to the Board. The main duties of the management include taking charge of the Company's operation and management and organizing the implementation of the resolutions of the Board, organizing the implementation of the Company's annual operating plans and investment proposals, drafting the Company's basic management system, formulating basic rules and regulations for the Company and exercising other powers conferred by the Articles of Association and the Board. In relation to matters which are beyond the approved scope and authority, the management will report to the Board in a timely manner in accordance with the relevant procedure.

(VI) Chairman and President

The positions of the Chairman and the President of the Company are held by different people, and have clear division of power and authority. As at 31 December 2024, Mr. Wang Xiufeng was the Chairman, and Mr. Song Rong was the President of the Company. The Chairman is responsible for preside over the general meeting, the management of the Board's operation, and ensure that the Company formulates sound corporate governance practices and procedures, while the President is responsible for the business management of the Company and implementation of board resolutions. Details of their respective duties and responsibilities are set out in the Articles of Association and the Procedural Rules of the President.

So far as is known to the Company, there are no financial, business, family or other material relationships among the Board members and senior management of the Company; there is no such relationship among the Chairman and President of the Company.

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VII. INTRODUCTION OF THE BOARD MEETING HELD DURING THE REPORTING PERIOD

During the Reporting Period, the Company held 9 Board meetings and reviewed and approved or debriefed 55 proposals, which are as follows:

Sessions of meeting	Date	Conference Resolutions
The 28th Meeting of the Third Session of the Board	29 January 2024	All of the following resolutions were considered and approved/heard, including: 1. Resolution on the Fulfillment of the Exercise Conditions for the First Exercise Period under Share Option Incentive Scheme (Phase I) of the Company; 2. Resolution on the Proposed Cancellation of Part of Share Options; 3. Resolution on the Formulation of the Financing Guarantee Management Measures of Sinotrans Limited; 4. Resolution on the Revision of the Decision-making System for “Three Importance and One Large” of Sinotrans Limited
The 29th Meeting of the Third Session of the Board	22 March 2024	All of the following resolutions were considered and approved/heard, including: 1. Resolution on the Work Report of the President for the Year 2023; 2. Resolution on the Final Financial Accounts Report of the Company for the Year 2023; 3. Resolution on the Profit Distribution Plan of the Company for the Year 2023; 4. Resolution on the Financial Budget of the Company for the Year 2024; 5. Resolution on the Re-appointment of External Auditor for the Year 2024; 6. Resolution on the Report of the Audit Committee of the Company's Board on the Evaluation of the Performance of the Accounting Firm in 2023 and the Report on the Discharge of Supervisory Duties; 7. Resolution on the Formulation of the System for Appointing Accounting Firms of the Company; 8. Resolution on the Continuous Risk Assessment Report on Financial Services with Financial Company; 9. Resolution on the Updated Mandate of the Issuance of Debt Financing Instruments; 10. Resolution on the Provision of Loans to a Holding Subsidiary; 11. Resolution on the 2023 Internal Control Evaluation Report, Risk and Compliance Work Summary and 2024 Plan; 12. Resolution on the Senior Management's Performance Appraisal and Remuneration Distribution for the Year 2023; 13. Resolution on 2023 Social Responsibility and ESG Report; 14. Resolution on the Annual Report of the Company and Its Summary for the Year 2023; 15. Resolution on the Work Report of the Board for the Year 2023; 16. Resolution on Reporting the Work Report of the Independent Non-executive Directors for the Year 2023; 17. Resolution on the General Mandate to Issue, Allot and Deal with Shares and Repurchase the Shares; 18. Resolution on the Application for Grant of Authorization for the Interim Profit Distribution Plan for the Year 2024; 19. Resolution on the Estimated Guarantees of the Company for the Year 2024; 20. Resolution on the Renewal of Liability Insurance for Directors, Supervisors and Senior Management Members of the Company; 21. Resolution on the Election of the New Session of the Board; 22. Resolution on the Amendment to the Articles of Association; 23. Resolution on the Formulation and Improvement of 18 Management Systems of the Company; 24. Resolution on the Convening of 2023 Annual General Meeting, A Shareholders' Class Meeting and H Shareholders' Class Meeting

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Sessions of meeting	Date	Conference Resolutions
The 30th Meeting of the Third Session of the Board	29 April 2024	All of the following resolutions were considered and approved, including: 1. Resolution on the Company's First Quarterly Report of 2024; 2. Resolution on the Improvement of Sinotrans Strategies for the 14th Five-Year Plan
The 31st Meeting of the Third Session of the Board	20 May 2024	All of the following resolutions were considered and approved, including: 1. Resolution on the Appointment of Chief Financial Officer of the Company; 2. Resolution on the Optimization and Adjustment of the Organizational Structure of the Company's Headquarters; 3. Resolution on the Revision of the Company's Management System for Rules and Regulations
The First Meeting of the Fourth Session of the Board	11 June 2024	All of the following resolutions were considered and approved, including: 1. Resolution on the Election of the Chairman of the Board; 2. Resolution on the Election of the Members of Special Committees under the Board; 3. Resolution on the Re-appointment of Senior Management; 4. Resolution on the Renewal of Authorisation Related to the Application for Issuance of Publicly Traded Infrastructure REITs
The Second Meeting of the Fourth Session of the Board	29 August 2024	All of the following resolutions were considered and approved/heard, including: 1. Resolution on the Work Report of the President for the First Half of 2024; 2. Resolution on the 2024 Interim Report of the Company and its Summary; 3. Resolution on the Profit Distribution Proposal for the First Half of 2024; 4. Resolution on the Continuous Risk Assessment Report on Financial Services of Financial Company; 5. Resolution on Adjusting the Caps on the Continuing Connected Transactions with Y2T; 6. Resolution on the Adjustment to the Exercise Price of Share Options of the Company; 7. Resolution on the Election of the Directors of the Company; 8. Resolution on the Formulation of the Working Rules for Special Meetings of Independent Directors; 9. Resolution on the Change of Name of the Strategy Committee of the Board and Revising its Procedural Rules; 10. Resolution on the Convening of the First Extraordinary General Meeting of 2024
The Third Meeting of the Fourth Session of the Board	16 October 2024	Resolution on Repurchase on the A Shares of the Company through Centralized Price Bidding was considered and approved
The Fourth Meeting of the Fourth Session of the Board	25 October 2024	All of the following resolutions were considered and approved, including: 1. Resolution on the Company's Third Quarterly Report of 2024; 2. Resolution on the Implementation Plan for the Repurchase of the Company's H Shares; 3. Resolution on the Adjustment to the Exercise Price of Share Options of the Company
The Fifth Meeting of the Fourth Session of the Board	23 December 2024	All of the following resolutions were considered and approved/heard, including: 1. Resolution on the Jointly Investing with Related Parties to Establish Joint Ventures and Purchase Assets and Related Party Transactions; 2. Resolution on the Revision of the Decision-making System for "Three Importance and One Large" of Sinotrans Limited; 3. Resolution on Adjusting the Members of the Strategy and Sustainable Development Committee of the Board; 4. Report on the Feedback of the Evaluation of the Company's Board from the Group

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VIII. THE PERFORMANCE OF DIRECTORS' DUTIES

(I) The Attendance of Directors in Board Meetings and General Meetings

Name	Independent Director or not	No. of Board meetings to be attended this year	Attendance at Board meetings					Two consecutive Board meetings not attended in person or not	Attendance at general meetings No. of general meetings attended/ No. of general meetings to be attended
			No. of meetings attended in person	No. of meetings attended by way of telecommunication	No. of meetings attended by proxy	No. of Absence	Attendance rate in person		
Wang Xiufeng	N	9	7	2	2	0	77.78%	N	1/7
Song Rong	N	9	7	2	2	0	77.78%	N	0/7
Yang Guofeng	N	1	1	0	0	0	100.00%	N	0/3
Luo Li	N	9	7	2	2	0	77.78%	N	0/7
Yu Zhiliang	N	9	9	2	0	0	100.00%	N	7/7
Tao Wu	N	9	9	2	0	0	100.00%	N	7/7
Jerry Hsu	N	9	5	2	4	0	55.56%	Y	0/7
Wang Xiaoli	Y	5	5	1	0	0	100.00%	N	4/4
Ning Yaping	Y	5	4	1	1	0	80.00%	N	3/4
Cui Xinjian	Y	5	5	1	0	0	100.00%	N	4/4
Cui Fan	Y	5	4	1	1	0	80.00%	N	1/4
Deng Weidong (Resigned)	N	1	1	0	0	0	100.00%	N	0/0
Liu Zhenhua (Resigned)	N	1	0	0	1	0	0.00%	N	0/0
Wang Taiwen (Resigned)	Y	4	4	1	0	0	100.00%	N	0/3
Meng Yan (Resigned)	Y	4	4	1	0	0	100.00%	N	3/3
Song Haiqing (Resigned)	Y	4	4	1	0	0	100.00%	N	0/3
Li Qian (Resigned)	Y	4	3	1	1	0	75.00%	N	3/3

Explanation on non-attendance in person by Directors at two consecutive Board Meetings

✓Applicable □Not applicable

On 25 October 2024 and 23 December 2024, the Company held the fourth and fifth meetings of the fourth session of the Board, respectively. Due to other work arrangements, Mr. Jerry Hsu, the Director, entrusted Mr. Cui Fan and Ms. Ning Yaping (both being the independent non-executive Directors), to attend and vote on his behalf, respectively.

Number of Board meetings held during the year	9
Including: Number of on-site meetings	0
Number of meetings held by way of telecommunication	2
Number of meetings held in a mixed model	7

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(II) Objection to Related Matters of the Company by Directors

☐ Applicable ☒ Not applicable

(III) Training of Directors

The Company and the Board attach great importance to the continuous professional development of Directors, and actively organize Directors to participate in relevant internal and external trainings (such as follow-up training for independent directors and special training for directors and supervisors of Beijing Securities Regulatory Bureau) to continuously improve and update their knowledge and skills to better perform their duties as Directors. Each new Director has been provided with a set of papers in relation to the duties and responsibilities as a Director, including director guidelines, compilation of compliance obligations and codes of conduct, stock trading compliance guidelines, the operations of Company and Board, etc. The management of the Company provided relevant information on finance, operations and capital markets and latest regulations of securities regulatory authorities to the Directors on a regular basis so that the Directors can keep up with the operational information of the Company and regulatory requirements and performed duties compliantly and effectively. Besides, during the Reporting Period, the Board strengthened front-line business research and conducted a total of eight collective research activities focusing on International freight train, scientific and technological innovation and green logistics, pilot demonstration zone and other businesses, gaining profound insights into the Company's front-line operation and management and business scenarios, and enabling them to provide constructive opinions and suggestions. The participation of Directors in continuous professional development during the Reporting Period is set out below:

Name	Reading the Compilation of Listing Compliance Obligations and Codes of Conduct of Controlling Shareholders, Actual Controllers, Directors, Supervisors and Senior Management and Guide for Directors, Supervisors, and Senior Executives on Trading Company Shares (for new Directors)	Trainings organized by the SEHK, SASAC, Beijing Securities Regulatory Bureau, SSE and other regulatory authorities	Reviewing Updates on Regulations of Securities Regulatory Authorities	Interpretation of compliance requirements by Company Secretary at Board meetings
Wang Xiufeng		✓	✓	✓
Song Rong		✓	✓	✓
Yang Guofeng	✓	✓	✓	✓
Luo Li		✓	✓	✓
Yu Zhiliang		✓	✓	✓
Tao Wu		✓	✓	✓
Jerry Hsu		✓	✓	✓
Wang Xiaoli	✓	✓	✓	✓
Ning Yaping	✓	✓	✓	✓
Cui Xinjian	✓	✓	✓	✓
Cui Fan	✓	✓	✓	✓

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IX. SPECIAL COMMITTEES UNDER THE BOARD

✓Applicable ☐ Not applicable

(I) Composition of Special Committees under the Board

As at 31 December 2024, the members of the special committees of the Board are as follows:

Name of Special Committee	Current Members
Audit Committee	Ms. Ning Yaping (the chairperson), Ms. Wang Xiaoli, Mr. Cui Xinjian and Mr. Cui Fan, all being the independent non-executive Directors
Nomination Committee	Mr. Cui Xinjian (the chairman, independent non-executive Director), Mr. Wang Xiufeng (the Chairman of the Board), and Ms. Wang Xiaoli (independent non-executive Director), Ms. Ning Yaping (independent non-executive Director) and Mr. Cui Fan (independent non-executive Director)
Remuneration Committee	Mr. Cui Fan (the chairman), Ms. Wang Xiaoli, Ms. Ning Yaping and Mr. Cui Xinjian, all being the independent non-executive Directors
Strategy and Sustainable Development Committee	Mr. Wang Xiufeng (the chairman, the Chairman of the Board), Mr. Song Rong, Mr. Yang Guofeng, Mr. Yu Zhiliang, Mr. Cui Xinjian (independent non-executive Director)

Notes:

1. Because the terms of office have expired for six years, Mr. Wang Taiwen, Mr. Meng Yan, Mr. Song Haiqing, and Ms. Li Qian have no longer served as independent non-executive Directors and members of committees of the Board from 7 June 2024. Approved by the general meeting on 7 June 2024 and the Board meeting on 11 June 2024, Ms. Wang Xiaoli, Ms. Ning Yaping, Mr. Cui Xinjian, and Mr. Cui Fan have been appointed as independent non-executive Directors and members of respective committees of the Board (as shown in the table above).
2. Mr. Deng Weidong no longer served as a Director and member of the Strategy and Sustainable Development Committee the Company from 18 March 2024. Mr. Liu Zhenhua has served as a Director and a member of the Strategic and Sustainable Development Committee of the Company from June 2024 to 8 August 2024. As approved by the 2024 First Extraordinary General Meeting on 29 October 2024 and the Board meeting on 23 December 2024, Mr. Yang Guofeng was appointed as a Director and a member of the Strategic and Sustainable Development Committee of the Company. Mr. Wang Xiufeng no longer served as the Chairman, a Director, a member of the Nomination Committee and the chairman of the Strategy and Sustainable Development Committee from 14 March 2025.

(II) Audit Committee

1. Composition

The Audit Committee is composed of all the independent non-executive Directors. The members of the Audit Committee are experts in the finance, law, economy and internal control. The Chairman of the Audit Committee, Ms. Ning Yaping, possesses appropriate professional qualifications and experience in finance, and no member is a former partner of the auditor currently appointed by the Company. The Company has been in full compliance with the requirements of Rule 3.21 of the SEHK Listing Rules and Provision D.3.2 of the Part 2 of CG Code.

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2. **Main duties**

The principal terms of reference of the Company's Audit Committee include supervising and evaluating the work of external audit institutions; guiding the internal audit work; reviewing and making comments on the Company's financial reports; evaluating the effectiveness of financial monitoring, risk management and internal control; coordinating the communication among management, internal audit department and related departments and external audit institutions; reviewing the Company's arrangements for raising concerns on secret misconducts by employees on financial reporting, internal monitoring or other aspects, and ensuring that the Company conducts fair and independent investigations and takes appropriate action in respect of the foregoing; other matters authorized by the Board of Directors of the Company and other matters set out in the listing rules in listing places and other relevant laws and regulations. The Company provides adequate resources to the Audit Committee to enable it to perform its duties.

3. **Meetings and attendance**

During the Reporting Period, the Audit Committee of the Company held 7 meetings in total, which are as follows:

Date	Meeting Content
10 January 2024	Heard 2 proposals including the Company's 2023 annual operating performance report and the external auditor's report on the Company's 2023 annual audit plan and pre-audit work arrangement
19 March 2024	Considered/Heard 9 proposals including the Company's 2023 financial final accounts report, re-appointment of 2024 external auditor, 2023 internal control evaluation report and 2023 evaluation plan, 2023 internal control audit report, the related work report of 2023 annual risk control, compliance and internal audit, external guarantee of 2023, the formulation of the System for Selecting Accounting Firms of the Company, report of the Audit Committee on the evaluation of the performance of the accounting firm in 2023 and the report on the discharge of supervisory duties, and auditor's report on the implementation of the Company's final accounts in 2023
28 April 2024	Considered the 2024 first quarterly report
20 May 2024	Considered the appointment of Chief Financial Officer of the Company
11 June 2024	Considered the re-appointment of Chief Financial Officer of the Company
27 August 2024	Considered/Heard 2 proposals including the 2024 interim report and the external auditor's review of the Company's 2024 interim report
24 October 2024	Considered the 2024 third quarterly report

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During the Reporting Period, the Audit Committee carried out its work in strict accordance with laws, regulations and other relevant systems, performed its duties diligently, provided constructive opinions and suggestions on operation and management, internal control, impairment loss of goodwill, control of accounts receivable and cash flow, cost reduction and efficiency improvement, and enhancement of operational quality, and agreed to submit relevant resolutions to the Board for consideration. For the specific performance of the Audit Committee, please refer to the 2024 Performance Report of the Audit Committee of the Board disclosed by the Company on the SSE website (www.sse.com.cn). The Audit Committee reviewed the Company's 2024 annual results on 21 March 2025.

The attendance of the members of the Audit Committee during the Reporting Period is set out below:

Name	Number of meetings attended			Number of Absence
	Number of meetings to be attended	Number of meetings attended in person	Number of Meetings attended by proxy	
Ms. Ning Yaping (chairperson)	3	3	0	0
Ms. Wang Xiaoli	3	3	0	0
Mr. Cui Xinjian	3	3	0	0
Mr. Cui Fan	3	3	0	0
Mr. Meng Yan (Resigned)	4	4	0	0
Mr. Wang Taiwen (Resigned)	4	4	0	0
Mr. Song Haiqing (Resigned)	4	3	1	0
Ms. Li Qian (Resigned)	4	3	1	0

Note:

- On 10 January 2024, the Company held the first meeting of the Audit Committee for 2024. Due to other work arrangements, Mr. Song Haiqing entrusted Ms. Li Qian to attend and vote on his behalf.
- On 19 March 2024, the Company held the second meeting of the Audit Committee for 2024. Due to other work arrangements, Ms. Li Qian entrusted Mr. Song Haiqing to attend and vote on her behalf.

(III) Nomination Committee

1. Main duties

The principal terms of reference of the Nomination Committee include selecting and advising on the candidates, selecting standards and procedures of the Directors, President and other senior management of the Company set forth in the Articles of Association, and assessing the independence of independent Directors, etc. The Company has provided sufficient resources for the Nomination Committee to perform its duties.

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2. *Policies for the nomination of Directors*

The Rules of Procedure of the Nomination Committee of the Board clearly set out the policies for the policies for the nomination of Directors, and the details are as follows: 1. The Nomination Committee shall conduct researches on the demands of the Company on the Directors and form written materials, other departments shall cooperate with the Nomination Committee; 2. seek candidates in or outside the Company; 3. collect basic information of candidates and form written materials; 4. ask for opinions of the candidates towards the nomination; 5. convene meeting of the Nomination Committee to review the qualification of candidates; 6. advise the Board on the selection of candidates and provide relevant materials; 7. carry out follow-up work based on the Board's resolutions and feedback. The Nomination Committee will evaluate the independence of candidates for independent non-executive Directors. Upon approval by the Nomination Committee and the Board, proposals for appointment of such candidates will be submitted to the general meetings for consideration.

At the same time, pursuant to the Articles of Association, Shareholders individually or jointly holding more than 3% of the total voting shares of the Company may put forward director candidate (not representatives of employees) to the general meeting in writing.

3. *Meetings and attendance*

During the Reporting Period, the Nomination Committee of the Company held 4 meetings in total, which are as follows:

Date	Meeting Content
19 March 2024	Considered the proposal on the election of the new session of the Board
20 May 2024	Considered the proposal on the appointment of the Chief Financial Officer of the Company
11 June 2024	Considered the proposal on the re-appointment of the Senior Management of the Company
27 August 2024	Considered the proposal on the election of a Director

During the Reporting Period, the Nomination Committee of the Company carried out its work in strict accordance with laws, regulations and other relevant systems, performed its duties diligently. Based on the actual situation of the Company, the Nomination Committee reviewed the qualifications of Directors and Senior Management candidates, and agreed to submit relevant proposals to the Board for deliberation.

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The attendance of the members of the Nomination Committee during the Reporting Period is set out below:

Name	Number of meetings attended			Number of Absence
	Number of meetings to be attended	Number of meetings attended in person	Number of Meetings attended by proxy	
Mr. Cui Xinjian (chairman)	2	2	0	0
Mr. Wang Xiufeng	4	3	1	0
Ms. Wang Xiaoli	2	2	0	0
Ms. Ning Yaping	2	2	0	0
Mr. Cui Fan	2	2	0	0
Mr. Wang Taiwen (Resigned)	2	2	0	0
Mr. Meng Yan (Resigned)	2	2	0	0
Mr. Song Haiqing (Resigned)	2	2	0	0
Ms. Li Qian (Resigned)	2	1	1	0

Notes:

- On 19 March 2024, the Company held the first meeting of the Nomination Committee for 2024. Due to other work arrangements, Ms. Li Qian entrusted Mr. Song Haiqing to attend and vote on her behalf.
- On 27 August 2024, the Company held the fourth meeting of the Nomination Committee for 2024. Due to other work arrangements, Mr. Wang Xiufeng entrusted Mr. Cui Xinjian to attend and vote on his behalf.
- Mr. Wang Xiufeng no longer served as a member of the Nomination Committee from 14 March 2025.

(IV) Remuneration Committee

1. Main duties

The principal terms of reference of the Company's Remuneration Committee include formulating appraisal standards of the Company's Directors and Senior Management as classified by the Articles of Association, arranging assessment, and developing and reviewing the Company's remuneration policy and structure for all Directors and Senior Management; approving the service contracts of the Directors, conducting performance assessment of Directors and senior management in accordance with the corporate objectives approved by the Board of Directors and advising the Board on the remuneration package of individual Directors and senior management. The Company has provided sufficient resources for the Remuneration Committee to perform its duties.

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2. Meetings and attendance

During the Reporting Period, the Remuneration Committee of the Company held 2 meetings in total, which are as follows:

Date	Meeting Content
26 January 2024	Considered the proposal on the Fulfillment of the Exercise Conditions for the First Exercise Period under Share Option Incentive Scheme (Phase I) of the Company and the proposal on the Proposed Cancellation of Part of Share Options
19 March 2024	Considered the proposal for the Director' and Senior Management's Performance Appraisal and Remuneration Distribution for the Year 2023

During the Reporting Period, the Remuneration Committee of the Company carried out its work in strict accordance with laws, regulations and other relevant systems, performed its duties diligently. Based on the actual situation of the Company and with reference to the situation of similar companies, the Remuneration Committee has fully communicated and discussed matters such as fulfillment of the exercise conditions and cancellation of part of share options, the appraisal and remuneration of Director and Senior Management and agreed to submit the proposals to the Board for deliberation.

The attendance of the members of the Remuneration Committee during the Reporting Period is set out below:

Name	Number of meetings attended			Number of Absence
	Number of meetings to be attended	Number of meetings attended in person	Number of Meetings attended by proxy	
Mr. Cui Fan (chairman)	0	0	0	0
Ms. Wang Xiaoli	0	0	0	0
Ms. Ning Yaping	0	0	0	0
Mr. Cui Xinjian	0	0	0	0
Ms. Li Qian (Resigned)	2	1	1	0
Mr. Wang Taiwen (Resigned)	2	2	0	0
Mr. Meng Yan (Resigned)	2	2	0	0
Mr. Song Haiqing (Resigned)	2	2	0	0

Note: On 19 March 2024, the Company held the second meeting of the Remuneration Committee for 2024. Due to other work arrangements, Ms. Li Qian entrusted Mr. Song Haiqing to attend and vote on her behalf.

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(V) Strategy and Sustainable Development Committee

1. *Main Duties*

To further enhance the corporate governance structure, integrate sustainability principles into the Company's strategy, and fully leverage the Board's pivotal role in advancing sustainable development of the Company, based on the actual situation of the Company, on 29 August 2024, as considered and approved at the second meeting of the fourth session of the Board, the Strategy Committee was renamed as the Strategy and Sustainable Development Committee, the Procedural Rules for the Strategy Committee of the Board was revised to incorporate duties in relation to sustainable development and renamed as the Procedural Rules for the Strategy and Sustainable Development Committee of the Board. Pursuant to the authorization of the Board, the main responsibilities of the Strategy and Sustainable Development Committee include: conducting studies on the Company's development strategy, medium-and long-term development plans and major investment decisions and making recommendations on them; establishing the basic strategic framework of the Company; organizing the formulation of medium-and long-term development plans of the Company, guiding and examining the strategic development plans of major subsidiaries; researching and making suggestions on the Company's expansion of new markets and new businesses; analysing and providing guidance on the Company's sustainable development (ESG) strategic plans, expected goals, policies, as well as related risks and opportunities. In addition, in line with the Company's business and management needs, it shall formulate and review social, environmental and corporate governance policies, evaluates the Company's governance structure and organizational structure, and examines the Company's policies regarding compliance with laws and regulatory requirements.

2. During the Reporting Period, the Company held the meeting of Strategic Committee on 29 April 2024 to consider and approve the proposal for optimizing and adjusting the "14th Five Year Plan" strategy of the Company. Mr. Wang Xiufeng, Mr. Yu Zhiliang, and Mr. Song Haiqing (resigned) attended the meeting. Due to other work arrangements, Mr. Song Rong entrusted Mr. Wang Xiufeng to attend and vote on his behalf.

(VI) The Particular Conditions of the Objection

☐ Applicable ☒ Not applicable

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X. SUPERVISORY COMMITTEE

(I) Members of Supervisory Committee

In 2024, the Company completed the work of electing the fourth session of supervisors. As at 31 December 2024, the Supervisory Committee comprised one shareholder Supervisor, one independent Supervisor and one staff representative Supervisor, namely Ms. Zhang Zhiyi (the chairperson), Mr. Fu Bulin and Mr. Fan Zhaoping. For the details of the change of Supervisors, please refer to “(IV) Changes of Directors, Supervisors and Senior Management of the Company” of “V. Directors, Supervisors and Senior Management” in this chapter.

(II) Main Duties

The Supervisory Committee shall be responsible to the general meeting and is a permanent supervisory body of the Company. The Supervisory Committee is responsible for reviewing the financial affairs, supervising the Board and its members as well as the senior management, so as to safeguard the interests of the Company and its shareholders. The Supervisors examined the Company's financial situation, legal compliance of its operations and the performance of duties by its senior management through convening meetings of the Supervisory Committee, attending the meetings of the Board, and undertaking investigation and checking on the site of subsidiaries. Each Supervisor undertook various duties in a proactive manner with diligence, prudence and integrity.

The Supervisory Committee is of the opinion that the Company had a normal and disciplined operation and the Directors and the senior management had observed the laws and regulations as well as the Articles of Association of the Company in performing their duties, and that the information included in the annual results for the year ended 31 December 2024 truly reflected the operating result and financial position of the Company for 2024. All Supervisors signed the written confirmation of the 2024 Annual Report.

(III) Meetings

During the Reporting Period, the Supervisory Committee of the Company convened 6 meetings, approving 16 proposals including the Company's periodic reports, reports of the Supervisory Committee, the financial account report, reappointment of auditors, internal control evaluation reports, adjusting the exercise price of share options and the fulfillment of the exercise conditions, etc.

XI. EXPLANATION ON EXISTENCE OF RISKS DISCOVERED BY THE SUPERVISORY COMMITTEE

☐Applicable ☒Not applicable

The Supervisory Committee has no objection to the supervised matters during the Reporting Period.

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XII. EMPLOYEES OF THE COMPANY AND MATERIAL SUBSIDIARIES

(I) Employees

Number of employees of the parent company	237
Number of employees of major subsidiaries	31,529
Total number of employees	31,766
Number of the resigned and retired employees in the parent company and its major subsidiaries	0

Professional composition

Type of professionals	Number of employees
Production personnel	19,024
Sales personnel	2,183
Technical personnel	632
Financial personnel	1,420
Administrative personnel	844
Other functional staff	3,464
Management personnel	4,199
Total	31,766

Level of education

Type of level of education	Number of employees
Master's degree or above	2,028
Bachelor degree	14,952
College degree	7,923
Below College degree	6,863
Total	31,766

(II) Remuneration Policy

☒ Applicable ☐ Not applicable

A remuneration and benefit management system that matches the Company's characteristics has been established by the Group pursuant to the Labour Contract Law and relevant laws and regulations, to formalize remuneration management. The principles of "payment to post, payment to performance and payment to people" are adhered to, and the remuneration standards and adjustment plans are determined based on marketing information and within the Company's cost and budget management. Set key performance, strategy and other assessment indicators for senior management, and the assessment results are linked to performance bonuses. The Remuneration Committee and the Board of the Company determine the incentive standards for senior management personnel of the year in accordance with the relevant performance and remuneration management measures, combined with the assessment results.

The remuneration of the Group's employees include wages, performance bonus and allowance, also entitled to pension, medical, unemployment, work injury, maternity insurance and housing fund as well as other benefits.

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(III) Training Program

☒ Applicable ☐ Not applicable

The Company continuously expands its training channels and enriches its carrier forms through online platforms which has recorded over 220 courses on its own intellectual property rights and supports its subsidiaries in conducting business training through live streaming platforms. At the same time, relying on the “Yunzhihui” online learning platform, we will carry out “job sequence courses” and “job promotion courses”. In 2024, over 112 online training sessions were organized, with more than 12,000 participants.

(IV) Labor Outsourcing

☒ Applicable ☐ Not applicable

Total outsourcing hours	743.3 thousand hours
Total payment for labor outsourcing	RMB47.2826 million

XIII. PROPOSALS OF PROFIT DISTRIBUTION OR CONVERSION OF RESERVES INTO SHARE CAPITAL

(I) Formulation, Implementation of or Adjustment to the Cash Dividend Policy

☒ Applicable ☐ Not applicable

1. *Formulation of and adjustment to profit distribution policy*

The Articles of Association contains express provisions for the profit distribution policy and approval procedures, and the relevant policies are set out below:

- (1) Forms of profit distribution: the Company may make profit distribution in the forms of cash payment of dividend, distribution of dividend in the form of shares or a combination of the two forms; where permitted, the Company may make interim profit distribution;
- (2) Details of conditions and proportions of the Company's cash dividends: Except in the case of special circumstances, the Company may distribute dividend in cash, provided that the Company is profitable in that year and the aggregate undistributed profit is positive. The profits distributed in cash for each year shall not be less than 10% of the realized distributable profit in that year. The “special circumstances” referred to above shall mean: the net cash flow generated from the operation in that year is negative, and dividend payment in cash will have an adverse effect on the subsequent existence of the Company as a going concern; the auditors have not issued a standard auditor's report with unqualified opinions regarding the financial reports for that year; the Company has major investment plans or other major cash expenditures or otherwise (other than any fund raising projects). The “major investment plans” or “major cash expenditures” mentioned above shall mean where the aggregate expenditures for any proposed investments or asset acquisition by the Company in next twelve months are equal to or exceed 30% of the audited total assets in the most recent audit of the Company;

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- (3) The details of conditions of dividend payment in shares: When the Company's operation is satisfactory, and the Board believes that the share price of the Company is disproportionate to the share capital size of the Company, and dividend payment in shares is in the best interests of all shareholders of the Company, subject to satisfaction of the above dividend payment conditions, the Company may put forward a proposal for dividend payment in shares.

Please refer to Article 170 of the Articles of Association disclosed on the websites of the SSE (www.sse.com.cn) and the SEHK (www.hkexnews.hk) on 8 June 2024 and 7 June 2024 respectively for details.

2. *Dividend and bonus income tax was withheld and exempted in accordance with the State's relevant laws and regulations.*

3. *The implementation of cash dividend policy during the Reporting Period*

The 2023 annual and 2024 interim profit distribution plans of the Company adopted dividends distribution in cash.

According to the Resolution in Relation to the Profit Distribution Plan for the Year 2023 considered and approved at 2023 Annual General Meeting convened on 7 June 2024, the Company distributed dividend of RMB0.145 per Share (tax included) based on the total share capital registered on the record date of the equity distribution (the Shares in the Special Accounts for Repurchase of the Company deducted), i.e. 7,265,953,939 Shares. The dividend distribution of the Company for the year 2023 was completed on 22 July 2024 with a total of RMB1,053,563,321.16 (tax included).

According to the authorization of the 2023 Annual General Meeting and the Resolution in Relation to the Profit Distribution Plan for the Half Year of 2024 considered and approved at the second meeting of the fourth session of the Board on 29 August 2024, the Company distributed dividend of RMB0.145 per Share (tax included) based on the total share capital registered on the record date of the equity distribution (the Shares in the Special Accounts for Repurchase of the Company deducted), i.e. 7,265,953,939 Shares. The interim dividend of 2024 of the Company was distributed on 15 October 2024, with a total of RMB1,053,563,321.16 (tax included).

During the Reporting Period, the Company distributed cash dividends of RMB2,107,126,642.32 (tax included) in total. For further details of A Share dividend distribution, please refer to the announcement in relation to the Implementation of A Share Equity Distribution for the Year 2023 and the announcement in relation to the Implementation of A Share Equity Distribution for the Half Year of 2024 disclosed by the Company on the website of the SSE (www.sse.com.cn).

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4. **Matters related to the profit distribution for the year 2024**

According to the profit distribution policy stipulated in the Articles of Association and in combination of the Company's actual situation, the Resolution in Relation to Profit Distribution Proposal for the Year 2024 was considered and approved at the 8th meeting of the fourth session of the Board, proposing that the final dividend for 2024 is RMB0.145 per Share (tax included) based on the total share capital registered on the record date of the equity distribution (the shares in the special accounts for repurchase of the Company deducted). As at the disclosure date of this Annual Report, the total share capital of the Company was 7,294,216,875 Shares, deducting the total number of shares in the special accounts for repurchase of the Company 90,545,452 A Shares and 22,019,000 H Shares, based on which, the total dividend allotment is expected to be RMB1,041,339,601.34 (tax included). For the details, please refer to the Announcement of the Company on the Profit Distribution Proposal for the Year 2024 disclosed by the Company on the website of the SSE (www.sse.com.cn). Together with the interim dividend of RMB0.145 per Share (tax included) that has already been paid, the total dividend of the Company for the year 2024 is expected to be RMB0.29 per Share (tax included).

The above-mentioned resolution is still subject to the approval by the Shareholders at the 2024 Annual General Meeting of the Company. The 2024 Annual General Meeting of the Company will be convened by way of the combination of on-site voting and online voting, to provide minority Shareholders with the opportunity to fully express their opinions and demands, fully safeguarding the legitimate rights and interests of minority shareholders. After the resolution is considered and approved at the general meeting, it is expected that the Company will pay the cash dividend on or before 31 July 2025. The Company will make further announcement(s) on the closure of books for holders of H shares or record date for A Shares and the expected date of payment in relation to the payment of cash dividend in the notice of the general meeting or after the convening of the general meeting.

Pursuant to the Articles of Association of the Company, dividends payable to the holders of A Shares shall be paid in RMB, and dividends payable to the holders of H Shares shall be calculated and declared in RMB, and paid in HK\$ or RMB. The annual dividend of 2024 for H Share will be paid in HK\$. The exchange rate for dividends payable in HK\$ is the central parity rate of RMB to HK\$ published by the People's Bank of China on the trading day (24 March 2025) preceding the date of declaration of the proposed 2024 annual dividend by the Board, namely $\text{RMB1}=\text{HK\$}1.08287$. Accordingly, the amount of the proposed dividend for each H Share is approximately HK\$0.15702.

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(II) Special Explanation of Cash Dividend Policy

☒ Applicable ☐ Not applicable

Whether it complies with the provisions of the Articles of Association or the requirements of the resolution of the general meeting	☒ Yes	☐ No
Whether the dividend standard and ratio are specific and clear	☒ Yes	☐ No
Whether the relevant decision-making procedures and mechanisms are complete	☒ Yes	☐ No
Whether the independent Directors performed their duties and played their due role	☒ Yes	☐ No
Whether minority shareholders have the opportunity to fully express their opinions and demands, and whether their legitimate rights and interests have been fully protected	☒ Yes	☐ No

(III) If It Is Profitable and the Profits Attributable to the Shareholders of the Company is Positive during the Reporting Period, but Has Not Proposed Any Cash Dividend Plan, It Shall Disclose the Reasons for Non-Distribution as well as the Purpose and Use Plans of the Undistributed Profits

☐ Applicable ☒ Not applicable

(IV) Proposals for Profit Distribution and Conversion of Capital Reserve to Share Capital During the Reporting Period

☒ Applicable ☐ Not applicable

	<i>Unit: RMB</i>
Number of bonus shares for every 10 shares (share)	0
Amount of interim dividend for every 10 shares (tax included)	1.45
Amount of final dividend for every 10 shares (tax included)	1.45
Number of shares converted for every 10 shares (share)	0
Amount of cash dividend (tax included) (Note 1)	2,094,902,922.50
Net profit attributable to ordinary shareholders of the Company in the consolidated financial statement during the year of dividend distribution	3,917,651,361.38
Ratio of dividend amount to net profit attributable to ordinary shareholders of the Company in the consolidated financial statement (%)	53.47
The amount of cash used for Share repurchase which was included in cash dividend (Note 2)	69,107,078.10
Total amount of cash dividend (tax included)	2,164,010,000.60
Ratio of total dividend amount to net profit attributable to ordinary shareholders of the Company in the consolidated financial statement (%)	55.24

Note 1: The amount of cash dividends includes RMB1,053,563,321.16 of interim dividends for 2024 (which have been paid) and RMB1,041,339,601.34 of annual dividends for 2024 (which need to be submitted to the general meeting for consideration), totaling RMB2,094,902,922.50.

Note 2: During the Reporting Period, the Company repurchased in cash with 11,381,122 A Shares with the total repurchase amount of RMB59,871,070.61 (excluding transaction costs); 3,055,000 H Shares, with the total repurchase amount of HK\$9,993,380 (excluding transaction costs, total RMB9,236,007.49).

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(V) Cash Dividends for the Past Three Fiscal Years

☒ Applicable ☐ Not applicable

	<i>Unit: RMB</i>
Amount of cash dividend for the past three fiscal years (tax included) (1)	5,651,383,511.25
Amount of cash for repurchase Shares which were cancelled for the past three fiscal years (2)	222,749,377.37
Amount of cash dividend and repurchase Shares which were cancelled for the past three fiscal years (3)=(1)+(2)	5,874,132,888.62
Annual average net profit attributable to shareholders of the Company for the past three fiscal years (4)	4,070,543,852.02
Ratio of total cash dividend for the past three fiscal years(5)=(3)/(4)	144.31
Net profit attributable to common shareholders of the Company in the consolidated financial statements for the recent fiscal year	3,917,651,361.38
Undistributed profits of financial position of the Company at the end of the recent fiscal year	7,238,071,288.67

XIV. THE COMPANY' S SHARE OPTION SCHEME, EMPLOYEE STOCK OWNERSHIP SCHEME OR OTHER EMPLOYEE INCENTIVES AND THE IMPACT THEREOF

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

☒ Applicable ☐ Not applicable

1. Summary of the share option scheme

On 24 January 2022, the First Share Option Incentive Scheme of the Company (the "Share Option Scheme") has been considered and approved at the 2022 first extraordinary general meeting. The term is ten years from the date of approval of the general meeting (i.e. until 23 January 2032, except for the early termination of the resolution of the general meeting). The main contents of the Share Option Scheme, including that the number of the Share Options to be granted to the Participants thereunder, involves 73,925,800 ordinary A Shares of the Company, which is accounting for approximately 1.00% of the Company's total issued 7,400,803,875 Shares as at the date of approval of the Share Option Scheme by the general meeting, and 1.03% of the Company's total issued 7,181,652,423 Shares (after deducting the following Shares in the Special Accounts for Repurchase of the Company (i) 26,891,535 A Shares for share incentive, and (ii) 22,019,000 H Shares and 63,653,917 A Shares repurchased but not yet cancelled) as at the date of this Report, respectively. The source of the underlying Shares under the Share Option Scheme shall be the ordinary A Shares repurchased on the SSE by the Company.

The Share Option Scheme is beneficial to: (1) the formation of a benefit sharing and risk-pooling mechanism among the Shareholders, the Company and its employees, so as to fully arouse the initiative of the Participants, help the Company to balance the short-term and the long-term goals, promote the implementation of the Company's strategy and long-term sustainable development; and (2) attracting and retaining the management talents and core personnel, supporting the long-run development of the Company, and finally facilitating the elevation of Shareholders' value and safeguarding the Shareholders' interest.

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The Participants under the Share Option Scheme include: the Directors and senior management members of the Company; personnel above the level of assistant general manager in the headquarters' departments and secondary subsidiaries of the Company; qualified heads and deputy heads of tertiary subsidiaries of the Company; qualified heads of level-four subsidiaries of the Company; and other core backbone personnel. Unless approved by a special resolution at the general meetings, the aggregate number of ordinary A Shares involved in the Share Options granted (including the exercised and unexercised ones) to any Participant through the Company's share option schemes within the validity period shall not exceed 1% of the total share capital of the Company as at the date of approval of the Share Option Scheme at the general meeting, and shall not exceed 1% of the total number of A Shares in issue of the Company on the same day. The Share Options under the Grant shall be exercisable for a term of five years commencing from the date of grant (the "Grant Date"), otherwise the Share Options not yet exercised shall lapse. Subject to the satisfaction of the effective conditions under the Share Option Scheme and after the 24-month lock-up period, the Participants may exercise their Share Options in tranches of prescribed proportions at the exercisable date during the exercise period (the "Exercise Period").

The exercise price of the Share Options (the "Exercise Price") shall be determined based on the fair market price principle, which shall be the higher of the followings: (a) the average trading price of the A Shares of the Company for the last trading day preceding the date of the announcement of the draft and summary of the Share Option Scheme published on the website of the SSE; (b) the average trading price of the A Shares of the Company for the last 20 trading days preceding the date of announcement of the draft and summary of the Share Option Scheme published on the website of the SSE; (c) the unit par value of the A Shares of the Company, being RMB1.00. From the Grant Date of the Share Options, in the event of cash dividend distribution, share capital transferred from capital reserve, share dividend, share subdivision, share consolidation or rights issue of the Company prior to any exercise of options, the Exercise Price shall be adjusted accordingly.

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2. The grant and exercise under the share option scheme

During the Reporting Period, the details of the changes of the Share Options under the Share Option Scheme are as follows:

Unit: A Shares

Name	Position	Grant Date (Note 2)	Number of share options held at the beginning of the Reporting Period	Exercisable Shares during the Reporting Period	Number of Share Options exercised during the Reporting Period (the first exercise period) (Note 5)	Number of Share Options lapsed during the Reporting Period (Note 7)	Exercise Period (Note 3)	Exercise price (RMB/ Share) (Note 2)	Proportion in the total share capital of the Company as at the date of approval of the draft Share Option Scheme (Note 4)	Number of share options held at the end of the Reporting Period	Number of Share Options cancelled during the Reporting Period (Note 6)
Song Rong	Director, President (Resigned as the President on 14 March 2025)	25 January 2022	1,286,800	428,933	100,000	-	25 January 2024 – 24 January 2027	3.765	0.0174	1,186,800	-
Li Shichu	Vice President, Secretary of the Board, Company Secretary, General Counsel (Chief Compliance Officer)	25 January 2022	768,800	256,267	256,267	-	25 January 2024 – 24 January 2027	3.765/3.475	0.0104	512,533	-
Gao Xiang	Vice President, Chief Digital Officer	25 January 2022	898,800	299,600	210,000	-	25 January 2024 – 24 January 2027	3.765/3.475	0.0121	688,800	-
Wang Dupeng	Vice President	25 January 2022	686,600	228,867	228,867	-	25 January 2024 – 24 January 2027	3.765/3.475	0.0093	457,733	-
Wang Jian	Vice President	25 January 2022	686,600	228,867	160,000	-	25 January 2024 – 24 January 2027	3.765/3.475	0.0093	526,600	-
Wang Jiuyun (Resigned)	Chief Financial Officer	25 January 2022	768,800	256,267	256,267	-	25 January 2024 – 24 January 2027	3.765/3.475	0.0104	512,533	-
Tian Lei (Resigned)	General Counsel	25 January 2022	835,800	278,600	278,600	-	25 January 2024 – 24 January 2027	3.765/3.475	0.0113	557,200	-
Sub-total (Note 1) /	/	/	5,932,200	1,977,401	1,490,001	-	/	/	0.0802	4,442,199	-
Other participants (Note 8)		25 January 2022	63,294,641	20,973,731	20,898,464	3,249,466	25 January 2024 – 24 January 2027	3.765/3.475	0.8552	39,146,711	4,698,959
Total (Notes 8 and 10)		/	69,226,841	22,951,132	22,388,465	3,249,466	/	/	0.9354	43,588,910	4,698,959
Five highest paid individuals (Note 9)		25 January 2022	3,760,200	1,253,400	834,867	0	25 January 2024 – 24 January 2027	3.765/3.475	0.0508	2,925,333	0

Notes :

- Some figures shown as totals herein may not be an arithmetic aggregation of the figures preceding them due to rounding.

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2. Approved by the 8th meeting of the Third Session of the Board on 25 January 2022, a total of 73,925,800 Share Options (i.e. all Share Options available for grant under the Share Option Scheme, therefore no Share Options available for grant under the Share Option Scheme at both the beginning and end of the Reporting Period) have been granted to the 186 Participants by the Company according to the Share Option Scheme. Each Share Option granted under the Share Option Scheme is entitled to purchase one ordinary A Share at the Exercise Price during the exercise period provided that the effective conditions and the effective arrangement are fulfilled. The Exercise Price of the Share Options granted on 25 January 2022 was RMB4.29 per Share. The closing price of A Shares immediately before the Grant Date of the Share Options (i.e., 24 January 2022) was RMB4.31. The fair value of each Share Option was RMB1.2451 at Grant Date (risk-free interest rate was taken as the annualized interest rate of 3.5-year (same as expected term) treasury bonds at 2.3%, share price volatility was taken as the historical volatility of 38.97% since the listing of the Company's A shares, expected term was taken as 3.5 years (weighted), and expected dividend rate was taken as 0% (according to the valuation principles and the regulatory requirements of the SASAC, if the share incentive scheme of the Company specifies the adjustment principles for the exercise price after distribution of dividends, the expected dividend rate will not be considered in the fair value evaluation, and 0% will be used as the input), which was calculated by the Company in accordance with the accounting standards and policies adopted by the Company using the Black-Scholes option pricing model. According to the relevant provisions of the Share Option Scheme, considering the 2021 final dividend, the 2022 interim dividend, the 2022 final dividend, the 2023 interim dividend, the 2023 final dividend and the 2024 interim dividend distributed by the Company, the Company adjusted the Exercise Price on 25 August 2022, 27 March 2023, 26 October 2023, 29 August 2024 and 25 October 2024, respectively. As at the date of this Report, the Exercise Price of the Share Options was RMB3.475 per Share. As at the end of the Reporting Period (i.e. 31 December 2024), the closing price of A Shares was RMB5.35 per Share.

3. The Share Options shall be exercisable for a term of five years commencing from the Grant Date. The lock-up period is 24 months from the Grant Date of the Share Options, during which the Share Options granted to the Participants under the Share Option Scheme shall not be exercised. Operating results requirements have been set forth in the Share Option Scheme based on the future growth in the performance of the Company, and the exercisable percentage of Options is linked to the performance assessment results of each Participant. The Share Options to be granted shall take effect as per the fulfilment of the effective conditions and provided that the Company is not caught in any circumstance where no equity incentives shall be implemented under the requirements of the SASAC and the CSRC. Operating results requirements include the Company's return on equity attributable to owners of the Company, compound growth rate of net profit attributable to owners of the Company and economic value added (EVA). For details of the preconditions for the effectiveness of the Share Option Scheme and the individual performance assessment process of the Participants, please refer to Appendix I "PRINCIPAL TERMS OF THE SHARE OPTION SCHEME" and Appendix II "APPRAISAL MEASURES FOR IMPLEMENTATION OF THE SHARE OPTION SCHEME" to the circular dated 30 December 2021.

Subject to the satisfaction of the effective conditions under the Share Option Scheme, the Participants may exercise their Share Options granted in tranches and in accordance with the arrangements set out in the table below.

Exercise Period	Exercise Time	Exercise Ratio
First Exercise Period (25 January 2024 – 24 January 2025)	Commencing from the first trading day after the expiration of the 24-month period (or two anniversaries) from the Grant Date and ending on the last trading day of the 36-month period from the Grant Date	1/3
Second Exercise Period (25 January 2025 – 24 January 2026)	Commencing from the first trading day after the expiration of the 36-month period (or three anniversaries) from the Grant Date and ending on the last trading day of the 48-month period from the Grant Date	1/3
Third Exercise Period (25 January 2026 – 24 January 2027)	Commencing from the first trading day after expiration of a four-year period (or four anniversaries) from Grant Date and ending on last trading day of a five-year period from Grant date.	1/3

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4. The number of the total issued shares of the Company on the date of the Share Option Scheme being approved at the general meeting (24 January 2022) was 7,400,803,875 Shares.
5. During the Reporting Period, the Company completed the exercise of Share Options in the first exercise period under the Share Option Scheme, a total of 175 participants exercised 22,388,465 Share Options in aggregate (22,388,465 A Shares): ① On 27 March 2024, the Company completed the share registration procedures at the Shanghai Branch of China Securities Depository and Clearing Corporation Limited for the transfer of 21,017,064 Shares at the Exercise Price of RMB3.765 per Share to 173 participants for the first exercise of the first exercise period under the Share Option Scheme, and the weighted average closing price of A Shares immediately prior to the date of such exercise of Share Options was RMB5.91 per Share. ② On 12 November 2024, the Company completed the share registration procedures at the Shanghai Branch of China Securities Depository and Clearing Corporation Limited for the transfer of 1,371,401 Shares at the Exercise Price of RMB3.475 per Share to 10 participants for the second exercise of the first exercise period under the Share Option Scheme, and the weighted average closing price of A Shares immediately prior to the date of such exercise of Share Options was RMB5.34 per Share.
6. On 2 February 2024, the Company completed the cancellation of a total of 4,698,959 Share Options expired at the end of 2023. The exercise price of such Share Options at the time of cancellation was RMB3.765 per Share.
7. During the Reporting Period, 9 participants were no longer qualified to exercise Share Options due to retirement or other reasons, and a total of 3,249,466 Share Options held by them, which have been granted but were not permitted to be exercised or not yet exercised, were lapsed in accordance with the Share Option Scheme. On 11 February 2025, the Company completed the cancellation of the aforesaid Share Options at the Exercise Price of RMB3.475 per Share.
8. During the Reporting Period, 9 participants were no longer qualified to exercise Share Options due to retirement or other reasons. As at the end of the Reporting Period, a total of 167 participants under the Share Option Scheme were qualified to exercise Share Options, including 5 Director and senior management and 162 other participants.
9. The Company granted a total of 3,760,200 Share Options to the five highest paid individuals (including 1 Director, 1 Supervisor and 3 employees), and a total of 3,760,200 A Shares can be subscribed subject to the satisfaction of the effective conditions and effective arrangements. The Grant Date of these Share Options was 25 January 2022. For details of remuneration of Directors and the five highest paid individuals of the Company during the Reporting Period, please refer to Note X.4 and Note IX.71 to the financial statements under "Chapter 11 the Financial Report" of this Report.
10. On 24 January 2025, the 6th meeting of the fourth session of the Board and the fourth meeting of the Supervisory Committee resolved that the exercise conditions for the second exercise period under the Share Option Scheme have been fulfilled. A total of 167 Participants met the exercise conditions for the second exercise period under the Share Option Scheme.

For the main terms, grant conditions, exercise price adjustment, the fulfillment of the exercise conditions and exercise options during the first exercise period, the fulfillment of the exercise conditions of the second exercise period and other relevant details of the Share Option Scheme of the Company, please refer to the Company's announcements dated 29 November 2021, 21 January 2022, 24 January 2022, 25 January 2022, 2 March 2022, 25 August 2022, 27 March 2023, 26 October 2023, 29 January 2024, 2 February 2024, 28 March 2024, 29 August 2024, 25 October 2024, 13 November 2024, 24 January 2025, and 11 February 2025 and the circular dated 30 December 2021.

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

Information on Share incentives

☐ Applicable ☒ Not applicable

Other explanations

☐ Applicable ☒ Not applicable

Information on employee stock ownership scheme

☐ Applicable ☒ Not applicable

Other incentives measures

☐ Applicable ☒ Not applicable

(III) Share Incentives to Directors, Senior Management during the Reporting Period

☐ Applicable ☒ Not applicable

(IV) Establishment and Implementation of Appraisal Mechanism and Incentive Mechanism for Senior Management During the Reporting Period

☒ Applicable ☐ Not applicable

The Company implements a tenure system and contract-based management for senior management by setting key performance evaluation indicators, such as basic performance and strategic execution, and performance bonuses are linked to the results of assessment. The Remuneration Committee and the Board determine the incentive criteria for senior management for the current year according to the relevant performance and salary management measures and the assessment results.

In addition, as at the date of disclosure of this Report, the exercised options during the first exercise period (25 January 2024 to 24 January 2025) of the Share Option Scheme (Phase I) of the Company have been completed, a total of 175 participants exercised 22,388,465 Share Options. And the exercise conditions for the second exercise period (25 January 2025 to 24 January 2026) have been fulfilled, the Company will organize 167 eligible participants to exercise their Share Options in a unified manner.

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XV. ESTABLISHMENT AND IMPLEMENTATION OF THE INTERNAL CONTROL SYSTEM DURING THE REPORTING PERIOD

☒Applicable ☐Not applicable

Since the internal control system was started in 2013, the Company has gradually established general internal management processes, such as development strategy, financial management, funds management, contract management, human resource management and information management, and established corresponding business management processes in each business segment, which has formed a relatively well-established internal control system.

During the Reporting Period, in order to continuously optimize the construction of its internal management system, combined with the annual internal control compliance supervision and inspection work, efforts were made to strengthen the integration of inspection functions. Joint supervision and inspections were carried out focusing on key management areas and high-risk fields. The purpose of these inspections is to identify any deficiencies and promote improvements, effectively advancing the construction of the internal control system, and significantly enhancing the effectiveness of overall risk management.

Explanation on Significant Deficiencies in Internal Control During the Reporting Period

☐Applicable ☒Not applicable

For the internal control assessment, please refer to the 2024 Assessment Report of Internal Control on the website of SSE (www.sse.com.cn).

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XVI. MANAGEMENT AND CONTROL OF THE SUBSIDIARIES DURING THE REPORTING PERIOD

☒ Applicable ☐ Not applicable

During the Reporting Period, in accordance with the Company Law and other laws and regulations as well as the Management System for Subsidiaries and other internal management systems, the Company managed and controlled the personnel, finance, operation and investment decisions, internal control, internal audit, information disclosure and submission of the holding subsidiaries; improved the internal control system continuously, created a comprehensive and feasible internal control system and an effective internal control and supervision mechanism, and established a full-coverage risk management system to effectively control risks; implemented comprehensive budget management, strengthened fund supervision, and decomposed the overall strategic goals and budget goals to subsidiaries, so as to effectively ensure the realization of the Company's overall goals; optimized and adjusted the organization of the headquarters, promoted the matrix management and control mode of subsidiaries, strengthened overall business management, and further strengthened internal management control and business coordination; managed and supervised the personnel appointment and removal and salary assessment of its subsidiaries; strengthened the establishment of the board of directors of subsidiaries, clarified the reporting mechanism of major events, timely tracked the financial status of the holding subsidiaries and other major events, to ensure the standard operation of the Company and its holding subsidiaries.

XVII. INFORMATION ON AUDIT REPORT OF INTERNAL CONTROL

☒ Applicable ☐ Not applicable

ShineWing Certified Public Accountants LLP has audited the effectiveness of internal control in the 2024 financial report of the Company and issued standard unqualified opinions. For details, please refer to the 2024 Audit Report of Internal Control disclosed on the website of SSE (www.sse.com.cn) by the Company.

Whether or not to disclose the audit report of internal control: Yes

Types of opinion on internal control audit report: Standard unqualified opinions

XVIII. SELF-EXAMINATION AND RECTIFICATION OF LISTED COMPANY GOVERNANCE SPECIAL ACTIONS

Nil

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XIX. OTHERS

☒ Applicable ☐ Not applicable

(I) Auditor's Remuneration

For details, please refer to "Chapter 7 Significant Matters" "VI. APPOINTMENT AND DISMISSAL OF AUDITORS" of this Report.

(II) Company Secretary

During the Reporting Period, Mr. Li Shichu served as the company secretary and possessed corresponding professional knowledge and experience. For relevant resume information, please refer to "V. Directors, Supervisors and Senior Management" in this chapter. In 2024, Mr. Li Shichu has completed the relevant career training for more than 15 hours.

(III) Amendments to the Articles of Association

In accordance with Decision of the State Council to Repeal Certain Administrative Regulations and Documents (《國務院關於廢止部分行政法規和文件的決定》) issued by the State Council of the PRC, the Trial Administrative Measures of Overseas Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》), the Listed Companies Regulatory Guidance No. 3 — Cash Dividends Distribution of Listed Companies (2023 Revision) (《上市公司監管指引第3號—上市公司現金分紅(2023年修訂)》), the Measures for the Administration of Independent Directors of Listed Companies (《上市公司獨立董事管理辦法》), the Guidelines on the Articles of Association of Listed Companies (2023 Revision) (《上市公司章程指引(2023年修訂)》) issued by the China Securities Regulatory Commission and other applicable laws, regulations and normative documents as well as the latest SEHK Listing Rules and SSE Listing Rules, and according to the Company's actual operational and management needs, on 7 June 2024, according to the actual operational and management needs of the Company, the Company held 2023 Annual General Meeting, approving the proposal in relation to the revising of Articles of Association. For details, please refer to the general meeting materials and the circular dated 17 May 2024 on the website of SSE (www.sse.com.cn) and the website of SEHK (www.hkexnews.hk) published by the Company, respectively.

Chapter 6

Environment and Social Responsibility

I. ENVIRONMENTAL INFORMATION

Whether relevant mechanisms for environmental protection have been established Yes
 Environmental protection funds invested in the Reporting Period (unit: RMB million) 101.2833

(I) Explanation on Environmental Protection of Companies and Their Significant Subsidiaries Classified as the Key Pollutant Discharging Entities Announced by the Ministry of Environmental Protection

☐ Applicable ☒ Not applicable

(II) Environmental Information on Companies other than Key Pollutant Discharging Units

☒ Applicable ☐ Not applicable

1. Particulars of administrative penalties due to environmental issues

☒ Applicable ☐ Not applicable

In June 2024, a ship named “Changhang Yangshan 1 (長航洋山1)” of Shanghai Xinyangshan Containers Transportation Co., Ltd. (上海新洋山集裝箱運輸有限公司), a subsidiary of the Company, was fined RMB2,000 by the Baoshan Maritime Safety Administration in Shanghai for the discharge of visible black smoke on which rectification had been made in a timely manner.

2. Disclosure of other environmental information with reference to key pollutant discharging units

☒ Applicable ☐ Not applicable

The Company is not a key pollutant discharging entity as published by the environmental protection authorities. During the Reporting Period, main pollutant emissions of the Company were as follows: 91.75 tonnes of oxynitride, 43.53 tonnes of oxysulfide and 1.7159 million tonnes of waste water in total.

3. Reasons for non-disclosure of other environmental information

☐ Applicable ☒ Not applicable

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(III) Information in relation to Ecological Protection, Pollution Prevention and Control, and Environmental Responsibility Performance

☒Applicable ☐Not applicable

Sinotrans placed great emphasis on energy conservation and environmental protection, conscientiously strengthened the organization and guidance of energy conservation and environmental protection initiatives, established a person-in-charge list for ecological and environmental protection covering all employees, formulated and revised special environmental protection management measures and inspection checklists, and refined management standards to gradually improve the energy conservation and environmental protection management system; conducted special investigations and rectifications of ecological and environmental risks and dangers, systematically assessed the ecological environment and carried out targeted inspections of key locations, critical scenarios, and major pollution sources. The Company also enhanced environmental risk prevention and control measures to effectively prevent and contain environmental emergencies; strictly implemented requirements for the isolation, seepage prevention and water proof of hazardous waste storage sites, with a focus on hazardous waste, domestic sewage and emissions from mobile equipment. Additionally, we strengthened the construction of rainwater and sewage diversion facilities, enhanced the prevention and treatment of water pollutants at container washing and repair sites, and strictly enforced wind resistance and dust suppression measures at construction and storage areas.

(IV) Measures Taken to Reduce Carbon Emissions and Effects during the Reporting Period

Whether carbon reduction measures are taken	Yes
Carbon dioxide equivalent reduction (unit: ton)	6,091.04 tons
Type of carbon reduction measures (such as the use of clean energy for power generation, the use of carbon reduction technology in the production process, and the development and production of new products that contribute to carbon reduction)	Clean energy applications, green lighting, green building renovation, digital and intelligent applications and business model upgrades, etc.

Specific explanations

☒Applicable ☐Not applicable

First, Sinotrans actively optimized its energy consumption structure, promoted the renewal and upgrading of transportation vehicles and large equipment, and developed special plans for the upgrading of non-road mobile machinery with high emissions in low-emission zones. In 2024, the proportion of self-owned new energy forklifts increased to 85%, and the Company has been gradually improving the electrification rate of its loading and unloading equipment by purchasing new energy freight vehicles, reach stackers and cranes. At the same time, Sinotrans has been steadily expanding the application of solar energy and biodiesel, and the proportion of clean energy usage was thus increasing. Also, the Company has been actively promoting energy-saving technologies such as energy-efficient streetlights, off-peak charging, and regionalised lighting to reduce electricity consumption.

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Second, given the diverse application scenarios, the Company widely applied green new energy services and technologies across its main business segments by promoting the use of sustainable aviation fuel in green air transport products and expanding the construction of distributed photovoltaic systems on warehouse rooftops, as well as REC battery-swapping stations. It improved the organization and construction of the carbon management platform, optimized the application and international certification of the carbon calculator.

Third, the systems and mechanisms were constantly improved through the establishment of leading group, work group and office for carbon peaking and carbon neutrality and the development and refinement of special mechanisms tailored to the growth of green logistics, to fully activate and release endogenous driving forces.

For details on the energy use, carbon emissions and pollutant emissions of the Company in 2024, please refer to the “2024 Environmental, Social and Governance Report” of the Company.

II. WORKING SITUATION FOR FULFILLING SOCIAL RESPONSIBILITIES

(I) Whether the Social Responsibility Report, Sustainable Development Report or ESG Report is Disclosed Separately

☒Applicable ☐Not applicable

For details, please refer to the 2024 Environmental, Social and Governance Report disclosed on the website of SSE (www.sse.com.cn) and the website of the SEHK (www.hkexnews.hk).

(II) Specific Working Situation for Fulfilling Social Responsibilities

☒Applicable ☐Not applicable

External donations and public welfare projects	Quantity/content
Total investment (RMB million)	1.4761
Including: Capital (RMB million)	1.4761
Material conversion (RMB million)	0
Number of beneficiaries (person)	1,388

Specific explanations

☒Applicable ☐Not applicable

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In 2024, The Company accumulatively invested a total amount of about RMB1.48 million through the China Merchants Charity Foundation to comprehensively support the development of society and demonstrate the value of the corporate brand by mainly supporting the following three public welfare projects:

- **The “China Merchants Education Scholarship” Program for Hubei Three Gorges Polytechnic (湖北三峡職業技術學院)**

Sinotrans collaborated with Hubei Three Gorges Polytechnic to sponsor the students with the “China Merchants Education Scholarship”, aiming to enhance their professional competence of logistics management, cultivate more high-quality technical talents, improve local employment, and reserve logistics professionals for the China Merchants Group and Sinotrans.

- **“Borderland Youth’s Dreams Coming True in Beijing (邊疆青少年北京圓夢)” public welfare activity.**

In August 2024, Sinotrans hosted the “Borderland Youth’s Dreams Coming True in Beijing (邊疆青少年北京圓夢)” public welfare activity, with a total of 22 young participants from the border areas. The activity featured various themes such as revolutionary education, traditional culture, science and technology innovation, etc., through which the children of the border guards in Atushi Kizilsu Kirghiz Autonomous Prefecture, Xinjiang have left their footprints left in Tian’anmen Square, the Great Wall, the Temple of Heaven, the Bird’s Nest and other landmarks, and realized their dreams of studying in Beijing.

The activity has sown the seeds of dreams for the teenagers in the border areas, narrowed the distance between the border areas and the capital city, and demonstrated the power of ethnic unity and love

- **C ME FLY Overseas Youth Logistics Exploration Camp (海外青少年物流研學營)**

In October 2024, Sinotrans hosted the “C ME FLY Overseas Youth Logistics Exploration Camp (海外青少年物流研學營)” for the purpose of promoting cultural exchanges and logistics practice among youths from China, Laos and Thailand. During the period, teenagers from the three countries participated in activities such as learning the United Nations Sustainable Development Goals (SDGs), practicing logistics in our overseas warehouses in Thailand, and planting at the China-Laos Crop Experiment Station, etc. The closing ceremony was held in Kunming, China, where the teenagers shared their gains and insights. The activity not only enhanced their cultural literacy and international vision, but also demonstrated the positive contribution in promoting international exchanges and cooperation made by Sinotrans.

In addition, Sinotrans advocated a variety of volunteer service activities that take into account the actual situation in its localities. A total of 233 employees participated in volunteer services in 2024, with a cumulative total of 2,568 hours of service. Volunteer services took various forms, including donating materials to the disaster-stricken and poverty-stricken areas, caring for the needy, participating in environmental protection, and providing communities with welfare services. These activities not only demonstrated Sinotrans’ corporate responsibility in all aspects, but also further enhanced the social recognition and influence of the corporate brand.

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

☒ Applicable ☐ Not applicable

Poverty alleviation and Rural revitalization projects	Quantity/content
Total investment (RMB million)	8
Including: Capital (RMB million)	8
Material conversion (RMB million)	0
Number of beneficiaries (person)	16,000
Assistance forms (such as industrial poverty alleviation, employment poverty alleviation, education poverty alleviation, etc.)	Three rural revitalization projects

Specific Explanations

☒ Applicable ☐ Not applicable

During the Reporting Period, Sinotrans made a total targeted investment of RMB8 million through the China Merchants Charity Foundation which was used as a unified professional public welfare platform, focusing on core areas such as industrial guidance, public service enhancement and financial assistance, and assisted in the comprehensive revitalization of villages in the assisted counties including Chichun, Hubei province and Yecheng, Xinjiang.

- **The Industrial Revitalization Project in Qichun, Hubei:** It supported the construction of the rural revitalization demonstration areas in Qichun County. Focusing on building 7 sewage treatment stations in Zhulin Town, Datong Town, Guanyao Town, Chidong Town, Qizhou Town and other places, it effectively solved the problem of excessive TP, TN and COD caused by domestic sewage discharge around Chidong Lake, and significantly improved the local ecological environment.
- **The Financial Assistance Project in Qichun, Hubei:** To prevent the risk of returning to poverty, the “Poverty Prevention Insurance” project has been carried out to help low-income groups withstand risks such as serious illnesses, major disasters, and the burden of education. In addition, it supported the subsidy of guarantee fees for agricultural-related small and micro enterprises, supported the development of local new business entities, promoted the formation of the mechanism for integrating and driving farmers, and further consolidated the achievements of poverty alleviation.
- **The “Seepage-proof Canal” Construction Project in Yecheng, Xinjiang:** It supported the construction of a 5.5-kilometer seepage-proof canal in the planting base of Heyuan Town, which significantly improved the efficiency of agricultural water use. This project not only ensured food security but also promoted the development of local characteristic and advantageous industries, optimized the layout of the industrial structure, and provided strong support for the modernization of agriculture and rural areas.

In addition, Sinotrans has contributed to rural revitalization through consumption assistance through means such as trade union benefits and cooperation with the public welfare agricultural products of “27° Agriculture”, with the cumulative amount of consumption assistance reaching RMB7.3 million throughout the year.

Chapter 7 Significant Matters

I. EXERCISE OF COMMITMENTS

(I) Commitments of the Actual Controller, Shareholders, Connected Parties, Acquiring Parties of the Company and the Company and Other Parties Involved During the Reporting Period or Subsisting to the Reporting Period

✓Applicable ☐Not applicable

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

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

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

(II) Whether the Company Has Made a Profit Forecast as to Its Assets or Projects, and the Reporting Period is within the Profit Estimate Period, the Company's Explanation on whether Its Assets or Projects Meet Its Previous Profit Forecast and the Reasons

☐Meet ☐Not Meet ☒Not applicable

(III) Fulfilment of the Performance Commitment and Its Impact on the Goodwill Impairment Test

☐Applicable ☒Not applicable

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

☐Applicable ☒Not applicable

III. IRREGULAR OF GUARANTEES

☐Applicable ☒Not applicable

IV. BOARD'S EXPLANATIONS ON "NON-STANDARD OPINION AUDIT REPORT" OF ACCOUNTING FIRMS

☐Applicable ☒Not applicable

V. EXPLANATIONS OF THE COMPANY ON THE REASONS FOR AND EFFECTS OF CHANGES IN THE ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES OF THE COMPANY OR REMEDIES FOR MAJOR ACCOUNTING ERRORS

(I) Explanations of the Company on the Reasons for and Effects of Changes in the Accounting Policies and Accounting Estimates

☐Applicable ☒Not applicable

(II) Analysis and Explanation of the Causes and Effects of the Company's Correction of Major Accounting Errors

☐Applicable ☒Not applicable

(III) Communication with Former Accounting Firms

☐Applicable ☒Not applicable

(IV) Approval procedures and other instructions

☐Applicable ☒Not applicable

Chapter 7 Significant Matters

VI. APPOINTMENT AND DISMISSAL OF AUDITORS

Unit: RMB

Current appointment

Name of the domestic accounting firm	ShineWing Certified Public Accountants LLP
Remuneration for the domestic accounting firm	9,920,000.00
Term of audit by the domestic accounting firm	7
Name of public certified accountants of the domestic accounting firm	Dong Qinchuan, Xu Youbin
Term of public certified accountants of the domestic accounting firm	5 years, 4 years

	Name	Remuneration
Accounting firm for internal control audit	ShineWing Certified Public Accountants LLP	1,500,000.00

Description of the appointment and dismissal of auditors

☒ Applicable ☐ Not applicable

- On 7 June 2024, the 2023 annual general meeting was convened, at which the proposal in relation to the re-appointment of external auditor for 2024 was considered and approved, which agreed to re-appoint ShineWing Certified Public Accountants LLP as the auditor of the Company for financial reports and internal control for the year 2024, with a term of office until the conclusion of the 2024 annual general meeting of the Company. The total audit fee is RMB11.20 million, among which the audit fees for financial reports and internal control are RMB9.70 million and RMB1.50 million, respectively. The Company has not changed auditors in the past three years.
- In 2024, audit fees amounted to RMB11.42 million (RMB10.77 million tax excluded). The audit fees mainly include audit of annual financial report, review of interim financial report and audit of internal control. Other non-audit service fees paid to public accounts amounted to RMB7.9064 million (tax excluded). Other non-audit service fees mainly include due diligence services for overseas acquisitions, auditor's letter on continuing connected transactions under the SEHK Listing Rules, performance of agreed-upon procedures regarding preliminary announcements of annual results and so on.

Explanation on the situation of appointment a new auditor during the audit period

☐ Applicable ☒ Not applicable

Explanation of audit fees decreasing by more than 20% (including 20%) compared to the previous year

☐ Applicable ☒ Not applicable

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VII. THE SITUATION OF FACING THE RISK OF DELISTING

(I) Reasons for the Delisting Risk Warning

☐Applicable ☒Not applicable

(II) Measures Taken by the Company

☐Applicable ☒Not applicable

(III) Situation and Reasons for Termination of Listing

☐Applicable ☒Not applicable

VIII. MATTERS RELATED TO BANKRUPTCY AND REORGANIZATION

☐Applicable ☒Not applicable

IX. MAJOR LITIGATION AND ARBITRATION MATTERS

☐The Company was involved in major litigation or arbitration proceedings
☒The Company was not involved in major litigation or arbitration proceedings

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

☐Applicable ☒Not applicable

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

☐Applicable ☒Not applicable

XII. CONNECTED TRANSACTIONS, MAJOR RELATED PARTY TRANSACTIONS

(I) Connected Transactions (Disclosed in Accordance with the SEHK Listing Rules)

Significant related party transactions of the Group for the year ended 31 December 2024 are disclosed in Note X under “Chapter 11 Financial Report” of this Report. Save as disclosed in the section below, such related party transactions set out in the abovementioned Note X are not the transactions falling under the definition of “connected transaction” or “continuing connected transaction” in Chapter 14A of the SEHK Listing Rules. The Company has complied with the disclosure requirements in accordance with Chapter 14A of the SEHK Listing Rules for the continuing connected transactions and connected transactions mentioned in the section below.

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1 Continuing Connected Transactions

The continuing connected transactions of the Group for the year ended 31 December 2024 are as follows:

Revenue/(Expenses)	Note	2024 RMB
Transactions with China Merchants Group	Note 1	
Provision of transportation and logistics services		924,261,503.63
Receiving of transportation and logistics services		1,846,600,470.02
Right-of-use assets (for those leases of which the lease term exceeds one year) of the Group as the lessee for properties and storage facilities (inclusive of the equipment therein)		628,935,098.54
Other payments (including rent for those leases of which the lease term is no more than one year) of the Group as the lessee for properties and storage facilities (inclusive of the equipment therein)		130,000,295.57
Total rent payments of the Group as the lessor for properties and storage facilities (inclusive of the equipment therein)		13,831,984.54
Right-of-use assets (for those leases of which the lease term exceeds one year) of the Group as the lessee for containers and other equipment		5,238,146.62
Other payments (including rent for those leases of which the lease term is no more than one year) of the Group as the lessee for containers and other equipment		1,648,679.67
Total rent payments of the Group as the lessor for containers and other equipment		58,779,428.48
Transaction with Daojiahui Technology Company	Note 2	
Purchase of office supplies and equipment		55,742,733.87
Receiving services from Finance Company	Note 3	
Maximum daily outstanding balance of deposits placed by the Group with the Finance Company (excluding loan proceeds advanced by the Finance Company)		5,787,029,280.41
Maximum daily outstanding balance of loans granted by the Finance Company to the Group (including accrued interests and handling charges)		277,925,400.49
Total expenses payable by the Group with respect to other financial services		95,005.30
Transactions with Sinotrans Shandong Hongzhi	Note 4	
Provision of transportation and logistics services		91,579,418.79
Receiving of transportation and logistics services		157,166,698.66
Transactions with Y2T	Note 5	
Provision of transportation and logistics services		1,364,972,177.25
Receiving of transportation and logistics services		1,331,003,304.52
Receiving of system development and operation maintenance services		2,940,849.07
Transactions with Qingdao Jinyun Air	Note 6	
Provision of transportation and logistics services		17,656,244.08
Receiving of transportation and logistics services		9,180,815.74
Transactions with Sinotrans Changjiang	Note 7	
Provision of logistics services		698,550,357.19
Receiving of logistics services		626,021,469.76
Total rent payments of the Group as the lessor for properties and warehouses (including facilities)		12,268,581.53
Transactions with Jiangsu Shipping Agency	Note 8	
Provision of logistics services		25,018,828.00
Receiving of logistics services		52,158,253.16

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Note 1: The reason why the transactions with China Merchants Group are deemed as connected transactions is that China Merchants is the actual controller of the Company. On 26 October 2023, the Company has renewed the Master Services Agreement and Master Lease Agreement with China Merchants to govern the provision and receiving of transportation and logistics services (including freight forwarding services, shipping agency, storage and terminal services, road transportation, express services and shipping transportation and other logistics services) and (i) the lease of properties and storage facilities (inclusive of the equipment therein), and (ii) the lease of containers and other equipment between the Group and China Merchants and its associates, the terms of which are from 1 January 2024 to 31 December 2026. The annual caps for transactions under the agreements are as follows:

Categories	Unit: Hundred million Currency: RMB		
	2024	2025	2026
Provision of transportation and logistics services	25.00	32.50	42.25
Receiving of transportation and logistics services	35.00	45.50	59.15
Right-of-use assets (for those leases of which the lease term exceeds one year) of the Group as the lessee for properties and storage facilities (inclusive of the equipment therein)	25.00	28.75	33.06
Other payments (including rent for those leases of which the lease term is no more than one year) of the Group as the lessee for properties and storage facilities (inclusive of the equipment therein)	2.00	2.30	2.65
Total rent payments of the Group as the lessor for properties and storage facilities (inclusive of the equipment therein)	0.40	0.46	0.53
Right-of-use assets (for those leases of which the lease term exceeds one year) of the Group as the lessee for containers and other equipment	0.60	0.69	0.79
Other payments (including rent for those leases of which the lease term is no more than one year) of the Group as the lessee for containers and other equipment	0.08	0.09	0.10
Total rent payments of the Group as the lessor for containers and other equipment	2.00	2.30	2.65

Note 2: The reason why the transaction with China Merchants (Shenzhen) Daojiahui Technology Co., Ltd.* (深圳招商到家匯科技有限公司, hereinafter referred to as "Daojiahui Technology Company") is deemed as a connected transaction is that Daojiahui Technology Company is a subsidiary of China Merchants. On 27 March 2023, the Company renewed the Master Purchase Agreement with Daojiahui Technology Company, pursuant to which, the Group may purchase the office supplies and equipment from Daojiahui Technology Company through the China Merchants Daojiahui (the online shopping platform) for the period from 1 January 2023 to 31 December 2025. According to the agreement, the total amount of office supplies and equipment purchased by the Group from Daojiahui Technology Company shall not exceed RMB120 million in 2023, RMB144 million in 2024 and RMB172.8 million in 2025, respectively.

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Note 3: The reason why the transaction with the Finance Company is deemed as a connected transaction is that the Finance Company is held as to 51% and 49% by China Merchants and Sinotrans & CSC, respectively. On 26 October 2023, the Company renewed the Financial Services Agreement with the Finance Company, the term of which is from 1 January 2024 to 31 December 2026, to govern the financial services provided by Finance Companies to the Group, including deposit services, loan services and other financial services. The annual caps for transactions under the agreement are: maximum daily outstanding balance of deposits placed by the Group with the Finance Company (excluding loan proceeds advanced by the Finance Company) is RMB6 billion, the maximum daily outstanding balance of loans granted by the Finance Company to the Group (including accrued interests and handling charges) shall not exceed RMB10 billion, and the maximum total expenses payable by the Group with respect to other financial services shall not exceed RMB20 million for each of the three years ending 31 December 2026.

Note 4: The reason why the transactions with Sinotrans Shandong Hongzhi Logistics Co. Ltd* (山東中外運弘志物流有限公司, hereinafter referred to as "Sinotrans Shandong Hongzhi", with its subsidiaries are collectively referred to as "Sinotrans Shandong Hongzhi Group"), are deemed as connected transactions is that Sinotrans Shandong Hongzhi is held as to more than 10% equity interests by the subsidiaries of Sinotrans & CSC. On 26 October 2023, the Company has renewed the Master Services Agreement with Sinotrans Shandong Hongzhi to govern the provision and receiving of transportation and logistics services (including freight forwarding services, shipping agency, storage and yard operation, road transportation, express services and shipping transportation and other logistics services) between the Group and the Sinotrans Shandong Hongzhi Group, the term of which is from 1 January 2024 to 31 December 2026. The annual caps for transactions under the agreements are as follows:

Categories	Unit: Hundred million Currency: RMB		
	2024	2025	2026
Provision of transportation and logistics services	3.00	3.45	3.97
Receiving of transportation and logistics services	3.00	3.45	3.97

Note 5: The reason why the transactions with Y2T Technology Co., Ltd. (運易通科技有限公司, hereinafter referred to as "Y2T", with its subsidiaries are collectively referred to as "Y2T Group"), a connected non-wholly owned subsidiary of the Company, are deemed as connected transactions is that Y2T is held as to more than 10% equity interests by the subsidiaries of China Merchants. On 26 October 2023, the Company has renewed the Purchase and Sales Framework Agreement with Y2T, pursuant to which, the Group will receive system development and operation maintenance services, logistics and related services provided by Y2T Group and will provide logistics and related services to Y2T Group for a period from 1 January 2024 to 31 December 2026. On 29 August 2024, the Company entered into a supplemental agreement to the Purchase and Sales Framework Agreement with Y2T, adjusting the annual caps for the provision and receipt of logistics and related services between the Group and Y2T Group under the Purchase and Sales Framework Agreement. The annual caps for transactions under the agreements are as follows:

Categories	Unit: Hundred million Currency: RMB		
	2024	2025	2026
Provision of transportation and logistics services	24.00	29.00	34.00
Receiving of transportation and logistics services	21.00	27.00	35.00
Receiving of system development and operation maintenance services	0.20	0.40	0.60

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Note 6: The reason why the transactions with Qingdao Jinyun Air Cargo Freight Forwarding Co., Ltd.* (青島金運航空貨運代理有限公司, hereinafter referred to as “Qingdao Jinyun Air”, with its subsidiaries are collectively referred to as “Qingdao Jinyun Air Group”), are deemed as connected transactions is that Qingdao Jinyun Air is held as to more than 10% equity interests by the subsidiaries of Sinotrans & CSC. On 15 June 2022, the Company entered into the Master Services Agreement with Qingdao Jinyun Air to govern the provision and receipt of transportation and logistics services (including freight forwarding services, shipping agency, storage and terminal services, trucking transportation, express services and shipping transportation and other logistics services) between the Group and Qingdao Jinyun Air Group, the term of which is from 1 January 2022 to 31 December 2024. The annual caps for transactions under the agreement are as follows: the caps for the provision of transportation and logistics services by the Group to Qingdao Jinyun Air Group shall not exceed RMB60 million, RMB72 million and RMB86.4 million for each of the years 2022, 2023 and 2024, respectively; the caps for the receipt of transportation and logistics services by the Group from Qingdao Jinyun Air Group shall not exceed RMB80 million, RMB96 million and RMB115.2 million for each of the years 2022, 2023 and 2024, respectively.

Note 7: The reason why the transactions with Sinotrans Changjiang Co., Ltd.* (中國外運長江有限公司 hereinafter referred to as “Sinotrans Changjiang”, with its subsidiaries are collectively referred to as “Sinotrans Changjiang Group”), are deemed as connected transactions is that Sinotrans Changjiang is held as to more than 10% equity interests by the subsidiaries of Sinotrans & CSC. On 18 May 2023, the Company entered into the Master Services Agreement and Master Lease Agreement with Sinotrans Changjiang, the terms of which are from 1 January 2023 to 31 December 2025 to govern the the provision and receipt of logistics services (including freight forwarding, shipping agency, storage and terminal, road transportation, shipping transportation and other logistics services) between the Group (excluding Sinotrans Changjiang Group) and the Sinotrans Changjiang Group and the leasing of certain properties and warehouses (including facilities) by the Group (excluding Sinotrans Changjiang Group), as the lessor, to the Sinotrans Changjiang Group. The annual caps for transactions under the agreements are as follows:

Categories	Unit: Hundred million Currency: RMB		
	2023	2024	2025
Provision of logistics services	9.00	9.90	10.89
Receiving of logistics services	6.00	6.60	7.26
Total rent payments of the Group as the lessor for properties and warehouses (including facilities)	0.40	0.50	0.625

Note 8 : The reason why the transactions with Jiangsu Sinotrans Shipping Agency Co., Ltd.* (江蘇中外運船務代理有限公司, hereinafter referred to as “Jiangsu Shipping Agency”, with its subsidiaries are collectively referred to as “Jiangsu Shipping Agency Group”), are deemed as connected transactions is that Sinotrans Changjiang is held as to more than 10% equity interests by the subsidiaries of Sinotrans & CSC. On 18 May 2023, the Company entered into the Master Services Agreement with Jiangsu Shipping Agency in relation to the provision and receipt of logistics services (including freight forwarding, shipping agency, storage and terminal, road transportation, shipping transportation and other logistics services) between the Group (excluding Jiangsu Shipping Agency Group) and the Jiangsu Shipping Agency Group, the term of which is from 1 January 2023 to 31 December 2025. The annual caps for transactions under the agreements are as follows:

Categories	Unit: Hundred million Currency: RMB		
	2023	2024	2025
Provision of logistics services	0.50	0.55	0.605
Receiving of logistics services	0.80	0.88	0.968

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- (1) For details of the abovementioned continuing connected transactions, please refer to the relevant announcements on the signing date of each agreement and the relevant circulars dated 24 November 2023 and 2 October 2024, respectively, all of which were published by the Company on the website of SEHK (www.hkexnews.hk). The Company has complied with the disclosure requirements under Chapter 14A of the SEHK Listing Rules in respect of such transactions. In order to comply with the relevant requirements of the SEHK Listing Rules, except such transactions with Daojiahui Technology Company, Y2T, Qingdao Jinyun Air, Sinotrans Changjiang and Jiangsu Shipping Agency did not reach the standard that requires to be considered at a general meeting, the annual caps of the other abovementioned continuing connected transactions for each of the years have been approved by independent Shareholders at the extraordinary general meetings convened on 15 December 2023 and 29 October 2024, respectively.
- (2) The independent non-executive Directors have reviewed the continuing connected transactions and confirmed that the transaction agreements were:
 - (a) entered into by members of the Group in the ordinary and usual course of business;
 - (b) (i) on normal commercial terms; or (ii) on terms no less favorable to the Company than those available to (or from) independent third parties; or (iii) if there are no appropriate comparables for the independent non-executive Directors to confirm items b(i) or b(ii) above, then on terms that are fair and reasonable and in the interests of the Shareholders as a whole; and
 - (c) entered into in accordance with the relevant agreements governing them.
- (3) The auditor of the Company was engaged to conduct a limited assurance engagement on the Group's continuing connected transactions in accordance with the China Standard on Other Assurance Engagements No. 3101, Assurance Engagements Other Than Audits or Reviews of Historical financial Information issued by the Ministry of Finance of the People's Republic of China and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued an unmodified letter containing their findings and conclusions in respect of the continuing connected transactions by the Group above in accordance with Rule 14A.56 of the SEHK Listing Rules, where:
 - (a) nothing has come to the auditors' attention that causes them to believe that the disclosed continuing connected transactions have not been approved by the Board.
 - (b) for transactions involving the provision of goods or services by the Group, nothing has come to the auditors' attention that causes them to believe that the transactions were not, in all material respects, in accordance with the pricing policies of the Company.

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- (c) nothing has come to the auditors' attention that causes them to believe that the transactions were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions.
- (d) with respect to the aggregate amount of each of the continuing connected transactions, nothing has come to the auditors' attention that causes them to believe that the disclosed continuing connected transactions have exceeded the annual cap as set by the Company.

2. **Other connected transactions disclosed**

On 23 December 2024, Sinotrans Chemical International Logistics Co., Ltd.* (中外運化工國際物流有限公司, "Sinotrans Chemical"), Sinotrans South China Co., Ltd.* (中國外運華南有限公司, "Sinotrans South China"), both are wholly-owned subsidiaries of the Company, and Zhanjiang Port (Group) Co., Ltd.* (湛江港(集團)股份有限公司, "Zhanjiang Port Group") entered into the Shareholders' Agreement to jointly invest in and form Zhanjiang Sinotrans Chemical International Logistics Co., Ltd.* (湛江中外運化工國際物流有限公司, the "Joint Venture"), for the purpose of constructing the China Merchants Zhanjiang Chemicals Logistics Hub Project. Pursuant to the Shareholders' Agreement, the registered capital of the Joint Venture is RMB207,200,000. Sinotrans Chemical, Zhanjiang Port Group and Sinotrans South China will contribute RMB104,244,710, RMB52,122,355 and RMB52,122,355, respectively, wherein an aggregate amount of RMB1,289,420 will be included in the capital reserve, holding 50%, 25% and 25% of the equity interest of the Joint Venture, respectively. In addition, Sinotrans Chemical and Sinotrans South China will enter into the parties acting in concert agreement, upon the establishment of which, the Joint Venture will become a subsidiary of the Company, and its financial results will be included in the consolidated financial statements of the Company. Upon completion of the registration of the Joint Venture and for the purpose of facilitating the construction of the project, the Joint Venture intended to enter into the Transfer Agreement with Zhanjiang Port Group for the acquisition of the land-use rights of the target land ("Target Land") from Zhanjiang Port Group at a consideration of RMB43,972,744. Zhanjiang Port Group is a subsidiary of China Merchants, the ultimate controlling Shareholder, and therefore Zhanjiang Port Group was a connected person of the Company. As such, the Shareholders' Agreement, the Transfer Agreement and the transactions contemplated thereunder constituted connected transactions of the Company under Chapter 14A of the SEHK Listing Rules.

On 6 January 2025, the Joint Venture, namely Zhanjiang Sinotrans Chemical International Logistics Co., Ltd.* (湛江中外運化工國際物流有限公司) completed the registration procedures and obtained the Business License issued by the Market Supervision and Administration Bureau of Xiashan District, Zhanjiang City.

On 12 March 2025, the Joint Venture entered into the Transfer Agreement with Zhanjiang Port Group for the acquisition of the land-use rights of the Target Land held by Zhanjiang Port Group, and the Target Land will be delivered in accordance with the Transfer Agreement.

For details, please refer to the announcements disclosed by the Company on the website of the SEHK (www.hkexnews.hk) on 23 December 2024 and 12 March 2025, respectively.

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(II) The Related Party Transactions in Relation to the Ordinary Operations (Disclosed in Accordance with the SSE Listing Rules)

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

☐ Applicable ☒ Not applicable

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

☒ Applicable ☐ Not applicable

- (1) On 26 October 2023, the Company renewed the Master Services Agreement with China Merchants, the term of which is from 1 January 2024 to 31 December 2026. According to the agreement, the annual caps of the amount of transportation and logistics services provided by the Group to China Merchants Group are RMB2,500 million, RMB3,250 million and RMB4,225 million in 2024, 2025 and 2026, respectively; the annual caps of the amount of transportation and logistics services received by the Group from China Merchant Group are RMB3,500 million, RMB4,550 million and RMB5,915 million in 2024, 2025 and 2026, respectively. For the year ended 31 December 2024, the transportation and logistics services provided by the Group to China Merchants Group amounted to RMB924 million, while the transportation and logistics services received from China Merchants Group was RMB1,847 million.
- (2) On 26 October 2023, the Company has renewed the Master Lease Agreement with China Merchants, the term of which is from 1 January 2024 to 31 December 2026. The caps and the actual amount incurred during the Reporting Period are as follows:

Unit: Hundred million Currency: RMB

Categories	Annual cap of 2024	Annual cap of 2025	Annual cap of 2026	Actual amount of 2024
The lease of properties and storage facilities as the lessee from the related party	6.50	7.48	8.60	6.29
The lease of properties and storage facilities as the lessor to the related party	0.40	0.46	0.53	0.14
The lease of containers and other equipment as the lessee from the related party	0.18	0.21	0.23	0.07
The lease of containers and other equipment as the lessor to the related party	2.00	2.30	2.65	0.59

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- (3) On 26 October 2023, the Board considered and approved the resolution on continuing related party transactions with China Merchants Bank from 2024 to 2026, and the cap of deposit balance is RMB6,000 million and the cap of loan balance is RMB10,000 million. In 2024, the Group's cap of deposit balance and loan balance at China Merchants Bank were RMB1,566 million and RMB1,611 million, respectively.

The above-mentioned daily related party transactions were approved by the extraordinary general meeting held on 15 December 2023. For details, please refer to announcements dated 26 October 2023 and 15 December 2023, respectively published by the Company on the websites of SSE (www.sse.com.cn) and SEHK (www.hkexnews.hk).

3. **Events Not Disclosed in the Temporary Announcements**

☐Applicable ☒Not applicable

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

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

☐Applicable ☒Not applicable

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

☐Applicable ☒Not applicable

3. **Events Not Disclosed in the Temporary Announcements**

☐Applicable ☒Not applicable

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

☐Applicable ☒Not applicable

(IV) Material Related Party Transactions involving Joint External Investments

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

☐Applicable ☒Not applicable

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

☐Applicable ☒Not applicable

3. **Events Not Disclosed in the Temporary Announcements**

☐Applicable ☒Not applicable

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(V) Claims and Liabilities with Related Parties

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

☐ Applicable ☒ Not applicable

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

☐ Applicable ☒ Not applicable

3. Events Not Disclosed in the Temporary Announcements

☒ Applicable ☐ Not applicable

Unit: RMB

Related relationship	Capital provided to related parties			Capital provided by related parties to listed company		
	Opening balance	Amount of the transaction	Closing balance	Opening balance	Amount of the transaction	Closing balance
Other companies controlled by the same parent company and ultimate controlling party	4,342,509,742.58	1,570,209,809.89	5,912,719,552.47	1,137,602,408.63	-35,172,110.33	1,102,430,298.30
Joint ventures and associates	570,181,162.56	298,837,435.27	869,018,596.83	565,379,114.55	281,674,925.43	847,054,039.98
Total	4,912,690,905.14	1,869,047,245.16	6,781,738,149.30	1,702,981,523.18	246,502,815.10	1,949,484,338.28
Reasons for related claims and debts	Proceeds in dealings with related companies.					
The impact of related claims and debts on the Company	Related claims and debts are conducted based on the time agreed under the contract or agreement in accordance with the financial settlement process and have no material effect on the operation results and financial position of the Company.					

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

☒ Applicable ☐ Not applicable

On 26 October 2023, the Company has renewed the Financial Services Agreement with the Finance Company, the term of which is from 1 January 2024 to 31 December 2026. According to the agreement, the Group's end-of-day deposit balance with the Finance Company is capped at RMB6 billion, the maximum daily outstanding balance of the loan (including accrued interest and handling fees) granted by the Finance Company to the Group is RMB10 billion and other financial service fees per year at the Finance Company shall not exceed RMB20 million. For the twelve months ended 31 December 2024, the Group's maximum daily deposit balance at Finance Company and outstanding loan balance granted by the Finance Company to the Group were RMB5,787 million and RMB278 million, respectively, and the total fees of other financial services was RMB95 thousand. The above-mentioned daily related party transactions were reviewed and approved by the Company's extraordinary general meeting held on 15 December 2023. For details, please refer to relevant announcements dated 26 October 2023 and 15 December 2023 published by the Company on the websites of SSE (www.sse.com.cn) and SEHK (www.hkexnews.hk).

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1. Deposit Business

☒ Applicable ☐ Not applicable

Unit: RMB

Related party	Related relationship	The cap of daily outstanding deposit balance	Deposit interest rate range	Balances at the beginning of the period	Amount of the transaction of the period Total deposits of the period	Total withdrawals of the period	Balances at the end of the period
China Merchants Group Finance Co., Ltd.	Other company controlled by the same parent company and ultimate controlling party	6,000,000,000.00	0.55%-4%	4,223,397,105.18	104,089,367,975.29	102,525,735,800.06	5,787,029,280.41
Total	/	/	/	4,223,397,105.18	104,089,367,975.29	102,525,735,800.06	5,787,029,280.41

2. Loan Business

☒ Applicable ☐ Not applicable

Unit: RMB

Related party	Related relationship	Loan facility	Loan interest rate range	Balances at the beginning of the period	Amount of the transaction of the period Total loans of the period	Total repayments of the period	Balances at the end of the period
China Merchants Group Finance Co., Ltd.	The same parent company and ultimate controlling party	10,000,000,000.00	2.22%-3.35%	243,248,577.09	211,948,359.96	279,033,832.87	176,163,104.18
Total	/	/	/	243,248,577.09	211,948,359.96	279,033,832.87	176,163,104.18

3. Credit Business or Other Financial Business

☒ Applicable ☐ Not applicable

Unit: RMB

Related party	Related relationship	Business type	Total	Actual amount
China Merchants Group Finance Co., Ltd.	Other company controlled by the same parent company and ultimate controlling party	Comprehensive credit	8,000,000,000.00	176,163,104.18

4. Other Explanation

☐ Applicable ☒ Not applicable

(VII) Others

☐ Applicable ☒ Not applicable

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XIII. MATERIAL CONTRACTS AND PERFORMANCE

(I) Entrustment, Contracting and Leasing

1. Entrustment

☐ Applicable ☒ Not applicable

2. Contracting

☐ Applicable ☒ Not applicable

3. Leasing

☐ Applicable ☒ Not applicable

(II) Guarantees

☒ Applicable ☐ Not applicable

Unit: RMB

External guarantee of the Company (excluding those provided to subsidiaries)															
Guarantors	Relation between the guarantors and the listed company		The guaranteed amount	Date of the guarantee (the date of the agreement)	Guarantee beginning date	Guarantee maturity date	Type of guarantee	Collateral (if any)	Whether the guarantee has been fulfilled	Is the guarantee overdue	Guarantee overdue amount	Counter Guarantee situation	Guarantee provided to the related parties	Related relationships	
Sinotrans South China Company Limited	Wholly-owned subsidiary	Shenzhen Haixing Harbor Development Co., Ltd.	437,765,581.31	2019-7-1	2019-7-1	2037-7-1	Financing guarantee/ Joint liability guarantee	Nil	No	No	-	No	Yes	Associate	
Total guaranteed amount during the Reporting Period (excluding guarantees provided to subsidiaries)														-21,652,921.21	
Total guaranteed balance as at the end of the Reporting Period (A) (excluding guarantees provided to subsidiaries)														437,765,581.31	
Guarantees provided by the Company and its subsidiaries to subsidiaries															
Total guaranteed amount to subsidiaries during the Reporting Period														-512,755,083.93	
Total guaranteed balance to subsidiaries as at the end of the Reporting Period (B)														1,540,024,640.08	
Total guarantees (including guarantees to subsidiaries) provided by the Company															
Total guaranteed amount (A+B)														1,977,790,221.39	
Total guaranteed amount as a percentage of the net assets of the Company (%)														4.70	
Of which:															
Guaranteed amount provided for shareholders, actual controllers and their related parties (C)															
Debt guaranteed amount provided directly or indirectly to parties with gearing ratio exceeding 70% (D)														100,094,416.67	
Total guaranteed amount in excess of 50% of net asset value (E)															
Total guaranteed amount of the above three items (C+D+E)														100,094,416.67	
Statement on the contingent joint liability in connection with unexpired guarantees														Nil	
Details of guarantee														In addition to the above guarantees, the Company and its subsidiaries provide guarantees for the credit lines acquired for by companies within the scope of	

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(III) Entrustment of Asset Management

1. Entrusted Wealth Management

☐Applicable ☒Not applicable

2. Entrusted Loan

☐Applicable ☒Not applicable

3. Other Circumstances

☐Applicable ☒Not applicable

(IV) Other Material Contracts

☐Applicable ☒Not applicable

XIV. PROGRESS STATEMENT ON THE USE OF RAISED FUNDS

☐Applicable ☒Not applicable

XV. EXPLANATION OF OTHER MAJOR EVENTS THAT HAVE A SIGNIFICANT IMPACT ON INVESTORS' VALUE JUDGMENTS AND INVESTMENT DECISIONS

☐Applicable ☒Not applicable



Chapter 8

Changes in Shareholding and Particulars of Shareholders

I. CHANGES IN SHAREHOLDING OF SHARES

(I) Changes in Shares

1. Statement of Changes in Shares

During the Reporting Period, there is no change in the total share numbers and shareholding structure of shares of the Company.

2. Description of Share Changes

☐ Applicable ☒ Not applicable

3. Effect of Changes in Shares on Financial Indicators such as Earnings per Share and Net Assets per Share for the Recent Year and the Recent Period (if any)

☐ Applicable ☒ Not applicable

4. Other Contents that the Company Deems Necessary or Security Regulatory

☐ Applicable ☒ Not applicable

(II) Changes in Restricted Shares

☐ Applicable ☒ Not applicable

II. SECURITY ISSUANCE AND LISTING

(I) Security Issuance during the Reporting Period

☒ Applicable ☐ Not applicable

Currency: RMB

Type of share and derivative	Date of issue	Issue price (or coupon rate)	Amount issued	Date of listing	Shares permitted to be traded	Termination date
Bonds (including enterprise bonds, corporate bonds and debt financing instruments of non-financial enterprises)						
Sinotrans Limited First Tranche of Medium-term Notes in 2024	13 September 2024	2.08%	RMB2 billion	18 September 2024	RMB2 billion	18 September 2027

Notes on issuance of securities during the Reporting Period (please specify respectively for the bonds with different interest rate in the duration):

☒ Applicable ☐ Not applicable

- On 13 September 2024, the Company issued Sinotrans Limited First Tranche of Medium-term Notes in 2024 in the National Association of Financial Market Institutional Investors with an issuance scale of RMB2 billion, a term of 3 years, and a coupon rate of 2.08%.

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Changes in Shareholding and Particulars of Shareholders

(II) Changes in Number of Shares and Shareholding of the Company's Shares and the Changes in Structure of its Balance Sheet

☐ Applicable ☒ Not applicable

(III) Existing Internal Staff Shares

☐ Applicable ☒ Not applicable

III. SHAREHOLDERS AND ACTUAL CONTROLLERS

(I) Share Capital Structure

Class of Shares	31 December 2023		31 December 2024	
	Number of Shares (shares)	Percentage (%)	Number of Shares (shares)	Percentage (%)
A Shares	5,255,916,875	72.06	5,255,916,875	72.06
H Shares	2,038,300,000	27.94	2,038,300,000	27.94
Total	7,294,216,875	100	7,294,216,875	100

(II) Total Number of Shareholders

Total number of ordinary Shareholders at the end of the Reporting Period (shareholders)	53,357
Of which: Total number of A Shares Shareholders	53,233
Total number of H Shares Shareholders	124
Total number of ordinary Shareholders at the end of last month before the date of the Annual Report (shareholders)	50,609
Of which: Total number of A Shares Shareholders	50,485
Total number of H Shares Shareholders	124
Total number of preferred Shareholders with restored voting rights at the end of the Reporting Period (shareholders)	/
Total number of preferred Shareholders with restored voting rights at the end of last month before the date of the Annual Report (shareholders)	/

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Changes in Shareholding and Particulars of Shareholders

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

Unit: Share

Name of Shareholders (Full Name)	Shareholding of the Top 10 Shareholders (Excluding Shares Lent through Refinancing)						Nature of Shareholders
	Increase or Decrease during the Reporting Period	Number of Shares Held at the End of the Reporting Period	Percentage (%)	Number of Restricted Shares	Pledged, Marking or Frozen Status Shares of Number		
Sinotrans & CSC Holdings Co., Ltd.	53,123,631	2,525,339,831	34.62	0	Nil	0	State-owned legal person
HKSCC NOMINEES LIMITED	199,890	2,000,775,389	27.43	0	Unknown	Unknown	Overseas legal person
China Merchants Group Limited	0	1,600,597,439	21.94	0	Nil	0	State-owned legal person
Hong Kong Securities Clearing Company Limited (香港中央結算有限公司)	-74,471,135	72,003,908	0.99	0	Nil	0	Overseas legal person
Bank of China Limited – E Fund Stable Yield Bond Securities Investment Fund (中國銀行股份有限公司 – 易方達穩健收益債券型證券投資基金)	-16,801,530	39,409,390	0.54	0	Nil	0	Unknown
China Life Insurance Co., Ltd. Traditional General Insurance Products 005L CT001 SH (中國人壽保險股份有限公司 – 傳統 – 普通保險產品 – 005L CT001滙)	-98,125,772	37,643,327	0.52	0	Nil	0	Unknown
DEUTSCHE POST BETEILIGUNGEN HOLDING	0	35,616,000	0.49	0	Unknown	Unknown	Overseas legal person
National Social Security Fund 110 Portfolio (全國社保基金 – 零組合)	30,056,791	30,056,791	0.41	0	Nil	0	Unknown
China Life Insurance Company Limited – Dividends – Individual Dividends – 005L – FH002 Shanghai (中國人壽保險股份有限公司 – 分紅 – 個人分紅 – 005L – FH002滙)	-28,226,516	24,059,500	0.33	0	Nil	0	Unknown
Agricultural Bank of China Limited – CSI 500 Exchange Traded Open Ended Index Securities Investment Fund (中國農業銀行股份有限公司 – 中證500交易型開放式指數證券投資基金)	13,526,775	22,450,647	0.31	0	Nil	0	Unknown

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Changes in Shareholding and Particulars of Shareholders

Shareholding of the Top 10 Holders of Unrestricted Shares(Excluding lending shares through refinancing)

Name of Shareholders	Number of shares unlock-up	Types and number of shares	
		Types	Number
Sinotrans & CSC Holdings Co., Ltd.	2,525,339,831	Ordinary shares denominated in RMB	2,525,339,831
HKSCC NOMINEES LIMITED	2,000,775,389	Foreign shares listed overseas	2,000,775,389
China Merchants Group Limited	1,600,597,439	Ordinary shares denominated in RMB	1,600,597,439
Hong Kong Securities Clearing Company Limited (香港中央結算有限公司)	72,003,908	Ordinary shares denominated in RMB	72,003,908
Bank of China Limited – E Fund Stable Yield Bond Securities Investment Fund (中國銀行股份有限公司－易方達穩健收益債券型 證券投資基金)	39,409,390	Ordinary shares denominated in RMB	39,409,390
China Life Insurance Co., Ltd. Traditional General Insurance Products 005L CT001 SH (中國人壽保險股份有限公司－傳統－ 普通保險產品－005L CT001滬)	37,643,327	Ordinary shares denominated in RMB	37,643,327
DEUTSCHE POST BETEILIGUNGEN HOLDING	35,616,000	Foreign shares listed overseas	35,616,000
National Social Security Fund 110 Portfolio (全國社保基金一一零組合)	30,056,791	Ordinary shares denominated in RMB	30,056,791
China Life Insurance Company Limited – Dividends – Individual Dividends – 005L – FH002 Shanghai (中國人壽保險股份有限 公司－分紅－個人分紅－005L－FH002滬)	24,059,500	Ordinary shares denominated in RMB	24,059,500
Agricultural Bank of China Limited — CSI 500 Exchange Traded Open Ended Index Securities Investment Fund (中國農業銀行股份有 限公司－中證500交易型開放式指數證券投資基金)	22,450,647	Ordinary shares denominated in RMB	22,450,647
Explanations of the repurchase of special accounts among the top 10 shareholders	As at the end of the Reporting Period, the number of shares held in the Sinotrans Special Securities Account for Repurchase (中國 外運股份有限公司回購專用證券帳戶) was 38,272,657 A Shares, accounting for approximately 0.52% of the total issued share capital of the Company, among which, 26,891,535 A Shares for share options incentives, 11,381,122 A Shares for cancellation; and 3,055,000 H shares for cancellation.		
Explanation of the above-mentioned shareholders' entrusted voting rights, been entrusted voting rights, and waiver of voting rights	Nil		
Explanations on the related-party relations or acting in concert among the above shareholders	China Merchants and its subsidiary held a total of 4,125,937,270 A Shares of the Company		
Explanations on the shares and voting rights restored of preferred shareholders	Nil		

Chapter 8

Changes in Shareholding and Particulars of Shareholders

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

☒ Applicable ☐ Not applicable

Unit: Share

Particulars of Participation in Refinancing and Securities Lending Business by the Shareholders holding more than 5% of the shares, top 10 shareholders and top 10 holders of unrestricted shares								
Name of Shareholder (full name)	Number of Shares in the ordinary account and the credit securities account at the beginning of the Reporting period		Number of Shares Lending shares through refinancing and not yet repaid at the beginning of the Reporting period		Number of Shares in the ordinary account and the credit securities account at the end of the Reporting period		Number of Shares Lending shares through refinancing and not yet repaid at the end of the Reporting period	
	Total	Percentage	Total	Percentage	Total	Percentage	Total	Percentage
	number	(%)	number	(%)	number	(%)	number	(%)
Agricultural Bank of China Co., Ltd. - China Securities 500 Open-end Trading Index Securities Investment Fund (中國農業銀行股份有限公司 - 中證500交易型開放式指數證券 投資基金)	8,923,872	0.12	0	0	22,450,647	0.31	2,550,600	0.03

Changes in Top Ten Shareholders from the Previous Period

☐ Applicable ☒ Not applicable

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

☐ Applicable ☒ Not applicable

Chapter 8

Changes in Shareholding and Particulars of Shareholders

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

As at 31 December 2024, so far as the Directors of the Company were aware, the following parties (other than Directors, Supervisors and chief executives) had interests and short positions in the Shares of the Company which were required to be disclosed to the Company and Hong Kong Stock Exchange pursuant to the provisions in Divisions 2 and 3 of Part XV of SFO, or to be recorded in the register kept by the Company pursuant to Section 336 of SFO.

Name	Corporate interests	Class of Shares	Percentage in total issued Share capital	Percentage in issued H Share capital
China Merchants (Note 1)	4,125,937,270(L)	A Shares	56.56%	–
	192,478,000(L)	H Shares	2.64%	9.44%
Pandanus Associates Inc. (Note 2)	224,737,000(L)	H Shares	3.08%	11.03%
LSV ASSET MANAGEMENT (Note 3)	171,317,800(L)	H Shares	2.35%	8.40%
FIDELITY FUNDS (Note 4)	102,759,000(L)	H Shares	1.41%	5.04%

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

- (1) As at 31 December 2024, China Merchants held 59.20% of the Company's total issued shares. China Merchants directly held 1,600,597,439 A Shares (long position), indirectly held 2,525,339,831 A Shares (long position) and 106,683,000 H Shares (long position) through Sinotrans & CSC, (its direct wholly owned subsidiary) and Sinotrans (Hong Kong) Holdings Limited (its indirect wholly owned subsidiary), respectively, and indirectly held 85,795,000 H Shares (long position) through China Merchants Investment Development (Hong Kong) Limited (its direct wholly owned subsidiary).
- (2) According to the Disclosure of Interests Form submitted by Pandanus Associates Inc. on the website of Hong Kong Stock Exchange, 224,737,000 H Shares (long position) are interests of corporations controlled by substantial shareholders, of which 26,859,000 H Shares (long position) are reported as unlisted derivatives settled in cash.
- (3) According to the Disclosure of Interests Form submitted by LSV ASSET MANAGEMENT on the website of Hong Kong Stock Exchange, LSV ASSET MANAGEMENT held 128,648,800 H Shares (long position) in the capacity of investment manager. 42,669,000 H Shares (long position) are deemed interest through its general partnership interest in certain limited partnerships.
- (4) According to the Disclosure of Interests Form submitted by FIDELITY FUNDS on the website of Hong Kong Stock Exchange, FIDELITY FUNDS held 102,759,000 H Shares (long position) in the capacity of beneficial owner.

Save as disclosed above, as at 31 December 2024, so far as the Directors were aware, there was no other parties (other than Directors, Supervisors or chief executives) who had any interests and short positions in the Shares of the Company which would fall to be recorded in the register kept by the Company pursuant to Section 336 of SFO and disclosed to the Company and Hong Kong Stock Exchange pursuant to the provisions in Divisions 2 and 3 of Part XV of SFO.

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

☐ Applicable ☒ Not applicable

Chapter 8

Changes in Shareholding and Particulars of Shareholders

IV. CONTROLLING SHAREHOLDER AND ACTUAL CONTROLLER

(I) Controlling shareholder

1. Corporation

☒ Applicable ☐ Not applicable

Name	Sinotrans & CSC Holdings Co., Ltd.
Person in charge or legal representative	Yang Guofeng
Incorporation Date	9 June 1984
Primary Operating Business	General project: Non Vessel Operating Common Carrier (NVOCC) business; Asset management services for self owned fund investments; International shipping agency; International freight forwarding agent; Manufacturing of marine engineering equipment; Research and development of marine engineering equipment; Sales of marine engineering equipment; Manufacturing of marine engineering platform equipment; Import and export of goods; Network technology services; Data processing and storage support services. Licensed project: Ship manufacturing; Ship repair.
Shareholding of other controlling and shareholding companies listed domestically and overseas during the Reporting Period	It holds 35.80 million shares in Bank of China (SH.601988), representing 0.01% of its total share capital.
Other circumstances	Nil

2. Natural person

☐ Applicable ☒ Not applicable

3. A special explanation on no controlling shareholders of the company

☐ Applicable ☒ Not applicable

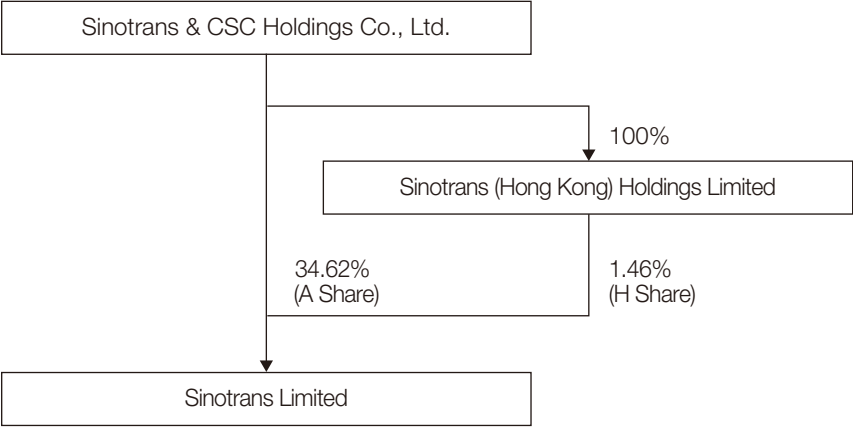
4. Explanation of changes in controlling shareholders during the Reporting Period

☐ Applicable ☒ Not applicable

Chapter 8
Changes in Shareholding and Particulars of Shareholders

5. Diagram on property rights and controlling relationship between the Company and controlling shareholders

☒Applicable ☐Not applicable



Note: On 13 October 2024, the Company received a letter from Sinotrans & CSC., stating that Sinotrans & CSC planed to increase its shareholding in the Company's A Shares through methods allowed by the SSE (including but not limited to centralized bidding trading, block trading, etc.) within six months, with a total increase amount of RMB250 million to RMB500 million and the increasing price not exceeding RMB7.43 per Share. From November to December 2024, Sinotrans & CSC. increased 53,123,631 A Shares of the Company, accounting for approximately 0.73% of the total issued share capital of the Company as at 31 December 2024.

Chapter 8
Changes in Shareholding and Particulars of Shareholders

(II) Actual Controllers

1. Corporation

☒Applicable ☐Not applicable

Name	China Merchants Group Limited
Person in charge or legal representative	Miao Jianmin
Incorporation Date	14 October 1986
Primary Operating Business	Sea and land transportation and agency of goods, leasing and agency of sea and land transportation tools and equipment, investment in and management of port and warehouse businesses; sea rescue, salvage, towing; manufacturing; building, repair, inspection and sale of vessels and offshore oil drilling equipment; repair and inspection of oil rigs and containers; contracting and construction of and back office services for sea and land construction projects and offshore oil exploitation projects; procurement, supply and sale of sea and land transportation equipment and relevant supplies; import and export transportation businesses; investment in and management of businesses in the financial, insurance, trust, securities and futures industries; investment in and management of businesses in the tourism, hotel, catering and relevant services industries; real estate development and property management and consultancy business; investment in and management of petrochemical business; investment in and operation of transportation infrastructure; operation of offshore assets; development, operation and management of Shekou Industrial Zone in Shenzhen and Zhangzhou Development Zone in Fujian.

Chapter 8

Changes in Shareholding and Particulars of Shareholders

Shareholding of other controlling and shareholding companies listed domestically and overseas during the Reporting Period

Holding 62.96% equity in China Merchants Port Group Co., Ltd.; Holding 69.47% equity in Liaoning Port Co., Ltd.; Holding 68.72% equity in China Merchants Expressway Network & Technology Holdings Co., Ltd.; Holding 72.15% equity in China Merchants Port Holdings Co., Ltd.; Holding 58.47% equity in China Merchants Shekou Industrial Zone Holdings Co., Ltd.; Holding 54.02% equity in China Merchants Energy Shipping Company Limited; Holding 51.16% equity in China Merchants Property Operation & Service Co., Ltd.; Holding 44.17% equity in China Merchants Securities Co., Ltd.; Holding 27.86% equity in China Merchants Bank Co., Ltd.; Holding 29.94% equity in Anhui Expressway Company Limited; Holding 29.50% equity in Nanjing Tanker Corporation; Holding 27.59% equity in China Merchants China Direct Investments Limited; Holding 28.05% equity in Shanghai International Port (Group) Co., Ltd.; Holding 24.88% equity in Sichuan Expressway Company Limited; Holding 24.49% equity in China International Marine Containers (Group) Co., Ltd.; Holding 19.08% equity in Jinzhou Port Co., Ltd.; Holding 17.75% equity in Fujian Expressway Development Co., Ltd.; Holding 16.52% equity in Heilongjiang Transport Development Co., Ltd.; Holding 16.32% equity in Hubei Chutian Smart Communication Co., Ltd.; Holding 16.15% equity in Shandong Hi-Speed Company Limited; Holding 15.43% equity in Henan Zhongyuan Expressway Co., Ltd.; Holding 14.05% equity in Jilin Expressway Co., Ltd.; Holding 13.86% equity in Guangxi Wuzhou Communications Co., Ltd.; Holding 12.36% equity in China Greatwall Securities Co., Ltd.; Holding 11.69% equity in Jiangsu Expressway Company Limited; Holding 8.70% equity in Qilu Expressway Company Limited; Holding 8.04% equity in Modern Investment Co., Ltd.; Holding 3.88% equity in S.F. Holding Co., Ltd.; Holding 5.54% equity in Pangang Group Vanadium & Titanium Resources Co., Ltd.; Holding 23.08% equity in Ningbo Zhoushan Port Co., Ltd.; Holding 1.60% equity in Linklogis Inc.; Holding 2.36% equity in Qingdao Port International Co., Ltd.; Holding 2.81% equity in International Business Settlement Holdings Limited; Holding 0.33% equity in JD Logistics, Inc.; Holding 0.53% equity in China Shipbuilding Industry Company Limited; Holding 0.06% equity in HAITONG Securities Company Limited; Holding 0.02% equity in Bank of Tianjin Co., Ltd.; Holding 0.02% equity in Air China Limited; Holding 0.01% equity in BANK OF CHINA LIMITED; Holding 32% equity in Bosera China Merchants Shekou Industrial Zone Closed Infrastructure Securities Investment Fund; Holding 9.59% equity in Shanxi Hi-speed Group Co., Ltd.; Holding 49% equity in BEST MART 360 HOLDINGS LIMITED; Holding 6.83% equity in Antong Holdings Co., Ltd.; Holding 51% equity in PT NUSANTARA PELABUHAN HANDAL, TBK; Holding 11.66% equity in SHELF DRILLING, LTD.; Holding 47.18% equity in CM Energy Tech Co., Ltd.; Holding 25% equity in China Merchants Fund China Merchants Shekou Rental Housing Closed-end Infrastructure Securities Investment Fund

Other circumstances

Nil

Chapter 8

Changes in Shareholding and Particulars of Shareholders

2. Natural person

☐ Applicable ☒ Not applicable

3. A special explanation on no actual controller of the Company

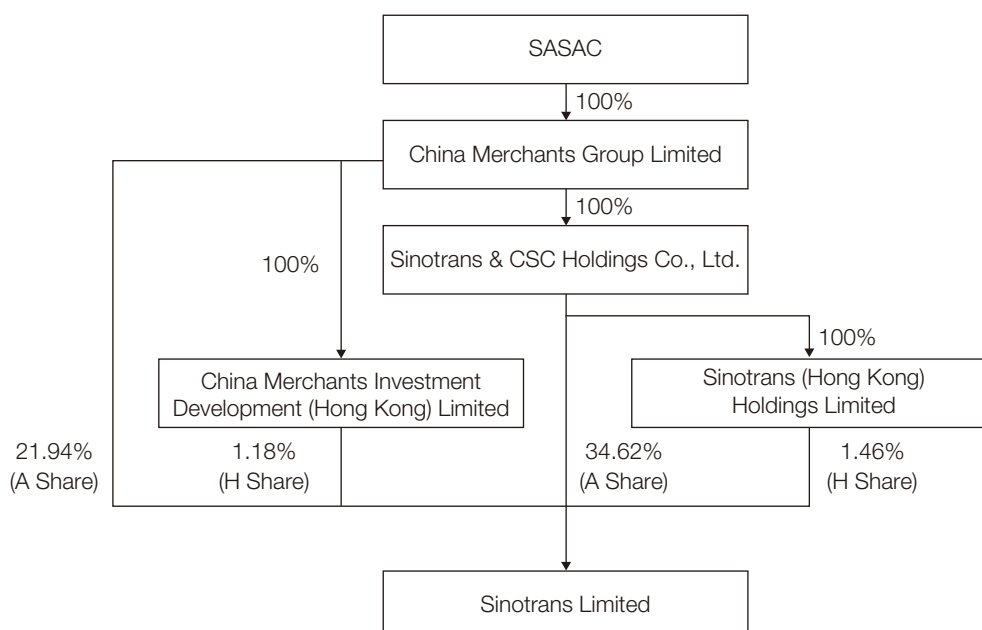
☐ Applicable ☒ Not applicable

4. Explanation of changes in the control rights during the Reporting Period

☐ Applicable ☒ Not applicable

5. Diagram on property rights and controlling relationship between the Company and actual controller

☒ Applicable ☐ Not applicable



6. Actual controller controlling the Company by way of trust or other asset management means

☐ Applicable ☒ Not applicable

Chapter 8

Changes in Shareholding and Particulars of Shareholders

(III) Summary of Other Facts about Controlling Shareholder and Actual Controller

☐ Applicable ☒ Not applicable

V. CUMULATIVE PLEDGED SHARES ACCOUNT FOR MORE THAN 80% OF THE COMPANY'S SHARES HELD BY THE COMPANY'S CONTROLLING SHAREHOLDER OR THE LARGEST SHAREHOLDER AND PERSONS ACTING IN CONCERT

☐ Applicable ☒ Not applicable

VI. OTHER CORPORATE SHAREHOLDERS WITH OVER 10% OF SHAREHOLDING IN THE COMPANY

☐ Applicable ☒ Not applicable

VII. DETAILS ON RESTRICTION ON SHAREHOLDING REDUCTION

☐ Applicable ☒ Not applicable

VIII. THE SPECIFIC IMPLEMENTATION OF SHARE REPURCHASE DURING THE REPORTING PERIOD

☒ Applicable ☐ Not applicable

Unit: RMB

Name of Share Repurchase Plan	Proposal on Repurchase of the Company A Shares through Centralized Bidding
The date of disclosure of share repurchase plan	17 October 2024
Number of shares to be repurchased and proportion to total share capital (%)	0.50%—1.00% (calculated based on the repurchase price of 7.43 RMB/share)
Proposed repurchase amount	RMB 271 million to 542 million
Proposed repurchase period	Within 12 months from the date of approval of the repurchase plan by the Company's shareholders' meeting
Repurchase purpose	Reduce registered capital
Repurchase quantity (shares)	11,381,122 (Note 1)
The proportion of repurchased shares to the underlying stocks involved in the equity incentive plan (%) (if any)	
Progress of the Company's adoption of centralized bidding trading to reduce the repurchased shares	Nil

Notes:

1. According to the above repurchase plan, as at the date of the disclosure of this Report, the Company has repurchased 63,653,917 A Shares, repurchase amount of RMB329,295,397.16 (excluding transaction costs).
2. As at the date of the disclosure of this Report, the Company has repurchased 22,019,000 H Shares, repurchase amount of HK\$79,908,450 (excluding transaction costs).

Chapter 9

Particulars of Preferred Shares

☐Applicable ☒Not applicable



Chapter 10

Particulars of Bonds

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

☒ Applicable ☐ Not applicable

(I) Corporate Bonds (Including Enterprise Bonds)

☒ Applicable ☐ Not applicable

1. Basic Information of Corporate Bonds

Unit: Hundred million Currency: RMB

Name of bond	Short name	Code	Date of issuance	Value date	Latest sell-back date after 30 April 2025	Maturity date	Balance of bond	Interest rate (%)	Manner of payment of principal and interest	Transaction site	Lead underwriter	Trustee	Investor suitability arrangements (if any)	Trading mechanism	Whether there is a risk of terminating the listing transaction
Sinotrans Limited 2021 Corporate Bonds Publicly Issued to Professional Investors (First Tranche)	21 Sinotrans 01	188446	23 July 2021	26 July 2021	-	26 July 2026	0.2	From 26 July 2021 to 25 July 2024, Coupon rate : 3.15% ; From 26 July 2024 to 25 July 2026, Coupon rate : 2.15%	Annual interest, no compound interest, repayment of principal upon maturity	SSE	CITIC Securities Company Limited, China Merchants Securities Company Limited	CITIC Securities Company Limited	Issued to Professional institutional investor	Match transaction, click to transaction, inquiry and bidding transaction, negotiated transaction	No
Sinotrans Limited 2025 Technological Innovation Corporate Bonds Publicly Issued to Professional Investors (First Tranche)	25 Sinotrans K1	242340	20 January 2025	21 January 2025	-	21 January 2028	20	1.79%	Annual interest, no compound interest, repayment of principal upon maturity	SSE	CITIC Securities Company Limited, China Merchants Securities Company Limited	CITIC Securities Company Limited	Issued to Professional institutional investor	Match transaction, click to transaction, inquiry and bidding transaction, negotiated transaction	No

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

☐ Applicable ☒ Not applicable

Chapter 10

Particulars of Bonds

Interest payment of bonds during the Reporting Period

☒ Applicable ☐ Not applicable

Name of bond	Explanation of interest payment
Sinotrans Limited 2021 Corporate Bonds Public Issued to Professional Investors (First Tranche)	On 26 July 2024, the interest of RMB63 million for the interest-bearing period from 26 July 2023 to 25 July 2024. The sell-back was completed on 23 July 2024, with the amount of RMB1.980 billion.

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

☒ Applicable ☐ Not applicable

“21 Sinotrans 01” triggered and implemented option of coupon rate and option of sell-back:

Option of coupon rate adjustment:

The issuer of “21 Sinotrans 01” is entitled to adjust the coupon rate for the subsequent 2 years at the end of the third year of the tenure of the bond. In such case, the issuer shall publish an announcement in the information disclosure media of listing company designated by the CSRC in relation to whether, how and to what extent to adjust the coupon rate on the twentieth trading day prior to the interest payment date for the third interest accrual year. In the event that the issuer does not exercise its option to adjust the coupon rate, the coupon rate shall remain unchanged in the subsequent period of the duration.

On 28 June 2024, the issuer announced the exercise of the coupon rate option to reduce the coupon rate of the bond for the subsequent 2 years by 100 basis points, i.e., the coupon rate of the bond for the period from 26 July 2024 to 25 July 2026 is 2.15%.

Option of sell-back:

Upon the announcement on whether, how and to what extent to adjust the coupon rate made by the issuer, an investor is entitled to sell all or part of the bonds he/she/it holds back to the Company at the par value at the interest payment date of the third interest accrual year.

On 23 July 2024, the issuer published the announcement on results of the sell-back of “21 Sinotrans 01” bonds, and the amount reached RMB1.980 billion with the bonds balance of RMB20 million.

Chapter 10

Particulars of Bonds

3. Intermediaries Providing Services for Bond Issuance and Maturity Business

Name of intermediaries	Office address	Name of signing accountants	Contact person	Telephone
CITIC Securities Company Limited	20th Floor, CITIC Securities Building, 48 Liangmaqiao Road, Chaoyang District, Beijing	/	Di Jingzhi	010-60833367
China Merchants Securities Co., Ltd.	17th Floor, Building 3, No. 1, Yuetan South Street, Xicheng District, Beijing	/	Ma Tao	010-60840892
Shanghai Brilliance Credit Rating & Investors Service Co., Ltd.	14th Floor, Huasheng Building, No. 398 Hankou Rd, Huangpu District, Shanghai	/	Zhou Ling	010-85879771
ShineWing Certified Public Accountants LLP	9/F, Block A, Fuhua Mansion, No. 8 Chaoyangmen North Street, Dongcheng District, Beijing	Dong Qinchuan, Xu Youbin	Xu Youbin	13521775637
Shanghai AllBright Law Offices	9th Floor, Shanghai Tower, No. 501 Yincheng Middle Road, Pudong New Area, Shanghai	/	Xi Lele	021-20511082
Zhong Lun Law Firm	25th Floor, South Tower of Third Building, Zhengda Center, No. 20 Jinhe East Road, Chaoyang District, Beijing	/	Li Yaguang	010-65681022

The change of the above intermediaries

☐Applicable ☒Not applicable

4. Adjustment of Credit Rating Results

☐Applicable ☒Not applicable

Other explanations:

☐Applicable ☒Not applicable

Chapter 10

Particulars of Bonds

5. Modifications, Changes and Implementation of Guarantees, Debt Repayment Plans and Other Debt Repayment Safeguard Measures during the Reporting Period and the Related Impact

☒ Applicable ☐ Not applicable

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

Other Explanation

After the issuance of the “21 Sinotrans 01” and “25 Sinotrans K1” Corporate Bonds, the Company further strengthens the management of assets and liabilities, liquidity management and the management of the use of proceeds according to the debt structure, ensures that the funds are used as planned, and timely and fully prepares the funds for the annual interest payment and principal repayment upon maturity, so as to fully protect the interests of investors. The Company has formulated a series of work plans for ensuring the timely and full repayment of corporate bonds, including formulating the Rules for Bondholders’ Meetings, giving full play to the role of bond trustee manager, setting up a special repayment working group, strictly fulfilling the information disclosure obligations and the Company’s commitments, etc., striving to form guarantee measures to ensure the safe payment of interest and redemption of bonds.

(II) Proceeds from Corporate Bonds

☐ Corporate bonds involve use of proceeds or change of the purposes of proceeds during the Reporting Period

☒ All of the Company’s corporate bonds didn’t involve the use of proceeds or change of the purposes of proceeds during the Reporting Period

1. In 2021, the proceeds of “21 Sinotrans 01” corporate bonds amounting to RMB2.0 billion were used to repay maturing debts and have been fully utilized by 2021.
2. In 2025, the proceeds of “25 Sinotrans K1” corporate bonds amounting to RMB2.0 billion were used to repay maturing debts and the balance of proceeds amounted to RMB0 as at the date of this report.

Chapter 10

Particulars of Bonds

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

☒Applicable ☐Not applicable

1. The Company as an Issuer of Convertible Corporate Bonds

☐Applicable ☒Not applicable

2. The Company as an Issuer of Green Corporate Bonds

☐Applicable ☒Not applicable

3. The Company as an Issuer of Renewable Corporate Bonds

☐Applicable ☒Not applicable

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

☐Applicable ☒Not applicable

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

☐Applicable ☒Not applicable

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

☐Applicable ☒Not applicable

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

☒Applicable ☐Not applicable

Unit: Hundred million Currency: RMB

Bone code	242340
Bond abbreviation	25 Sinotrans K1
Balance of Bond	20.00
Progress of innovation and technology projects	The issuer is a scientific and technological innovation enterprise issuer
Effectiveness in promoting development of science, technology and innovation	Good
Operation of ITF products (if any)	Not applicable
Other matters	Nil

Chapter 10

Particulars of Bonds

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

☐ Applicable ☒ Not applicable

9. The Company as an Issuer of Relief Corporate Bonds

☐ Applicable ☒ Not applicable

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

☐ Applicable ☒ Not applicable

11. Other Special-purpose Corporate Bonds

☐ Applicable ☒ Not applicable

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

☒ Applicable ☐ Not applicable

1. Non-Operating Current Accounts and Lending

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

As at the beginning of the Reporting Period, the balance of the Company's consolidated current accounts and lending/borrowing receivable to other parties were not directly attributable to operating activities (the "Non-Operating Current Accounts and Lending"): RMB51.75 million;

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

☐ Yes ☒ No

As at the end of the Reporting Period, the Non-Operating Current Accounts and Lending not recovered total: RMB32.05 million

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

As at the end of the Reporting Period, the ratio of the consolidated Non-Operating Current Accounts and Lending not recovered to the consolidated net assets: 0.08%

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

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

☒ Fully implemented ☐ Not fully implemented

Chapter 10

Particulars of Bonds

2. Debt Situation

(1) Interest-bearing debts and the related changes

1.1 Debt structure

The balance of the Company's interest-bearing debts (not in its consolidated statements) amounted to RMB4,655 million as at the beginning of the Reporting Period and RMB4,581 million as at the end of the Reporting Period, indicating a decrease of 1.59% during the Reporting Period.

Unit: Hundred million Currency: RMB

Categories of interest-bearing debts	Maturity			Aggregate amount	Proportion in interest-bearing debts (%)
	Past due	Within one year (inclusive)	Over one year (exclusive)		
Unsecured debentures		0.11	20.19	20.30	44.32
Bank loans		19.82	0.67	20.49	44.72
Loans of non-bank financial institutions					
Other interest-bearing debts		0.20	4.82	5.02	10.97
Total		20.13	25.68	45.81	—

In the unsecured debentures subsisting as at the end of the Reporting Period, the balance of corporate bonds is RMB20 million, the balance of enterprise bonds is RMB0 million, and the balance of the debt financing instruments of non-financial enterprises is RMB2,010 million.

1.2 Structure of consolidated interest-bearing debts

The balance of the Company's interest-bearing debts included in the consolidated statements amounted to RMB12,778 million as at the beginning of the Reporting Period and RMB11,430 million as at the end of the Reporting Period, indicating a decrease of 10.55% during the Reporting Period.

Unit: Hundred million Currency: RMB

Categories of interest-bearing debts	Maturity			Aggregate amount	Proportion in interest-bearing debts (%)
	Past due	Within one year (inclusive)	Over one year (exclusive)		
Unsecured debentures		0.11	20.19	20.30	17.76
Bank loans		29.51	30.47	59.98	52.48
Loans of non-bank financial institutions		1.52	0.24	1.76	1.54
Other interest-bearing debts		9.23	23.02	32.25	28.22
Total		40.38	73.92	114.30	–

Chapter 10

Particulars of Bonds

In the consolidated unsecured debentures subsisting as at the end of the Reporting Period, the balance of corporate bonds was RMB20 million, the balance of enterprise bonds was 0, and the balance of the debt financing instruments of non-financial enterprises was RMB2,010 million.

1.3 Offshore bonds

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

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

☐ Applicable ☒ Not applicable

(3) *Major items of indebtedness and reasons for their changes*

Unit: Hundred million Currency: RMB

Items of indebtedness	Balance as at the end of the period	Balance in 2023	Changes (%)	Reason shall be provided if the change exceeds 30%
Short-term borrowings	32.94	6.10	439.84	The Group continues to optimize the debt structure, increasing revolving short-term borrowings at the end of this Reporting Period.
Bills payable	1.84	0.81	127.09	Increase in settlement of bills during the year.
Non-current liabilities due within one year	9.41	52.11	-81.94	Repayment of bonds payable and long-term borrowings due within the year.
Long-term borrowings	32.68	23.55	38.78	The Group's optimization of debt structure leads to an increase in long-term borrowings.
Bonds payable	20.19	19.99	0.98	Nil
Estimated liabilities	0.23	1.52	-84.64	Due to the closure of some litigation related matters in the period, a portion of the estimated liabilities have been offset.

Chapter 10

Particulars of Bonds

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

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

☐ Applicable ☒ Not applicable

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

☒ Applicable ☐ Not applicable

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

Unit: RMB

Name of bond	Short name	Code	Date of issuance	Value date	Maturity date	Balance of bond	Interest rate (%)	Manner of payment of principal and interest	Transaction site	Investor suitability arrangements (if any)	Trading mechanism	Whether there is a risk of terminating the listing transaction
Sinotrans Limited First Tranche of Medium-term Notes in 2021	21 Sinotrans MTN001	102101041	7 June 2021	9 June 2021	9 June 2024	0.00	3.5	Annual interest, no compound interest, repayment of principal upon maturity	Inter-bank market	Nil	Nil	No
Sinotrans Limited First Tranche of Medium-term Notes in 2024	24 Sinotrans MTN001	102484134	13 September 2024	18 September 2024	18 September 2027	2,000,000,000.00	2.08	Annual interest, no compound interest, repayment of principal upon maturity	Inter-bank market	Nil	Nil	No

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

☐ Applicable ☒ Not applicable

Chapter 10

Particulars of Bonds

Overdue bonds unredeemed

☐ Applicable ☒ Not applicable

Interest payment of bonds during the Reporting Period

☒ Applicable ☐ Not applicable

Name of bond	Explanation of interest payment
Sinotrans Limited First Tranche of Medium-term Notes in 2021	On 9 June 2024, the interest of RMB70 million for the interest-bearing period from 9 June 2023 to 8 June 2024 was paid on time and a principal amount of RMB2 billion was repaid.

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

☐ Applicable ☒ Not applicable

3. Intermediaries Providing Services for Bond Issuance and Maturity Business

Name of intermediaries	Office address	Name of signing accountants	Contact Person	Telephone
Bank of China Limited	No. 1 Fuxingmen Nei Dajie Xicheng District, Beijing, China	/	Liu Bin	010-65154572
China Merchants Bank Co., Ltd.	3rd Floor, Block A, Merchants International Finance Center, No. 156 Fuxingmen Nei Dajie Xicheng District, Beijing, China	/	Li Linwei	17813120581
Shanghai Brilliance Credit Rating & Investors Service Co., Ltd.	14th Floor, Huasheng Building, No. 398 Hankou Rd, Huangpu District, Shanghai, China	/	Zhou Ling	010-85879771
ShineWing Certified Public Accountants LLP	9/F, Block A, Fuhua Mansion, No. 8 Chaoyangmen North Street, Dongcheng District, Beijing, China	Dong Qinchuan, Xu Youbin	Xu Youbin	13521775637
Shanghai AllBright Law Offices	9th Floor, Shanghai Tower, No. 501 Yincheng Middle Road, Pudong New Area, Shanghai, China	/	Xi Lele	021-20511082
Zhong Lun Law Firm	25th Floor, South Tower of Third Building, Zhengda Center, No. 20 Jinhe East Road, Chaoyang District, Beijing, China	/	Li Yaguang	010-65681022

Chapter 10

Particulars of Bonds

The change of the above intermediaries

☐ Applicable ☒ Not applicable

4. Use of Proceeds at the End of the Reporting Period

☒ Applicable ☐ Not applicable

Unit: RMB

Name of bond				Operation of the special account for proceeds (if any)	Rectification of illegal use of proceeds (if any)	Whether it is consistent with the purpose, use plan and other provisions promised in the prospectus
	Gross proceeds raised	Amount used	Amount unused			
Sinotrans Limited First Tranche of Medium-term Notes in 2021	2,000,000,000.00	2,000,000,000.00	0.00	Nil	Nil	Yes
Sinotrans Limited First Tranche of Medium-term Notes in 2024	2,000,000,000.00	2,000,000,000.00	0.00	Nil	Nil	Yes

Note: The above-mentioned medium-term notes were used for repaying due debts and replenishing liquidity.

The progress and operation efficiency of proceeds for construction projects

☐ Applicable ☒ Not applicable

Explanation for changing the use of proceeds from the above-mentioned bonds during the Reporting Period

☐ Applicable ☒ Not applicable

Other explanations:

☐ Applicable ☒ Not applicable

5. Adjustment of Credit Rating Results

☐ Applicable ☒ Not applicable

Other explanations:

☐ Applicable ☒ Not applicable

Chapter 10

Particulars of Bonds

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

☒ Applicable ☐ Not applicable

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

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

☐ Applicable ☒ Not applicable

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

☐ Applicable ☒ Not applicable

(VII) The Delinquency of Interest-bearing Debt other than Bonds as at the End of the Reporting Period

☐ Applicable ☒ Not applicable

(VIII) Violation of Laws, Regulations, the Articles of Association, the Administration Policies on Information Disclosure as well as the Impact of Agreements or Undertakings in the Prospectus of Bonds on the Rights and Interests of Bond Investors during the Reporting Period

☐ Applicable ☒ Not applicable

Chapter 10

Particulars of Bonds

(IX) Accounting Data and Financial Indicators of the Company for the Recent Two Years as at the End of the Reporting Period

☒ Applicable ☐ Not applicable

Unit: RMB

Main indicators	2024	2023	Increase/decrease over the corresponding period of 2023 (%)
Net profit net of non-recurring gains or losses attributable to shareholders of the Company	3,163,405,325.07	3,456,640,086.47	-8.48
Current ratio	1.32	1.23	7.32
Quick ratio	1.32	1.23	7.32
Debt asset ratio (%)	45.54	47.14	Decrease by 1.6 percentage points
EBITDA to total debt ratio	0.70	0.67	4.48
Interest coverage ratio	13.34	11.54	15.60
Cash interest coverage ratio	17.86	14.37	24.29
EBITDA interest coverage ratio	19.65	16.43	19.60
Loan repayment ratio (%)	100.00	100.00	
Interest payment ratio (%)	100.00	100.00	

II. PARTICULARS OF CONVERTIBLE CORPORATE BONDS

☐ Applicable ☒ Not applicable

Chapter 11

Financial Report

XYZH/2025BJAA5B0194

To all shareholders of Sinotrans Limited:

1. OPINION

We have audited the financial statements of Sinotrans Limited (hereinafter referred to as “Sinotrans”), which comprise the consolidated and the Company’s statements of financial positions as of 31 December 2024, the consolidated and the Company’s statements of profit or loss and other comprehensive income, the consolidated and the Company’s statements of cash flows, the consolidated and the Company’s statements of changes in shareholders’ equity for the year 2024, and the related notes to the financial statements.

In our opinion, the attached financial statements were prepared in accordance with Accounting Standards for Business Enterprises in all material respects, and they presented fairly the consolidated and the Company’s financial positions of Sinotrans as of 31 December 2024, and the consolidated and the Company’s financial performance and cash flows for the year 2024.

2. BASIS FOR OPINION

We conducted our audit in accordance with China Standards on Auditing for Chinese Certified Public Accountants. Our responsibilities under those standards are further described in the “Auditor’s Responsibilities for the Audit of the Financial Statements” section of our report. We are independent of Sinotrans in accordance with the Code of Ethics for Chinese Certified Public Accountants, and we have fulfilled our other ethical responsibilities of the code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit.

3. KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, we consider to be most significant to the audit of the financial statements for the year. These matters are addressed in the context of the audit of the financial statements as a whole and the formation of an audit opinion, and we do not express an opinion on these matters individually.

Chapter 11

Financial Report

3. KEY AUDIT MATTERS (CONTINUED)

GOODWILL IMPAIRMENT

Key Audit Matters	Response in Audit
As at 31 December 2024, the book value of goodwill in Sinotrans' consolidated financial statements was RMB 1,965,569,500.96 (Note IX. 19), which mainly included seven companies, including KLG EUROPE EERSEL B.V., acquired on 1 January 2020. Management is required to test goodwill for impairment annually. In performing the goodwill impairment test, management determines whether an impairment loss needs to be recognised by comparing the recoverable amount of the relevant asset group to which goodwill is allocated with the book value of that asset group and goodwill. Predicting the recoverable amount of the relevant asset group involves forecasting the present value of future cash flows of the asset group, which requires management to make significant assumptions and judgments and may result in management bias, particularly with respect to the growth rate, profitability, discount rate, and the delineation of the forecast period from the stabilization period. Because of the complexity of the goodwill impairment testing process, which also involves significant assumptions and judgments by management, we consider goodwill impairment as a key audit matter.	The audit procedures we performed included, but were not limited to: 1. Understanding, assessing and testing management's key internal control relevant to goodwill impairment testing; 2. Evaluating the independence, professional competence, and objectivity of the external evaluators engaged by management; 3. Obtaining a valuation report from the external evaluator engaged by management for the purpose of goodwill impairment testing; (1) Review the reasonableness of management's classification of the asset groups comprising goodwill, whether there have been changes since the date of purchase or since the previous goodwill impairment test, and the reasonableness thereof; (2) Assess the appropriateness of the evaluation methodology used by management and external evaluator with reference to industry practice; (3) Compare the actual operating performance of the relevant asset group for the current year with forecast information for prior years to evaluate the accuracy of management's past forecasts and ask management the reasons for any significant differences identified, and consider whether the relevant factors are adjusted in the goodwill impairment test in the current year; (4) Review the reasonableness of future operating budgets formulated and approved by management, with reference to the understanding of the relevant industry and macroeconomic situation and the relevant business plans formulated by management; (5) Evaluate the reasonableness of the key assumptions and judgments used by management in performing the goodwill impairment test and the changes in key assumptions and judgments since the date of purchase or the previous goodwill impairment test; (6) Review the accuracy of the relevant calculation process.
	4. Reviewing the adequacy of relevant disclosures in the financial statements.

Chapter 11 Financial Report

4. OTHER INFORMATION

Sinotrans management (hereinafter referred to as “the Management”) is responsible for other information. Other information includes the information covered in Sinotrans’ Annual Report 2024, but excludes the financial statements and our auditor’s report.

Our audit opinion on the financial statements does not cover other information, and we do not express an assurance conclusion of any kind on other information.

In conjunction with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether other information is materially inconsistent with, or appears to be materially misstated in, the financial statements or what we have learned during the audit.

Based on the work we have performed, if we determine that other information is materially misstated, we should report this fact. We do not have any matters to report in this regard.

5. RESPONSIBILITIES OF THE MANAGEMENT AND GOVERNANCE FOR THE FINANCIAL STATEMENTS

The Management shall be responsible for the preparation of financial statements in accordance with the Accounting Standards for Business Enterprises to achieve fair presentation; and for designing, implementing and maintaining necessary internal control so that there is no material misstatement due to fraud or error in the financial statements.

In the preparation of the financial statements, the Management is responsible for assessing Sinotrans’ ability to continue as a going concern, disclosing matters related to going concern (if applicable) and applying the going concern assumption unless the Management plans to liquidate Sinotrans or to cease operations, or otherwise realistic choice.

The governance is responsible for overseeing the financial reporting process of Sinotrans.

Chapter 11

Financial Report

6. AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are generally considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

During the course of audit in accordance with auditing standards, we exercise professional judgment and maintain professional skepticism. We also carry out the following works:

- (1) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain sufficient and appropriate audit evidence to provide a basis for our audit. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (2) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- (3) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- (4) Conclude on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists in events or conditions that may cast significant doubt on Sinotrans' ability to continue as a going concern. If we conclude that a material uncertainty exists, according to the auditing standards, we are required to draw the attention of statement users to the relevant disclosures in the financial statements in our audit reports or, if such disclosures are inadequate, we should express a non-unqualified opinion. Our conclusions are based on information obtained up to the date of our auditor's report. However, future events or conditions may cause Sinotrans to cease to continue as a going concern.
- (5) Evaluate the overall presentation, structure and content of the financial statements, and also whether the financial statements present the underlying transactions and events in a manner that achieves fair presentation.
- (6) Obtain sufficient and appropriate audit evidence about the financial information of the entities or operations in Sinotrans to express an audit opinion on the financial statements. We are responsible for directing, supervising and performing the group audit and accept full responsibility for the audit opinion.

Chapter 11 Financial Report

6. AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

We communicate with Governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings etc., including any significant deficiencies in internal control that we identify during our audit.

We also provide a statement to Governance regarding compliance with ethical requirements related to independence and communicate with Governance about all relationships and other matters that could reasonably be perceived to affect our independence, as well as related precautions (if applicable).

From the matters communicated with Governance, we determined which matters were most significant to the audit of the current year's financial statements and therefore constitute key audit matters. We describe these matters in our audit report, except in those cases where public disclosure of such matters is prohibited by law or regulation, or in those rare cases where we determine that a matter should not be communicated in our audit report if we reasonably expect that the negative consequences of disclosing the matter in our audit report would outweigh the benefits in the public interest.

**ShineWing Certified Public
Accountants LLP**

Chinese Certified Public
Accountant: Dong Qin Chuan

(Engagement
partner)

Chinese Certified Public
Accountant: Xu Youbin

Beijing, China

25 March 2025

Chapter 11

Consolidated Statement of Financial Position

		Unit: RMB	
Item	Note	31 December 2024	31 December 2023
Current assets			
Cash and bank balances	IX.1	13,467,664,505.98	13,969,017,152.69
Including: Deposits with finance companies	IX.1	5,787,029,280.41	4,223,397,105.18
Financial assets held for trading	IX.2	574,374.32	520,189.78
Derivative financial assets			
Bills receivable	IX.3	164,294,636.42	119,812,566.60
Accounts receivable	IX.4	13,051,800,450.54	12,334,182,715.65
Receivables financing	IX.5	430,890,739.48	457,564,278.87
Prepayments	IX.6	5,198,591,002.95	4,771,967,159.77
Centralized management of receivables			
Other receivables	IX.7	2,799,184,855.60	2,463,370,444.39
Including: Interest receivable	IX.7	1,243,805.82	1,160,913.17
Dividends receivable	IX.7	9,080,009.80	37,507,529.28
Inventories	IX.8	56,259,409.64	58,682,194.17
Including: Raw materials	IX.8	31,233,482.82	34,096,660.67
Goods in stock (finished goods)	IX.8	7,559,958.00	8,795,312.74
Data resources			
Contract assets			
Assets held for sale			
Non-current assets due within one year	IX.9		15,120,000.00
Other current assets	IX.10	465,737,666.82	446,308,469.68
Total current assets		35,634,997,641.75	34,636,545,171.60
Non-current assets			
Debt investments			
Other debt investments			
Long-term receivables			
Long-term equity investments	IX.11	9,239,887,191.07	9,137,465,343.85
Other equity instrument investments	IX.12	416,867,662.27	415,223,441.98
Other non-current financial assets	IX.13	1,215,266,140.98	976,841,095.30
Investment properties	IX.14	2,793,232,058.42	2,885,653,066.58
Fixed assets	IX.15	15,492,824,879.87	14,757,493,674.10
Including: Original value of fixed assets	IX.15	27,299,921,882.91	25,657,811,987.53
Accumulated depreciation	IX.15	11,452,254,190.06	10,546,677,219.13
Provision for impairment of fixed assets	IX.15	354,844,086.59	353,784,787.29
Construction in progress	IX.16	656,542,638.70	824,783,662.00
Right-of-use assets	IX.17	2,560,132,246.21	2,992,846,534.37
Intangible assets	IX.18	6,262,438,876.05	6,225,037,576.87
Including: Data resources			
Development expenditure	IX.70	266,352,514.14	165,869,779.23
Including: Data resources			
Goodwill	IX.19	1,965,569,500.96	2,041,548,400.08
Long-term prepaid expense	IX.20	221,218,439.51	248,929,133.70
Deferred tax assets	IX.21	320,385,056.30	277,082,418.64
Other non-current assets	IX.22	149,785,291.62	321,472,116.06
Total non-current assets		41,560,502,496.10	41,270,246,242.76
Total assets		77,195,500,137.85	75,906,791,414.36

The notes form an integral part of the financial statements

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

Wang Xiufeng
Person-in-charge of the Company

Li Xiaoyan
Person-in-charge of accounting
work

Ding Guilin
Person-in-charge of Accounting
Department

Chapter 11

Consolidated Statement of Financial Position

		<i>Unit: RMB</i>	
Item	Note	31 December 2024	31 December 2023
Current liabilities			
Short-term borrowings	IX.25	3,294,191,564.22	610,217,777.09
Financial liabilities held for trading			
Derivative financial liabilities			
Bills payable	IX.26	183,554,323.76	80,827,292.06
Accounts payable	IX.27	12,756,894,871.90	12,371,784,366.04
Advances from customers			
Contract liabilities	IX.28	4,585,965,980.09	4,256,879,722.73
Employee remunerations payable	IX.29	2,296,944,005.93	2,363,937,228.59
Including: Wages payable	IX.29	2,122,559,108.60	2,196,234,239.79
Welfare payable	IX.29	229,429.43	485,611.75
Taxes and dues payable	IX.30	583,591,440.86	534,249,488.81
Including: Taxes payable	IX.30	578,114,070.11	518,066,634.78
Other payables	IX.31	1,996,258,400.91	2,325,309,812.68
Including: Interest payable			
Dividends payable	IX.31	73,788,729.28	69,477,271.80
Liabilities held for sale			
Non-current liabilities due within one year	IX.32	941,267,381.93	5,211,189,002.62
Other current liabilities	IX.33	288,628,327.10	301,144,924.61
Total current liabilities		26,927,296,296.70	28,055,539,615.23
Non-current liabilities			
Long-term borrowings	IX.34	3,268,291,437.12	2,355,004,648.70
Bonds payable	IX.35	2,018,912,428.80	1,999,383,890.41
Including: Preferred shares			
Perpetual bonds			
Lease liabilities	IX.36	2,084,448,674.98	2,497,732,805.59
Long-term payables	IX.37	20,000,000.00	23,525,000.00
Long-term Employee remunerations payable	IX.38	3,564,107.17	4,552,603.60
Estimated liabilities	IX.39	23,339,731.15	151,935,993.70
Deferred income	IX.40	525,236,135.58	406,187,032.26
Deferred tax liabilities	IX.21	283,733,107.86	238,991,734.02
Other non-current liabilities	IX.41		52,576,521.50
Total non-current liabilities		8,227,525,622.66	7,729,890,229.78
Total liabilities		35,154,821,919.36	35,785,429,845.01

Chapter 11

Consolidated Statement of Financial Position

		<i>Unit: RMB</i>	
Item	Note	31 December 2024	31 December 2023
Shareholders' equity			
Share capital	IX.42	7,294,216,875.00	7,294,216,875.00
Other equity instruments			
Including: Preferred shares			
Perpetual bonds			
Capital reserves	IX.43	6,633,448,432.77	6,638,004,801.06
Less: Treasury shares	IX.44	174,944,256.65	193,951,597.00
Other comprehensive income	IX.45	-124,006,478.09	-31,445,648.15
Including: Translation difference of the financial statements in foreign currency	IX.45	-211,520,552.91	-260,687,453.70
Special reserves	IX.46	143,045,162.87	129,860,229.97
Surplus reserves	IX.47	2,371,553,765.05	2,076,495,475.54
Including: Statutory surplus reserves	IX.47	2,371,553,765.05	2,076,495,475.54
Discretionary surplus reserves			
Undistributed profits	IX.48	23,424,281,261.35	21,890,625,834.25
Total equity attributable to shareholders of the Company		39,567,594,762.30	37,803,805,970.67
Non-controlling interests		2,473,083,456.19	2,317,555,598.68
Total shareholders' equity		42,040,678,218.49	40,121,361,569.35
Total liabilities and shareholders' equity		77,195,500,137.85	75,906,791,414.36

The notes form an integral part of the financial statements

Chapter 11

Statement of Financial Position of the Company

		<i>Unit: RMB</i>	
Item	Note	31 December 2024	31 December 2023
Current assets			
Cash and bank balances	XVII.1	5,511,666,937.58	6,690,061,399.84
Including: Deposits with finance companies	XVII.1	1,773,650,375.40	1,417,855,600.70
Financial assets held for trading			
Derivative financial assets			
Bills receivable			
Accounts receivable	XVII.2	970,447,124.41	1,040,841,279.70
Receivables financing	XVII.3	8,812,734.22	21,949,473.78
Prepayments		135,720,188.70	124,077,585.97
Centralized management of receivables			
Other receivables	XVII.4	14,194,714,562.24	13,048,259,857.92
Including: Interest receivable			
Dividends receivable	XVII.4	25,553,731.83	63,165,640.92
Inventories		124,161.41	26,075.94
Including: Raw materials			
Goods in stock (finished goods)			
Data resources			
Contract assets			
Assets held for sale			
Non-current assets due within one year		255,529,660.53	290,893,907.68
Other current assets		75,461,431.54	62,839,295.40
Total current assets		21,152,476,800.63	21,278,948,876.23
Non-current assets			
Debt investments		2,239,631,254.91	1,328,745,776.06
Other debt investments			
Long-term receivables			
Long-term equity investments	XVII.5	19,717,302,059.82	19,389,379,005.63
Other equity instrument investments			
Other non-current financial assets		1,918,936,299.53	1,694,082,287.67
Investment properties		8,674,408.91	9,156,627.30
Fixed assets		18,187,612.90	22,500,390.43
Including: Original value of fixed assets		129,881,752.08	132,785,860.90
Accumulated depreciation		111,694,139.18	110,349,407.35
Provision for impairment of fixed assets			
Construction in progress		22,719,347.54	2,716,371.97
Right-of-use assets		427,275,810.84	453,718,510.79
Intangible assets		174,645,530.64	198,212,534.13
Including: Data resources			
Development expenditure		206,043,329.64	118,680,218.80
Including: Data resources			
Goodwill			
Long-term prepaid expense		4,332,582.74	4,246,460.24
Deferred tax assets			
Other non-current assets			
Total non-current assets		24,737,748,237.47	23,221,438,183.02
Total assets		45,890,225,038.10	44,500,387,059.25

The notes form an integral part of the financial statements

Chapter 11

Statement of Financial Position of the Company

		Unit: RMB	
Item	Note	31 December 2024	31 December 2023
Current liabilities			
Short-term borrowings	XVII.6	1,981,557,305.56	
Financial liabilities held for trading			
Derivative financial liabilities			
Bills payable			
Accounts payable		791,795,819.59	795,078,988.67
Advances from customers			
Contract liabilities		62,882,087.50	89,920,552.60
Employee remunerations payable		134,866,935.74	167,368,542.35
Including: Wages payable		119,094,635.83	142,603,893.48
Welfare payable			
Taxes and dues payable		1,298,899.18	2,049,024.62
Including: Taxes payable		1,273,985.36	1,450,823.47
Other payables		12,911,672,741.26	12,211,849,430.47
Including: Interest payable			
Dividends payable			
Liabilities held for sale			
Non-current liabilities due within one year		31,666,287.67	2,088,614,977.91
Other current liabilities			
Total current liabilities		15,915,740,076.50	15,354,881,516.62
Non-current liabilities			
Long-term borrowings	XVII.7	67,000,000.00	67,000,000.00
Bonds payable	XVII.8	2,018,912,428.80	1,999,383,890.41
Including: Preferred shares			
Perpetual bonds			
Lease liabilities		482,189,902.91	499,763,782.21
Long-term payables			
Long-term Employee remunerations payable			
Estimated liabilities		1,731,676.33	1,731,676.33
Deferred income		9,000,000.00	9,000,000.00
Deferred tax liabilities			
Other non-current liabilities			
Total non-current liabilities		2,578,834,008.04	2,576,879,348.95
Total liabilities		18,494,574,084.54	17,931,760,865.57

Chapter 11

Statement of Financial Position of the Company

Item	Note	31 December 2024	31 December 2023
Shareholders' equity			
Share capital		7,294,216,875.00	7,294,216,875.00
Other equity instruments			
Including: Preferred shares			
Perpetual bonds			
Capital reserves	XVII.9	10,716,935,076.39	10,713,308,264.02
Less: Treasury shares		174,944,256.65	193,951,597.00
Other comprehensive income		-55,624,328.05	-14,059,679.72
Including: Translation difference of the financial statements in foreign currency			
Special reserves		5,442,533.15	6,336,078.00
Surplus reserves		2,371,553,765.05	2,076,495,475.54
Including: Statutory surplus reserves		2,371,553,765.05	2,076,495,475.54
Discretionary surplus reserves			
Undistributed profits	XVII.10	7,238,071,288.67	6,686,280,777.84
Total shareholders' equity		27,395,650,953.56	26,568,626,193.68
Total liabilities and shareholders' equity		45,890,225,038.10	44,500,387,059.25

The notes form an integral part of the financial statements

Chapter 11

Consolidated Statement of Profit or Loss and Other Comprehensive Income

Item	Note	Unit: RMB	
		Year ended 31 December 2024	Year ended 31 December 2023
I. Total operating income	IX.49	105,620,773,355.43	101,764,652,538.80
Including: Operating income	IX.49	105,620,773,355.43	101,764,652,538.80
II. Total operating cost		105,104,119,142.05	101,182,913,130.20
Including: Operating costs	IX.49	100,077,475,111.46	95,957,211,293.68
Tax and surcharges	IX.50	329,597,143.82	274,266,920.76
Selling expenses	IX.51	1,000,310,718.12	1,075,970,269.71
Administrative expenses	IX.52	3,328,915,531.87	3,383,414,426.41
Research and development expenses	IX.53	120,658,190.73	233,188,701.16
Finance costs	IX.54	247,162,446.05	258,861,518.48
Including: Interest expenses	IX.54	400,003,767.71	519,566,444.65
Interest income	IX.54	141,358,846.67	277,907,186.18
Net exchange loss (net gains denoted by "-")	IX.54	-60,460,451.13	-18,390,033.80
Add: Other income	IX.55	2,184,538,427.04	2,454,573,767.35
Investment income (loss denoted by "-")	IX.56	2,036,437,928.31	2,326,314,659.31
Including: Share of results of associates and joint ventures		1,878,846,814.41	2,269,632,479.77
Income from derecognition of financial assets measured at amortised cost		-13,628,250.16	-19,768,357.31
Hedging income (loss denoted by "-")			
Gain from changes in fair value (loss denoted by "-")	IX.57	244,560,022.30	266,881,768.34
Credit impairment loss (loss denoted by "-")	IX.58	-85,141,884.39	-24,460,688.67
Impairment of assets (loss denoted by "-")	IX.59	-25,669,890.95	-327,425,516.77
Income from disposal of assets (loss denoted by "-")	IX.60	68,434,678.00	186,271,187.26
III. Operating profit (loss denoted by "-")		4,939,813,493.69	5,463,894,585.42
Add: Non-operating income	IX.61	79,975,520.37	103,226,993.53
Including: Government grants	IX.62	5,948,218.75	13,905,620.67
Less: Non-operating expenses	IX.63	1,939,119.48	66,395,830.72
IV. Total profit (total loss denoted by "-")		5,017,849,894.58	5,500,725,748.23
Less: Income tax expenses	IX.64	838,203,294.38	1,055,093,112.41
V. Net profit (net loss denoted by "-")		4,179,646,600.20	4,445,632,635.82
(I) Classified by attribution of ownership			
1. Net profit attributable to shareholders of the Company (net loss denoted by "-")		3,917,651,361.38	4,214,787,238.59
2. Profit or loss attributable to non-controlling interests (net loss denoted by "-")		261,995,238.82	230,845,397.23
(II) Classified by the continuity of operations			
1. Net profit from continuing operations (net loss denoted by "-")		4,179,646,600.20	4,445,632,635.82
2. Net profit from discontinued operations (net loss denoted by "-")			

Chapter 11

Consolidated Statement of Profit or Loss and other Comprehensive Income

		<i>Unit: RMB</i>	
Item	Note	Year ended 31 December 2024	Year ended 31 December 2023
VI. Other comprehensive income, net of tax		-104,660,230.64	149,286,302.62
Other comprehensive income attributable to shareholders of the Company, net of tax	IX.45	-92,560,829.94	168,444,966.23
(I) Other comprehensive income not to be subsequently reclassified to profit or loss	IX.45	1,233,165.22	-6,969,802.52
1. Change in amount arising from re-measurement of the defined benefit plan			83,037.15
2. Other comprehensive income not to be reclassified to profit or loss under the equity method			
3. Changes in fair value of other equity instrument investments	IX.45	1,233,165.22	-7,052,839.67
4. Changes in fair value attributable to changes in credit risk			
5. Others			
(II) Other comprehensive income to be subsequently reclassified to profit or loss	IX.45	-93,793,995.16	175,414,768.75
1. Other comprehensive income to be reclassified to profit or loss under the equity method	IX.45	-142,960,895.95	158,864,605.87
2. Changes in fair value of other debt investments			
3. Reclassification of financial assets			
4. Credit impairment provision of other debt investments			
5. Cash flow hedge reserve (effective portion of gains or losses from cash flow hedges)			
6. Translation difference of the financial statements in foreign currency	IX.45	49,166,900.79	16,550,162.88
7. Others			
Other comprehensive income attributable to non-controlling interests, net of tax	IX.45	-12,099,400.70	-19,158,663.61
VII. Total comprehensive income		4,074,986,369.56	4,594,918,938.44
Total comprehensive income attributable to shareholders of the Company		3,825,090,531.44	4,383,232,204.82
Total comprehensive income attributable to non-controlling interests		249,895,838.12	211,686,733.62
VIII. Earnings per share:			
Basic earnings per share	IX.65	0.5396	0.5817
Diluted earnings per share	IX.65	0.5386	0.5812

In the business combination under common control that occurred in the current year, the net profit realized by the combined party before the combination was RMB 303,038.59, and the net profit realized by the combined party in the prior year was RMB -7,055,254.

The notes form an integral part of the financial statements

Chapter 11

Statement of Profit or Loss and other Comprehensive Income of the Company

Item	Note	Unit: RMB	
		Year ended 31 December 2024	Year ended 31 December 2023
I. Operating income	XVII.11	5,814,417,821.22	5,537,711,251.18
Less: Operating costs	XVII.11	5,697,448,935.12	5,193,394,102.80
Tax and surcharges		1,046,413.29	491,813.86
Selling expenses		58,425,229.62	71,439,971.00
Administrative expenses		334,832,269.49	373,488,221.18
Research and development expenses		41,914,707.45	180,311,883.34
Finance costs	XVII.12	103,027,848.05	-19,923,778.56
Including: Interest expenses	XVII.12	308,219,263.11	304,333,643.16
Interest income	XVII.12	219,342,662.31	322,313,711.93
Net exchange loss (net gains denoted by "-")	XVII.12	10,396,331.28	-5,352,187.59
Add: Other income		769,125.72	467,484.43
Investment income	XVII.13	3,139,192,676.82	3,663,397,931.04
(loss denoted by "-")			
Including: Share of results of associates and joint ventures	XVII.13	1,399,708,966.07	1,859,650,164.75
Income from derecognition of financial assets measured at amortised cost			
Hedging income (loss denoted by "-")			
Gain from changes in fair value (loss denoted by "-")		224,854,011.86	317,808,265.86
Credit impairment loss (loss denoted by "-")		10,335,601.12	4,580,540.99
Impairment of assets (loss denoted by "-")			
Income from disposal of assets (loss denoted by "-")		209,334.66	14,889.11
II. Operating profit (loss denoted by "-")		2,953,083,168.38	3,724,778,148.99
Add: Non-operating income		1,049,032.44	5,101,180.79
Including: Government grants			5,000,000.00
Less: Non-operating expenses		2,166,798.91	5,760,236.83
III. Total profit (total loss denoted by "-")		2,951,965,401.91	3,724,119,092.95
Less: Income tax expenses		1,382,506.80	1,482,924.01
IV. Net profit (net loss denoted by "-")		2,950,582,895.11	3,722,636,168.94
Net profit from continuing operations (net loss denoted by "-")		2,950,582,895.11	3,722,636,168.94
Net profit from discontinued operations (net loss denoted by "-")			

Chapter 11

Statement of Profit or Loss and other Comprehensive Income of the Company

Item	Note	Year ended 31 December 2024	Year ended 31 December 2023
V. Other comprehensive income, net of tax		-41,564,648.33	83,037.15
(I) Other comprehensive income not to be subsequently reclassified to profit or loss			83,037.15
1. Change in amount arising from re-measurement of the defined benefit plan			
2. Other comprehensive income not to be reclassified to profit or loss under the equity method			83,037.15
3. Changes in fair value of other equity instrument investments			
4. Changes in fair value attributable to changes in credit risk			
5. Others			
(II) Other comprehensive income to be subsequently reclassified to profit or loss		-41,564,648.33	
1. Other comprehensive income to be reclassified to profit or loss under the equity method		-41,564,648.33	
2. Changes in fair value of other debt investments			
3. Reclassification of financial assets			
4. Credit impairment provision of other debt investments			
5. Cash flow hedge reserve (effective portion of gains or losses from cash flow hedges)			
6. Translation difference of the financial statements in foreign currency			
7. Others			
VI. Total comprehensive income		2,909,018,246.78	3,722,719,206.09

The notes form an integral part of the financial statements

Chapter 11

Consolidated Statement of Cash Flows

		Unit: RMB	
Item	Note	Year ended 31 December 2024	Year ended 31 December 2023
I. Cash flows from operating activities:			
Cash received from sales of goods and provision of services		111,336,318,583.57	108,326,346,586.16
Tax rebate received		339,502,222.29	162,418,374.63
Cash received from other operating activities	IX.67	2,594,420,072.61	2,927,385,563.52
Sub-total of cash inflows from operating activities		114,270,240,878.47	111,416,150,524.31
Cash paid for goods and services		98,575,831,209.11	95,126,707,574.22
Cash paid to and on behalf of employees		7,813,679,525.52	7,855,678,863.64
Cash paid for taxes and dues		2,271,414,491.98	2,172,440,992.29
Cash paid for other operating activities	IX.67	1,498,055,837.16	2,428,385,605.34
Sub-total of cash outflows from operating activities		110,158,981,063.77	107,583,213,035.49
Net cash flows from operating activities	IX.67	4,111,259,814.70	3,832,937,488.82
II. Cash flows from investment activities:			
Cash received from disposal of investments		3,908,191.25	7,458,343.96
Cash received from investment income		1,773,417,776.09	2,200,746,349.09
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		152,809,149.49	388,207,529.34
Net cash received from disposal of subsidiaries and other operating units	IX.67	29,388,630.63	
Cash received from other investment activities	IX.67	139,548,475.48	51,758,616.21
Sub-total of cash inflows from investment activities		2,099,072,222.94	2,648,170,838.60
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets		1,554,692,154.69	1,611,999,258.05
Cash paid for investments		336,992,352.47	313,746,097.78
Net cash paid for acquisition of subsidiaries and other operating units	IX.67		484,608,440.05
Cash paid for other investment activities	IX.67		19,508,312.05
Sub-total of cash outflows from investment activities		1,891,684,507.16	2,429,862,107.93
Net cash flows from investment activities		207,387,715.78	218,308,730.67

Chapter 11

Consolidated Statement of Cash Flows

Item	Note	Year ended 31 December 2024	Year ended 31 December 2023
III. Cash flows from financing activities:			
Cash received from capital contributions		27,850,000.00	96,116,729.15
Including: Cash received by subsidiaries from capital contributions of non- controlling interests		27,850,000.00	96,116,729.15
Cash received from borrowings		8,440,403,579.52	1,122,996,754.38
Cash received from other financing activities	IX.67	83,894,927.00	
Sub-total of cash inflows from financing activities		8,552,148,506.52	1,219,113,483.53
Cash paid for repayment of debts		9,349,685,904.37	4,331,241,112.08
Cash paid for distribution of dividends, profits or settlement of interest	IX.67	2,726,819,481.09	2,372,612,182.22
Including: Dividends and profits paid by the subsidiaries to non-controlling interests	IX.67	323,830,187.89	231,473,846.97
Cash paid for other financing activities	IX.67	1,214,844,449.61	1,220,076,306.79
Sub-total of cash outflows from financing activities		13,291,349,835.07	7,923,929,601.09
Net cash flows from financing activities		-4,739,201,328.55	-6,704,816,117.56
IV. Effect of foreign exchange rate changes		34,629,481.99	73,606,595.52
V. Net increase in cash and cash equivalents		-385,924,316.08	-2,579,963,302.55
Add: Balance of cash and cash equivalents at the beginning of the year	IX.68	13,826,301,140.45	16,406,264,443.00
VI. Balance of cash and cash equivalents at the end of the year	IX.68	13,440,376,824.37	13,826,301,140.45

The notes form an integral part of the financial statements

Chapter 11

Statement of Cash Flows of the Company

Item	Note	Unit: RMB	
		Year ended 31 December 2024	Year ended 31 December 2023
I. Cash flows from operating activities:			
Cash received from sales of goods and provision of services		5,662,145,326.47	5,523,205,179.03
Tax rebate received			
Cash received from other operating activities		555,555,927.70	261,593,160.45
Sub-total of cash inflows from operating activities		6,217,701,254.17	5,784,798,339.48
Cash paid for goods and services		5,510,691,123.27	5,010,246,548.90
Cash paid to and on behalf of employees		291,972,029.56	297,646,659.24
Cash paid for taxes and dues		3,504,812.77	1,391,403.64
Cash paid for other operating activities		566,228,192.37	431,186,262.50
Sub-total of cash outflows from operating activities		6,372,396,157.97	5,740,470,874.28
Net cash flows from operating activities	XVII.14	-154,694,903.80	44,327,465.20
II. Cash flows from investment activities:			
Cash received from disposal of investments			
Cash received from investment income		3,358,514,468.65	3,705,803,728.94
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		188,115.76	134,431.41
Net cash received from disposal of subsidiaries and other operating units			
Cash received from other investment activities		1,017,215,068.48	461,748,425.34
Sub-total of cash inflows from investment activities		4,375,917,652.89	4,167,686,585.69
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets		142,260,495.64	136,551,302.15
Cash paid for investments		578,258,090.77	305,998,864.09
Net cash paid for acquisition of subsidiaries and other operating units			
Cash paid for other investment activities		2,418,083,779.13	3,556,130,857.76
Sub-total of cash outflows from investment activities		3,138,602,365.54	3,998,681,024.00
Net cash flows from investment activities		1,237,315,287.35	169,005,561.69

Chapter 11

Statement of Cash Flows of the Company

Item	Note	Year ended 31 December 2024	Year ended 31 December 2023
III. Cash flows from financing activities:			
Cash received from capital contributions			
Cash received from borrowings		5,979,900,000.00	
Cash received from other financing activities		295,049,475.97	534,274,890.36
Sub-total of cash inflows from financing activities		6,274,949,475.97	534,274,890.36
Cash paid for repayment of debts		5,980,000,000.00	28,500,000.00
Cash paid for distribution of dividends, profits or settlement of interest		2,271,474,976.05	1,908,120,845.82
Cash paid for other financing activities		286,419,134.44	192,208,645.64
Sub-total of cash outflows from financing activities		8,537,894,110.49	2,128,829,491.46
Net cash flows from financing activities		-2,262,944,634.52	-1,594,554,601.10
IV. Effect of foreign exchange rate changes		7,803,527.99	24,483,879.69
V. Net increase in cash and cash equivalents		-1,172,520,722.98	-1,356,737,694.52
Add: Balance of cash and cash equivalents at the beginning of the year		6,678,660,070.77	8,035,397,765.29
VI. Balance of cash and cash equivalents at the end of the year		5,506,139,347.79	6,678,660,070.77

The notes form an integral part of the financial statements

Equity attributable to shareholders of the Company

Other equity instruments														
Item	Share capital	Preferred shares	Perpetual bonds	Others	Capital reserves	Less: Treasury shares	Other comprehensive income	Including Translation difference of the financial statements in foreign currency	Special reserves	Surplus reserves	Undistributed profits	Sub-total	Non-controlling interests	Total shareholders' equity
I. Closing balance of the prior year	7,294,216,875.00				6,637,791,041.06	193,951,597.00	-30,890,925.81	-260,132,731.36	129,860,229.97	2,076,495,475.54	21,888,204,114.38	37,801,725,213.12	2,317,555,598.68	40,119,280,811.80
Add: Changes in accounting policies														
Correction of prior errors														
Others					213,780.00		-554,722.34	-554,722.34			2,421,719.89	2,080,757.55		2,080,757.55
II. Balance at the beginning of current year	7,294,216,875.00				6,638,004,801.06	193,951,597.00	-31,445,648.15	-260,687,453.70	129,860,229.97	2,076,495,475.54	21,890,625,834.25	37,803,805,970.67	2,317,555,598.68	40,121,361,569.35
III. Increases/decreases in current year (decreases denoted by "-")					-4,556,388.29	-19,007,340.35	-92,560,829.94	49,166,900.79	13,184,932.90	295,058,289.51	1,533,655,427.10	1,763,786,791.63	155,927,857.51	1,919,316,649.14
(I) Total comprehensive income					-4,556,388.29	-19,007,340.35	-92,560,829.94	49,166,900.79		3,917,651,361.38	3,825,090,531.44	14,450,972.06	229,015,539.97	4,074,986,369.56
(II) Capital contributed and reduced by shareholders														
1. Ordinary shares contributed by shareholders					24,188,479.08							24,188,479.08	27,850,000.00	52,039,479.08
2. Capital invested by holders of other equity instruments														
3. Amount of share-based payments included in shareholders' equity					-14,225,805.77							-14,225,805.77	-84,357.72	-14,310,163.49
4. Others					-14,520,041.60	-19,007,340.35						4,487,288.75	201,249,897.69	205,737,186.44
(III) Appropriation and use of special reserves									13,184,932.90			13,184,932.90	796,774.34	13,981,707.24
1. Appropriation of special reserves									105,481,667.59			105,481,667.59	5,024,511.29	110,506,178.88
2. Use of special reserves									-92,296,734.69			-92,296,734.69	-4,227,736.95	-96,524,471.64

Chapter 11

Consolidated Statement of Changes in Equity

Unit: RMB

Year ended 31 December 2024														
Equity attributable to shareholders of the Company														
		Other equity instruments				Including: Translation difference of the financial statements in foreign currency								
	Share capital	Preferred shares	Perpetual bonds	Others	Capital reserves	Less: Treasury shares	Other comprehensive income		Special reserves	Surplus reserves	Undistributed profits	Sub-total	Non-controlling interests	Total shareholders' equity
(IV) Profit distribution														
1. Appropriation of surplus reserves														
Including: Statutory surplus reserves														
Discretionary surplus														
reserves														
2. Distribution to shareholders														
3. Others														
(V) Internal transfers of shareholders' equity														
1. Share capital transferred from capital reserves														
2. Share capital transferred from surplus reserves														
3. Recovery of losses														
4. Transfer of changes in defined benefit plans into retained earnings														
5. Transfer of other comprehensive income into retained earnings														
6. Others														
IV. Balance at the end of current year	7,294,216,875.00				6,633,448,432.77	174,944,256.65	-124,006,478.09	-211,520,552.91	143,045,162.87	2,371,553,765.05	23,424,281,261.35	39,587,594,762.30	2,473,063,456.19	42,040,673,218.49

The notes form an integral part of the financial statements

Year ended 31 December 2023

Equity attributable to shareholders of the Company

Other equity instruments

Including:

Translation
difference of

Item	Share capital	Preferred shares	Perpetual bonds	Others	Capital reserves	Less: Treasury shares	Other comprehensive income	the financial statements in foreign currency	Special reserves	Surplus reserves	Undistributed profits	Sub-total	Non-controlling interests	shareholders' equity
I. Closing balance of the prior year	7,335,104,875.00				6,064,231,769.76	300,752,201.55	-199,683,187.02	-277,030,189.22	103,265,377.89	1,704,231,859.65	20,139,567,944.29	34,866,026,457.02	2,002,417,559.97	36,888,443,996.99
Add: Changes in accounting policies											23,952,939.18	23,952,939.18	598,319.76	24,551,253.94
Correction of prior errors														
Others					266,347,607.48		-207,427.36	-207,427.36	311,045.12		-342,946,437.41	-76,495,212.17	122,258,231.42	45,763,019.25
II. Balance at the beginning of current year	7,335,104,875.00				6,330,639,377.24	300,752,201.55	-199,890,614.38	-277,237,616.58	103,576,423.01	1,704,231,859.65	19,820,517,446.06	34,813,494,164.03	2,125,214,111.15	36,938,756,276.18
III. Increases/decreases in current year	-60,888,000.00				307,365,423.82	-106,800,804.55	188,444,956.23	16,550,162.88	26,283,806.96	372,263,616.89	2,070,051,388.19	2,990,321,806.64	182,281,487.53	3,162,613,294.17
(decreases denoted by "-")														
(I) Total comprehensive income					380,053,311.65	26,775,283.28	188,444,956.23	16,550,162.88			4,214,787,238.59	4,393,232,204.82	211,696,733.82	4,594,918,938.44
(II) Capital contributed and reduced by shareholders												353,278,028.37	188,418,888.99	539,696,917.36
1. Ordinary shares contributed by shareholders													64,762,163.59	64,762,163.59
2. Capital invested by holders of other equity instruments														
3. Amount of share-based payments included in shareholders' equity					29,693,006.09							29,699,006.09	178,565.33	30,047,571.42
4. Others					350,184,305.56	26,775,283.28								
(III) Appropriation and use of special reserves														
1. Appropriation of special reserves									26,283,806.96			323,409,022.28	121,478,160.07	444,887,182.35
2. Use of special reserves									106,624,883.93			26,283,806.96	702,027.08	26,986,834.04
												106,624,883.93	4,735,530.34	111,360,414.27
									-80,341,076.97			-80,341,076.97	-4,033,503.26	-84,374,580.23

Chapter 11

Consolidated Statement of Changes in Equity

Unit: RMB

Year ended 31 December 2023														
Equity attributable to shareholders of the Company														
Other equity instruments														
	Preferred			Perpetual	Others			Capital	Less: Treasury	Other		Including:	Total	
Item	Share capital	shares	bonds		reserves	shares	comprehensive	income	statements in	Special	Surplus	Undistributed	Sub-total	Non-controlling
							income	foreign currency	reserves	reserves	reserves	profits		interests
														shareholders' equity
(IV) Profit distribution														
1. Appropriation of surplus reserves										372,263,616.89	-2,144,735,850.40	-1,772,472,233.51	-206,526,162.16	-1,978,998,395.67
Including: Statutory surplus reserves										372,263,616.89	-372,263,616.89			
Discretionary surplus reserves										372,263,616.89	-372,263,616.89			
2. Distribution to shareholders														
3. Others														
(V) Internal transfers of shareholders' equity	-60,888,000.00				-72,687,887.83	-133,575,887.83								
1. Share capital transferred from capital reserves														
2. Share capital transferred from surplus reserves														
3. Recovery of losses														
4. Transfer of changes in defined benefit plans into retained earnings														
5. Transfer of other comprehensive income into retained earnings														
6. Others	-60,888,000.00				-72,687,887.83	-133,575,887.83								
IV. Balance at the end of current year	7,294,216,875.00				6,638,004,801.06	193,951,597.00	-31,445,648.15	-260,887,453.70	129,860,229.97	2,076,495,475.54	21,890,625,834.25	37,803,805,970.67	2,317,555,598.68	40,121,361,569.35

The notes form an integral part of the financial statements

Chapter 11

Statement of Changes in Equity of the Company

Unit: RMB

Year ended 31 December 2024											
Item	Other equity instruments				Less:	Other comprehensive income	Including: Translation difference of the financial statements in foreign currency	Special reserves	Surplus reserves	Undistributed profits	Total shareholders' equity
	Share capital	Preferred shares	Perpetual bonds	Others							
I. Closing balance of the prior year	7,294,216,875.00				10,713,308,264.02	193,951,597.00	-14,059,679.72	6,336,078.00	2,076,195,475.54	6,686,280,777.84	26,588,626,193.68
Add: Changes in accounting policies											
Correction of prior errors											
Others											
II. Balance at the beginning of current year	7,294,216,875.00				10,713,308,264.02	193,951,597.00	-14,059,679.72	6,336,078.00	2,076,195,475.54	6,686,280,777.84	26,588,626,193.68
III. Increases/decreases in current year (decreases denoted by "-")					3,626,812.37	-19,007,340.35	-41,564,648.33	-893,544.85	295,088,289.51	551,790,510.83	827,024,759.88
(I) Total comprehensive income					3,626,812.37	-19,007,340.35	-41,564,648.33		2,950,582,895.11	22,634,152.72	2,909,018,246.78
(II) Capital contributed and reduced by shareholders											
1. Ordinary shares contributed by shareholders					24,356,963.00						24,356,963.00
2. Capital invested by holders of other equity instruments											
3. Amount of share-based payments included in shareholders' equity					-14,310,163.49						-14,310,163.49
4. Others					-6,419,987.14	-19,007,340.35					12,587,353.21
(III) Appropriation and use of special reserves								-893,544.85			-893,544.85
1. Appropriation of special reserves								3,545,360.88			3,545,360.88
2. Use of special reserves								-4,438,905.73			-4,438,905.73

Chapter 11

Statement of Changes in Equity of the Company

Unit: RMB

Item	Year ended 31 December 2024							Total shareholders' equity
	Share capital	Preferred shares	Other equity instruments	Capital reserves	Less: Treasury shares	Other comprehensive income	Including: Translation difference of the financial statements in foreign currency	
			Perpetual bonds					
(IV) Profit distribution								
1. Appropriation of surplus reserves								
Including: Statutory surplus reserves								
Discretionary surplus reserves								
2. Distribution to shareholders								
3. Others								
(V) Internal transfers of shareholders' equity								
1. Share capital transferred from capital reserves								
2. Share capital transferred from surplus reserves								
3. Recovery of losses								
4. Transfer of changes in defined benefit plans into retained earnings								
5. Transfer of other comprehensive income into retained earnings								
6. Others								
IV. Balance at the end of current year	7,294,216,875.00			10,716,935,076.39	174,944,256.65	-55,624,328.05	5,442,533.15	27,395,650,953.56

The notes form an integral part of the financial statements

Chapter 11

Statement of Changes in Equity of the Company

Item	Year ended 31 December 2023						Unit: RMB		
	Share capital	Preferred shares	Other equity instruments	Capital reserves	Less: Treasury shares	Other comprehensive income	Including: Translation difference of the financial statements in foreign currency	Special reserves	Total shareholders' equity
I. Closing balance of the prior year	7,355,104,875.00			10,756,312,325.64	300,752,201.55	-14,142,716.87		3,884,096.95	24,612,906,207.98
Add: Changes in accounting policies									
Correction of prior errors									
Others									
II. Balance at the beginning of current year	7,355,104,875.00			10,756,312,325.64	300,752,201.55	-14,142,716.87		3,884,096.95	24,612,906,207.98
III. Increases/decreases in current year	-60,888,000.00			-43,004,061.02	-106,800,604.55	83,037.15		2,451,981.05	1,955,719,985.70
(decreases denoted by "-")									
(I) Total comprehensive income						83,037.15			3,722,636,168.94
(II) Capital contributed and reduced by shareholders				29,683,826.21	26,775,283.28				2,908,592.93
1. Ordinary shares contributed by shareholders									
2. Capital invested by holders of other equity instruments									
3. Amount of share-based payments included in shareholders' equity				30,047,571.42					30,047,571.42
4. Others				-363,745.21	26,775,283.28				-27,139,028.49
(III) Appropriation and use of special reserves								2,451,981.05	2,451,981.05
1. Appropriation of special reserves								3,893,151.17	3,893,151.17
2. Use of special reserves								-1,547,170.12	-1,547,170.12

Chapter 11

Statement of Changes in Equity of the Company

Unit: RMB

Year ended 31 December 2023													
Item	Share capital	Other equity instruments			Capital reserves	Less:		Other comprehensive income	Including: Translation difference of the financial statements in foreign currency	Special reserves	Surplus reserves	Undistributed profits	Total shareholders' equity
		Preferred shares	Perpetual bonds	Others		Treasury shares							
(IV) Profit distribution													
1. Appropriation of surplus reserves													
Including: Statutory surplus reserves													
Discretionary surplus reserves													
2. Distribution to shareholders													
3. Others													
(V) Internal transfers of shareholders' equity	-60,888,000.00				-72,687,887.83	-133,575,887.83							
1. Share capital transferred from capital reserves													
2. Share capital transferred from surplus reserves													
3. Recovery of losses													
4. Transfer of changes in defined benefit plans into retained earnings													
5. Transfer of other comprehensive income into retained earnings													
6. Others	-60,888,000.00				-72,687,887.83	-133,575,887.83							
IV. Balance at the end of current year	7,294,216,875.00				10,713,308,264.02	193,951,597.00	-14,059,679.72			6,336,078.00	2,076,495,475.54	6,686,280,777.84	26,568,626,193.68

The notes form an integral part of the financial statements

Chapter 11

Notes to the Financial Statements

For the year ended 31 December 2024

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

I. GENERAL INFORMATION OF THE COMPANY

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

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

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

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

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

Chapter 11

Notes to the Financial Statements

For the year ended 31 December 2024
(Unless indicated otherwise, all amounts are expressed in RMB)

I. GENERAL INFORMATION OF THE COMPANY (CONTINUED)

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

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

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

II. BASIS FOR THE PREPARATION

The Group has evaluated its ability to continue as a going concern for the 12 months from 31 December 2024 and has not identified any events or circumstances that may cast significant doubt over its ability to continue as a going concern. Therefore, the financial statements are prepared on a going concern basis according to the actual transactions and events that occurred, in accordance with the Accounting Standards for Business Enterprises and other relevant regulations issued by the Ministry of Finance (hereinafter referred to as “Accounting Standards for Business Enterprises”), the relevant disclosures required by the Preparation Rules for Information Disclosure by Companies Offering Securities to the Public No. 15 — General Provisions on Financial Reports (2023 Revision) of CSRC and relevant provisions, and the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities (the “Listing Rules”) on the Stock Exchange of Hong Kong, and based on the accounting policies and accounting estimates as described in “Note IV. Significant Accounting Policies and Accounting Estimates of the Company”.

III. STATEMENT OF COMPLIANCE WITH ACCOUNTING STANDARDS FOR BUSINESS ENTERPRISES

The financial statements prepared by the Company comply with the Accounting Standards for Business Enterprises, and present truly and completely the consolidated and the Company’s financial position as of 31 December 2024, as well as the consolidated and the Company’s financial performance and cash flows for the year 2024.

IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES OF THE COMPANY

1. ACCOUNTING YEAR

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

2. OPERATING CYCLE

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

Chapter 11

Notes to the Financial Statements

For the year ended 31 December 2024

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

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

3. FUNCTIONAL CURRENCY

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

4. ACCOUNTING BASIS AND MEASUREMENT

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

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

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

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

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

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

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

Chapter 11

Notes to the Financial Statements

For the year ended 31 December 2024
(Unless indicated otherwise, all amounts are expressed in RMB)

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

5. METHODS FOR DETERMINING MATERIALITY CRITERIA AND BASIS FOR SELECTION

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

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

Chapter 11

Notes to the Financial Statements

For the year ended 31 December 2024

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

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

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

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

Chapter 11

Notes to the Financial Statements

For the year ended 31 December 2024
(Unless indicated otherwise, all amounts are expressed in RMB)

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

6. BUSINESS COMBINATION

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

6.1 Business combination involving entities under common control

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

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

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

6.2 Business combination not involving entities under common control

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

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

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

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

Chapter 11

Notes to the Financial Statements

For the year ended 31 December 2024

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

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

7. GOODWILL

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

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

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

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

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

8.1 Criteria for judging control

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

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

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

Chapter 11

Notes to the Financial Statements

For the year ended 31 December 2024
(Unless indicated otherwise, all amounts are expressed in RMB)

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

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

8.2 The preparation of consolidated financial statements

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

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

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

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

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

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

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

Chapter 11

Notes to the Financial Statements

For the year ended 31 December 2024

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

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

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

8.2 The preparation of consolidated financial statements (Continued)

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

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

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

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

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

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

9. JOINT ARRANGEMENT

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

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

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

10. CASH AND CASH EQUIVALENTS

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

11. FINANCIAL INSTRUMENTS

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

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

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

11. FINANCIAL INSTRUMENTS

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

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

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

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

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

11.1 Classification and measurement of financial assets

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

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

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

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

11. FINANCIAL INSTRUMENTS (Continued)

11.1 Classification and measurement of financial assets (Continued)

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

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

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

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

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

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

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

11. FINANCIAL INSTRUMENTS (Continued)

11.1 Classification and measurement of financial assets (Continued)

11.1.1 *Financial assets at amortised cost*

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

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

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

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

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

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

11. FINANCIAL INSTRUMENTS (Continued)

11.1 Classification and measurement of financial assets (Continued)

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

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

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

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

11.2 Impairment of financial instruments

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

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

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

11. FINANCIAL INSTRUMENTS (Continued)

11.2 Impairment of financial instruments (Continued)

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

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

11.2.1 Significant increase in credit risk

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

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

11. FINANCIAL INSTRUMENTS (Continued)

11.2 Impairment of financial instruments (Continued)

11.2.1 Significant increase in credit risk (Continued)

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

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

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

11. FINANCIAL INSTRUMENTS (Continued)

11.2 Impairment of financial instruments (Continued)

11.2.1 Significant increase in credit risk (Continued)

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

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

11.2.2 Credit-impaired financial assets

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

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

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

11. FINANCIAL INSTRUMENTS (Continued)

11.2 Impairment of financial instruments (Continued)

11.2.2 Credit-impaired financial assets (Continued)

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

11.2.3 Determination of expected credit losses

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

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

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

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

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

11. FINANCIAL INSTRUMENTS (Continued)

11.2 Impairment of financial instruments (Continued)

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

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

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

11. FINANCIAL INSTRUMENTS (Continued)

11.2 Impairment of financial instruments (Continued)

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

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

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

11. FINANCIAL INSTRUMENTS (Continued)

11.2 Impairment of financial instruments (Continued)

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

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

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

11. FINANCIAL INSTRUMENTS (Continued)

11.2 Impairment of financial instruments (Continued)

11.2.5 Write-off of financial assets

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

11.3 Transfer of financial assets

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

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

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

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

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

11. FINANCIAL INSTRUMENTS (Continued)

11.3 Transfer of financial assets (Continued)

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

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

11.4 Classification of financial liabilities and equity instruments

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

11.4.1 Classification, recognition, and measurement of financial liabilities

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

11.4.1.1 Financial liabilities at fair value through profit or loss

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

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

11. FINANCIAL INSTRUMENTS (Continued)

11.4 Classification of financial liabilities and equity instruments (Continued)

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

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

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

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

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

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

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

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

11. FINANCIAL INSTRUMENTS (Continued)

11.4 Classification of financial liabilities and equity instruments (Continued)

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

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

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

11.4.1.2 *Other financial liabilities*

Other financial liabilities, except (1) those arising from the transfer of financial assets that do not meet the conditions for derecognition, (2) those arising from continuing involvement in the transferred financial assets, and (3) financial guarantee contracts, shall be classified as financial liabilities measured at amortised costs and shall be subsequently measured at amortised costs. The profits or losses generated by derecognition or amortisation shall be recorded into the current profits and losses.

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

11.4.1.2.1 *Financial guarantee contract*

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

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

11. FINANCIAL INSTRUMENTS (Continued)

11.4 Classification of financial liabilities and equity instruments (Continued)

11.4.2 *Derecognition of financial liabilities*

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

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

11.4.3 *Equity instruments*

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

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

11.5 Derivative instruments and embedded derivative instruments

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

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

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

11. FINANCIAL INSTRUMENTS (Continued)

11.5 Derivative instruments and embedded derivative instruments (Continued)

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

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

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

11.6 Offset of financial assets and financial liabilities

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

11.7 Compound instrument

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

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

11. FINANCIAL INSTRUMENTS (Continued)

11.7 Compound instrument (Continued)

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

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

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

12. INVENTORIES

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

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

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

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

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

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

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

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

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

12. INVENTORIES (Continued)

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

The inventories held by the Group mainly consist of fuel for vehicles and vessels, spare parts, and packaging used in the course of providing transportation and logistics services, which have low unit prices and small overall amounts and are not material to the Group. At the end of the year, the Group does not make provisions for value reduction of inventories that are still in their normal useful life and are functioning normally; for inventories that have exceeded their useful life or have been destroyed, the Group makes provisions for value reduction of inventories on a lot-by-lot basis or by individual inventory items.

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

13. LONG-TERM EQUITY INVESTMENTS

13.1 Criteria for determining joint control and significant influence

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

13.2 Determination of initial investment cost

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

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

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

13. LONG-TERM EQUITY INVESTMENTS (Continued)

13.2 Determination of initial investment cost (Continued)

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

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

13.3 Subsequent measurement and profit or loss recognition method

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

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

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

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

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

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

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

13. LONG-TERM EQUITY INVESTMENTS (Continued)

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

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

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

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

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

13. LONG-TERM EQUITY INVESTMENTS (Continued)

13.4 Disposal of long-term equity investment

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

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

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

13. LONG-TERM EQUITY INVESTMENTS (Continued)

13.4 Disposal of long-term equity investment (Continued)

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

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

14. INVESTMENT PROPERTIES

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

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

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

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

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

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

15. FIXED ASSETS AND DEPRECIATION

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

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

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

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

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

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

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

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

16. CONSTRUCTION IN PROGRESS

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

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

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

17. INTANGIBLE ASSETS

17.1 Intangible assets

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

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

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

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

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

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

17. INTANGIBLE ASSETS (Continued)

17.2 Research and development expenditures

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

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

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

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

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

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

17. INTANGIBLE ASSETS (Continued)

17.2 Research and development expenditures (Continued)

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

18. LONG-TERM PREPAID EXPENSE

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

19. IMPAIRMENT OF NON-FINANCIAL ASSETS OTHER THAN GOODWILL

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

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

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

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

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

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

19. IMPAIRMENT OF NON-FINANCIAL ASSETS OTHER THAN GOODWILL

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

20. ESTIMATED LIABILITIES

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

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

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

21. EMPLOYEE REMUNERATIONS

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

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

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

21. EMPLOYEE REMUNERATIONS (Continued)

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

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

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

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

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

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

21. EMPLOYEE REMUNERATIONS (Continued)

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

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

22. SHARE-BASED PAYMENT

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

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

23. BONDS PAYABLE

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

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

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

24. REVENUE RECOGNITION

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

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

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

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

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

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

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

24. REVENUE RECOGNITION (Continued)

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

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

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

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

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

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

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

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

24. REVENUE RECOGNITION (Continued)

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

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

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

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

The cost of obtaining a contract

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

The cost of performing a contract

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

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

25. GOVERNMENT GRANTS

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

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

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

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

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

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

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

26. BORROWING COSTS

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

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

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

27. INCOME TAXES

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

27.1 Current income tax

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

27.2 Deferred tax assets and deferred tax liabilities

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

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

27. INCOME TAXES (Continued)

27.2 Deferred tax assets and deferred tax liabilities (Continued)

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

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

The Group recognises deferred tax liabilities arising from taxable temporary differences related to investments in subsidiaries, associates, and joint ventures unless the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. For deductible temporary differences related to investments in subsidiaries, associates, and joint ventures, the Group recognises a deferred tax asset only when it is probable that the temporary differences will reverse in the foreseeable future and it is probable that future taxable income will be available against which the deductible temporary differences can be utilized.

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

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

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

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

27. INCOME TAXES (Continued)

27.3 Offset of income taxes

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

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

28. FOREIGN CURRENCY OPERATIONS AND TRANSLATION OF FOREIGN CURRENCY STATEMENTS

28.1 Foreign currency operations

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

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

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

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

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Notes to the Financial Statements

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

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

28.2 Translation of foreign currency statements

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

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

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

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

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

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

29. LEASES

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

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

29.1 The Group as lessee

29.1.1 Separation of leases

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

29.1.2 Right-of-use asset

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

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

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

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

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

29. LEASES (Continued)

29.1 The Group as lessee (Continued)

29.1.3 Lease liabilities

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

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

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

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

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

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

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

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

29. LEASES (Continued)

29.1 The Group as lessee (Continued)

29.1.4 *Short-term leases and low-value asset leases*

The Group elects not to recognise right-of-use assets and lease liabilities for short-term leases and low-value asset leases. Short-term leases are leases with a lease term of less than 12 months at the start date of the lease term and do not include purchase options. Leases of low-value assets are leases where the value of a single leased asset does not exceed RMB 50,000 when the asset is brand new. The Group recognises the lease payments for short-term leases and low-value asset leases in the current profits and losses or the cost of the related assets in each period of the lease term on a straight-line basis or by other systematic and reasonable methods.

29.1.5 *Lease modification*

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

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

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

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

29.2 The Group as lessor

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

29.2.1 *Separation of leases*

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

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

29. LEASES (Continued)

29.2 The Group as lessor (Continued)

29.2.2 Classification of leases

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

29.2.3 The Group records operating lease business as a lessor

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

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

29.2.4 The Group records finance lease business as a lessor

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

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

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

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

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

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

29. LEASES (Continued)

29.2 The Group as lessor (Continued)

29.2.5 Sublease

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

29.2.6 Lease modification

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

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

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

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

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

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

29. LEASES (Continued)

29.3 Sale and leaseback transactions

29.3.1 The Group as seller and lessee

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

29.3.2 The Group as buyer and lessor

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

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

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

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

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

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

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

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

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

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

30.2 Recognition criteria and presentation of discontinued operations

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

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

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

31. SAFETY PRODUCTION COSTS

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

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

32. ASSET SECURITISATION BUSINESS

When a financial asset is transferred, it is judged on the basis of the transfer of substantially all the risks and rewards of ownership of the relevant financial asset. If substantially all the risks and rewards of ownership of the relevant financial asset have been transferred, the corresponding financial asset is derecognised. If substantially all the risks and rewards of ownership of the relevant financial asset have not been transferred but have been retained, the financial asset is not derecognised. If substantially all the risks and rewards of ownership of the relevant financial asset have been neither transferred nor retained, derecognition is determined based on the extent of control over the financial asset. If control over the financial asset is relinquished, the financial asset is derecognised; if control over the financial asset is not relinquished, the financial asset is recognised to the extent of its continuing involvement in the financial asset, and the related liability is recognised accordingly.

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

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

33. NON-MONETARY ASSET EXCHANGE

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

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

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

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

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

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

34. DEBT RESTRUCTURING

34.1 Recording debt restructuring obligations as a debtor

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

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

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

If a debt restructuring is carried out by using multiple assets to pay off debts or by means of a combination, equity instruments and restructured debts shall be recognised and measured according to the above-mentioned methods. The difference between the book value of the settled debts and the book value of the transferred assets and the sum of the recognised amounts of the equity instruments and restructured debts shall be included in the current profits and losses.

34.2 Recording debt restructuring obligations as a creditor

When a debt restructuring is carried out by means of settlement of a debt with assets or conversion of a debt into an equity instruments, the Group recognizes the related assets when they meet the definition and recognition criteria.

For a debt restructuring in which assets are used to pay off debts, assets other than the transferred financial assets are initially recognised at cost. The cost of inventory includes the fair value of the abandoned creditors' rights and other costs directly attributable to the assets, such as taxes, transportation costs, handling charges, insurance premiums, etc., incurred to enable the assets to reach their current position and state. The cost of an investment in an associate or joint venture includes the fair value of the abandoned creditors' rights and other costs directly attributable to the asset, such as taxes. The cost of investment properties includes the fair value of the abandoned creditor's rights and other costs such as taxes that are directly attributable to the assets. The cost of a fixed asset includes the fair value of the abandoned creditors' rights and other costs directly attributable to the asset, such as taxes, transportation costs, handling charges, installation costs, and professional services fees, incurred before making the asset available for the intended use. The cost of a biological asset includes the fair value of the abandoned creditors' rights and other costs attributable to the asset, such as taxes, transportation costs, and insurance premiums. The cost of an intangible asset includes the fair value of the abandoned creditors' rights and other costs that are directly attributable to the asset such as taxes, incurred before making the asset available for the intended use. The difference between the fair value and the book value of the abandoned creditors' rights should be recognised in the current profits and losses.

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

34. DEBT RESTRUCTURING (Continued)

34.2 Recording debt restructuring obligations as a creditor (Continued)

When a debt restructuring that converts debt into an equity instrument results in the Group converting creditor's rights into an equity investment in an associate or joint venture, the Group measures the cost of its initial investment at the fair value of the abandoned creditors' rights and other costs directly attributable to the asset, such as taxes. The difference between the fair value and the book value of the abandoned creditors' rights is recognised in the current profits and losses.

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

If a debt restructuring is carried out by using multiple assets to pay off debts or by means of a combination, firstly, the transferred financial assets and creditor's rights restructured are recognised and measured in accordance with the *Accounting Standards for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments*, and then the net amount of the fair value of the abandoned creditors' rights after deducting the recognised amounts of the transferred financial assets and the creditor's rights restructured are allocated in proportion to the fair value of each asset other than the transferred financial assets, and on this basis, the cost of each asset is determined separately in accordance with the above method. The difference between the fair value and the book value of the abandoned creditors' rights is recognised in the current profits and losses.

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Notes to the Financial Statements

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V. CRITICAL JUDGMENTS MADE IN THE APPLICATION OF ACCOUNTING POLICIES AND KEY ASSUMPTIONS AND UNCERTAINTY IN ACCOUNTING ESTIMATES

In the application of the Group's accounting policies, which are described in Note IV, the inherent uncertainty in operating activities requires the Group to make judgments, estimates, and assumptions about the book value of statement items that cannot be measured accurately. These judgments, estimates, and assumptions are based on the historical experience of the management and other factors that are considered to be relevant. Actual results may differ from these estimates.

The judgments, estimates, and assumptions are reviewed by the Group regularly. The effects are recognised in the period in which an estimate is revised if the revision to the accounting estimate affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

1. KEY ASSUMPTIONS AND UNCERTAINTY IN CRITICAL ACCOUNTING JUDGMENTS AND ACCOUNTING ESTIMATES

At the balance sheet date, key assumptions and uncertainties in critical accounting judgments and accounting estimates that are likely to lead to significant adjustments in the book value of assets and liabilities in future periods are as follows:

1.1 Derecognition of transfers of financial assets

The Group transfers financial assets in the normal course of business through methods such as conventional transactions and asset securitisation. The Group is required to make significant judgments and estimates in the process of determining whether or not all of the transferred financial assets can be derecognised.

Where the Group transfers financial assets to a special purpose vehicle through a structured transaction, the Group analyses and assesses whether the relationship with the special purpose vehicle substantially demonstrates that the Group has control over the special purpose vehicle and therefore consolidation is required. The judgment of consolidation will determine whether the derecognition analysis should be performed at the level of the consolidation entity, or at the level of the single entity from which the financial assets are transferred.

The Group is required to analyse the contractual cash flow rights and obligations related to the transfer of financial assets to determine whether it meets the conditions for derecognition based on the following judgments.

- Whether the right to obtain the contractual cash flows has been transferred; or whether the cash flows have met the "pass-through" requirements and been transferred to an independent third party.
- Assess to what extent the risks and rewards of ownership of financial assets are transferred. The Group uses significant accounting estimates and judgments in estimating cash flows and other factors that affect the degree of risk and reward transfer before and after the transfer.

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Notes to the Financial Statements

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V. CRITICAL JUDGMENTS MADE IN THE APPLICATION OF ACCOUNTING POLICIES AND KEY ASSUMPTIONS AND UNCERTAINTY IN ACCOUNTING ESTIMATES (CONTINUED)

1. KEY ASSUMPTIONS AND UNCERTAINTY IN CRITICAL ACCOUNTING JUDGMENTS AND ACCOUNTING ESTIMATES (Continued)

1.2 Recognition of expected credit losses

Significant increase in credit risk: In assessing expected credit losses on financial assets, the Group is required to judge whether the credit risk on financial assets has increased significantly since the acquisition, taking into account both qualitative and quantitative information and incorporating forward-looking information in the process.

Establishment of asset groups with similar credit risk characteristics: When expected credit losses are measured on a portfolio basis, financial instruments are grouped based on similar risk characteristics. The Group continually assesses whether these financial instruments continue to have similar credit risk characteristics to ensure that should the credit risk characteristics change, the financial instruments will be reclassified appropriately. This may result in the creation of a new portfolio or the reclassification of assets into an existing portfolio to better reflect the similar credit risk characteristics of such assets.

Use of models and assumptions: The Group uses different models and assumptions to assess expected credit losses on financial assets. The Group determines the most applicable model for each class of financial assets and the assumptions used to determine these models through judgment, including those assumptions related to key drivers of credit risk.

Forward-looking information: In assessing expected credit losses, the Group uses reasonable and informed forward-looking information that is based on assumptions about the future course of different economic drivers and how these economic drivers may interact with each other.

Default rate: The default rate is an important input for expected credit risk. The default rate is an estimate of the likelihood of default in a given period in the future and is calculated based on historical data, assumptions, and expectations of future conditions.

Loss given default: The loss given default is an estimate of the losses incurred in the event of default. It is based on the difference between the contractual cash flows and the cash flows expected to be received and takes into account the cash flows generated by the collateral and the overall credit enhancement.

1.3 Goodwill impairment

As at 31 December 2024, the book value of goodwill was RMB 1,965,569,500.96. The Group conducts impairment tests on goodwill at least annually. In performing the impairment test for goodwill, the Group's methods of determining the recoverable amount of each asset group and portfolio of asset groups from which goodwill arises include determining the recoverable amount based on fair value less estimated disposal costs and determining the recoverable amount based on the present value of the estimated future cash flows, both of which are matters involving management's judgment.

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V. CRITICAL JUDGMENTS MADE IN THE APPLICATION OF ACCOUNTING POLICIES AND KEY ASSUMPTIONS AND UNCERTAINTY IN ACCOUNTING ESTIMATES (CONTINUED)

1. KEY ASSUMPTIONS AND UNCERTAINTY IN CRITICAL ACCOUNTING JUDGMENTS AND ACCOUNTING ESTIMATES (Continued)

1.4 Recognition of deferred income tax

The Group recognises deferred tax assets for all unused deductible temporary differences and deductible losses to the extent of the sufficient taxable income used to deduct deductible temporary differences and deductible losses that are likely to be obtained in the future. This requires the management of the Group to use a large number of judgments to estimate the time and amount of future taxable income, and to determine the amount of deferred tax assets that should be recognised by taking into account tax planning strategies.

The Group operates in many countries and regions and withdraws the income tax payable in each region according to the local tax law and relevant regulations. The Group will calculate and make provisions for deferred tax liabilities in accordance with the requirements of relevant state agencies, the Group's development strategy, and the distribution plan of retained earnings of subsidiaries, associates, and joint ventures, as well as the provisions of the relevant tariff law. If the actual distribution of future profits exceeds expectations, the corresponding deferred tax liabilities will be recognised and recorded in profits and losses at the earlier of the change of the distribution plan and the announcement of profit distribution.

1.5 Impairment of long-term equity investments

As at 31 December 2024, the book value of the Group's investment in associates amounted to RMB 5,410,077,489.79 (1 January 2024: RMB 5,058,019,352.84); the book value of the Group's investment in joint ventures as at 31 December 2024 amounted to RMB 3,829,809,701.28 (1 January 2024: RMB 4,079,445,991.01). For long-term equity investments that have indications of impairment, the Group determines whether a long-term equity investment is impaired by estimating the recoverable amount of the long-term equity investment and comparing it with its book value. If the book value of the long-term equity investment is greater than the estimated recoverable amount, an impairment provision is made accordingly.

1.6 Fair value of financial instruments

For financial instruments that lack an active market, the Group adopts a valuation method to determine their fair value. Valuation methods make the best use of observable market information; when observable market information is not available, an estimate is made of the significant unobservable information included in the valuation method.

Observable input values refer to input values that can be obtained from market data. The input values reflect the assumptions that market participants use to price related assets or liabilities.

Unobservable input values refer to input values that cannot be obtained from market data. The input values shall be determined based on the best available information on the assumptions used by market participants in pricing the relevant assets or liabilities.

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

V. CRITICAL JUDGMENTS MADE IN THE APPLICATION OF ACCOUNTING POLICIES AND KEY ASSUMPTIONS AND UNCERTAINTY IN ACCOUNTING ESTIMATES (CONTINUED)

1. KEY ASSUMPTIONS AND UNCERTAINTY IN CRITICAL ACCOUNTING JUDGMENTS AND ACCOUNTING ESTIMATES (Continued)

1.7 Estimated useful life and estimated residual value of fixed assets and intangible assets

The Group determines the useful life and residual value of fixed assets and intangible assets. The estimation is based on the historical experience of the actual useful life and the residual value of fixed assets and intangible assets with similar properties and functions and may have significant changes due to technological innovation and severe industry competition. When the estimated useful life and the residual value of fixed assets or intangible assets are less than the previous estimates, the Group will increase the depreciation/amortisation, or write off or offset the technologically obsolete fixed assets or intangible assets.

1.8 Impairment of non-current assets other than financial assets (other than goodwill and long-term equity investments)

The Group determines at the balance sheet date whether there is any indication that non-current assets other than financial assets may be impaired, and performs impairment tests on those assets when there is an indication of impairment. In addition, intangible assets with indefinite useful lives are tested for impairment annually. The recoverable amount of an asset or asset group is determined based on the higher of the value in use of the asset or asset group and the net amount of its fair value less disposal expenses. In estimating its value in use, the future cash flows of the asset or asset group are projected and discounted using a discount rate. The management makes an accounting estimate on the use of the asset and forecasts future cash flows on a reasonable and informed basis, and determines the present value of the future cash flows using a discount rate that reflects the time value of money in the current market and the specific risks associated with the asset.

1.9 Determine the lease term of a lease contract with a renewal option

For a lease contract signed as a lessee with the renewal option, the Group uses judgments to determine the lease term of the lease contract. The assessment of whether it is reasonably certain that the Group will exercise this option affects the length of the lease term, which in turn has a significant impact on the amount of the lease liability and right-of-use asset recognised under the lease.

1.10 Contingent liabilities

The Group is faced with numerous legal disputes in the course of its going concern, the outcome of which is subject to a significant degree of uncertainty. When the economic benefits associated with a particular legal dispute are considered to be likely to flow out and the amount can be measured reliably, the Group's management makes provisions for them based on professional legal advice. Significant contingent liabilities faced by the Group, other than those considered to be highly unlikely to result in an outflow of economic benefits, are disclosed in Note XII. The management uses judgments to determine whether provisions should be made for related legal disputes or whether they should be disclosed as contingent liabilities.

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Notes to the Financial Statements

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VI. SIGNIFICANT CHANGES IN ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES, AND CORRECTION OF ERRORS

1. CHANGES IN ACCOUNTING POLICIES AND EFFECTS

The Ministry of Finance issued the Interpretation of Accounting Standards for Business Enterprises No. 17 (Caikuai [2023] No. 21) on 25 October 2023, which regulates the classification of current liabilities and non-current liabilities, the disclosure of supplier financing arrangements, and the accounting treatment for sale-and-leaseback transactions, and is required to be implemented as of 1 January 2024.

On 6 December 2024, the Ministry of Finance issued Interpretation of Accounting Standard for Business Enterprises No. 18 (Caikuai [2024] No. 24), which regulates the accounting treatment of warranty-type quality assurance that does not constitute a separate performance obligation, and is effective from the date of its issuance, with enterprises permitted to implement it in advance.

The Group is not and has not been involved in sale and leaseback transactions and warranty-type quality assurance businesses that include variable lease payments. Therefore, the provisions of Interpretation of Accounting Standards for Business Enterprises No. 17 on accounting for sale and leaseback transactions and Interpretation of Accounting Standards for Business Enterprises No. 18 on accounting for warranty-type quality assurance that does not represent a separate performance obligation do not constitute a change in the Group's accounting policies.

The provisions of Interpretation of Accounting Standards for Business Enterprises No. 17 on the classification of current and non-current liabilities have no material impact on the Group and the Company, and the disclosures on the requirements for supplier financing arrangements are set out in detail in Note IX.67.

2. CHANGES IN ACCOUNTING ESTIMATES AND EFFECTS

There are no material changes in accounting estimates of the Group during the year.

3. CORRECTION OF PRIOR ERRORS AND IMPACT

There is no material correction of prior errors of the Group during the year.

4. OTHER ADJUSTMENTS

There are no other adjustments disclosed by the Group during the year.

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For the year ended 31 December 2024

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

VII. TAXES

1. MAIN TAX CATEGORIES AND RATES

Tax categories	Tax bases	Tax rates
Value-added tax	Taxable value-added amount (the balance of the output tax less deductible input tax)	0%, 3%, 5%, 6%, 9%, 13%
Urban maintenance & construction tax	Turnover tax payable	1%, 5%, 7%
Education surcharge and local education surcharge	Turnover tax payable	3%, 2%
Stamp duty	Registered capital, capital reserve, economic contract amount, etc.	0.05%, 0.03%, etc.
Property tax	Taxable residual value and rental income of properties	1.2%, 12%
Urban land use tax	The actual area of the land occupied	0.6-30 RMB/m ²
Enterprise income tax (Note)	Taxable income	0-38%

Note: The enterprise income tax of the Company and its subsidiaries was calculated at the local current tax rate. The income tax rate of the Group's subsidiaries located in Mainland China is 25%. The income tax rates of main subsidiaries in the countries or regions outside the mainland of the PRC are as follows:

Country or region	Applicable income tax rate
Hong Kong, China	16.50%
Japan	38%
South Korea	20.90%
Belarus	18%
Netherlands	25.80%

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For the year ended 31 December 2024
(Unless indicated otherwise, all amounts are expressed in RMB)

VII. TAXES (CONTINUED)

2. SIGNIFICANT TAX PREFERENCES AND APPROVALS

2.1 Enterprise income tax

- (1) According to the Announcement on the Continuation of Enterprise Income Tax Policy for Western Development (the Ministry of Finance, State Taxation Administration and the National Development and Reform Commission Announcement No. 23 of 2020), from 1 January 2021 to 31 December 2030, the enterprises established in Western China whose main business is the industrial projects specified in the Catalogue of Encouraging Industries in Western China and whose main business revenue accounts for more than 60% of the total revenue of the enterprises may pay their enterprise income tax at the reduced tax rate of 15%. During the reporting period, some branches and subsidiaries of the Group located in Western China enjoyed a preferential income tax rate of 15%.
- (2) According to the *Circular of the Ministry of Finance and the State Taxation Administration on the Continuation of Preferential Policies on Enterprise Income Tax in Shenzhen Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone* (Cai Shui [2021] No. 30), from 1 January 2021 to 31 December 2025, enterprises located in the Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone, that mainly engage in industries specified in the *Catalogue of Preferential Policies on Enterprise Income Tax in the Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone (2021 Edition)*, and whose main business income accounts for 60% or more of their total income, are entitled to a enterprise income tax rate of 15%. During the reporting period, certain branches and subsidiaries of the Group located in Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone were entitled to a preferential enterprise income tax rate of 15%.
- (3) Pursuant to the *Announcement on Tax Policies Relating to Further Supporting the Development of Micro and Small Enterprises and Individual Businesses* (Announcement No. 12 of 2023 by the Ministry of Finance and the State Taxation Administration), the policy of calculating the taxable income of small micro-profit enterprises at a reduced rate of 25% and paying the enterprise income tax at a rate of 20% will be extended until 31 December 2027. During the reporting period, the Group's small and micro-enterprises meeting the conditions were entitled to the aforementioned income tax incentives.
- (4) According to the *Notice of the State Taxation Administration on the Implementation of Several Tax Collection Issues under the Enterprise Income Tax Law* (GSH [2010] No. 79) and Article 26 of the *Enterprise Income Tax Law of the People's Republic of China*, any dividends, bonuses, and other equity investment gains between resident enterprises are exempted from the enterprise income tax. The Group is exempted from the enterprise income tax on dividends, bonuses and other equity investment gains between resident enterprises.

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

VII. TAXES (CONTINUED)

2. SIGNIFICANT TAX PREFERENCES AND APPROVALS (Continued)

2.1 Enterprise income tax (Continued)

- (5) In accordance with No. 326 of the *Decree of the President of the Republic of Belarus* dated 30 June 2014, the occupants in the Great Stone Industrial Park are exempted from income tax on their profits from the sales of independently manufactured goods in the Great Stone Industrial Park for ten calendar years from the date of registration in Belarus; upon expiration of the period of ten calendar years from the date of registration, the profit taxes are paid at half of the tax rate set out in the Decree of the President during the next ten calendar years. In the reporting period, the profits from the sales of self-produced goods (projects, services) in the Great Stone Industrial Park by JSC China Merchants CHN-BLR Commerce and Logistics Company, a subsidiary of the Group, (hereinafter referred to as “China Merchants CHN-BLR Commerce”) are exempted from the enterprise income tax.
- (6) In accordance with the *Notice of the Ministry of Finance and the State Taxation Administration on Certain Issues of Enterprise Income Tax Treatment of Enterprise Reorganisation Business* (Cai Shui [2009] No. 59), the *Notice of the Ministry of Finance and the State Taxation Administration on Enterprise Income Tax Treatment Issues Related to the Promotion of Enterprise Restructuring* (Cai Shui [2014] No. 109) and the *Announcement of the State Taxation Administration on the Administration of Enterprise Income Tax for the Transfer of Assets (Equity)* (the State Taxation Administration Announcement [2015] No. 40) on the application of special tax treatment, during the reporting period, the Group met the requirements of applying the special tax treatment for the internal equity and asset transfers required in the aforesaid notices and announcements, without an adjustment on the tax base of the related assets and liabilities.

2.2 Value-added tax

- (1) In accordance with the *Notice on Comprehensively Launching a Pilot Project for the Levy of Value-added Tax in Place of Business Tax* (Cai Shui [2016] No. 36), the international freight forwarding business operated by the Group enjoys the tax concession of exemption from the VAT.
- (2) According to the *Interim Measures for the Administration of Value-added Tax Collection on the Provision of Real Estate Operation and Lease Services by Taxpayers*, general taxpayers may choose to apply the simplified tax method to the leasing of their properties acquired before 30 April 2016 and calculate the tax payable at a tax rate of 5%. During the reporting period, the Group's real estate leasing business that met the aforesaid conditions was subject to the value-added tax at a rate of 5%.
- (3) According to the *Business Tax to VAT Cross-border Taxable Acts VAT Exemption Administration Measures (for Trial Implementation)*, logistics auxiliary services (except warehousing services and collection and delivery services) sold to offshore units that are consumed entirely outside the country are exempt from the VAT. The aviation ground services, port and terminal services, freight and passenger yard services, salvage and rescue services, loading and unloading services provided by taxpayers to foreign units engaged in international transportation and Hong Kong, Macao, and Taiwan transportation business are logistics auxiliary services consumed entirely outside China when they stop at China's airports, terminals, stations, airspace, inland waterways and sea areas. Subsidiaries of the Group engaged in the above business are entitled to this tax benefit.

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VII. TAXES (CONTINUED)

2. SIGNIFICANT TAX PREFERENCES AND APPROVALS (Continued)

2.3 Other taxes

- (1) Pursuant to the *Announcement on Further Supporting the Development of Micro and Small Enterprises and Individual Businesses* (Announcement No. 12 of 2023 by the Ministry of Finance and the State Taxation Administration), from 1 January 2023 to 31 December 2027, small-scale VAT taxpayers, small low-profit enterprises and individual businesses are subject to half reduction in resource tax (excluding water resource tax), urban maintenance and construction tax, property tax, urban land use tax, stamp duty (excluding stamp duty on securities transactions), arable land occupation tax, education surcharge and local education surcharge. Certain subsidiaries of the Group were entitled to the above tax incentives during the reporting period.
- (2) According to the *Announcement on Continuing the Implementation of Preferential Policies on Urban Land Use Tax for Land for Bulk Commodity Warehousing Facilities of Logistics Enterprises* (the Ministry of Finance and the State Taxation Administration Announcement No. 5 of 2023), from 1 January 2023 to 31 December 2027, the urban land use tax for land for bulk commodity warehousing facilities owned (including self-use and leasing) or leased by logistics enterprises will be reduced by 50% of the applicable tax standard of the land class to which the land belongs. Certain subsidiaries of the Group were entitled to the above tax incentives during the reporting period.
- (3) According to the *Announcement on Continuing the Implementation of Preferential Policies on Property Tax and Urban Land Use Tax for Agricultural Products Wholesale Markets and Agricultural Trade Markets* (the Ministry of Finance and the State Taxation Administration Announcement No. 50 of 2023), the property tax and urban land use tax are provisionally exempted for the property and land (including those owned and leased, the same below) specifically used for the operations of agricultural products in the agricultural products wholesale markets and agricultural trade markets; the property and land used for the operations of agricultural products in the agricultural products wholesale markets and agricultural trade markets that also deal with other products shall be exempted from property tax and urban land use tax based on the ratio of the area of the trading site for other products to that of the agricultural products, and the preferential policy shall be effective until 31 December 2027. Certain subsidiaries of the Group were entitled to the above tax incentives during the reporting period.

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VIII. BUSINESS COMBINATION AND CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION OF MAIN SUBSIDIARIES INCLUDED IN THE SCOPE OF CONSOLIDATION FOR THE YEAR

No.	Company name	Grade	Enterprise type	Place of registration	Main business location	Nature of business	Paid-in capital	Total subscribed shareholding ratio of the Group (%)	Total paid-in shareholding ratio of the Group (%)	Total voting ratio of the Group (%)	Investment amount	Acquisition method
1	Sinotrans South China Co., Ltd.	2nd	1	Guangzhou, Guangdong Province	Guangzhou, Guangdong Province	Freight forwarding, logistics and storage and terminal services	1,349,668,931.90	100.00	100.00	100.00	1,359,458,014.62	1
2	Sinotrans Eastern Company Limited	2nd	1	Shanghai	Shanghai	Freight forwarding, logistics and storage and terminal services	1,120,503,439.18	100.00	100.00	100.00	1,126,985,415.28	1
3	Sinotrans Air Transport Development Co., Ltd.	2nd	1	Beijing	Beijing	Air freight forwarding and courier services	905,481,720.00	100.00	100.00	100.00	5,858,496,478.11	1
4	Sinotrans Changjiang Co., Ltd.	2nd	1	Nanjing, Jiangsu Province	Nanjing, Jiangsu Province	Freight forwarding and logistics	969,665,712.00	89.00	89.00	89.00	1,005,239,222.06	1
5	Sinotrans Central China Co., Ltd.	2nd	1	Qingdao, Shandong Province	Qingdao, Shandong Province	Freight forwarding, logistics and storage and terminal services	1,000,000,000.00	100.00	100.00	100.00	1,005,416,417.04	1
6	Sinotrans Chemical International Logistics Co., Ltd.	2nd	1	Shanghai	Shanghai	Integrated logistics	339,554,483.66	59.20	59.20	59.20	200,483,231.42	1
7	Sinotrans Fujian Co., Ltd.	2nd	1	Xiamen, Fujian Province	Xiamen, Fujian Province	Freight forwarding, storage and terminal services and others	223,257,965.92	100.00	100.00	100.00	223,498,778.09	1
8	Trade Sky International Limited	2nd	3	HKSAR	Xiamen, Fujian Province	Transportation	171,374,160.00	100.00	100.00	100.00	341,057,315.76	1
9	Sinotrans North China Co., Ltd.	2nd	1	Tianjin	Tianjin	Freight forwarding	140,193,047.50	100.00	100.00	100.00	143,206,686.18	1
10	Sinotrans Hubei Company Limited	2nd	1	Wuhan, Hubei Province	Wuhan, Hubei Province	Freight forwarding and logistics	120,000,000.00	100.00	100.00	100.00	121,352,393.11	1
11	Sinotrans Heavy-lift Logistics Co., Ltd.	2nd	1	Jinan, Shandong Province	Jinan, Shandong Province	Lifting and transportation	103,600,000.00	100.00	100.00	100.00	135,149,538.56	3
12	Wide Shine Development Limited	2nd	3	HKSAR	HKSAR	Container leasing	79,287,945.35	100.00	100.00	100.00	430,372,292.05	2
13	Sinotrans Northeast Co., Ltd.	2nd	1	Dalian, Liaoning Province	Dalian, Liaoning Province	Freight forwarding and logistics	150,000,000.00	100.00	100.00	100.00	153,272,873.32	1
14	China Marine Shipping Agency Co., Ltd.	2nd	1	Beijing	Beijing	Freight forwarding	30,000,000.00	100.00	100.00	100.00	31,067,688.30	1
15	Sinotrans Chongqing Co., Ltd.	2nd	1	Chongqing	Chongqing	Freight forwarding	60,868,000.00	100.00	100.00	100.00	82,988,271.50	1

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VIII. BUSINESS COMBINATION AND CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

1. GENERAL INFORMATION OF MAIN SUBSIDIARIES INCLUDED IN THE SCOPE OF CONSOLIDATION FOR THE YEAR (Continued)

No.	Company name	Enterprise Grade	Enterprise type	Place of registration	Main business location	Nature of business	Paid-in capital	Total subscribed shareholding ratio of the Group (%)	Total paid-in shareholding ratio of the Group (%)	Total voting ratio of the Group (%)	Investment amount	Acquisition method
16	Sinotrans Brazil Logistics Co., Ltd.	2nd	3	Brazil	Brazil	Integrated logistics	2,065,554.43	100.00	100.00	100.00	2,048,791.82	1
17	SINOTRANS (HK) LOGISTICS LIMITED	2nd	3	HKSAR	HKSAR	Freight forwarding and logistics	530,557.66	100.00	100.00	100.00	-	2
18	Sanawat Al-Kh'ier Company For General Trading And Marine Services	2nd	3	Iraq	Iraq	Integrated logistics	292,842.00	100.00	100.00	100.00	282,680.25	1
19	Sinotrans Logistics Co., Ltd.	2nd	1	Shenzhen, Guangdong Province	Shenzhen, Guangdong Province	Logistics	1,346,761,911.29	100.00	100.00	100.00	4,741,465,047.02	2
20	Sinotrans Innovative Technology Co., Ltd.	2nd	1	Shenzhen, Guangdong Province	Shenzhen, Guangdong Province	Integrated logistics	100,000,000.00	100.00	100.00	100.00	100,583,416.92	1
21	Sinotrans Cold Chain Logistics Co., Ltd.	2nd	1	Shenzhen, Guangdong Province	Shenzhen, Guangdong Province	Logistics	66,000,000.00	100.00	100.00	100.00	68,250,626.93	1
22	China Merchants Great Stone Investment Consulting (Shenzhen) Co., Ltd.	2nd	1	Shenzhen, Guangdong Province	Belarus	Logistics	701,410,000.00	42.00	42.00	100.00	295,150,538.72	1
23	Sinotrans Logistics Investment Holdings Co., Ltd.	2nd	1	Beijing	Beijing	Logistics	433,110,000.00	100.00	100.00	100.00	495,887,836.81	2
24	SE LOGISTICS HOLDING B.V.	2nd	3	Netherlands	Netherlands	Logistics	7,780.50	100.00	100.00	100.00	1,114,884,640.36	3
25	Sinotrans Overseas Development Co., Ltd.	2nd	3	HKSAR	HKSAR	Freight forwarding	10,611.78	100.00	100.00	100.00	5,292,452.89	1
26	Sinotrans Engineering Logistics Co., Ltd.	2nd	1	Nantong, Jiangsu Province	Nantong, Jiangsu Province	Logistics	140,000,000.00	100.00	100.00	100.00	140,000,000.00	1

Note: (1) Enterprise type: 1. domestic non-financial subsidiary; 2. domestic financial subsidiary; 3. overseas subsidiary; 4. public institution; 5. infrastructure unit.

(2) Acquisition method: 1. establishment with investment; 2. business combination involving entities under common control; 3. business combination not involving entities under common control; 4. others.

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VIII. BUSINESS COMBINATION AND CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

1. GENERAL INFORMATION OF MAIN SUBSIDIARIES INCLUDED IN THE SCOPE OF CONSOLIDATION FOR THE YEAR (Continued)

Description of the discrepancy between the shareholding ratio held in subsidiaries and the voting ratio: China Merchants Great Stone Investment Consulting (Shenzhen) Co., Ltd. (hereinafter referred to as “China Merchants Great Stone Investment Company”) was jointly invested and established by China Merchants Yingkai Investment Development (Shenzhen) Co., Ltd. (hereinafter referred to as “China Merchants Yingkai Company”) and Sinotrans Logistics Co., Ltd., (hereinafter referred to as “Sinotrans Logistics Ltd.”) with shareholdings of 58% and 42% respectively. Under the *Equity Escrow Agreement of China Merchants Great Stone Investment Consulting (Shenzhen) Co., Ltd.* entered into between the Company and China Merchants Yingkai Company, China Merchants Yingkai Company entrusted the Company with the exercise of voting rights corresponding to 58% of the shares in its sole discretion, and the Group was able to dominate the relevant activities of China Merchants Great Stone Investment Company and enjoy variable returns, and therefore included it in the scope of consolidation.

The Group had no structured entities included in the scope of consolidation at year-end.

The Group did not have any cases of exercising voting rights as a proxy or entrusting others to exercise voting rights on behalf of the Group in its capacity as a primarily responsible party as of the end of the year.

2. BUSINESS COMBINATIONS UNDER COMMON CONTROL

(1) Business combination under common control that occurred during the year

Name of the combined party	Proportion of equity acquired in business combination (%)	Basis for forming a business combination under common control	Combination date	Basis for determining the combination date	Revenue of the combined party from the beginning of the combination year to the combination date	Net profit of the combined party from the beginning of the combination year to the combination date	Revenue of the combined party for the comparative period	Net profit of the combined party for the comparative period
SILVER EXPRESS INTERNATIONAL LIMITED	100.00	Note	1 July 2024	Note	32,233,259.99	303,038.59	60,089,699.79	-7,055,254.00

Note: SINOTRANS (HK) LOGISTICS LIMITED (hereinafter referred to as “SINOTRANS (HK) HOLDINGS”), a subsidiary of the Group, entered into a *Sale and Purchase Agreement* with China Merchants Godown, Wharf & Transportation Company Limited (hereinafter referred to as “China Merchants Godown, Wharf & Transportation”) on 8 June 2024, acquiring 100% equity of SILVER EXPRESS INTERNATIONAL LIMITED (hereinafter referred to as “SILVER EXPRESS Company”) at a consideration of HKD 2,107,207 (including transitional profit and loss adjustment amount of HKD 600,207). SINOTRANS (HK) HOLDINGS and SILVER EXPRESS Company were controlled by China Merchants before and after the combination and such control was not temporary, therefore, the combination was a business combination under common control. By 1 July 2024, SINOTRANS (HK) HOLDINGS and China Merchants Godown, Wharf & Transportation had completed the necessary handover procedures and payment of the price, and the date of the combination was determined to be 1 July 2024.

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VIII. BUSINESS COMBINATION AND CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2. BUSINESS COMBINATIONS UNDER COMMON CONTROL (Continued)

(2) Consolidated costs

Consolidated costs	SILVER EXPRESS INTERNATIONAL LIMITED
– Cash	1,924,692.22
– Book value of non-cash assets	–
– Book value of bonds issued or assumed	–
– Par value of equity securities issued	–
– Contingent consideration	–
Total consolidated costs	1,924,692.22

The Group's business combination transaction described above did not involve contingent consideration arrangements.

(3) Book value of the assets and liabilities of the combined party at the combination date

Item	SILVER EXPRESS INTERNATIONAL LIMITED	
	Combination date	The end of the prior year
Assets:	17,069,867.58	20,169,182.55
Cash and bank balances	5,539,493.50	4,839,178.28
Accounts receivable	5,435,387.16	6,689,848.89
Prepayments	625,862.58	585,231.34
Other receivables	1,216,933.48	3,056,771.93
Fixed assets	2,842,293.06	3,275,809.37
Long-term prepaid expense	186,615.06	259,508.49
Deferred tax assets	1,223,282.74	1,462,834.25
Liabilities:	14,670,782.07	18,088,425.00
Accounts payable	623,953.89	1,419,992.63
Employee remunerations payable	4,437,801.31	3,302,205.72
Other payables	6,508,917.78	6,560,296.79
Other current liabilities	3,100,109.09	6,805,929.86
Net assets	2,399,085.51	2,080,757.55
Less: Non-controlling interests	–	–
Net assets acquired	2,399,085.51	2,080,757.55

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VIII. BUSINESS COMBINATION AND CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2. BUSINESS COMBINATIONS UNDER COMMON CONTROL (Continued)

- (4) The Group has not assumed any contingent liabilities of the combined party in the above business combination.

3. BUSINESS COMBINATIONS NOT UNDER COMMON CONTROL

(1) Business combination not under common control that occurred during the year

Name of the acquiree	Point of acquisition of equity	Cost of acquisition of equity	Shareholding acquisition ratio (%)	Acquisition method	Purchase date	Basis for determining the purchase date	Revenue of the acquiree from the purchase date to the end of the year	Net profit of the acquiree at the end of the year from the purchase date	Net cash flows from operating activities of the acquiree at the end of the year from the purchase date
Sinotrans High-Tech Logistics (Suzhou) Co., Ltd.	—	—	—	—	30 November 2024	Note 1	16,377,587.92	744,278.42	4,533,102.56
Guangdong Etenal WHARF Godown Co., Ltd.	18 December 2024	25,221,800.00	51.00	Cash acquisitions	18 December 2024	Note 2	1,972,023.33	86,915.44	1,357,449.74

Note 1: Sinotrans High-Tech Logistics (Suzhou) Co., Ltd. (hereinafter referred to as "High-Tech Logistics Company") is jointly owned by the Group's subsidiaries, SINOTRANS (HK) HOLDINGS and Sinotrans Eastern Company Limited (hereinafter referred to as "Sinotrans Eastern Company"), with a total shareholding of 60%, and another shareholder, Suzhou New District Hi-Tech Industrial Co., Ltd., with a shareholding of 40%. Although the Group held a majority of the voting rights before the date of acquisition, the Group was not capable of dominating the relevant activities of High-Tech Logistics Company according to the arrangement of the Articles of Incorporation, and therefore the equity method of accounting was adopted (see Note IX.11 for details). On 19 September 2024, High-Tech Logistics Company held a shareholders' meeting to make amendments to its Articles of Incorporation. In accordance with the newly amended Articles of Incorporation and handover arrangements, the Group is able to dominate the relevant activities of High-Tech Logistics Company and enjoy variable returns from 30 November 2024 onwards, and therefore 30 November 2024 has been determined as the acquisition date.

Note 2: Guangdong Etenal WHARF Godown Co., Ltd. (hereinafter referred to as "Etenal WHARF Godown Company") was originally a joint venture in which Long Distance Transportation Co., Ltd. (ultimately controlled by China Merchants, as is the Group, hereinafter referred to as "Long Distance Company") held 51% of the shares (although Long Distance Transportation held a majority of voting rights, according to the arrangement of the Articles of Incorporation, it was not capable of dominating the relevant activities of Etenal WHARF Godown Company, and therefore the equity method of accounting was adopted). On 18 December 2024, Sinotrans South China Co., Ltd. (hereinafter referred to as "Sinotrans South China Company"), a subsidiary of the Group, entered into the State-owned Property Rights Transfer Agreement with Long Distance Company, and acquired 51% equity interest in Etenal WHARF Godown Company at a price of RMB 25,221,800 based on the "Asset Appraisal Report on the Value of the Entire Equity Interests of the Shareholders of Guangdong Etenal WHARF Godown Co., Ltd. Involved in the Proposed Transfer of Equity Interests by Long Distance Transportation Co., Ltd." (Pengxin Asset Appraisal Report [2024] No. 109). On the same day, Etenal WHARF Godown Company held a shareholders' meeting, making amendments to its Articles of Incorporation. In accordance with the newly amended Articles of Incorporation, the Group is able to dominate the relevant activities of Etenal WHARF Godown Company and enjoy variable returns from 18 December 2024 onwards, and therefore 18 December 2024 has been determined as the acquisition date.

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

VIII. BUSINESS COMBINATION AND CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

3. BUSINESS COMBINATIONS NOT UNDER COMMON CONTROL (Continued)

(2) Consolidated costs and goodwill

Consolidated costs	Sinotrans High-Tech Logistics (Suzhou) Co., Ltd.	Guangdong Etenal WHARF Godown Co., Ltd.
– Cash	–	25,221,800.00
– Fair value of bonds issued or assumed	–	–
– Fair value of contingent consideration	–	–
– Purchase-date fair value of equity interest held prior to the purchase date	291,151,282.10	–
Total consolidated costs	291,151,282.10	25,221,800.00
Less: Share of the fair value of identifiable net assets acquired	266,853,381.56	24,648,870.96
Amount by which goodwill/consolidated cost is less than the share of the fair value of identifiable net assets acquired	24,297,900.54	572,929.04

Method of determining the fair value of the consolidated costs: The method of determining the fair value of equity interests held prior to the date of acquisition at the date of acquisition is detailed in Note VIII.3.(4).

Completion of performance commitments: The aforementioned business combination transactions of the Group do not involve performance commitments of related parties.

Major reasons for the formation of significant goodwill: The Group has fully identified the identifiable assets and liabilities of High-Tech Logistics Company and Etenal WHARF Godown Company at the purchase date. The goodwill arising from the acquisition of High-Tech Logistics Company and Etenal WHARF Godown Company mainly resulted from the deferred income tax effect recognised in the business combination, and relevant details were described in Note VIII. 3. (3).

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VIII. BUSINESS COMBINATION AND CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

3. BUSINESS COMBINATIONS NOT UNDER COMMON CONTROL (Continued)

(3) Identifiable assets and liabilities of the acquiree at the purchase date

Item	Sinotrans High-Tech Logistics (Suzhou) Co., Ltd.		Guangdong Etenal WHARF Godown Co., Ltd.	
	Fair value at the purchase date	Book value at the purchase date	Fair value at the purchase date	Book value at the purchase date
Assets:	564,784,793.10	402,798,789.49	61,538,526.05	57,044,004.68
Cash and bank balances	120,328,480.02	120,328,480.02	38,387,049.46	38,387,049.46
Bills receivable	653,699.81	653,699.81	—	—
Accounts receivable	20,175,334.37	20,175,334.37	5,610,930.72	5,610,930.72
Prepayments	377,524.57	377,524.57	—	—
Other receivables	219,072.96	219,072.96	8,399,255.29	8,399,255.29
Inventories	31,254.15	31,254.15	—	—
Long-term equity investments	12,966,180.80	12,660,202.05	—	—
Other equity instrument investments	1,203,800.00	1,203,800.00	—	—
Fixed assets	275,830,731.67	204,953,911.12	9,141,290.58	4,646,769.21
Construction in progress	5,428,574.73	5,428,574.73	—	—
Intangible assets	127,570,140.02	36,766,935.71	—	—
Liabilities:	119,447,989.82	78,951,488.92	13,207,406.51	12,083,776.17
Accounts payable	21,651,687.16	21,651,687.16	4,565,563.57	4,565,563.57
Contract liabilities	9,526,822.84	9,526,822.84	78,741.61	78,741.61
Employee remunerations payable	10,264,680.81	10,264,680.81	1,458,402.00	1,458,402.00
Taxes and dues payable	2,614,042.87	2,614,042.87	776,241.29	776,241.29
Dividends payable	30,041,215.20	30,041,215.20	—	—
Other payables	4,853,040.04	4,853,040.04	5,091,227.70	5,091,227.70
Other current liabilities	—	—	113,600.00	113,600.00
Deferred tax liabilities	40,496,500.90	—	1,123,630.34	—
Net assets:	445,336,803.28	323,847,300.57	48,331,119.54	44,960,228.51
Less: Non-controlling interests	178,483,421.72	129,887,620.63	23,682,248.58	22,030,511.97
Net assets acquired	266,853,381.56	193,959,679.94	24,648,870.96	22,929,716.54

Method for determining the fair value of identifiable assets and liabilities:

The fair value of the identifiable assets and liabilities of High-Tech Logistics Company at the date of purchase was determined based on the asset appraisal report Orient Appraisal Report [2024] No. 1805 (Purchase Price Allocation) issued by Shanghai Orient Appraisal Co., Ltd., and by taking into account the changes in net assets from the valuation base date to the date of purchase.

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For the year ended 31 December 2024
(Unless indicated otherwise, all amounts are expressed in RMB)

VIII. BUSINESS COMBINATION AND CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

3. BUSINESS COMBINATIONS NOT UNDER COMMON CONTROL (Continued)

(3) Identifiable assets and liabilities of the acquiree at the purchase date (Continued)

The fair value of the identifiable assets and liabilities of Etenal WHARF Godown Company at the date of purchase was determined based on the asset appraisal report (Purchase Price Allocation) Pengxin Asset Appraisal Report [2024] No. 231 issued by Shenzhen Pengxin Asset Appraisal Land and Real Estate Appraisal Co., Ltd., and by taking into account the changes in net assets from the valuation base date to the date of purchase.

The Group has not assumed any contingent liabilities of the acquiree in the above business combination.

(4) Gains or losses arising from the remeasurement of equity held prior to the date of purchase at fair value

Name of the acquiree	Point of acquisition of equity previously held prior to the date of purchase	Ratio of acquisition of equity previously held prior to the date of purchase (%)	Acquisition cost of equity previously held prior to the date of purchase	Method of acquisition of equity previously held prior to the date of purchase	Book value at the purchase date of equity previously held prior to the date of purchase	Fair value at the purchase date of equity previously held prior to the date of purchase	Gains or losses arising from the remeasurement of equity previously held prior to the date of purchase	Method of determining the fair value at the purchase date of equity	Amount transferred to investment income or retained earnings from other comprehensive income/capital reserves related to previously held equity prior to the date of purchase
Sinotrans High-Tech Logistics (Suzhou) Co., Ltd.	6 March 2003; 24 November 2006	60.00	105,691,247.29	Original capital contribution; acquisition	191,086,654.76	291,151,282.10	100,064,627.34	Note	13,350,446.19

Note: The Group engaged Shanghai Orient Appraisal Co., Ltd. to carry out a valuation of 100% interest in High-Tech Logistics Company, and Shanghai Orient Appraisal Co., Ltd. issued a valuation report Orient Appraisal Report [2024] No. 2731. As at the date of purchase, the assets of High-Tech Logistics Company mainly consisted of land, warehouses and ancillary equipment located at No. 718 and No. 748 Changjiang Road and No. 55 Qinglian Road, Gaoxin District, Suzhou. The final values of the aforesaid valuation report are the result of the asset-based method of valuation, where the value of the land is determined by adjusting the market transaction cases, and the value of warehouses and ancillary equipment is determined based on the replacement cost and by taking into account the depreciation rate, and there is no inclusion of the impact of the factors of the control premium and the synergy effect with the Group. Accordingly, the fair value at the purchase date of the 60% equity held by the Group in High-Tech Logistics Company prior to the purchase date is directly calculated and determined proportionally based on the aforementioned valuation results.

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VIII. BUSINESS COMBINATION AND CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

3. BUSINESS COMBINATIONS NOT UNDER COMMON CONTROL (Continued)

- (5) The aforesaid business combinations of the Group do not involve any situation in which the consideration for the combinations or the fair value of the identifiable assets and liabilities of the acquiree cannot be reasonably determined at the purchase date or at the end of the year when the combinations took place.

4. DISPOSAL OF SUBSIDIARIES

Name of subsidiary	Point of loss of control	Disposal price at the point of loss of control	Disposal ratio at the point of loss of control (%)	Disposal method at the point of loss of control	Basis for determining the point of loss of control	The difference between the disposal price and the share of the net assets of the subsidiary at the consolidated financial statement level corresponding to the disposal of the investment	Ratio of the remaining equity interest at the date of loss of control (%)	Book value of the remaining equity interest at the level of the consolidated statements at the date of loss of control	Fair value of the remaining equity interest at the level of the consolidated statements at the date of loss of control	Gain or loss from remeasurement of the remaining equity interest at fair value	Methodology and key assumptions for determining the fair value of the remaining equity interest at the level of the consolidated statements at the date of loss of control	Transfer of other comprehensive income/special reserves related to equity investment in original subsidiaries to investment profit or loss or retained earnings
China Marine Fujian Ningde Shipping Agency Co., Ltd.	27 June 2024	-	100.00	Bankruptcy liquidation	Note 1	25,230.63	—	—	—	—	—	-
Fuzhou Sinotrans Logistics Co., Ltd.	4 September 2024	30,357,400.00	100.00	Sale	Note 2	8,486,788.23	—	—	—	—	—	-

Note 1: China Marine Fujian Ningde Shipping Agency Co., Ltd. (hereinafter referred to as "Ningde Shipping Agency"), a subsidiary of the Group, filed an application for bankruptcy and liquidation with the Intermediate People's Court of Ningde City, Fujian Province (hereinafter referred to as the "Ningde Intermediate Court") on 6 June 2024 due to the insufficiency of its assets to settle all its debts as they fall due. On 13 June 2024, the Ningde Intermediate Court ruled to accept the application for bankruptcy and liquidation of Ningde Shipping Agency and appointed Fidelity (Ningde) Law Firm as the administrator. By 27 June 2024, Ningde Shipping Agency had completed the transfer of all properties, seals, accounts papers and other documents with the administrator, and the Group no longer included it in the scope of consolidation.

Note 2: On 8 July 2024, Sinotrans Fujian Co., Ltd. (hereinafter referred to as "Sinotrans Fujian Company"), a subsidiary of the Group, entered into the Shanghai Property Rights Transaction Contract with Fuqing Xingangcheng Investment Holding Co., Ltd. for the transfer of 100% equity interest in Fuzhou Sinotrans Logistics Co., Ltd. (hereinafter referred to as "Fuzhou Logistics Company") held by Sinotrans Fujian Company at a consideration of RMB 30,357,400. By 4 September 2024, the parties to the transaction had completed the necessary procedures for the handover of property. The Group was no longer able to dominate the relevant activities of Fuzhou Logistics Company and therefore did not include it in the scope of consolidation.

The Group does not involve any situation in which investments in subsidiaries are disposed of in stages through multiple transactions and control is lost during the year.

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

VIII. BUSINESS COMBINATION AND CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. CHANGES IN THE SCOPE OF CONSOLIDATION FOR OTHER REASONS

Compared with the previous year, due to new establishment, the Group increased 10 third-level subsidiaries, including Sinotrans Yixing Supply Chain (Beijing) Co., Ltd., Sinotrans (Chifeng) International Logistics Co., Ltd., Sinotrans Erenhot Yilu Supply Chain Co., Ltd., one fifth-level subsidiary, and one sixth level subsidiary during the year.

This year, due to deregistration, one fourth-level subsidiary, Keppel Logistics (Foshan) Limited ("Keppel Logistics (Foshan)"), was reduced.

6. REASONS FOR INCLUDING COMPANIES WITH LESS THAN HALF OF THE VOTING RIGHTS IN THE SCOPE OF CONSOLIDATION OR NOT INCLUDING COMPANIES WITH MORE THAN HALF OF THE VOTING RIGHTS IN THE SCOPE OF CONSOLIDATION

(1) Investees with more than half of the voting rights but not included in the scope of consolidation

No.	Company name	Subscription shareholding ratio (%)	Voting ratio (%)	Registered capital	Investment amount	Grade (Note)	Reasons for not being included in the scope of consolidation
1	Chengdu Bonded Logistics Investment Co., Ltd.	54.29	54.29	RMB 175 million	RMB 95 million	2nd	According to the Articles of Incorporation of Chengdu Bonded Logistics Investment Co., Ltd., the shareholders' meeting shall decide all material matters of the company, and decisions on material matters shall be valid only with the consent of shareholders representing at least two-thirds of the voting rights, the Group holds less than two-thirds of the voting rights and cannot control Chengdu Bonded Logistics Investment Co., Ltd. alone. Therefore, it was not included in the scope of consolidation
2	Sinotrans Suzhou Logistics Center Co., Ltd.	51.00	51.00	RMB 175 million	RMB 97,898,300	Directly held by the Company	As agreed in the Articles of Incorporation of Sinotrans Suzhou Logistics Center Co., Ltd., certain major operating and investment decisions of the company are subject to unanimous approval by all shareholders. As the Group cannot unilaterally control Sinotrans Suzhou Logistics Center Co., Ltd., it has not been included in the consolidation scope

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VIII. BUSINESS COMBINATION AND CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

6. REASONS FOR INCLUDING COMPANIES WITH LESS THAN HALF OF THE VOTING RIGHTS IN THE SCOPE OF CONSOLIDATION OR NOT INCLUDING COMPANIES WITH MORE THAN HALF OF THE VOTING RIGHTS IN THE SCOPE OF CONSOLIDATION (Continued)

(1) Investees with more than half of the voting rights but not included in the scope of consolidation (Continued)

No.	Company name	Subscription shareholding ratio (%)	Voting ratio (%)	Registered capital	Investment amount	Grade (Note)	Reasons for not being included in the scope of consolidation
3	Ningbo Taiping International Trade Transportation Co., Ltd.	55.00	55.00	USD 3.75 million	RMB 17,372,200	2nd	As agreed in the Articles of Incorporation of Ningbo Taiping International Trade Transportation Co., Ltd., the Board of Directors is the supreme authority of the company to decide on all major matters of the company, and the execution of major matters is subject to the joint signing of the General Manager and the Executive Deputy General Manager appointed by both shareholders. The Group cannot unilaterally control Ningbo Taiping International Trade Transportation Co., Ltd., and therefore did not include it in the scope of consolidation
4	Xinjiang New Railway Sinotrans Logistics Co., Ltd.	51.00	51.00	RMB 10 million	RMB 5.1 million	2nd	As agreed in the Articles of Incorporation of Xinjiang New Railway Sinotrans Logistics Co., Ltd., a resolution of the shareholders' meeting shall be valid only if approved by shareholders representing more than two-thirds of the voting rights. The Group does not hold more than two-thirds of the voting rights and cannot separately control Xinjiang New Railway Sinotrans Logistics Co., Ltd. Therefore, it was not included in the scope of consolidation
5	Shaanxi Sinotrans Guotie Logistics Co., Ltd.	51.00	51.00	RMB 10 million	RMB 5.1 million	3rd	According to the Articles of Incorporation of Shaanxi Sinotrans Guotie Logistics Co., Ltd., a resolution of the shareholders' meeting shall be valid only if approved by shareholders representing more than two-thirds of the voting rights, the Group does not hold more than two-thirds of the voting rights and cannot control Shaanxi Sinotrans Guotie Logistics Co., Ltd. alone. Therefore, it was not included in the scope of consolidation

Note: The grade of the investee is presented as the grade of the actual shareholder within the Group.

- (2) There were no instances at year-end where the Group had less than half of the voting rights in an entity, but included it in the scope of consolidation.

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VIII. BUSINESS COMBINATION AND CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. SIGNIFICANT NON-WHOLLY OWNED SUBSIDIARIES

(1) Non-controlling interests

FY 2024

No.	Company name	Non-controlling interests Shareholding ratio (%)	Profits and losses	Dividends paid to non-controlling interests in the year	Cumulative non-controlling interests at the end of the year
			attributable to non-controlling interests in the year		
1	Sinotrans Changjiang Co., Ltd.	11.00	30,587,411.08	-22,670,704.29	194,358,407.99

FY 2023

No.	Company name	Non-controlling interests Shareholding ratio (%)	Profits and losses	Dividends paid to non-controlling interests in the year	Cumulative non-controlling interests at the end of the year
			attributable to non-controlling interests in the year		
1	Sinotrans Changjiang Co., Ltd.	11.00	20,041,295.57	—	186,278,930.50

Note: On 1 July 2023, Sinotrans Changjiang Co., Ltd. (hereinafter referred to as "Sinotrans Changjiang Company") acquired 100% equity interest in China Yangtze River Shipping Co., Ltd. (hereinafter referred to as "Yangtze River Company") from another subsidiary of China Merchants by way of business combination under common control through capital increase. Upon the completion of the transaction, the Group's shareholding in Sinotrans Changjiang Company changed to 89%. "Profits and losses attributable to non-controlling interests in the year" is the amount retroactively adjusted for acquisition of Yangtze River Company by Sinotrans Changjiang Company through business combination under common control.

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VIII. BUSINESS COMBINATION AND CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. SIGNIFICANT NON-WHOLLY OWNED SUBSIDIARIES (Continued)

(2) Main financial information

Item	Closing balance/ Amount in current year Sinotrans Changjiang Co., Ltd.	Opening balance/ Amount in prior year Sinotrans Changjiang Co., Ltd.
Current assets	3,569,646,601.44	3,600,587,038.55
Non-current assets	661,423,985.81	729,777,131.17
Total assets	4,231,070,587.25	4,330,364,169.72
Current liabilities	2,296,590,841.65	2,419,537,768.91
Non-current liabilities	61,310,826.20	116,957,741.17
Total liabilities	2,357,901,667.85	2,536,495,510.08
Operating income	9,391,137,485.01	7,435,270,711.71
Net profits attributable to owners of the parent company	278,067,373.45	182,193,596.10
Profits and losses attributable to non-controlling interests	21,193,397.67	8,640,979.23
Total comprehensive income attributable to shareholders of the Company	278,154,354.88	182,211,932.05
Total comprehensive income attributable to non-controlling interests	21,193,397.67	8,640,979.23
Net cash flows from operating activities	446,618,388.17	139,686,726.47

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Notes to the Financial Statements

For the year ended 31 December 2024
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VIII. BUSINESS COMBINATION AND CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

8. TRANSACTIONS RESULTING IN CHANGES IN THE COMPANY'S SHARE OF EQUITY INTERESTS IN SUBSIDIARIES AND THE CONTINUATION OF CONTROL OVER THE SUBSIDIARIES

(1) Changes in the Company's share of equity interests in subsidiaries

Sinotrans Overseas Development Co., Ltd., a subsidiary of the Group, purchased a 16% equity interest in PT. SINOTRANS CSC INDONESIA from PT. TRANSLINDO NUSA PASIFIC during the year for a purchase price of US\$ 116,749. PT. SINOTRANS CSC INDONESIA is a subsidiary of SINOTRANS (HK) HOLDINGS, another subsidiary of the Group. Upon completion of the above transactions, the Group's total shareholding in PT. SINOTRANS CSC INDONESIA changed to 65%.

(2) Effects of the transactions on non-controlling interests and the equity attributable to shareholders of the parent company

Item	PT.SINOTRANS CSC INDONESIA
Purchase cost/disposal consideration or capital increase/reduction by minority shareholders	841,430.28
Including: Cash	841,430.28
Less: Share of net assets of subsidiaries in proportion to equity interests acquired/disposed of/reduced	1,775,947.49
Difference	-934,517.21
Including: Adjustment to capital reserves	-934,517.21

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Notes to the Financial Statements

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS

In the financial statements, unless otherwise specified, “Opening” refers to 1 January 2024; “Closing” refers to 31 December 2024; “Current year” refers to the year from 1 January to 31 December 2024, and “Prior year” refers to the year from 1 January to 31 December 2023.

1. CASH AND BANK BALANCES

Item	Closing balance			Opening balance		
	Amount in original currency	Exchange rate	Amount in RMB	Amount in original currency	Exchange rate	Amount in RMB
Cash on hand	—	—	2,716,190.61	—	—	2,827,065.78
Including: RMB	133,738.98	1.00000	133,738.98	141,141.83	1.0000	141,141.83
USD	270,963.95	7.18840	1,947,797.26	163,746.23	7.0827	1,159,765.42
HKD	131,775.80	0.92604	122,029.66	116,957.18	0.9062	105,986.60
JPY	1,572,379.00	0.04623	72,691.08	748,170.88	0.0502	37,558.18
EUR	7,407.72	7.52570	55,748.28	8,851.16	7.8592	69,563.04
Others	—	—	384,185.35	—	—	1,313,050.71
Cash at banks	—	—	7,653,777,122.65	—	—	9,611,235,715.12
Including: RMB	4,370,635,833.44	1.00000	4,370,635,833.44	6,194,917,701.99	1.0000	6,194,917,701.99
USD	268,724,877.85	7.18840	1,931,701,911.94	324,673,810.66	7.0827	2,299,567,198.76
HKD	767,144,349.50	0.92604	710,406,353.41	496,785,972.49	0.9062	450,187,448.27
JPY	2,372,609,251.00	0.04623	109,685,725.67	1,771,901,089.82	0.0502	88,949,434.71
EUR	27,573,025.87	7.52570	207,506,320.79	42,122,686.08	7.8592	331,050,614.44
Others	—	—	323,840,977.40	—	—	246,563,316.95
Other cash and bank balances	—	—	27,287,681.61	—	—	142,716,012.24
Including: Deposited in external financial institutions	—	—	24,141,912.31	—	—	131,557,266.61
Including: RMB	24,140,977.60	1.00000	24,140,977.60	130,146,626.36	1.0000	130,146,626.36
USD	130.03	7.18840	934.71	130.03	7.0827	920.96
Others	—	—	—	—	—	1,409,719.29
Deposited in finance companies	—	—	3,145,769.30	—	—	11,158,745.63
Including: RMB	3,145,769.30	1.00000	3,145,769.30	11,158,745.63	1.0000	11,158,745.63
Deposits with finance companies	—	—	5,783,883,511.11	—	—	4,212,238,359.55
Including: RMB	4,854,433,862.94	1.00000	4,854,433,862.94	3,342,228,858.48	1.0000	3,342,228,858.48
USD	127,030,949.85	7.18840	913,149,279.88	121,785,139.71	7.0827	862,567,609.03
HKD	1,410,345.91	0.92604	1,306,036.73	—	0.9062	—
EUR	1,992,416.86	7.52570	14,994,331.56	946,901.98	7.8592	7,441,892.04
Total	—	—	13,467,664,505.98	—	—	13,969,017,152.69
Including: Total amount deposited abroad	—	—	1,824,275,763.74	—	—	1,927,089,070.11

Note: At the end of the year, there were no restrictions on the repatriation of the Group's funds deposited overseas, except for those subject to the regular exchange controls of the local countries or regions.

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

1. CASH AND BANK BALANCES (Continued)

(1) Restricted use of cash and bank balances at the end of the year

Item	Closing balance	Opening balance	Reasons for restricted use
Funds deposited subject to restrictions on litigation	9,508,096.57	94,504,485.96	Court freeze
Interest receivable	5,387,499.31	11,256,162.30	Not yet settled
Guarantee money	3,893,142.50	26,618,758.26	Guarantee money
Others	8,498,943.23	10,336,605.72	—
Total	27,287,681.61	142,716,012.24	—

2. FINANCIAL ASSETS HELD FOR TRADING

Item	Closing balance	Opening balance
Financial assets classified as measured at fair value through profit or loss	—	—
Including: Equity instrument investments	574,374.32	520,189.78
Total	574,374.32	520,189.78

3. BILLS RECEIVABLE

(1) Classification of bills receivable

Category	Closing balance	Opening balance
Commercial acceptance bills	164,294,636.42	119,812,566.60
Total	164,294,636.42	119,812,566.60

(2) There were no pledged bills receivable at the end of the year.

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

3. BILLS RECEIVABLE (Continued)

- (3) Bills receivable that have been endorsed or discounted at year-end and are not yet due at the balance sheet date

Category	Amount derecognised at year-end	Amount not derecognised at year-end
Commercial acceptance bills	6,922,770.17	151,299,473.52
Total	6,922,770.17	151,299,473.52

- (4) There were no bills transferred to accounts receivable due to non-performance by the drawer at the end of the year.

- (5) Credit loss provision for bills receivable

Category	Closing balance				Opening balance			
	Book balance		Credit loss provision		Book balance		Credit loss provision	
	Amount	Proportion (%)	Amount	Expected credit loss ratio (%)	Amount	Proportion (%)	Amount	Expected credit loss ratio (%)
Credit loss provisions by portfolio	164,294,636.42	100.00	-	-	119,812,566.60	100.00	-	-
Total	164,294,636.42	100.00	-	—	119,812,566.60	100.00	-	—

1) Bills receivable with credit loss provision on a portfolio basis

Portfolio name	Book balance	Closing balance Credit loss provision	Expected credit loss ratio (%)
Commercial acceptance bills portfolio	164,294,636.42	-	-
Total	164,294,636.42	-	—

Note: The commercial acceptances bills held by the Group are mainly from customers with good credit and have maintained long-term and stable co-operation with the Group. As at 31 December 2024 and 31 December 2023, there were no commercial acceptance bills held by the Group subject to significant credit risk and resulted in significant losses due to default (bills receivable are expected to be collected in full), and the Group did not make provisions for credit losses based on materiality considerations.

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

IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

3. BILLS RECEIVABLE (Continued)

- (6) There was no actual write-off of bills receivable during the year.
- (7) There were no outstanding amounts due from shareholders holding more than 5% (including 5%) voting shares of the Company at the end of the year.
- (8) The maturity date of the bill receivables mentioned above is all within 360 days.

4. ACCOUNTS RECEIVABLE

(1) Overall status of accounts receivable

Item	Closing balance	Opening balance
Accounts receivable	13,596,988,655.30	12,882,784,089.64
Less: Credit loss provision	545,188,204.76	548,601,373.99
Total	13,051,800,450.54	12,334,182,715.65

(2) Overall aging of accounts receivable

The aging analysis of accounts receivable based on the transaction date is as follows:

Item	Closing balance			Opening balance		
	Book balance	Proportion (%)	Credit loss provision	Book balance	Proportion (%)	Credit loss provision
Within 1 year (including 1 year)	13,204,048,190.88	97.11	237,522,256.08	12,424,367,427.92	96.44	187,210,587.81
1 to 2 years (including 2 years)	148,667,387.38	1.09	72,148,041.28	199,149,653.26	1.54	107,243,161.90
2 to 3 years (including 3 years)	89,899,189.07	0.66	81,912,146.28	48,444,674.17	0.38	44,108,871.16
Over 3 years	154,373,887.97	1.14	153,605,761.12	210,822,334.29	1.64	210,038,753.12
Total	13,596,988,655.30	100.00	545,188,204.76	12,882,784,089.64	100.00	548,601,373.99

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. ACCOUNTS RECEIVABLE (Continued)

(3) Classification of accounts receivable

Category	Closing balance					Opening balance				
	Book balance		Credit loss provision		Book value	Book balance		Credit loss provision		Book value
	Amount	Proportion (%)	Amount	Expected credit loss ratio (%)		Amount	Proportion (%)	Amount	Expected credit loss ratio (%)	
Credit loss provisions on an individual basis	321,323,472.57	2.36	249,598,412.23	77.68	71,725,060.34	208,236,062.63	1.62	197,407,428.27	94.80	10,828,634.36
Credit loss provisions by portfolio	13,275,665,182.73	97.64	295,589,792.53	2.23	12,980,075,390.20	12,674,548,027.01	98.38	351,193,945.72	2.77	12,323,354,081.29
Including:										
Low-risk portfolio	161,353,739.99	1.19	-	-	161,353,739.99	184,426,881.37	1.43	-	-	184,426,881.37
Aging portfolio	13,114,311,442.74	96.45	295,589,792.53	2.25	12,818,721,650.21	12,490,121,145.64	96.95	351,193,945.72	2.81	12,138,927,199.92
Total	13,596,986,655.30	100.00	545,188,204.76	—	13,051,800,450.54	12,882,784,089.64	100.00	548,601,373.99	—	12,334,182,715.65

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. ACCOUNTS RECEIVABLE (Continued)

(3) Classification of accounts receivable (Continued)

Including: Accounts receivable with individual credit loss provisions at the end of the year

Company name	Book balance	Credit loss provision	Expected credit loss ratio (%)	Reasons for accrual
Entity 1	39,964,263.07	19,982,131.54	50.00	Involved in litigation and expected to be partially unrecoverable
Entity 2	30,292,345.17	30,292,345.17	100.00	Difficulty in fund flow and not expected to be recovered
Entity 3	26,171,040.91	9,015,720.51	34.45	Business operating difficulties and expected to be partially unrecoverable
Entity 4	25,515,946.48	25,515,946.48	100.00	Involved in litigation and not expected to be recovered
Entity 5	19,322,053.53	1,932,205.35	10.00	Involved in litigation and expected to be partially unrecoverable
Entity 6	14,006,677.21	14,006,677.21	100.00	Business operating difficulties and not expected to be recovered
Entity 7	13,914,786.12	9,643,907.87	69.31	Involved in litigation and expected to be partially unrecoverable
Entity 8	12,976,547.62	12,976,547.62	100.00	Business operating difficulties and not expected to be recovered
Entity 9	9,848,939.32	3,027,309.59	30.74	Involved in litigation and expected to be partially unrecoverable
Entity 10	8,835,366.00	3,975,914.70	45.00	Involved in litigation and expected to be partially unrecoverable
Entity 11	7,509,254.60	7,509,254.60	100.00	No enforceable property after application for enforcement
Entity 12	6,752,274.69	6,752,274.69	100.00	Involved in litigation and not expected to be recovered
Entity 13	6,706,283.62	6,706,283.62	100.00	No enforceable property after application for enforcement
Entity 14	6,204,569.75	6,204,569.75	100.00	Bankruptcy reorganization and not expected to be recovered
Entity 15	6,018,149.49	6,018,149.49	100.00	Bankruptcy reorganization and not expected to be recovered
Entity 16	5,784,810.19	5,784,810.19	100.00	Difficulty in fund flow and not expected to be recovered
Others	81,500,164.80	80,254,363.85	98.47	Involved in litigation, disputes and expected to be wholly or partially unrecoverable
Total	321,323,472.57	249,598,412.23	—	—

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

IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. ACCOUNTS RECEIVABLE (Continued)

(4) Accounts receivable of low-risk portfolio

Item	Book balance	Expected credit loss ratio (%)	Credit loss provision
Accounts receivable from related parties	161,353,739.99	—	—
Total	161,353,739.99	—	—

(5) Accounts receivable of aging portfolios

Item	Book balance	Expected credit loss ratio (%)	Credit loss provision
Within 1 year (including 1 year)	12,932,102,689.49	1.45	187,515,489.00
1 to 2 years (including 2 years)	120,766,074.80	41.68	50,335,299.98
2 to 3 years (including 3 years)	31,547,486.35	88.26	27,843,811.45
Over 3 years	29,895,192.10	100.00	29,895,192.10
Total	13,114,311,442.74	—	295,589,792.53

(6) Changes in credit loss provision of accounts receivable

Item	Opening balance	Amount of change during the year				Closing balance
		Accrual	Recovery or reversal	Carry-forward or write-off	Other changes	
Current year	548,601,373.99	68,033,571.27	22,556,607.91	48,477,521.65	-412,610.94	545,188,204.76
Prior year	551,139,675.42	45,240,091.79	18,878,701.76	30,474,508.68	1,574,817.22	548,601,373.99

Note: Other changes are mainly the effect of translation in foreign currency statements, and changes in exchange rates.

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. ACCOUNTS RECEIVABLE (Continued)

(7) Credit loss provisions recovered or reversed during the year

Company name	Book balance of accounts receivable	Reason for recovery or reversal	Basis for determining original credit loss provisions	Accumulated amount of credit loss provision recognized before recovery or reversal	Recovered or reversal amount
Entity 1	7,221,139.43	Payment recovery	Involved in litigation and not expected to be recovered	7,221,139.43	7,221,139.43
Entity 2	8,196,691.03	Payment recovery	Involved in litigation and not expected to be recovered	8,196,691.03	6,276,052.58
Entity 3	35,545,846.17	Payment recovery	Difficulty in fund flow and not expected to be recovered	35,545,846.17	5,253,501.00
Entity 4	6,700,911.89	Payment recovery	Difficulty in fund flow and not expected to be recovered	6,700,911.89	916,101.70
Entity 5	715,072.95	Payment recovery	Involved in litigation and not expected to be recovered	715,072.95	715,072.95
Others	37,791,917.64	Payment recovery	Involved in litigation and disputes, and not expected to be recovered	37,791,917.64	2,174,740.25
Total	96,171,579.11	—	—	96,171,579.11	22,556,607.91

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. ACCOUNTS RECEIVABLE (Continued)

(8) Accounts receivable actually written off during the year

Company name	Nature of accounts receivable	Write-off amount	Reason for write-off	Write-off procedures performed	Whether arising from related transactions
Entity 1	Logistics business	28,621,196.58	The court dismissed the claim due to insufficient evidence in the suit	Approved by the General Manager's Office	No
Entity 2	Logistics business	5,546,206.21	No enforceable assets after application for enforcement	Approved by the General Manager's Office	No
Entity 3	Logistics business	5,301,289.48	Statute of limitations has expired	Approved by the General Manager's Office	No
Entity 4	Logistics business	1,854,210.21	No enforceable assets after application for enforcement	Approved by the General Manager's Office	No
Entity 5	Logistics business	1,665,554.42	No enforceable assets after application for enforcement	Approved by the General Manager's Office	No
Entity 6	Logistics business	1,493,862.12	Statute of limitations has expired	Approved by the General Manager's Office	No
Entity 7	Logistics business	646,127.38	No enforceable assets after application for enforcement	Approved by the General Manager's Office	No
Others	Logistics business	3,349,075.25	Statute of limitations has expired, no enforceable assets after application for enforcement, etc.	Approved by the General Manager's Office	No
Total	—	48,477,521.65	—	—	—

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. ACCOUNTS RECEIVABLE (Continued)

(9) There were no outstanding amounts due from shareholders holding more than 5% (including 5%) voting shares of the Company at the end of the year.

(10) Top five in terms of accounts receivable

Company name	Relationship with the Group	Book balance	Aging	Credit loss provision	As a percentage of total accounts receivable (%)
Entity 1	Client	200,457,759.90	Within 1 year	2,906,637.52	1.47
Entity 2	Client	181,614,755.62	Within 1 year, 1 to 2 years	4,526,203.15	1.34
Entity 3	Client	154,478,264.30	Within 1 year, 1 to 2 years	2,247,826.32	1.14
Entity 4	Client	106,508,231.07	Within 1 year	1,544,369.35	0.78
Entity 5	Client	92,872,545.90	Within 1 year	1,346,651.92	0.68
Total	—	735,931,556.79	—	12,571,688.26	5.41

(11) The Group had no accounts receivable involving government grants at the end of the year.

5. RECEIVABLES FINANCING

Category	Closing balance	Opening balance
Bank acceptance bills	430,890,739.48	457,564,278.87
Total	430,890,739.48	457,564,278.87

(1) There were no bank acceptance bills due to defective endorsement, etc. at the end of the year.

(2) There were no pledged receivables financing at the end of the year.

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Notes to the Financial Statements

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

IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. RECEIVABLES FINANCING (Continued)

(3) Receivables financing that has been endorsed or discounted at year-end and is not yet due at the balance sheet date

Category	Amount derecognised at year-end	Amount not derecognised at year-end
Bank acceptance bills	1,100,672,957.27	—
Total	1,100,672,957.27	—

Note: The Group determines whether the bank acceptance bills receivable should be derecognised upon endorsement or discounting based on the credit risk rating of the acceptance bank. As the acceptance banks of the bank acceptance bills obtained by the Group are mainly large commercial banks and listed joint-stock commercial banks with high credit ratings, other bank acceptance bills do not account for a significant proportion and have small individual amounts and a large quantity. The Group derecognises the bank acceptance bills upon endorsement or discounting based on the materiality principle, unless public information indicates that there are significant abnormal changes in the credit risk of the acceptance banks.

(4) There were no receivables financings at the end of the year that were transferred to accounts receivable as a result of the non-performance of the issuer.

(5) Credit loss provision for receivables financing

Category	Closing balance				Opening balance			
	Book balance		Credit loss provision		Book balance		Credit loss provision	
	Amount	Proportion (%)	Amount	Expected credit loss ratio (%)	Amount	Proportion (%)	Amount	Expected credit loss ratio (%)
Credit loss provisions by portfolio	430,890,739.48	100.00	—	—	457,564,278.87	100.00	—	—
Total	430,890,739.48	100.00	—	—	457,564,278.87	100.00	—	—

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. RECEIVABLES FINANCING (Continued)

(5) Credit loss provision for receivables financing (Continued)

1) Receivables financing with credit loss provision on a portfolio basis

Type	Closing balance		Expected credit loss ratio (%)
	Book balance	Credit loss provision	
Bank acceptance bills portfolio	430,890,739.48	—	—
Total	430,890,739.48	—	—

Note: As at 31 December 2024 and 31 December 2023, there were no bank acceptance bills held by the Group subject to significant credit risk and resulted in significant losses due to default of the banks (receivables financing are expected to be collected in full), and the Group did not make provisions for credit losses based on materiality considerations.

(6) There was no actual write-off of receivables financing during the year.

(7) Changes in receivables financing and fair value movements during the year

Bank acceptance bills held by the Group at fair value through other comprehensive income are mainly accepted by large commercial banks and listed joint-stock commercial banks with high credit ratings, with maturities of usually no more than 6 months and very low credit risk. At the balance sheet date, the book value of the bank acceptance bills receivable approximates the fair value.

(8) There were no outstanding amounts due from shareholders holding more than 5% (including 5%) voting shares of the Company at the end of the year.

(9) The maturity date of the bank acceptance bills mentioned above is all within 360 days.

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Notes to the Financial Statements

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

6. PREPAYMENTS

(1) The aging of prepayments is analysed as follows:

Item	Closing balance			Opening balance		
	Book balance		Impairment provision	Book balance		Impairment provision
	Amount	Proportion (%)		Amount	Proportion (%)	
Within 1 year (including 1 year)	4,998,060,598.55	96.14	-	4,677,999,842.02	98.03	-
1 to 2 years (including 2 years)	151,502,358.71	2.91	-	46,750,527.43	0.98	-
2 to 3 years (including 3 years)	23,894,344.56	0.46	-	13,419,317.90	0.28	-
Over 3 years	25,133,701.13	0.49	-	33,797,472.42	0.71	-
Total	5,198,591,002.95	100.00	-	4,771,967,159.77	100.00	-

(2) Significant prepayments aged over one year

Company name	Closing balance	Aging	Reasons for non-settlement
Entity 1	22,784,381.73	1 to 2 years	Business not completed
Entity 2	17,905,472.32	1 to 2 years	Business not completed
Entity 3	17,323,599.92	1 to 2 years	Business not completed
Entity 4	12,830,127.25	1 to 2 years	Business not completed
Total	70,843,581.22	—	—

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

6. PREPAYMENTS (Continued)

(3) Top five entities in terms of prepayments

Company name	Relationship with the Group	Book balance	As a percentage of the total prepayments (%)	Impairment provision
Entity 1	Supplier	287,434,220.90	5.53	—
Entity 2	Supplier	200,685,881.20	3.86	—
Entity 3	Supplier	166,568,607.20	3.20	—
Jiangsu Jiangyin Port Group Co., Ltd.	Related party	77,926,763.84	1.50	—
Entity 4	Supplier	73,125,482.01	1.41	—
Total	—	805,740,955.15	15.50	—

- (4) There were no outstanding amounts due from shareholders holding more than 5% (including 5%) voting shares of the Company at the end of the year.

7. OTHER RECEIVABLES

Item	Closing balance	Opening balance
Interest receivable	1,243,805.82	1,160,913.17
Dividends receivable	9,080,009.80	37,507,529.28
Other receivables	2,788,861,039.98	2,424,702,001.94
Total	2,799,184,855.60	2,463,370,444.39

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. OTHER RECEIVABLES (Continued)

(1) Interest receivable

1) Classification of interest receivable due for collection

Item	Closing balance	Opening balance
Entrusted loans	1,243,805.82	1,160,913.17
Subtotal	1,243,805.82	1,160,913.17
Less: Credit loss provision	—	—
Total	1,243,805.82	1,160,913.17

2) Significant overdue interest receivable

Borrower	Book balance	Overdue time (months)	Reason for overdue	Whether an impairment occurs and judgment basis
MAXX LOGISTICS FZCO.	1,243,805.82	1 to 72	Funding support for joint ventures	Funding support for joint ventures, expected to be recovered without impairment
Total	1,243,805.82	—	—	—

- 3) The Group has assessed and concluded that as of 31 December 2024, no provision for credit losses is required for interest receivable.

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. OTHER RECEIVABLES (Continued)

(2) Dividends receivable

Investee	Opening balance	Increase due to changes in the scope of consolidation	Increase in current year	Decrease in current year	Closing balance	Reason for non-recovery	Whether an impairment occurs and judgment basis
Dividends receivable aged within 1 year	10,264,519.48	-	1,779,416,629.29	1,782,714,148.77	6,967,000.00	—	—
Including: Wuhan Port Container Co., Ltd.	6,112,000.00	-	6,112,000.00	6,224,000.00	6,000,000.00	Declared but not issued	No
Shenzhen Ocean Shipping Tally Co., Ltd.	-	-	508,000.00	-	508,000.00	Declared but not issued	No
Sinotrans Suzhou Logistics Center Co., Ltd.	-	-	459,000.00	-	459,000.00	Declared but not issued	No
Xinjiang New Railway Sinotrans Logistics Co., Ltd.	4,152,519.48	-	4,660,909.78	8,813,429.26	-	—	—
DHL-Sinotrans International Air Courier Ltd.	-	-	1,565,377,052.60	1,565,377,052.60	-	—	—
Nippon Express (Shanghai) Co., Ltd.	-	-	42,659,309.30	42,659,309.30	-	—	—
Chengdu Bonded Logistics Investment Co., Ltd.	-	-	27,145,000.00	27,145,000.00	-	—	—
Weihai Weidong Shipping Co., Ltd.	-	-	26,164,440.00	26,164,440.00	-	—	—
Jiangsu Jiangyin Port Group Co., Ltd.	-	-	21,937,500.00	21,937,500.00	-	—	—
New Land Bridge (Lianyungang) Terminal Co., Ltd.	-	-	15,723,699.78	15,723,699.78	-	—	—
China Merchants Sinotrans (Shenzhen) Industrial Innovation Private Equity Investment Fund Partnership (Limited Partnership)	-	-	9,696,770.00	9,696,770.00	-	—	—
Nanjing Port Longtan Container Co., Ltd.	-	-	9,496,322.58	9,496,322.58	-	—	—
Sinotrans Aramex (Shanghai) International Aviation Express Delivery Co., Ltd.	-	-	8,215,895.83	8,215,895.83	-	—	—
Nissin-Sinotrans International Logistics Co., Ltd.	-	-	7,500,000.00	7,500,000.00	-	—	—
Ningbo Dagang Container Co., Ltd.	-	-	5,295,824.05	5,295,824.05	-	—	—
Sinotrans Turkey Limited	-	-	5,284,960.03	5,284,960.03	-	—	—
SIPG Sinotrans Container Depot Co., Ltd.	-	-	3,202,711.89	3,202,711.89	-	—	—

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. OTHER RECEIVABLES (Continued)

(2) Dividends receivable (Continued)

Investee	Opening balance	Increase due to changes in the scope of consolidation	Increase in current year	Decrease in current year	Closing balance	Reason for non-recovery	Whether an impairment occurs and judgment basis
Qingdao Yujiachang Container Storage And Transportation Co., Ltd.	-	-	2,397,662.95	2,397,662.95	-	—	—
Ningbo Dagang New Century Container Co., Ltd.	-	-	2,367,516.07	2,367,516.07	-	—	—
Tangshan Port Sinotrans Shipping Agency Co., Ltd.	-	-	2,290,786.18	2,290,786.18	-	—	—
Shaanxi Sinotrans Guotie Logistics Co., Ltd.	-	-	2,154,264.87	2,154,264.87	-	—	—
Others	-	-	10,767,003.38	10,767,003.38	-	—	—
Dividends receivable aged over 1 year	27,243,009.80	-24,000,000.00	-	1,130,000.00	2,113,009.80	—	—
Including: SINOTRANS ALMAJDOUE MIDDLE EAST CO., LTD.	1,860,983.72	-	-	-	1,860,983.72	Incomplete payment approval process	No
Shenyang Henglu Logistics Co., Ltd.	1,382,026.08	-	-	1,130,000.00	252,026.08	Declared but not issued	No
Sinotrans High-Tech Logistics (Suzhou) Co., Ltd.	24,000,000.00	-24,000,000.00	-	—	—	—	—
Total	37,507,529.28	-24,000,000.00	1,779,416,629.29	1,783,844,148.77	9,080,009.80	—	—

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Notes to the Financial Statements

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. OTHER RECEIVABLES (Continued)

(3) Other receivables

1) Analysis by aging

Item	Closing balance			Opening balance		
	Book balance	Proportion (%)	Credit loss provision	Book balance	Proportion (%)	Credit loss provision
Within 1 year (including 1 year)	2,147,188,765.50	72.49	4,605,750.21	1,941,381,336.60	75.56	9,441,765.89
1 to 2 years (including 2 years)	393,777,026.66	13.29	40,025,630.93	219,655,220.21	8.55	3,110,881.93
2 to 3 years (including 3 years)	107,743,739.76	3.64	3,091,765.22	129,557,393.97	5.04	1,651,155.06
Over 3 years	313,327,963.14	10.58	125,453,308.72	278,684,853.15	10.85	130,372,999.11
Total	2,962,037,495.06	100.00	173,176,455.08	2,569,278,803.93	100.00	144,576,801.99

2) Classification of other receivables

Category	Closing balance					Opening balance				
	Book balance		Credit loss provision		Book value	Book balance		Credit loss provision		Book value
	Amount	Proportion (%)	Amount	Expected credit loss ratio (%)		Amount	Proportion (%)	Amount	Expected credit loss ratio (%)	
Credit loss provisions on an individual basis	132,320,006.84	4.47	87,873,975.34	66.41	44,446,031.50	41,900,917.88	1.63	41,870,634.43	99.93	30,283.45
Credit loss provisions by portfolio	2,829,717,488.22	95.53	85,302,479.74	3.01	2,744,415,008.48	2,527,377,886.05	98.37	102,706,167.56	4.06	2,424,671,718.49
Including:										
Low-risk portfolio	2,671,334,384.87	90.18	-	-	2,671,334,384.87	2,186,409,359.80	85.10	-	-	2,186,409,359.80
Aging portfolio within 1 year	66,814,108.06	2.26	2,605,750.21	3.90	64,208,357.85	242,096,561.36	9.42	9,441,765.89	3.90	232,654,795.47
Aging portfolio over 1 year	91,568,995.29	3.09	82,696,729.53	90.31	8,872,265.76	98,871,964.89	3.85	93,264,401.67	94.33	5,607,563.22
Total	2,962,037,495.06	100.00	173,176,455.08	—	2,788,861,039.98	2,569,278,803.93	100.00	144,576,801.99	—	2,424,702,001.94

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. OTHER RECEIVABLES (Continued)

(3) Other receivables (Continued)

2) Classification of other receivables (Continued)

Including: Other receivables with individual credit loss provisions at the end of the year

Company name	Book balance	Credit loss provision	Expected credit loss ratio (%)	Reasons for accrual
Entity 1	72,892,063.00	36,446,031.50	50.00	Long-term arrears, not expected to be fully recovered
Entity 2	16,660,000.00	16,660,000.00	100.00	Long-term arrears, not expected to be recovered
Entity 3	10,000,000.00	2,000,000.00	20.00	Long-term arrears, not expected to be fully recovered
Entity 4	9,652,902.41	9,652,902.41	100.00	The person in question is serving a prison sentence and is not capable of making reparations
Entity 5	7,472,614.46	7,472,614.46	100.00	Involved in litigation and not expected to be recovered
Guangxi Yunyu Port Co., Ltd.	2,680,000.00	2,680,000.00	100.00	Listed as a defaulter, not expected to be recovered
Entity 6	2,500,000.00	2,500,000.00	100.00	Insolvent and classified as a defaulter, and not expected to be recovered
Sinotrans Hongfeng (Shanghai) International Logistics Co., Ltd.	2,143,511.37	2,143,511.37	100.00	To be deregistered due to closure, not expected to be recovered
Entity 7	1,385,250.00	1,385,250.00	100.00	Bankruptcy liquidation, not expected to be recovered
Entity 8	1,242,000.00	1,242,000.00	100.00	Historical issues, not expected to be recovered
Entity 9	1,000,000.00	1,000,000.00	100.00	Involved in litigation and not expected to be recovered
Entity 10	1,000,000.00	1,000,000.00	100.00	Involved in litigation and not expected to be recovered
Others	3,691,665.60	3,691,665.60	100.00	Involved in litigation, business disputes, etc., not expected to be recovered
Total	132,320,006.84	87,873,975.34	—	—

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. OTHER RECEIVABLES (Continued)

(3) Other receivables (Continued)

3) Other receivables of low-risk portfolio

Item	Book balance	Expected credit loss ratio (%)	Credit loss provision
Deposits, collateral	1,363,260,714.87	—	—
Government grants	924,867,479.48	—	—
Advances	183,938,972.70	—	—
Payment for disposal of equity	95,230,000.00	—	—
Related party payments	82,457,019.17	—	—
Reserves	12,643,776.17	—	—
Compensation	8,936,422.48	—	—
Total	2,671,334,384.87	—	—

4) Other receivables of aging portfolio

Item	Book balance	Expected credit loss ratio (%)	Credit loss provision
Within 1 year (including 1 year)	66,814,108.06	3.90	2,605,750.21
1 to 2 years (including 2 years)	11,010,764.17	32.51	3,579,599.43
2 to 3 years (including 3 years)	3,382,866.24	57.40	1,941,765.22
Over 3 years	77,175,364.88	100.00	77,175,364.88
Total	158,383,103.35	—	85,302,479.74

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. OTHER RECEIVABLES (Continued)

(3) Other receivables (Continued)

5) Analysis by nature of payments

Item	Closing balance			Opening balance		
	Book balance	Credit loss provision	Book value	Book balance	Credit loss provision	Book value
Deposits, collateral	1,456,381,194.53	78,128,944.56	1,378,252,249.97	1,434,068,419.90	88,510,425.31	1,345,557,994.59
Government grants	997,759,542.48	36,446,031.50	961,313,510.98	724,575,007.32	–	724,575,007.32
Advances	207,327,220.09	11,458,572.96	195,868,647.13	156,987,910.11	22,394,172.87	134,593,737.24
Payment for disposal of equity	95,230,000.00	–	95,230,000.00	–	–	–
Related party payments	87,280,530.54	4,823,511.37	82,457,019.17	80,025,794.47	–	80,025,794.47
Compensation	22,362,885.86	1,262,140.06	21,100,745.80	15,508,573.23	7,960,377.41	7,548,195.82
Reserves	12,643,776.17	–	12,643,776.17	12,293,182.79	–	12,293,182.79
Others	83,052,345.39	41,057,254.63	41,995,090.76	145,819,916.11	25,711,826.40	120,108,089.71
Total	2,962,037,495.06	173,176,455.08	2,788,861,039.98	2,569,278,803.93	144,576,801.99	2,424,702,001.94

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. OTHER RECEIVABLES (Continued)

(3) Other receivables (Continued)

6) Credit loss provision for other receivables accrued, recovered, or reversed during the year

Credit loss provision	Stage 1 12-Month expected credit losses	Stage 2 Expected credit losses over the entire life (Not credit- impaired)	Stage 3 Expected credit losses over the entire life (Credit- impaired)	Total
Opening balance	9,441,765.89	93,264,401.67	41,870,634.43	144,576,801.99
Opening balance in current year	—	—	—	—
–Transfer to stage 2	-429,419.80	429,419.80	—	—
–Transfer to stage 3	—	-93,518.76	93,518.76	—
–Reverse to stage 2	—	—	—	—
–Reverse to stage 1	—	—	—	—
Accrual in current year	-6,431,115.88	-11,681,746.00	59,193,992.96	41,081,131.08
Reversal in current year	—	—	-1,416,210.05	-1,416,210.05
Carry forward in current year	—	—	—	—
Write-off in current year	—	—	-12,694,851.24	-12,694,851.24
Other changes	24,520.00	778,172.82	826,890.48	1,629,583.30
Closing balance	2,605,750.21	82,696,729.53	87,873,975.34	173,176,455.08

7) Credit loss provisions recovered or reversed during the year

Company name	Book balance of other receivables	Reason and method of recovery or reversal	Basis for determining original credit loss provisions	Accumulated amount of credit loss provision recognized before recovery or reversal	Recovered or reversal amount
Entity 1	894,500.00	Payment recovery	Involved in litigation and not expected to be recovered	894,500.00	565,500.00
Others	850,710.05	Payment recovery	Involved in litigation and not expected to be recovered	850,710.05	850,710.05
Total	1,745,210.05	—	—	1,745,210.05	1,416,210.05

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. OTHER RECEIVABLES (Continued)

(3) Other receivables (Continued)

8) Other receivables that were actually written off during the year

Company name	Nature of other receivables	Write-off amount	Reason for write-off	Write-off procedures performed	Whether arising from related transactions
Entity 1	Compensation	6,756,823.00	No enforceable property after application for enforcement	Approved by the General Manager's Office	No
Entity 2	Advances	1,299,283.64	Statute of limitations has expired	Approved by the General Manager's Office	No
Entity 3	Advances	1,266,533.14	Statute of limitations has expired	Approved by the General Manager's Office	No
Entity 4	Advances	902,639.44	Statute of limitations has expired	Approved by the General Manager's Office	No
Others	Advances, compensation, deposits, etc.	2,469,572.02	Statute of limitations has expired, no enforceable property after application for enforcement	Approved by the General Manager's Office	No
Total	—	12,694,851.24	—	—	—

9) Outstanding debts of shareholders holding more than 5% (including 5%) voting shares of the Company

Company name	Closing balance		Opening balance	
	Amount owed	Amount of credit loss provision	Amount owed	Amount of credit loss provision
SINOTRANS & CSC HOLDINGS Co., Ltd.	2,493.20	—	—	—
Total	2,493.20	—	—	—

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. OTHER RECEIVABLES (Continued)

(3) Other receivables (Continued)

10) The top five of the closing balances in other receivables, grouped by party in arrears

Company name	Relationship with the Group	Book balance	Aging	Percentage of total other receivables (%)	Credit loss provision	Nature or content
Entity 1	Non-related party	208,597,046.92	Within 1 year	7.05	—	Government grants
Entity 2	Non-related party	163,574,924.00	Within 1 year, 1 to 2 years	5.52	36,446,031.50	Government grants
Entity 3	Non-related party	138,428,559.98	Within 1 year	4.67	—	Government grants
Entity 4	Non-related party	137,244,800.00	Within 1 year	4.63	—	Government grants
Entity 5	Non-related party	127,554,033.11	Within 1 year	4.31	—	Government grants
Total	—	775,399,364.01	—	26.18	36,446,031.50	—

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. OTHER RECEIVABLES (Continued)

(3) Other receivables (Continued)

11) Other receivables in relation to government grants

Company name	Government grant items	Book balance	Aging	Expected time and amount to be received
Entity 1	Logistics industry subsidies	208,597,046.92	Within 1 year	Full payment is expected to be recovered by the end of 2025
Entity 2	Logistics industry subsidies	163,574,924.00	Within 1 year, 1 to 2 years	The provincial and municipal subsidy portion is expected to be recovered by December 2025; the county subsidy portion is difficult to determine and is expected to be partially unrecoverable. The Group has accrued the corresponding credit-impairment loss provision
Entity 3	Logistics industry subsidies	138,428,559.98	Within 1 year	Full payment is expected to be recovered by the end of June 2025
Entity 4	Logistics industry subsidies	137,244,800.00	Within 1 year	RMB33.55 million was received in January 2025, and it is expected to recover RMB93,034,800 by December 2025. The remaining amount is expected to be fully recovered by the end of 2026
Entity 5	Logistics industry subsidies	127,554,033.11	Within 1 year	Recovered RMB69 million by the end of February 2025, with the remaining amount to be recovered by the end of June 2025
Entity 6	Logistics industry subsidies	76,487,933.44	Within 1 year	RMB28,713,200 was recovered in January 2025, RMB28,955,700 was recovered in February 2025, and the remaining amount is expected to be recovered by the end of April 2025

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. OTHER RECEIVABLES (Continued)

(3) Other receivables (Continued)

11) Other receivables in relation to government grants (Continued)

Company name	Government grant items	Book balance	Aging	Expected time and amount to be received
Entity 7	Logistics industry subsidies	36,844,440.44	Within 1 year	Full payment is expected to be recovered by the end of 2025
Entity 8	Logistics industry subsidies	22,050,000.00	Within 1 year	Full payment is expected to be recovered by the end of April 2025
Entity 9	Logistics industry subsidies	17,429,183.43	Within 1 year, 1 to 2 years, 2 to 3 years	RMB3.63 million expected to be recovered in 2025, with the balance expected to be recovered by the end of 2027
Others	Logistics industry subsidies	69,548,621.16	Within 1 year, 1 to 2 years, 2 to 3 years	Full payment is expected to be recovered by the end of 2025
Total	—	997,759,542.48	—	—

Note: Each subsidiary of the Group accrues government grants on a monthly or quarterly basis according to the preferential policies of the region in which it is located, when the conditions stipulated in the policies are met and the government grants are expected to be received.

12) There were no prepayments transferred to other receivables during the year.

13) The Group had no other receivables related to the centralized management of funds at the end of the year.

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Notes to the Financial Statements

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

8. INVENTORIES

(1) Classification of inventories

Item	Closing balance			Opening balance		
	Book balance	Provision for value reduction/ Provision for impairment of contract performance costs	Book value	Book balance	Provision for value reduction/ Provision for impairment of contract performance costs	Book value
Raw materials	34,335,731.29	3,102,248.47	31,233,482.82	37,198,909.14	3,102,248.47	34,096,660.67
Goods in stock	8,435,938.24	875,980.24	7,559,958.00	11,317,676.86	2,522,364.12	8,795,312.74
Revolving materials (packaging, low-value consumables, etc.)	17,465,968.82	-	17,465,968.82	15,790,220.76	-	15,790,220.76
Total	60,237,638.35	3,978,228.71	56,259,409.64	64,306,806.76	5,624,612.59	58,682,194.17

(2) Provision for value reduction of inventories and provision for impairment of contract performance costs

		Increase in current year		Decrease in current year		
				Reversal or		
Item	Opening balance	Accrual	Others	carry-forward	Others	Closing balance
Raw materials	3,102,248.47	-	-	-	-	3,102,248.47
Goods in stock	2,522,364.12	342,411.73	-	1,988,795.61	-	875,980.24
Total	5,624,612.59	342,411.73	-	1,988,795.61	-	3,978,228.71

Note: The Group's inventories mainly consist of fuel oil for vehicles and vessels, spare parts and packaging materials used in the provision of transportation and logistics services, which have low unit prices and small aggregate amounts and are of no significance to the Group. At the end of the year, the Group does not make provisions for value reduction of inventories that are still in their normal useful life and are functioning normally; for inventories that have exceeded their useful life or have been destroyed, the Group makes provisions for value reduction of inventories on a lot-by-lot basis or by individual inventory items.

(3) The Group had no amount of borrowing costs capitalized in its inventory balance at year-end.

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

9. NON-CURRENT ASSETS DUE WITHIN ONE YEAR

Item	Closing balance	Opening balance
Debt investments due within one year	–	15,120,000.00
Total	–	15,120,000.00

(1) Debt investments due within one year

Item	Closing balance			Opening balance		
	Book balance	Credit loss provision	Book value	Book balance	Credit loss provision	Book value
Loans to associates and joint ventures	–	–	–	15,120,000.00	–	15,120,000.00
Total	–	–	–	15,120,000.00	–	15,120,000.00

- (2) The Group had no debt investments due within one year that were actually written off during the year.

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Notes to the Financial Statements

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

10. OTHER CURRENT ASSETS

Item	Closing balance	Opening balance
Input tax to be deducted and certified	322,821,726.49	338,502,984.73
Prepaid taxes	139,176,090.22	94,353,515.86
Others	3,739,850.11	13,451,969.09
Subtotal	465,737,666.82	446,308,469.68
Less: Impairment provision	—	—
Total	465,737,666.82	446,308,469.68

11. LONG-TERM EQUITY INVESTMENTS

(1) Classification of long-term equity investments

Item	Opening balance	Effects from changes in the scope of consolidation	Increase in investment	Decrease in investment	Other increases (Decrease denoted by "-")	Effects from translation in foreign currency statements	Closing balance
Investments in joint ventures	4,083,466,264.15	-176,916,673.96	251,947,864.00	54,455,031.18	-275,129,008.32	4,916,559.73	3,833,829,974.42
Investments in associates	5,066,722,332.72	—	93,474,845.85	1,850,781.61	250,253,381.72	10,371,034.47	5,418,970,813.15
Subtotal	9,150,188,596.87	-176,916,673.96	345,422,709.85	56,305,812.79	-24,875,626.60	15,287,594.20	9,252,800,787.57
Less: Impairment provision of long-term equity investments	12,723,253.02	—	—	—	—	190,343.48	12,913,596.50
Total	9,137,465,343.85	-176,916,673.96	345,422,709.85	56,305,812.79	-24,875,626.60	15,097,250.72	9,239,887,191.07

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

11. LONG-TERM EQUITY INVESTMENTS (Continued)

(2) Details of long-term equity investments

Investee	Changes in the current year										Closing balance	Closing balance of impairment provision	
	Investment costs	Opening balance	Opening balance of impairment provision	Effects from changes in the scope of consolidation	Increase in investment	Decrease in investment	Investment profit or loss under equity method	Other comprehensive income adjustments	Other changes in equity	Cash dividends and profits declared			Impairment provision
Joint ventures													
DHL SinoTrans International Air Courier Ltd.	1,959,579,883.84	4,083,466,264.15	4,020,273.14	-176,916,673.96	251,947,864.00	54,455,031.18	1,461,570,047.10	-41,564,753.15	880,284.33	1,686,014,531.60	-	-4,916,553.73	-
Dongguan Port Container Terminals Co., Ltd.	681,144,535.07	1,873,711,260.04	-	-	-	-	1,363,136,532.88	-	-	1,563,377,032.60	-	-	-
New Land Bridge (Lianyungang) Terminal Co., Ltd.	376,633,333.00	335,387,969.80	-	-	-	-	-1,070,916.15	-	-	-	-	-	-
Peijiang Airport International Logistics Supply Chain Co., Ltd.	132,585,575.46	219,535,510.78	-	-	-	-	141,356,665.22	-	-	15,723,699.78	-	2,816,167.36	-
SinoTrans Saers Logistics Co., Ltd.	147,000,000.00	-	-	-	147,000,000.00	-	5,699.82	-	-	-	-	-	-
Nieshi SinoTrans International Logistics Co., Ltd.	82,570,000.00	126,199,277.16	-	-	-	-	12,534,974.72	-	-	-	-	-	-
SinoTrans Suzhou Logistics Center Co., Ltd.	55,518,361.25	123,460,592.33	-	-	-	-	13,747,372.76	-	807,985.15	7,500,000.00	-	-	-
Chengdu Bonoda Logistics Investment Co., Ltd.	97,898,300.00	106,777,551.20	-	-	-	-	4,237,097.82	-	-	459,000.00	-	-	-
TP Ease Energy Co., Ltd.	95,000,000.00	129,400,913.16	-	-	-	-	3,062,549.49	-	-	271,450,000.00	-	-	-
Shenyang Jinyun Automobile Logistics Co., Ltd.	100,000,000.00	50,000,000.00	-	-	50,000,000.00	-	-917,522.11	-	-	-	-	-	-
Ningbo Dagang Container Co., Ltd.	100,000,000.00	87,810,900.83	-	-	-	-	-1,831,030.07	-	-	-	-	-	-
Qingdao Port Dongjiaokou SinoTrans Logistics Co., Ltd.	49,855,251.00	60,672,640.81	-	-	-	-	5,810,079.72	-	-	5,235,624.05	-	-	-
Jiangsu SinoTrans Xiangjia Supply Chain Management Co., Ltd.	51,000,000.00	54,228,109.66	-	-	-	-	386,151.61	-	-	-	-	-	-
SinoTrans PFS Cold Chain Logistics Co., Ltd.	49,000,000.00	49,221,163.71	-	-	-	-	-266,061.95	-	-	-	-	-	-
Shanghai Wan-Hong Yishida International Logistics Co., Ltd.	90,000,000.00	49,085,150.06	-	-	-	-	-4,403,342.64	-	-	-	-	-	-
	56,288,343.25	45,535,981.06	-	-	-	-	-1,193,140.31	-	-	-	-	-	-

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

11. LONG-TERM EQUITY INVESTMENTS (Continued)

(2) Details of long-term equity investments (Continued)

Investee	Investment costs	Opening balance	Opening balance of impairment provision	Effects from changes in the scope of consolidation	Increase in investment	Decrease in investment	Investment profit or loss under equity method	Changes in the current year				Effects from transition in foreign currency statements	Closing balance	Closing balance of impairment provision
								Other comprehensive income adjustments	Other changes in equity	Cash dividends and profits declared	Impairment provision			
SIPG Sinotrans Container Depot Co., Ltd.	30,000,000.00	46,656,626.17	-	-	-	-	1,295,386.42	-	-	3,202,711.89	-	-	44,151,700.70	-
Jiangsu Sinotrans Live Port Heavy Logistics Development Co., Ltd.	40,000,000.00	40,653,432.52	-	-	-	-	1,663,137.74	-	-	-	-	-	42,316,570.26	-
Ningbo Taiping International Trade Transportation Co., Ltd.	17,372,235.90	39,119,277.88	-	-	-	-	1,713,715.34	-	-	-	-	-	40,832,993.22	-
Sinotrans Aramex (Shanghai) International Aviation Express Delivery Co., Ltd.	19,911,240.00	36,421,674.88	-	-	-	-	2,705,886.94	-	-	8,215,935.83	-	-	30,911,645.99	-
MAXX LOGISTICS FZCO	31,170,070.04	30,982,348.82	-	-	-	-	3,989,207.96	-8,044,593.36	-	-	-	691,595.97	27,617,559.39	-
Foshan Sanshu Yingshang Freight Terminal Co., Ltd.	30,055,864.00	-	-	-	30,055,864.00	-	-2,880,527.96	-	-	-	-	-	27,175,336.04	-
Dalian Riting Express Logistics Co., Ltd.	16,419,824.68	25,831,208.63	-	-	-	-	-	-	-	-	-	-	25,831,208.63	-
Sinotrans Senko International Cold Chain Logistics (Shanghai) Co., Ltd.	32,500,000.00	26,708,060.57	-	-	-	-	-2,552,627.53	-	-	-	-	-	24,155,433.04	-
Ningbo Dagong New Century Container Co., Ltd.	19,915,780.28	24,110,411.80	-	-	-	-	1,855,918.28	-	-	2,367,516.07	-	-	23,598,714.11	-
Wuhai Comprehensive Bonded Zone Hongqin Supply Chain Management Co., Ltd.	14,700,000.00	20,379,903.35	-	-	-	-	294,000.00	-	-	-	-	-	20,673,903.35	-
Jiangsu Nanjing Sinotrans Supply Chain Management Co., Ltd.	19,600,000.00	5,244,124.62	-	-	14,700,000.00	-	660,033.18	-	-	-	-	-	20,394,177.80	-
Sinotrans High-Tech Logistics (Suzhou) Co., Ltd.	-	183,700,977.61	-	-191,086,654.76	-	-	6,230,566.59	-	62,552.08	-	-	1,892,553.48	-	-
Nippon Express (Shanghai) Co., Ltd.	-	92,246,732.68	-	-	-	51,326,174.97	1,736,751.59	-	-	42,659,209.30	-	-	-	-
Others	135,559,009.91	200,975,069.02	4,020,273.14	14,160,980.80	10,192,000.00	3,128,856.21	15,490,399.14	-33,520,164.79	9,747.10	18,088,572.08	-	326,336.92	188,445,939.90	4,020,273.14

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

11. LONG-TERM EQUITY INVESTMENTS (Continued)

(2) Details of long-term equity investments (Continued)

Investee	Investment costs	Opening balance	Opening balance of impairment provision	Effects from changes in the scope of consolidation	Increase in investment	Decrease in investment	Investment profit or loss under equity method	Changes in the current year				Effects from transition in foreign currency statements	Closing balance	Closing balance of impairment provision
								Other comprehensive income adjustments	Other changes in equity	Cash dividends and profits declared	Impairment provision			
Associates														
Lescam International Holdings Co., Ltd.	3,906,051,632.70	5,066,722,332.72	8,702,979.88	-	93,474,945.55	1,850,761.61	417,276,767.31	-85,104,811.15	1,461,880.88	73,400,455.32	-	10,371,034.47	5,418,970,815.15	8,893,323.36
Sherchen Haxing Harbor Development Co., Ltd.	2,012,021,379.89	2,730,901,517.88	-	-	-	-	203,686,778.92	-93,767,197.90	-	-	-	-	2,860,031,098.90	-
Jiangsu Jiangyin Port Group Co., Ltd.	442,338,842.42	400,583,017.96	-	-	-	-	53,963,760.07	-	-	-	-	-	454,546,778.03	-
China Merchants Haihan Development Investment Co., Ltd.	59,319,000.00	397,460,882.44	-	-	-	-	72,541,035.22	205,969.30	433,731.62	21,937,500.00	-	-	448,725,116.58	-
Wenhai Waidong Shipping Co., Ltd.	351,328,381.51	417,305,476.65	-	-	-	-	13,190,220.79	-	-	-	-	7,572,615.63	438,368,315.07	-
Wuhan Port Container Co., Ltd.	206,722,802.90	295,733,937.40	-	-	-	-	60,629,630.71	4,455,417.45	-	26,164,440.00	-	-	334,654,605.56	-
Shanghai Pujun Storage Co., Ltd.	129,465,960.38	188,505,556.82	-	-	-	-	8,406,651.08	-	509,298.27	6,112,000.00	-	2,734,662.48	194,046,370.65	-
Ningbo Chuanshan International Logistics Co., Ltd.	781,773,640.00	80,502,786.41	-	-	-	-	1,792,247.28	-	-	-	-	-	82,302,033.69	-
Zhejiang Seaport Operating Port Co., Ltd.	80,000,000.00	8,075,349.80	-	-	-	-	6,717.02	-	-	-	-	-	80,082,066.82	-
Shenzhen Green Natural (Guangdong) International Supply Chain Co., Ltd.	56,100,000.00	58,282,702.92	-	-	-	-	131,534.39	-	-	-	-	-	58,494,237.31	-
Qingzhu Logistics Technology Co., Ltd.	40,180,000.00	24,800,000.00	-	-	15,380,000.00	-	-104,199.24	-	-	-	-	-	40,075,800.76	-
China Merchants Sinosars (Shenzhen) Industrial Innovation Private Equity Investment Fund Partnership (Limited Partnership)	49,000,000.00	43,321,507.13	-	-	-	-	-6,786,866.43	-	879,932.65	-	-	-	37,414,633.55	-
	56,496,379.67	7,016,855.38	-	-	42,300,000.00	-	-3,062,566.15	-	-	9,696,770.00	-	-	36,157,620.23	-

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

11. LONG-TERM EQUITY INVESTMENTS (Continued)

(2) Details of long-term equity investments (Continued)

Investee	Investment costs	Opening balance	Opening balance of impairment provision	Effects from changes in the scope of consolidation	Increase in investment	Decrease in investment	Investment profit or loss under equity method	Changes in the current year				Effects from transition in foreign currency statements	Closing balance	Closing balance of impairment provision
								Other comprehensive income adjustments	Other changes in equity	Cash dividends and profits declared	Impairment provision			
Ma'anshan Tianshun Port Co., Ltd.	21,000,000.00	31,721,316.55	-	-	-	-	1,217,730.02	-	-	-	-	-	32,939,046.57	-
Shanghai Bulk Commodity Warehouse Receipt Registration Co., Ltd.	30,000,000.00	30,000,426.25	-	-	-	-	-401,756.32	-	-	-	-	-	29,598,669.93	-
Shandong Port&Shipping Sinotrans Supply Chain Development Co., Ltd.	24,500,000.00	19,459,911.47	-	-	6,500,000.00	-	2,110,533.44	-	-	1,020,728.25	-	-	27,049,766.65	-
Shenyang Fuyun Cold Chain Logistics Co., Ltd.	20,000,000.00	20,886,365.17	-	-	-	-	1,005,473.30	-	-	1,279,400.21	-	-	20,612,468.66	-
Eurasian Rail Gateway Closed Joint-Stock Company	19,030,078.81	18,377,198.60	-	-	-	-	122,438.49	-	1,134,425.56	-	-	443,000.87	20,077,153.52	-
Others	230,294,667.12	201,687,191.89	8,702,979.88	-	29,094,845.65	1,850,761.61	3,608,233.12	-	-1,475,557.42	7,169,626.86	-	-679,334.51	223,195,039.46	8,883,323.36
Total	5,865,651,526.54	9,150,168,596.87	12,723,253.02	-176,916,673.96	345,422,709.65	56,305,812.79	1,879,846,814.41	-136,669,569.30	2,362,175.21	1,769,415,046.92	-	15,287,594.20	9,252,800,767.57	12,919,596.50

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

11. LONG-TERM EQUITY INVESTMENTS (Continued)

(3) The changes in the impairment provision of long-term equity investments are as follows:

Item	Opening balance	Effects from changes in the scope of consolidation	Increase in current year	Decrease in current year Decrease	Reasons for decreases	Effects from translation in foreign currency statements	Closing balance
Beijing China Merchants Science City Real Estate Development Co., Ltd.	5,831,525.70	-	-	-	-	127,541.70	5,959,067.40
Sinotrans Hongfeng (Shanghai) International Logistics Co., Ltd.	4,020,273.14	-	-	-	-	-	4,020,273.14
Beijing Sima Ling Clothing Co., Ltd.	1,484,388.36	-	-	-	-	32,465.16	1,516,853.52
Beijing Shungang Clothing Accessories Co., Ltd.	1,387,065.82	-	-	-	-	30,336.62	1,417,402.44
Total	12,723,253.02	-	-	-	-	190,343.48	12,913,596.50

Note: As of 31 December 2024, the Group reviewed the operating conditions, asset status, and industry operating environment of its major joint ventures and associates, and found no obvious signs of impairment. Therefore, no impairment provision was made for long-term equity investments this year.

(4) Material joint ventures or associates

Name of investees	Main business location	Place of registration	Nature of business	Registered capital	Shareholding ratio (%)		Voting ratio (%)	Accounting treatment for investments in joint ventures or associates
					Direct	Indirect		
Joint ventures	—	—	—	—	—	—	—	—
DHL-Sinotrans International Air Courier Ltd.	China	Beijing	Air-freight courier	USD 14.50 million	50.00	-	50.00	Equity method
Associates	—	—	—	—	—	—	—	—
Loscam International Holdings Co., Ltd.	Asia Pacific	The British Virgin Islands	Logistics equipment leasing	USD 101	45.00	-	45.00	Equity method

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

11. LONG-TERM EQUITY INVESTMENTS (Continued)

(5) Main financial information of material joint ventures

Item	Closing balance/ Current year amount DHL-Sinotrans International Air Courier Ltd.	Opening balance/ Prior year amount DHL-Sinotrans International Air Courier Ltd.
Current assets	5,302,267,271.61	6,067,272,801.90
Including: Cash and cash equivalents	3,094,523,323.30	3,355,334,327.27
Non-current assets	1,463,344,514.64	1,247,821,136.10
Total assets	6,765,611,786.25	7,315,093,938.00
Current liabilities	2,777,886,978.60	3,202,230,269.04
Non-current liabilities	600,783,287.62	365,441,148.88
Total liabilities	3,378,670,266.22	3,567,671,417.92
Net assets	3,386,941,520.03	3,747,422,520.08
Non-controlling interests	—	—
Net assets attributable to owners of the parent company	3,386,941,520.03	3,747,422,520.08
Share of net assets calculated at the shareholding ratio	1,693,470,760.02	1,873,711,260.04
Adjustments	—	—
– Goodwill	—	—
– Unrealised profits on internal transactions	—	—
– Others	—	—
Book value of equity investments in joint ventures	1,693,470,760.02	1,873,711,260.04
Fair value of equity investments with open market price	—	—
Operating income	21,044,658,061.73	23,031,228,150.21
Finance costs	8,682,387.04	-41,829,157.42
Income tax expenses	934,629,867.11	1,047,460,451.73
Net profit	2,770,273,105.15	3,501,433,970.82
Net profits attributable to owners of the parent company	2,770,273,105.15	3,501,433,970.82
Net profit from discontinued operations	—	—
Other comprehensive income	—	—
Total comprehensive income	2,770,273,105.15	3,501,433,970.82
Dividends from joint ventures for the year	1,565,377,052.60	1,896,126,019.17

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

11. LONG-TERM EQUITY INVESTMENTS (Continued)

(6) Main financial information of material associates

Item	Closing balance/ Current year amount Loscam International Holdings Co., Ltd.	Opening balance/ Prior year amount Loscam International Holdings Co., Ltd.
Current assets	2,394,700,338.73	1,862,557,178.71
Including: Cash and cash equivalents	1,691,259,639.68	1,144,851,082.55
Non-current assets	7,006,975,336.32	7,131,693,867.51
Total assets	9,401,675,675.05	8,994,251,046.22
Current liabilities	742,653,049.70	3,117,310,364.93
Non-current liabilities	2,991,872,620.29	845,178,440.48
Total liabilities	3,734,525,669.99	3,962,488,805.41
Net assets	5,667,150,005.06	5,031,762,240.81
Non-controlling interests	779,522,862.83	386,645,278.63
Net assets attributable to owners of the parent company	4,887,627,142.23	4,645,116,962.18
Share of net assets calculated at the shareholding ratio	2,199,432,214.00	2,090,302,632.98
Adjustments	660,598,884.90	660,598,884.90
– Goodwill	–	–
– Unrealised profits on internal transactions	–	–
– Others	660,598,884.90	660,598,884.90
Book value of equity investments in associates	2,860,031,098.90	2,750,901,517.88
Fair value of equity investments with open market price	–	–
Operating income	2,454,924,644.57	2,338,338,781.49
Finance costs	132,682,700.14	141,268,685.74
Income tax expenses	183,255,156.23	229,371,630.49
Net profit	465,893,966.28	458,718,071.11
Net profits attributable to owners of the parent company	464,215,064.27	457,564,802.11
Net profit from discontinued operations	–	–
Other comprehensive income	-221,704,884.22	359,051,309.40
Total comprehensive income	244,189,082.06	817,769,380.51
Dividends from associates for the year	–	94,500,000.00

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

11. LONG-TERM EQUITY INVESTMENTS (Continued)

(7) Summary information of other immaterial joint ventures and associates

Item	Closing balance/ Current year amount	Opening balance/ Prior year amount
Joint ventures:	—	—
Total book value of investments	2,136,338,941.26	2,205,734,730.97
Total amount of the following items calculated at the shareholding ratio	—	—
Net profit	76,433,494.52	114,859,272.26
Other comprehensive income	-41,564,758.15	—
Total comprehensive income	34,868,736.37	114,859,272.26
Associates:	—	—
Total book value of investments	2,550,046,390.89	2,307,117,834.96
Total amount of the following items calculated at the shareholding ratio	—	—
Net profit	208,379,988.39	198,748,062.22
Other comprehensive income	4,662,386.75	3,671,653.69
Total comprehensive income	213,042,375.14	202,419,715.91

- (8) As at 31 December 2024, the Group did not have any joint ventures or associates with significant restrictions on their ability to transfer funds to the Group.
- (9) The Group had no significant excess losses incurred in its joint ventures or associates during the year.
- (10) As at 31 December 2024, except for unpaid subscribed capital contributions to joint ventures (see Note XIII. for details), the Group had no unrecognised commitments to provide funds or resources to joint ventures, or to purchase shares of interests in joint ventures.
- (11) As at 31 December 2024, details of the Group's guarantees for joint ventures and associates are disclosed in Note X. 4. (6).

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

12. OTHER EQUITY INSTRUMENT INVESTMENTS

Changes in the current year													
Item	Opening balance	Increase in investment	Decrease in investment	Gains included	Losses included	Others	Closing balance	Dividend income recognized during the year	Accumulated gains included in other comprehensive income	Accumulated losses included in other comprehensive income	Transfer	Reasons	Reasons for designation as at fair value through other comprehensive income
				in other comprehensive income for the year	in other comprehensive income for the year						of other comprehensive income to retained earnings	for transfer of other comprehensive income to retained earnings	
CSC Cargo Co., Ltd.	394,050,500.00	-	-	-	-	-	394,050,500.00	-	-	-	-	-	Held for strategic purposes
Air China Limited	21,172,941.98	-	-	1,644,220.29	-	-	22,817,162.27	-	14,740,290.67	-	-	-	Held for strategic purposes
Total	415,223,441.98	-	-	1,644,220.29	-	-	416,867,662.27	-	14,740,290.67	-	-	-	—

Note: Gains and losses included in other comprehensive income do not include deferred income tax effects.

13. OTHER NON-CURRENT FINANCIAL ASSETS

Item	Closing balance	Opening balance
Financial assets classified as measured at fair value through profit or loss	—	—
Including: Equity instrument investments	1,215,266,140.98	976,841,095.30
Total	1,215,266,140.98	976,841,095.30

Note: The Group used valuation techniques to determine the fair value of unlisted equity investments held by the Group. Details of the valuation methods adopted and the main parameters are described in Note XI. 3. (4).

As at 31 December 2024, other non-current financial assets mainly include: the investment in China Southern Airlines Logistics Co., Ltd. (hereinafter referred to as “China Southern Airlines Logistics”) of RMB797,374,579.60; the investment in Nanjing Port Longtan Container Co., Ltd of RMB135,545,804.83; the investment in JD Logistics, Inc. (hereinafter referred to as “JD Logistics”) of RMB118,533,120; the investment in Ouyeel Cloud Commerce Co., Ltd. (hereinafter referred to as “Ouyeel Cloud Commerce”) of RMB116,671,663.62; the investment in SINO-BLR Industrial Investment Fund, L.P. of RMB40,687,688.01.

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

14. INVESTMENT PROPERTIES

(1) Investment properties using the cost measurement model

Item	Buildings	Land use rights	Total
I. Original value			
Opening balance	3,210,109,209.98	299,051,927.92	3,509,161,137.90
Effects from changes in the scope of consolidation	—	—	—
Acquisition for the year	487,445.30	—	487,445.30
Conversion of fixed assets to investment properties	30,340,422.04	—	30,340,422.04
Disposal for the year	—	632,524.97	632,524.97
Transfer from investment properties to fixed assets	64,841,805.41	—	64,841,805.41
Other transfers out	—	4,889,748.38	4,889,748.38
Effects from translation in foreign currency statements	49,731,004.76	—	49,731,004.76
Closing balance	3,225,826,276.67	293,529,654.57	3,519,355,931.24
II. Accumulated depreciation and accumulated amortisation			
Opening balance	563,119,664.11	57,226,775.09	620,346,439.20
Effects from changes in the scope of consolidation	—	—	—
Accrual in current year	109,855,762.01	12,433,603.31	122,289,365.32
Conversion of fixed assets to investment properties	3,817,007.85	—	3,817,007.85
Disposal for the year	—	274,675.97	274,675.97
Transfer from investment properties to fixed assets	31,823,283.64	—	31,823,283.64
Other transfers out	—	1,058,471.34	1,058,471.34
Effects from translation in foreign currency statements	9,629,854.09	—	9,629,854.09
Closing balance	654,599,004.42	68,327,231.09	722,926,235.51
III. Impairment provision			
Opening balance	3,161,632.12	—	3,161,632.12
Effects from translation in foreign currency statements	36,005.19	—	36,005.19
Closing balance	3,197,637.31	—	3,197,637.31
IV. Net amount			
Opening balance	2,643,827,913.75	241,825,152.83	2,885,653,066.58
Closing balance	2,568,029,634.94	225,202,423.48	2,793,232,058.42

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

14. INVESTMENT PROPERTIES (Continued)

(2) Investment properties without the title certificate

Item	Book value	Reason for not obtaining the title certificate	Estimated completion date for title certificate
Sichuan Observation Tower Film and Culture Plaza (Block C, Building 339, Chengdu) 10th Floor, Building 3	22,082,379.40	Processing cannot be carried out at this time due to incomplete developer documentation	—
Office building of Sinotrans (Changchun) Logistics Ltd.	3,822,280.14	Conditions for processing have not been met	Processing after the completion of the entire Phase III project
Houses of Sinotrans Logistics on Munan Road No. 98	554,406.83	In progress	Expected to be completed in December 2025
Total	26,459,066.37	—	—

- (3) The Group's investment properties are mainly rented warehouses, yards and other logistics facilities. As at 31 December 2024, the Group had evaluated the leases, rental levels, and surrounding market prices involved in its major leased logistics facilities and found no obvious signs of impairment. Therefore, no provision for impairment of investment properties was made during the year.

15. FIXED ASSETS

Item	Closing balance	Opening balance
Fixed assets	15,492,823,606.26	14,757,349,981.11
Disposal of fixed assets	1,273.61	143,692.99
Total	15,492,824,879.87	14,757,493,674.10

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

15. FIXED ASSETS (Continued)

(1) FIXED ASSETS

1) Details of fixed assets classification

Item	Buildings	Port and terminal facilities	Motor vehicles and vessels	Machinery, equipment, furniture, appliances and other equipment	Total
I. Original value					
Opening balance	14,839,529,891.09	1,929,071,048.80	2,010,482,465.77	6,878,728,581.87	25,657,811,987.53
Effects from changes in the scope of consolidation (Note)	236,257,899.28	31,772,133.23	184,420.76	16,757,568.98	284,972,022.25
Acquisition for the year	56,066,292.63	5,714,472.14	157,371,299.20	340,139,460.71	559,291,524.68
Transfer from construction in progress for the year	997,648,717.67	2,736,678.26	-	120,600,294.90	1,120,985,690.83
Transfer from investment properties for the year	64,841,805.41	-	-	-	64,841,805.41
Other increases	134,501.53	-	-	-	134,501.53
Disposals, obsolescence for the year	17,314,368.07	-	143,953,706.15	214,323,177.89	375,591,252.11
Reclassification	-162,646.79	-748,210.01	648,633.30	262,223.50	-
Transfer to investment properties for the year	30,340,422.04	-	-	-	30,340,422.04
Effects from translation in foreign currency statements	9,630,089.02	1,151.35	-7,770,981.36	15,955,765.82	17,816,024.83
Closing balance	16,156,291,759.73	1,968,547,273.77	2,016,962,131.52	7,158,120,717.89	27,299,921,882.91
II. Accumulated depreciation					
Opening balance	4,930,898,216.63	660,422,093.43	1,214,907,936.69	3,740,448,972.38	10,546,677,219.13
Effects from changes in the scope of consolidation	-	-	-	-	-
Accrual in current year	566,004,714.68	42,655,367.28	148,948,527.90	424,880,872.73	1,182,489,482.59
Transfer from investment properties for the year	31,823,283.64	-	-	-	31,823,283.64
Increase in current year	87,452.72	-	-	-	87,452.72
Disposals, obsolescence for the year	13,017,825.13	-	108,432,761.16	187,846,777.06	309,297,363.35
Reclassification	11,244.80	-97,005.96	-19,842.11	105,603.27	-
Transfer to investment properties for the year	3,817,007.85	-	-	-	3,817,007.85
Effects from translation in foreign currency statements	2,351,376.64	503.63	-5,800,161.02	7,739,403.93	4,291,123.18
Closing balance	5,514,341,456.13	702,980,958.38	1,249,603,700.30	3,985,328,075.25	11,452,254,190.06

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

IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

15. FIXED ASSETS (Continued)

(1) FIXED ASSETS (Continued)

1) Details of fixed assets classification (Continued)

Item	Buildings	Port and terminal facilities	Motor vehicles and vessels	Machinery, equipment, furniture, appliances and other equipment	Total
III. Impairment provision	—	—	—	—	—
Opening balance	241,728,921.73	—	111,815,613.96	240,251.60	353,784,787.29
Accrual in current year	—	—	—	—	—
Carry forward in current year	—	—	864,347.41	—	864,347.41
Effects from translation in foreign currency statements	1,923,646.71	—	—	—	1,923,646.71
Closing balance	243,652,568.44	—	110,951,266.55	240,251.60	354,844,086.59
IV. Net amount	—	—	—	—	—
Opening balance	9,666,902,752.73	1,268,648,955.37	683,758,915.12	3,138,039,357.89	14,757,349,981.11
Closing balance	10,398,297,735.16	1,265,566,315.39	656,407,164.67	3,172,552,391.04	15,492,823,606.26
Including: Net mortgaged assets at the end of the year	390,463,831.52	624,428.19	—	87,286,325.17	478,374,584.88

Note: The effect of the change in the scope of consolidation was caused by business combinations not under common control of High-Tech Logistics Company and Etenal WHARF Godown Company in the current year, as described in Note VIII.3.

2) Fixed assets fully depreciated at the end of the year but still in use, temporarily idle fixed assets at the end of the year, and the disposal and scrap of fixed assets for the year

Item	Amount	Remark
1. Original value of fixed assets fully depreciated at the end of the year but still in use	3,041,598,195.21	—
2. Original value of temporarily idle fixed assets at the end of the year	69,413,441.72	—
3. Disposal and scrap of fixed assets for the year	—	—
(1) Original value of disposal and scrap of fixed assets for the year	375,591,252.11	—
(2) Net value of disposal and scrap of fixed assets for the year	65,429,541.35	—
(3) Gains and losses from disposal and scrap of fixed assets for the year	40,474,575.96	—

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

IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

15. FIXED ASSETS (Continued)

(1) FIXED ASSETS (Continued)

3) Temporary idle fixed assets

Item	Original book value	Accumulated depreciation	Impairment provision	Book value	Remark
Buildings	8,575,329.78	7,252,883.44	—	1,322,446.34	—
Motor vehicles and vessels	59,459,409.63	36,415,833.13	11,512,899.15	11,530,677.35	—
Machinery, equipment, furniture, appliances and other equipment	1,378,702.31	1,293,757.95	—	84,944.36	—
Total	69,413,441.72	44,962,474.52	11,512,899.15	12,938,068.05	—

4) Fixed assets rented through operating lease

Item	Book value
Motor vehicles and vessels	2,190,622.21
Machinery, equipment, furniture, appliances and other equipment	752,401,052.30
Total	754,591,674.51

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

15. FIXED ASSETS (Continued)

(1) FIXED ASSETS (Continued)

5) Fixed assets without the title certificate

Item	Closing book value	Opening book value	Remark
Jiaxing Haiyan Logistics Centre Project	347,168,938.47	—	Final settlement procedures have not yet been completed
Taicang Port Bonded Area Integrated Logistics Park Project	266,286,454.83	—	Final settlement procedures have not yet been completed
Warehouse of China Merchants Logistics Group Guangxi Co., Ltd.	197,376,735.32	204,738,913.29	In progress
Wuhu Sanshan Port Sinotrans Wharf Project Phase I	133,902,861.70	138,302,779.20	In progress
Harbin Distribution Center Phase II	70,949,167.67	74,434,080.03	In progress
Northeast Regional Logistics Center Warehouse	70,136,575.96	74,584,103.89	Temporary suspension of demolition
Caidian Logistics Base	43,451,306.12	47,384,948.99	In progress
Office building 1, Tianzhu Airport Logistics Park	34,417,035.77	38,637,726.31	In progress
Office building of Sinotrans (Zhengzhou) Airport Logistics Co., Ltd.	33,041,270.33	34,667,114.38	In progress
Changchun Distribution Center Warehouse No. 1	30,901,168.47	32,213,527.08	In progress
Rongcheng 7-11 warehouse and office building	28,955,917.30	30,844,288.55	In progress
Changchun Distribution Center Warehouse No. 7	28,344,829.42	29,543,904.95	In progress
Pudong International Airport Storage Project	26,913,239.31	31,485,415.23	In progress
Changchun Distribution Center Warehouse No. 3	26,276,488.09	27,343,448.40	In progress
Changchun Distribution Center Warehouse No. 5	23,010,223.37	23,972,137.19	In progress
Office building of Sinotrans (Changchun) Logistics Ltd.	22,265,451.84	23,390,254.65	Conditions for processing have not been met and will be processed after the completion of the entire Phase III project
11th Floor Project, Block C, Building 339, Chengdu	21,748,271.01	23,005,937.49	Processing cannot be carried out at this time due to incomplete developer documentation
China Merchants Logistics Group Changchun Warehouse Package 1	21,521,605.60	22,360,579.36	In progress
Sinotrans (Zhengzhou) Airport Logistics Co., Ltd. Warehouse No. 1	20,128,281.83	20,991,571.56	In progress
Sinotrans (Changchun) Logistics Co., Ltd. Warehouse No. 1	19,345,548.58	20,130,087.94	Conditions for processing have not been met and will be processed after the completion of the entire Phase III project
Wuhu Sanshan Port Warehouse	17,507,479.91	18,306,658.39	In progress
Sinotrans (Changchun) Logistics Co., Ltd. Warehouse No. 3	14,902,055.78	15,512,427.06	Conditions for processing have not been met and will be processed after the completion of the entire Phase III project

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

15. FIXED ASSETS (Continued)

(1) FIXED ASSETS (Continued)

5) Fixed assets without the title certificate (Continued)

Item	Closing book value	Opening book value	Remark
Wuhu Sanshan Port Joint Inspection Building and Dormitory Building	14,230,633.13	15,097,937.14	In progress
Warehouse 2 of Tianzhu Logistics Park	13,765,798.40	15,601,190.49	In progress
Sinotrans (Changchun) Logistics Co., Ltd. Warehouse No. 2	12,503,129.91	12,840,135.44	Conditions for processing have not been met and will be processed after the completion of the entire Phase III project
Nanjing Sinotrans International Logistics Co., Ltd. Warehouse 02	11,899,828.86	12,783,831.54	Temporary suspension of demolition
Nanjing Sinotrans International Logistics Co., Ltd. Warehouse 01	11,732,737.83	12,605,413.95	Temporary suspension of demolition
Sinotrans (Zhengzhou) Airport Logistics Co., Ltd. Warehouse No. 2	11,384,795.28	11,847,416.78	In progress
Sinotrans (Zhengzhou) Airport Logistics Co., Ltd. Warehouse No. 3	10,552,598.34	10,981,403.49	In progress
Nanjing Sinotrans International Logistics Co., Ltd. Warehouse No. 4	9,877,979.63	10,791,272.15	Temporary suspension of demolition
Warehouse 1 of Tianzhu Logistics Park	9,340,805.33	10,377,459.66	In progress
Nanjing Sinotrans International Logistics Co., Ltd. Warehouse No. 3	8,335,595.96	9,106,283.64	Temporary suspension of demolition
Wuhu Sanshan Port Waiting Building	6,330,814.63	6,722,752.23	In progress
China Merchants Logistics Group Changchun Phase I Complex	6,197,593.55	6,454,104.47	In progress
Others	32,744,798.61	38,088,006.46	—
Total	1,657,448,016.14	1,105,147,111.38	—

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

15. FIXED ASSETS (Continued)

(1) FIXED ASSETS (Continued)

6) Impairment testing of fixed assets

The Group's fixed assets mainly consist of self-owned warehouses, yards, parks, terminals and other logistics infrastructures as well as ancillary equipment. These assets, which normally do not generate cash inflows individually, are included in asset groups comprising the long-term assets of the operating entities to which they belong. As at 31 December 2024, the Group reviewed the operations of the major operating entities involved in the above logistics facilities, and some of the logistics facilities showed indications of possible impairment (or further impairment) due to fluctuations and declines in the performance of the operating entities to which they belonged. The Group assessed the recoverable amounts of the asset groups involved in the aforementioned logistics facilities with possible indications of impairment (or further impairment). The assessment was mainly based on market values and assumptions used by market participants in pricing such assets, with key parameters including rental levels, vacancy rates (or utilization rates), rental growth rates, discount rates, etc.

The impairment testing process for a significant group of assets for which there is an indication of impairment (or further impairment) and for which the recoverable amount is determined as the net of fair value less costs of disposal is as follows:

Name of asset group	Book value (RMB 10,000)	Recoverable amount (RMB 10,000)	Impairment amount (RMB 10,000)	Determination of fair value and cost of disposal	Key parameters	Basis for determining key parameters
Warehouse, land, etc. of China Merchants Logistics Group Qingdao Co., Ltd.	19,644.59	19,731.76	-	Fair value is determined using valuation techniques (income approach); disposal costs are determined by taxes and fees incurred in the disposal process	Rent: RMB 25/㎡/month (tax included); Rental growth rate: 2%; Vacancy rate: 12%; Discount rate: 5.50%	Rent is determined on a highest and best utilization basis by reference to rent rates of market surveys for similar properties in the area; Rental growth rates are determined based on market surveys, which should be no more than CPI;
Warehouse, land, etc. of Sinotrans Logistics Supply Chain Management Harbin Co., Ltd.	14,202.37	14,624.81	-	Fair value is determined using valuation techniques (income approach); disposal costs are determined by taxes and fees incurred in the disposal process	Rent: RMB 19/㎡/month (tax included); Rental growth rate: 2%; Vacancy rate: 10%; Discount rate: 5.50%	Vacancy rate is determined on the highest and best utilization basis by considering regional market survey data and market statistics; Discount rate is determined by the cumulative method using the risk-free interest rate plus the risk adjustment method, with the risk-free interest rate selected from the annual interest rates of one-year time deposits, and the risk adjustment value is determined based on the property and its location, industry, market and other risk factors.

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

15. FIXED ASSETS (Continued)

(1) FIXED ASSETS (Continued)

6) Impairment testing of fixed assets (Continued)

Name of asset group	Book value (RMB 10,000)	Recoverable amount (RMB 10,000)	Impairment amount (RMB 10,000)	Determination of fair value and cost of disposal	Key parameters	Basis for determining key parameters
Warehouse, office building, land, etc. of Sinotrans (Changchun) Logistics Ltd.	17,447.37	17,979.42	-	Fair value is determined using valuation techniques (income approach); disposal costs are determined by taxes and fees incurred in the disposal process	Rent: RMB 0.65-0.67/m ² /day (tax included); Rental growth rate: 3%; Vacancy rate: 25%; Discount rate: 6%	Rents are determined based on actual lease agreements and market rental levels within the region; Rental growth rates are determined based on the CPI; Vacancy rates are determined based on the actual vacancy rate, the surrounding market conditions and the assessed entity's operating conditions; The discount rate is calculated in accordance with relevant provisions of real estate appraisal standards and immovable property valuation guidelines, using the risk-free rate plus risk adjustment method. The risk-free rate is the ten-year treasury bond yield on the valuation benchmark date, and risk-adjusted values are determined based on factors such as the current and projected economic conditions of the region where the subject of valuation is located, the intended use of the subject of valuation, and the degree of newness of the subject of valuation.

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

15. FIXED ASSETS (Continued)

(1) FIXED ASSETS (Continued)

6) Impairment testing of fixed assets (Continued)

The impairment testing process for a significant group of assets for which there is an indication of impairment (or further impairment) and for which the recoverable amount is determined as the present value of the expected future cash flows is as follows:

Name of asset group	Book value	Recoverable amount	Impairment amount	Years of the projection period	Key parameters for the projection period	Basis for determining key parameters for the projection period	Key parameters for the stabilization period	Basis for determining key parameters for the stabilization period
Exhibition hall, land, etc. of the Minsk Exhibition and Trading Center Project of JSC China Merchants CHN-BLR Commerce and Logistics Company	BYN 46.3429 millions	BYN 47.5715 millions	-	10 years	Booth rent: indoor: BYN 95/m ² /month (tax included), outdoor: BYN 47.50/m ² /month (tax included); Booth rental growth rate: 3%; Booth utilization rate: 15-42%; Discount rate: 9.20%	Booth rent, rental growth rate and booth utilization rate are based on the premise of continuous use of assets, and are determined by the management in conjunction with historical operations and growth based on a comprehensive analysis of the corporate business plan, market supply and demand, and the development trend of the surrounding industry; Discount rate is determined by the cumulative method using the risk-free interest rate plus the risk adjustment method, with the risk-free interest rate selected from the annual interest rates of one-year time deposits of USD, and the risk adjustment value is determined based on the property and its location, industry, market and other risk factors.	Booth rental growth rate: 3%; Booth utilization rate: 42%; Discount rate: 9.20%	The stabilization period rental growth rate is the same as the projection period and does not exceed the long-term average market growth rate; The stabilization period booth utilization rate is determined based on the booth utilization rate in the last year of the projection period; The stabilization period discount rate is the same as the projection period

Note: The Group engaged Beijing Zhongtonghua Asset Appraisal Co., Ltd. and Shenzhen Guozhonglian Asset Evaluation Land Real Estate Cost Consulting Co., Ltd. to issue valuation reports on the recoverable amount of the above asset groups, with the report numbers Guozhonglian Appraisal Report No. 3-0006 (2025), Guozhonglian Appraisal Report No. 3-0008 (2025), Zhongtonghua Consulting Report No. 020235 (2025), and Guozhonglian Appraisal Report No. 3-0007 (2025), in that order.

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

IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

15. FIXED ASSETS (Continued)

(2) Disposal of fixed assets

Item	Closing balance	Opening balance
Machinery, equipment, furniture, appliances and other equipment	1,273.61	143,692.99
Total	1,273.61	143,692.99

16. CONSTRUCTION IN PROGRESS

(1) Listed by classification

Item	Closing balance	Opening balance
Construction in progress	656,542,638.70	824,783,662.00
Construction materials	–	–
Total	656,542,638.70	824,783,662.00

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Notes to the Financial Statements

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

16. CONSTRUCTION IN PROGRESS (Continued)

(2) Details of construction in progress

Item	Closing balance			Opening balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Sinotrans Lingang International Logistics Center Project	228,973,162.82	-	228,973,162.82	23,378,079.86	-	23,378,079.86
Guiyang Comprehensive Bonded Zone Project	77,179,229.24	-	77,179,229.24	10,273,425.04	-	10,273,425.04
Jinxia Logistics Center	50,848,565.98	-	50,848,565.98	13,971,170.65	-	13,971,170.65
Chengdu Eastern New Area Project	50,160,910.64	-	50,160,910.64	1,382,625.36	-	1,382,625.36
Thailand Warehouse Phase II	47,522,088.66	-	47,522,088.66	1,522,875.30	-	1,522,875.30
Sinotrans Logistics Development Hefei Supply and Marketing Logistics Park	31,730,310.91	-	31,730,310.91	134,024,899.51	-	134,024,899.51
Lianyungang Shanghe Logistics Park Project	21,346,024.88	-	21,346,024.88	21,346,024.88	-	21,346,024.88
Emergency Command Center Project	21,149,066.85	-	21,149,066.85	1,146,091.28	-	1,146,091.28
Sinotrans Weifang International Logistics Centre Phase II Project	13,445,374.15	-	13,445,374.15	1,638,091.50	-	1,638,091.50
Xinjiang Ganquanpu Distribution Center	12,574,749.89	-	12,574,749.89	12,574,749.89	-	12,574,749.89
Gantry Crane Yard Project	12,389,016.08	-	12,389,016.08	12,389,016.08	-	12,389,016.08
Sinotrans Middle East Co., Ltd. SHEIN Project	10,716,636.77	-	10,716,636.77	10,455,753.74	-	10,455,753.74
Weihai Sinotrans International Intelligent Logistics Center Project	8,959,578.70	-	8,959,578.70	5,195,104.69	-	5,195,104.69
Building Renovation of Sinotrans High-Tech Logistics (Suzhou)	7,780,052.16	-	7,780,052.16	-	-	-
Xi'an Warehouse Upgrade Project of China Merchants Logistics Group	7,550,594.97	-	7,550,594.97	-	-	-
Comprehensive Bonded Zone Storage Project	2,208,560.70	-	2,208,560.70	54,823,550.50	-	54,823,550.50
Shandong Sinotrans Warehouse Project	2,190,885.86	-	2,190,885.86	14,956,870.00	-	14,956,870.00
Jiaxing Haiyan Logistics Centre Project	-	-	-	151,478,630.21	-	151,478,630.21
Taicang Port Bonded Area Integrated Logistics Park Project	-	-	-	117,084,901.47	-	117,084,901.47
Sinotrans International Freight Forwarding and Logistics Centre Project	-	-	-	44,341,913.59	-	44,341,913.59
Qingdao Nonferrous Minerals Synthesis and Distribution Center	-	-	-	41,018,836.15	-	41,018,836.15
Sinotrans South China Foshan Sanshui Port Purchase of Remote-Control Gantry Crane Project	-	-	-	25,966,021.91	-	25,966,021.91
Rizhao Smart Logistics Park	-	-	-	24,661,137.39	-	24,661,137.39
Shaanxi Company Distribution Center	-	-	-	16,947,885.91	-	16,947,885.91
Zhejiang Sinotrans Fire Fighting Renovation Project	-	-	-	6,142,562.17	-	6,142,562.17
Other projects	49,917,829.44	100,000.00	49,817,829.44	78,163,444.92	100,000.00	78,063,444.92
Total	656,642,638.70	100,000.00	656,542,638.70	824,883,662.00	100,000.00	824,783,662.00

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

16. CONSTRUCTION IN PROGRESS (Continued)

(3) Changes in significant construction in progress during the year

Item	Budget	Opening balance	Increase in current year	Effects from changes in the scope of consolidation	Transfer to fixed assets	Other decreases	Closing balance	Proportion of project investment to budget amount (%)	Project progress (%)	Accumulated amount of interest capitalisation	Including Amount of interest capitalisation for the year	Interest capitalization rate for the year (%)	Sources of funds
Sinotrans Linyang International Logistics Center Project	757,305,300.00	23,378,079.86	205,595,092.96	-	-	-	228,973,162.82	30.24	30.24	1,266,872.60	1,266,872.60	2.56	Borrowings, self-owned capital
Sinotrans Logistics Development Hebei Supply and Marketing Logistics Park	322,510,000.00	134,024,899.51	68,723,151.18	-	171,017,739.78	-	31,730,310.91	79.56	79.56	3,106,687.87	1,387,274.32	2.06	Borrowings, self-owned capital
Jiaxing Haijiao Logistics Centre Project	405,991,721.30	151,478,630.21	197,582,834.15	-	349,061,464.36	-	-	85.98	100.00	-	-	-	Self-owned capital
Taicang Port Bonded Area Integrated Logistics Park Project	382,395,015.00	117,094,301.47	149,201,553.36	-	266,286,454.83	-	-	69.64	100.00	2,421,606.55	2,228,471.39	2.85	Borrowings, self-owned capital
Total	1,868,202,036.30	425,966,511.05	621,102,621.65	-	786,365,658.97	-	260,703,473.73	---	---	6,795,167.02	4,892,618.31	---	---

(4) The Group's construction in progress mainly consists of newly constructed or reconstructed logistics centers, logistics parks, terminals, warehousing depots and large-scale logistics equipment. As at 31 December 2024, the Group had assessed the construction status, feasibility study expectation, and future operation arrangement of the major construction projects in progress, and no obvious indication of impairment was found. Therefore, no provision for impairment was made for the construction in progress for the current year.

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

17. RIGHT-OF-USE ASSETS

(1) Details of right-of-use assets classification

Item	Buildings	Land use rights	Port and terminal facilities	Motor vehicles and vessels	Machinery, equipment, furniture, appliances and other equipment	Others	Total
I. Original value	—	—	—	—	—	—	—
Opening balance	4,894,417,904.74	44,782,871.42	3,082,091.02	2,313,783.30	14,917,311.15	24,623,976.37	4,984,137,938.00
Effects from changes in the scope of consolidation	-	-	-	-	-	-	-
Increase in current year	580,345,569.23	1,920,567.09	-	12,018,513.36	9,455,553.76	9,735,065.94	613,475,269.38
Decrease in current year	992,464,476.60	8,735,345.56	-	2,395,582.00	11,359,914.02	4,052,672.54	1,019,007,990.72
(Note)							
Effects from translation in foreign currency statements	-22,036,333.78	-	-	82,921.09	-	-	-21,953,412.69
Closing balance	4,460,262,663.59	37,968,092.95	3,082,091.02	12,019,635.75	13,012,950.89	30,306,369.77	4,556,651,803.97
II. Accumulated depreciation	—	—	—	—	—	—	—
Opening balance	1,965,909,186.63	7,714,260.64	919,499.62	1,768,447.90	7,547,950.22	7,432,058.62	1,991,291,403.63
Effects from changes in the scope of consolidation	-	-	-	-	-	-	-
Accrual in current year	814,297,309.57	9,154,141.61	1,027,363.69	2,771,053.69	8,597,998.68	8,619,675.38	844,467,542.62
Decrease in current year	814,773,548.51	5,588,211.64	-	2,203,985.48	8,839,109.28	3,469,404.43	834,874,259.34
(Note)							
Effects from translation in foreign currency statements	-4,407,132.33	-	-	42,003.18	-	-	-4,365,129.15
Closing balance	1,961,025,815.36	11,280,190.61	1,946,863.31	2,377,519.29	7,306,839.62	12,582,329.57	1,996,519,557.76
III. Impairment provision	—	—	—	—	—	—	—
Opening balance	-	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-	-
IV. Net amount	—	—	—	—	—	—	—
Opening balance	2,928,508,718.11	37,068,610.78	2,162,591.40	545,335.40	7,369,360.93	17,191,917.75	2,992,846,534.37
Closing balance	2,499,236,848.23	26,687,902.34	1,135,227.71	9,642,116.46	5,706,111.27	17,724,040.20	2,560,132,246.21

Note: The decrease in the original value and accumulated depreciation of right-of-use assets for the year is mainly due to the simultaneous reduction of the original value and accumulated depreciation of right-of-use assets upon expiry of the leases and early termination of leases.

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Notes to the Financial Statements

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

IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

17. RIGHT-OF-USE ASSETS (Continued)

(1) Details of right-of-use assets classification (Continued)

The Group leases a number of assets, including buildings, land use rights, port and terminal facilities, motor vehicles and vessels, machinery, equipment, furniture, appliances, and other equipment, etc. The lease contracts are entered into for terms of 1 to 28 years and contain partial renewal or termination options. In determining the term of the lease and assessing the length of the non-cancellable period, the Group determines the period for which the contract is enforceable in accordance with the terms of the contracts. The Group's significant lease contracts do not contain an option clause to purchase the leased assets at a price below market value at the end of the lease term or renewal period. The Group's leases have no variable lease payment terms.

The short-term lease expenses charged to profit or loss for the year under simplified treatment amounted to RMB 731,137,726.40 (prior year: RMB 642,153,167.91) and the lease expenses for low-value assets amounted to RMB 25,635,185.20 (prior year: RMB 24,801,084.34).

The total cash outflow in relation to leases for the year was RMB 1,717,884,554.73 (prior year: RMB 1,710,242,602.53).

- (2) As at 31 December 2024, the Group reviewed the rents agreed under its major lease agreements and found no indication of significant deviation from the market rental levels. Consequently, no provision for impairment of the right-of-use assets has been made for the current year.

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

18. INTANGIBLE ASSETS

(1) Details of intangible assets

Item	Amortisation period	Opening balance	Effects from changes in the scope of consolidation (Note)	Increase in current year	Decrease in current year	Reclassification	Effects from translation in foreign currency statements	Closing balance
I. Total original value	—	8,735,573,346.97	112,407,472.32	246,892,891.56	25,312,984.67	—	4,861,307.04	9,074,422,033.22
Including: Land use rights	20 to 99 years	7,085,934,570.43	111,844,681.20	167,004,051.15	19,235,138.27	—	26,185,910.36	7,371,734,074.87
Trademark rights	10 years	5,007,651.46	—	—	—	—	—	5,007,651.46
Software	5 years	1,015,561,557.52	562,791.12	79,749,660.41	6,077,846.40	—	-1,350,174.57	1,088,445,988.08
Customer relationship	9 years, 10 years	546,679,032.88	—	—	—	—	-19,985,686.51	526,693,346.37
Others	5 years, 8 years	82,390,534.68	—	139,180.00	—	—	11,257.76	82,540,972.44
II. Total accumulated amortisation	—	2,451,621,813.33	-4,421,902.31	325,216,797.78	12,036,548.82	—	-7,310,959.58	2,753,069,200.40
Including: Land use rights	20 to 99 years	1,515,886,711.98	-4,421,902.31	151,572,449.82	5,984,746.64	—	4,017,302.83	1,661,069,815.68
Trademark rights	10 years	6,581.40	—	1,070.06	—	—	—	7,651.46
Software	5 years	684,928,229.09	—	113,704,003.13	6,051,802.18	—	-1,064,969.16	791,515,460.88
Customer relationship	9 years, 10 years	222,571,514.56	—	59,065,353.54	—	—	-10,267,509.13	271,369,358.97
Others	5 years, 8 years	28,228,776.30	—	873,921.23	—	—	4,215.88	29,106,913.41
III. Total impairment provision	—	58,913,956.77	—	—	—	—	—	58,913,956.77
Including: Land use rights	20 to 99 years	3,887,400.00	—	—	—	—	—	3,887,400.00
Trademark rights	10 years	5,000,000.00	—	—	—	—	—	5,000,000.00
Software	5 years	—	—	—	—	—	—	—
Customer relationship	9 years, 10 years	—	—	—	—	—	—	—
Others	5 years, 8 years	50,026,556.77	—	—	—	—	—	50,026,556.77
IV. Total book value	—	6,225,037,576.87	—	—	—	—	—	6,262,438,876.05
Including: Land use rights	20 to 99 years	5,566,160,458.45	—	—	—	—	—	5,706,776,859.19
Trademark rights	10 years	1,070.06	—	—	—	—	—	—
Software	5 years	330,633,328.43	—	—	—	—	—	296,930,527.20
Customer relationship	9 years, 10 years	324,107,518.32	—	—	—	—	—	255,323,987.40
Others	5 years, 8 years	4,135,201.61	—	—	—	—	—	3,407,502.26

Note: The effect of the change in the scope of consolidation was caused by business combinations not under common control of High-Tech Logistics Company and Etenal WHARF Godown Company in the current year, as described in Note VIII.3 and Note VIII.4.

The Group's intangible assets were mainly acquired through external purchases or commissioned external research and development, and the amount and proportion of intangible assets formed through internal research and development were insignificant.

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Notes to the Financial Statements

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

18. INTANGIBLE ASSETS (Continued)

(2) Land use rights without the title certificate

Item	Book value	Reason for not obtaining the title certificate
Land use rights of Rongcheng Pulin Shandong Project	19,954,977.47	In negotiation with the government for the issuance of title certificate
Land use rights of Dayaowan Kaisan District Container Yard Phase II	5,598,956.86	In progress
Total	25,553,934.33	—

(3) Impairment testing of intangible assets

The Group's intangible assets mainly consist of land use rights, software, and customer relationships, which normally do not generate cash inflows separately and are included in asset groups of the long-term assets of the operating entity to which they belong. As at 31 December 2024, the Group reviewed the operations of the major operating entities involved in the above intangible assets, and there were indications that some of the intangible assets might be impaired due to fluctuations and declines in the performance of the operating entities to which they belonged, and details of the relevant impairment tests are set out in Note IX.15.

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Notes to the Financial Statements

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

19. GOODWILL

(1) Details of goodwill

Investee	Formation	Opening balance	Increase in current year		Decrease in current year		Effects from translation in foreign currency statements	Closing balance
			Business combination	Other increases	Derecognition of disposal of subsidiaries	Other decreases		
7 companies including KLG EUROPE EERSEL B.V.	Business combinations not under common control	2,115,117,259.78	-	-	-	-	-89,753,614.38	2,025,363,645.40
Sinotrans Cold Chain Logistics (Tianjin) Co., Ltd.	Business combinations not under common control	215,048,533.68	-	-	-	-	-	215,048,533.68
China Merchants Logistics Group Nanjing Co., Ltd.	Business combinations not under common control	170,927,814.49	-	-	-	-	-	170,927,814.49
Shenzhen Henglu Logistics Co., Ltd.	Business combinations not under common control	134,843,091.03	-	-	-	-	-	134,843,091.03
OCEAN LORD INVESTMENT LIMITED	Business combinations not under common control	44,442,093.80	-	-	-	-	-	44,442,093.80
Sinotrans Cold Chain Logistics Harbin Co., Ltd.	Business combinations not under common control	29,621,440.67	-	-	-	-	-	29,621,440.67
MARK FAMOUS INVESTMENT LIMITED	Business combinations not under common control	7,166,615.77	-	-	-	-	-	7,166,615.77
Sinotrans High-Tech Logistics (Suzhou) Co., Ltd.	Business combinations not under common control	-	24,297,900.54	-	-	-	-	24,297,900.54
Others	Business combinations not under common control	41,623,993.09	572,929.04	-	-	-	-	42,196,922.13
Subtotal	—	2,758,790,842.31	24,870,829.58	-	-	-	-89,753,614.38	2,693,908,057.51
Impairment provision for goodwill	—	717,242,442.23	—	—	—	—	—	728,338,556.55
Total	—	2,041,548,400.08	—	—	—	—	—	1,965,569,500.96

Note 1: The effect of translation in foreign currency statements is due to the change in the exchange rate of the EUR to RMB at the end of the year compared to the beginning of the year.

Note 2: The Group's acquisition of High-Tech Logistics Company and Etenal WHARF Godown Company this year resulted in goodwill of RMB 24,870,829.58, as detailed in Note VIII.3.

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

19. GOODWILL (Continued)

(2) Details of goodwill impairment provision

Investee	Opening balance	Effects from changes in the scope of consolidation	Accrual in current year	Effects from translation in foreign currency statements	Decrease in current year	Closing balance
7 companies including KLG EUROPE EERSEL B.V.	335,492,628.70	-	-	-14,236,409.77	-	321,256,218.93
Sinotrans Cold Chain Logistics (Tianjin) Co., Ltd.	215,048,533.68	-	-	-	-	215,048,533.68
Shenzhen Henglu Logistics Co., Ltd.	134,843,091.03	-	-	-	-	134,843,091.03
Sinotrans Cold Chain Logistics Harbin Co., Ltd.	29,621,440.67	-	-	-	-	29,621,440.67
China Merchants Logistics Group Nanjing Co., Ltd.	-	-	25,332,524.09	-	-	25,332,524.09
China Merchants International Cold Chain (Shenzhen) Co., Ltd.	2,236,748.15	-	-	-	-	2,236,748.15
Total	717,242,442.23	-	25,332,524.09	-14,236,409.77	-	728,338,556.55

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

19. GOODWILL (Continued)

(3) Material information about the asset group or portfolio of asset groups in which the goodwill is located

Name	Composition and basis of the asset group or portfolio to which it belongs	Operating segment and basis	Consistent with previous years
7 companies including KLG EUROPE EERSEL B.V.	7 companies including KLG EUROPE EERSEL B.V. (hereinafter collectively referred to as "the seven companies") are jointly engaged in road transportation and related business mainly in the European region, including the Netherlands and Romania. The main cash flows generated by each of the seven companies are independent of the other subsidiaries of the Group, so that each subsidiary is an asset group. Considering the complementary nature and synergy of the businesses of the seven companies, the Group manages and evaluates the seven companies as a whole and allocates the goodwill formed from the purchase of the seven companies to a portfolio of asset groups consisting of operating long-term assets held by each of the seven companies when testing for impairment. As of 31 December 2024, the book value of the aforementioned portfolio of asset groups without goodwill was EUR 105,945,900	Logistics	Yes

Note: When allocating goodwill to the asset group or portfolio of asset groups, the Group considers the extent of the asset group or portfolio of asset groups expected to benefit from synergies arising from the acquisition transaction, the Group's operating segment classification and the minimum level at which the Group monitors goodwill (or operations) for internal management purposes.

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

19. GOODWILL (Continued)

(4) Material goodwill impairment testing process, key parameters and methods of recognising goodwill impairment losses

Name of asset group or portfolio of asset groups	Whether there is an indication of impairment (or further impairment)	Whether an valuation report for financial reporting purposes is obtained in the impairment test	Valuation agency and assessment report number	Type of valuation	Book value of an asset group or portfolio of asset groups containing goodwill (original value)	Recoverable amount of an asset group or combination of asset groups	Amount of goodwill impairment provision accrued in prior year	Amount of goodwill impairment provision accrued during the year
7 companies including KLG EUROPE EERSEL B.V.	No	Yes	JLL;CON101899238-BV1	Expected present value of future net cash flows	EUR 375,072,200	EUR 332,649,400	EUR 42,687,900	-

Key parameters of the current and previous goodwill impairment tests:

Name of asset group or portfolio of asset groups		Operating income growth rate for the forecast period	Forecast period profitability	Stabilisation period	Operating income growth rate for the stabilisation period	Stabilisation period profitability	Discount rate
7 companies including KLG EUROPE EERSEL B.V.	Current	3.50%-7.00%	9.76%-10.41%	2031 and beyond	2.54%	10.41%	13.00%
	Previous	3.00%-7.00%	10.53%-10.75%	2031 and beyond	2.60%	10.53%	13.19%

Note: As indicated in the "Actual operating data for 2024 and forecast data from the previous goodwill impairment test," the revenue growth rates of the seven companies exceeded expectations this year, but their profitability and EBIT indicators fell short of expectations. When forecasting the future operating performance of the seven companies, the Group considered external analyses and insights on the future economic development trends in Europe, the trends of economic and trade cooperation between China and Europe, and their potential impact on the logistics industry. However, it remains challenging to make definitive quantitative adjustments for such uncertainties. Accordingly, when conducting the goodwill impairment test this year, the Group did not make any significant adjustments to the growth rate of operating revenue in the corresponding years predicted in the previous goodwill impairment test. However, based on the principle of prudence, after considering the impacts of both short-term and long-term factors, the Group reduced the profitability for the corresponding years in the forecast period by 0.12%-0.90%.

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

19. GOODWILL (Continued)

(4) Material goodwill impairment testing process, key parameters and methods of recognising goodwill impairment losses (Continued)

Basis for determining key parameters:

7 companies including KLG EUROPE EERSEL B.V.		
Parameters	Basis/methodology for determination	Whether the basis/ methodology for determination has changed from the previous goodwill impairment test
Operating income growth rate for the forecast period	Determined based on the management's forecasts for the future and by reference to average growth rates of historical revenue and EBITDA	No
Forecast period profitability	Determined based on the management's forecasts for the future and by reference to historical average profitability	No
Operating income growth rate for the stabilisation period	Average inflation rate for the Eurozone over the next five years, published by the International Monetary Fund (IMF)	No
Stabilisation period profitability	Determined using the profitability for the last year of the forecast period	No
Discount rate	—	—
Including: Basic model	Use WACC to determine the after-tax discount rate; back-calculate pre-tax WACC using pre-tax free cash flow results	No
Cost of equity	Use the revised CAPM to adjust the unknown risk premium and estimate the return on equity, where the risk-free rate was determined based on the ECB 10-year bond spot yield; the market premium was determined based on the Dutch total equity risk premium published by Aswath Damodaran; Beta was determined based on the median of comparable companies (source: Bloomberg Ticker); and the size premium was determined based on the excess return on market capitalization (source: Kroll)	No
Including: Company-specific risk premium	Determined at 2.00% based on changes in the driving factors of the company-specific risk premium at the time of acquisition	No
Debt costs	Determined by taking into account the effective tax rate on the target asset based on the benchmark lending rate for European Central Bank loans to non-financial corporations with a maturity of more than five years	No
Capital structure	Capital structure is determined by the median debt-to-equity ratio of comparable companies (source: Bloomberg Ticker)	No

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

19. GOODWILL (Continued)

(4) Material goodwill impairment testing process, key parameters and methods of recognising goodwill impairment losses (Continued)

Actual operating data for 2024 and forecast data from the previous goodwill impairment test:

Name of asset group or portfolio of asset groups	Revenue growth rate		Profitability		EBIT	
	Forecasted	Actual	Forecasted	Actual	Forecasted	Actual
7 companies including KLG EUROPE EERSEL B.V.	5.00%	6.94%	10.55%	9.47%	EUR 29,411,700	EUR 26,884,700

(5) The M&A transactions that resulted in the formation of the Group's goodwill do not involve performance commitments of related parties.

20. LONG-TERM PREPAID EXPENSE

Item	Opening balance	Effects from changes in the scope of consolidation	Transfer from fixed assets	Increase in current year	Amortisation for the year	Effects from translation in foreign currency statements	Other decreases	Closing balance	Reasons for other decreases
Modification of assets	243,492,498.99	-	-	58,729,758.38	84,662,674.80	-22,572.16	-	217,537,010.41	—
Others	5,436,634.71	-	-	1,349,153.95	3,093,895.66	-10,463.90	-	3,681,429.10	—
Total	248,929,133.70	-	-	60,078,912.33	87,756,570.46	-33,036.06	-	221,218,439.51	—

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

21. DEFERRED INCOME TAX

(1) Deferred tax assets not offset

Item	Closing balance		Opening balance	
	Deferred tax assets	Deductible temporary differences and deductible losses	Deferred tax assets	Deductible temporary differences and deductible losses
Lease liabilities	652,394,178.80	2,712,393,289.38	753,787,738.34	3,155,046,277.23
Deductible losses	152,266,176.80	612,434,237.57	81,499,520.15	329,012,405.31
Unpaid wages	114,550,366.15	458,304,202.83	102,183,733.26	408,848,390.84
Impairment provision unapproved by tax authorities	77,916,692.74	320,981,329.54	61,487,493.80	250,519,284.98
Changes in fair value of other non-current financial assets	10,481,768.66	63,525,870.66	14,773,122.01	89,534,072.79
Depreciation of fixed assets	3,374,000.24	13,496,000.60	3,190,124.22	12,804,853.53
Provision for pending litigation	2,398,820.47	9,595,281.87	6,461,794.39	25,847,177.56
Provision for one-time housing subsidy	638,601.63	2,554,406.50	5,570,751.63	22,283,006.50
Other deductible temporary differences	64,728,896.18	273,787,333.28	55,881,438.45	238,445,190.18
Total	1,078,749,501.67	4,467,071,952.23	1,084,835,716.25	4,532,340,658.92

1) Details of unrecognised deferred tax assets

Item	Closing balance	Opening balance
Deductible temporary differences	1,235,124,903.79	1,335,850,273.53
Deductible losses	2,533,598,777.95	2,444,106,427.82
Total	3,768,723,681.74	3,779,956,701.35

Note: The Group recognises deferred tax assets to the extent of the taxable income used to deduct deductible temporary differences and deductible losses that is likely to be obtained in the future, and the excess of deductible temporary differences and deductible losses over the future taxable income is not recognised as deferred tax assets.

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

21. DEFERRED INCOME TAX (Continued)

(1) Deferred tax assets not offset (Continued)

2) The deductible losses of unrecognized deferred tax assets will mature in the following year:

Year	Closing balance	Opening balance	Remark
2024	—	209,165,412.28	—
2025	204,695,169.99	316,458,439.44	—
2026	145,066,961.67	427,055,401.41	—
2027	560,957,722.60	575,406,064.92	—
2028	612,875,531.69	684,187,785.16	—
2029	768,638,863.31	—	—
2030	—	—	—
2031	—	—	—
2032	—	—	—
2033	—	—	—
2034	—	—	—
Deductible losses without maturity date	241,364,528.69	231,833,324.61	—
Total	2,533,598,777.95	2,444,106,427.82	—

(2) Deferred tax liabilities not offset

Item	Closing balance		Opening balance	
	Deferred tax liabilities	Taxable temporary difference	Deferred tax liabilities	Taxable temporary difference
RIGHT-OF-USE ASSETS	615,797,491.48	2,560,132,246.21	715,035,794.13	2,992,846,534.37
Adjustment of the fair value of assets acquired by business combination	239,944,274.06	1,048,548,109.02	219,443,144.30	978,951,730.45
Valuation of financial assets and liabilities held for trading	143,434,553.53	573,738,214.10	79,452,066.47	317,808,265.86
Depreciation and amortisation	36,789,191.18	147,887,907.62	27,662,041.60	111,036,775.27
Changes in fair value of other equity instrument investments	3,685,072.67	14,740,290.67	3,274,017.60	13,096,070.38
Other taxable temporary differences	2,446,970.31	10,863,192.98	1,877,967.53	8,441,373.82
Total	1,042,097,553.23	4,355,909,960.60	1,046,745,031.63	4,422,180,750.15

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

21. DEFERRED INCOME TAX (Continued)

(3) Deferred tax assets or liabilities shown in the net amount after offset

Item	Offset amount of deferred tax assets against deferred tax liabilities at the end of the year	Closing balance of deferred tax assets or deferred tax liabilities after offset	Offset amount of deferred come tax assets against deferred tax liabilities at the beginning of the year	Opening balance of deferred tax assets or deferred tax liabilities after offset
Deferred tax assets	-758,364,445.37	320,385,056.30	-807,753,297.61	277,082,418.64
Deferred tax liabilities	-758,364,445.37	283,733,107.86	-807,753,297.61	238,991,734.02

22. OTHER NON-CURRENT ASSETS

Item	Closing balance			Opening balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Deductible VAT taxation expenses	85,821,373.17	-	85,821,373.17	-	-	-
Prepayment for engineering equipment	50,698,868.18	-	50,698,868.18	38,439,663.24	-	38,439,663.24
Prepayment for land use rights	13,265,050.27	-	13,265,050.27	171,267,850.27	-	171,267,850.27
Lanshi Port related assets (Note)	-	-	-	111,764,602.55	-	111,764,602.55
Total	149,785,291.62	-	149,785,291.62	321,472,116.06	-	321,472,116.06

Note: To acquire the right to use the shoreline and berths of Sanshui Port held by Foshan Sanshui Port Keppel Logistics Co., Ltd. (hereinafter referred to as "Sanshui Port Company", now renamed Sinotrans Foshan Sanshui Port Co., Ltd.), Sinotrans South Company, a subsidiary of the Group, and its subsidiary, Sinoway Shipping Limited entered into equity transfer agreements with Guangdong Sinotrans Limited (hereinafter referred to as "Guangdong Sinotrans Company") and Keppel Telecommunications & Transportation Ltd. (hereinafter referred to as "Keppel Telecommunications Company") respectively on 27 September 2019 to acquire the entire equity interest in Keppel Logistics (Foshan), the parent company of Sanshui Port Company. According to the equity transfer agreement, after the equity transfer, Keppel Telecom Company and Guangdong Sinotrans Company shall retain the rights and interests (including the right of gain and risk of loss) in the assets of Lanshi Port and the related area held by Keppel Logistics (Foshan), and assume relevant liabilities, until the expropriation and liquidation of Lanshi Port and the related area is completed. The equity and related liabilities of these assets are presented as other non-current assets and other non-current liabilities, respectively, with the net amount and changes therein presented in non-controlling interests. As at 4 September 2024, the expropriation and liquidation of assets of Lanshi Port and related areas had been completed, and Keppel Logistics (Foshan) had been deregistered.

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

23. ASSETS UNDER RESTRICTED OWNERSHIP OR USE RIGHTS

Item	Closing balance				Opening balance			
	Opening balance	Book balance	Book value	Type of restriction	Details of restriction	Book balance	Book value	Type of restriction
Cash and bank balances	27,287,681.61	27,287,681.61	Freeze, others	Note 1	142,716,012.24	142,716,012.24	Freeze, others	Note 1
INVESTMENT PROPERTIES	14,573,563.65	13,480,546.44	Collateral	Note 2	14,573,563.65	13,772,017.71	Collateral	Note 2
FIXED ASSETS	533,756,941.31	478,374,584.88	Collateral	Note 3	249,226,295.48	221,507,701.82	Collateral	Note 3
INTANGIBLE ASSETS	652,384,823.19	612,158,813.58	Collateral	Note 4	295,479,936.98	279,487,403.75	Collateral	Note 4
CONSTRUCTION IN PROGRESS	31,730,310.91	31,730,310.91	Collateral	Note 5	134,024,899.51	134,024,899.51	Collateral	Note 5
Other non-current assets-Lanshi Port related assets	-	-	—	Note 6	111,764,602.55	111,764,602.55	Others	Note 6
Total	1,259,733,320.67	1,163,031,937.42	—	—	947,785,310.41	903,272,637.58	—	—

Note 1: For details of the cash and bank balances under restricted use right at the end of the year, see Note IX. 1.

Note 2: Investment properties with restricted ownership or use right at the end of the year included the book value, amounting to RMB13,480,546.44 (beginning of the year: RMB13,772,017.71), of the land of JIANGMEN HIGH TECH PORT DEVELOPMENT CO., LTD. (hereinafter referred to as "JIANGMEN PORT Company"), a subsidiary of the Group, pledged as collateral for long-term borrowings.

Note 3: Fixed assets with restricted ownership or use right at the end of the year included the followings: the book value of warehouses used as collaterals for long-term borrowings by Sinotrans Logistics Development Hefei Co., Ltd. (hereinafter referred to as "Sinotrans Hefei Company"), a subsidiary of the Group, was RMB200,222,309.63 (beginning of the year: RMB53,268,869.16); the book value of warehouses, plants, machinery and equipment, port and terminal facilities used as collaterals for long-term borrowings by JIANGMEN PORT Company, a subsidiary of the Group, was RMB157,920,050.76 (beginning of the year: RMB168,238,832.66); the book value of warehouses used as collaterals for long-term borrowings by Hunan Zhongnan International Land Port Co., Ltd., a subsidiary of the Group, was RMB118,713,357.30; and the book value of warehouses used as collaterals for long-term borrowings by Sinotrans Dongguan Logistics Co., Ltd. (hereinafter referred to as "Sinotrans Dongguan Company"), a subsidiary of the Group, was RMB1,518,867.19.

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

23. ASSETS UNDER RESTRICTED OWNERSHIP OR USE RIGHTS (Continued)

- Note 4: Intangible assets with restricted ownership or use right at the end of the year included the followings: the book value of land used as collaterals for long-term borrowings by Shanghai Sinotrans International Logistics Co., Ltd., a subsidiary of the Group, was RMB204,637,265.91; the book value of land used as collaterals for long-term borrowings by JIANGMEN PORT Company, a subsidiary of the Group, was RMB190,214,083.1 (beginning of the year: RMB194,326,820.02); the book value of land used as collaterals for long-term borrowings by Chengdu Eastern New Area Sinotrans International Logistics Co., Ltd., a subsidiary of the Group, was RMB105,468,233.35; the book value of land used as collaterals for long-term borrowings by Sinotrans Taicang International Logistics Co., Ltd., a subsidiary of the Group, was RMB51,028,646.84 (beginning of the year: RMB52,114,362.73); the book value of land used as collaterals for long-term borrowings by Sinotrans Hefei Company, a subsidiary of the Group, was RMB32,327,824.90 (beginning of the year: RMB33,046,221); and the book value of land used as collaterals for long-term borrowings by Sinotrans Dongguan Company, a subsidiary of the Group, was RMB28,482,759.48.
- Note 5: Construction in progress with restricted ownership or use right at the end of the year represented the book value of warehouses and supporting facilities under construction in Hefei Supply and Marketing Logistics Park, used as collaterals for long-term borrowings by Sinotrans Hefei Company, a subsidiary of the Group, was RMB31,730,310.91 (beginning of the year: RMB134,024,899.51).
- Note 6: See Note IX. 22. for details.

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

24. ASSET IMPAIRMENT PROVISION AND CREDIT LOSS PROVISION

Item	Opening balance	Effects from changes in the scope of consolidation	Accrual in current year	Reversal in current year	Write-off and carry-forward for the year	Transfer-out for the year due to sale	Other increases in the year	Other decreases in the year	Effects from translation in foreign currency statements or exchange rate changes	Closing balance
Credit loss provision for accounts receivable	548,601,373.99	-	68,033,571.27	22,556,607.91	48,477,521.65	-	425,114.85	-	-837,725.79	545,188,204.76
Credit loss provision for other receivables	144,576,801.99	-	41,061,131.08	1,416,210.05	12,694,851.24	-	-	-	1,629,583.30	173,176,455.08
Provision for value reduction of inventories	5,624,612.59	-	342,411.73	5,044.87	-	1,983,750.74	-	-	-	3,978,228.71
Impairment provision for long-term equity investments	12,723,253.02	-	-	-	-	-	-	-	190,343.48	12,913,596.50
Impairment provision for investment properties	3,161,632.12	-	-	-	-	-	-	-	36,005.19	3,197,637.31
Provision for impairment of fixed assets	353,784,787.29	-	-	-	-	864,347.41	-	-	1,923,646.71	354,844,086.59
Impairment provision for construction in progress	100,000.00	-	-	-	-	-	-	-	-	100,000.00
Impairment provision for intangible assets	58,913,956.77	-	-	-	-	-	-	-	-	58,913,956.77
Impairment provision for goodwill	717,242,442.23	-	25,332,524.09	-	-	-	-	-	-14,236,409.77	728,338,556.55
Total	1,844,728,860.00	-	134,789,638.17	23,977,862.83	61,172,372.89	2,848,098.15	425,114.85	-	-11,294,556.88	1,880,650,722.27

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

25. SHORT-TERM BORROWINGS

(1) Classification of short-term borrowings

Category	Closing balance	Opening balance
Fiduciary loans	3,194,097,147.55	410,217,777.09
Guaranteed loans (Note)	100,094,416.67	200,000,000.00
Total	3,294,191,564.22	610,217,777.09

Note: China Merchants Logistics Shenzhen Co., Ltd., a subsidiary of the Group, borrowed RMB100,000,000 in loans from the Agricultural Bank of China Limited, which was guaranteed by Sinotrans Logistics Ltd., a subsidiary of the Group, on a joint and several basis.

(2) There were no short-term borrowings outstanding at the end of the year.

26. BILLS PAYABLE

Category	Closing balance	Opening balance
Bank acceptance bills	183,554,323.76	80,827,292.06
Total	183,554,323.76	80,827,292.06

Note: The Group had no overdue outstanding bills payable at the end of the year.

27. ACCOUNTS PAYABLE

(1) Details of accounts payable

Aging	Closing balance		Opening balance	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year (including 1 year)	12,534,281,476.56	98.25	12,183,341,072.97	98.48
1 to 2 years (including 2 years)	147,329,084.59	1.15	111,358,233.15	0.90
2 to 3 years (including 3 years)	36,028,801.73	0.28	36,632,683.30	0.30
Over 3 years	39,255,509.02	0.32	40,452,376.62	0.32
Total	12,756,894,871.90	100.00	12,371,784,366.04	100.00

Note: The above aging analysis of accounts payable is based on the time of purchasing goods or receiving services.

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

27. ACCOUNTS PAYABLE (Continued)

(2) Significant accounts payable aged over one year

Company name	Amount	Aging	Reasons for non-repayment
Entity 1	20,162,476.62	1 to 2 years	Unsettled
Entity 2	10,681,093.50	2 to 3 years	Unsettled
Entity 3	8,184,722.83	1 to 2 years, 2 to 3 years, over 3 years	Unsettled
Zhengzhou Merchants Logistics Co., Ltd.	7,879,933.26	1 to 2 years	Unsettled
Entity 4	6,075,358.34	1 to 2 years	Unsettled
Total	52,983,584.55	—	—

- (3) There were no accounts payable from shareholders holding more than 5% (including 5%) voting shares of the Company at the end of the year.

28. CONTRACT LIABILITIES

(1) Details of contract liabilities

Item	Closing balance	Opening balance
Advance receipts for agency and related business	3,605,801,389.22	3,434,279,868.57
Advance receipts for logistics business	682,547,510.90	603,650,984.99
Advance receipts for E-commerce business	297,617,079.97	218,948,869.17
Subtotal	4,585,965,980.09	4,256,879,722.73
Less: Contract liabilities included in other non-current liabilities	—	—
Total	4,585,965,980.09	4,256,879,722.73

Note: The Group's payments are received in advance for logistics services related to a large number of customers and logistics and transportation service contracts (agreements, orders, etc.) associated with those customers. Logistics and transportation service contracts of the same business type are similar in terms of service content, mode, performance cycle, and payment arrangement. Therefore, the Group's obligation to provide services to customers based on the consideration received or receivable from customers under logistics and transportation service contracts is presented in summary by business type (the same as the classification of revenue).

- (2) The revenue included the opening balance of contract liabilities recognised in the current year, was RMB4,256,879,722.73 (ignoring the effect of translation of financial statements in foreign currencies), including contract liabilities arising from advance receipts for agency and related business of RMB3,434,279,868.57, contract liabilities arising from advance receipts for logistics business of RMB603,650,984.99, contract liabilities arising from advance receipts for e-commerce business of RMB218,948,869.17.

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

28. CONTRACT LIABILITIES (Continued)

(3) Qualitative and quantitative analysis of contract liabilities

Based on the consideration of business risks, the Group's transactions with certain types of customers are based on the advance payment mode, and the Group recognises contract liabilities when it has not yet fulfilled its performance obligations but has received or is due to receive the customer's consideration in accordance with the payment arrangements agreed in the logistics and transportation service contracts (agreements, orders, etc.) entered into with the customers. As of 31 December 2024, the transaction price received or receivable, net of estimated output tax, apportioned by the Group to the outstanding logistics and transportation service contracts was RMB4,585,965,980.09 (1 January 2024: RMB4,256,879,722.73). This amount represents the amount of revenue that the Group expects to recognize when the customer obtains control of the services in the future. The Group expects that RMB4,585,965,980.09 (ignoring the effect of translation of financial statements in foreign currencies) will be recognized as revenue in one year from the current reporting period.

- (4) Except for normal advance receipts and performance-related carryovers, there were no other material changes in the Group's contract liabilities summarised by business type during the year.

29. EMPLOYEE REMUNERATIONS PAYABLE

(1) Classification of Employee remunerations payable

Item	Opening balance	Increase in current year	Decrease in current year	Closing balance
I. Short-term benefits	2,279,689,560.62	6,747,943,163.52	6,829,512,816.82	2,198,119,907.32
II. Post-employment benefits – defined contribution plans	73,532,461.11	941,038,413.64	933,050,962.57	81,519,912.18
III. Termination benefits	5,477,822.29	55,664,522.52	47,768,296.80	13,374,048.01
IV. Other benefits due within one year	–	–	–	–
V. Others	5,237,384.57	4,053,657.12	5,360,903.27	3,930,138.42
Total	2,363,937,228.59	7,748,699,756.80	7,815,692,979.46	2,296,944,005.93

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

29. EMPLOYEE REMUNERATIONS PAYABLE (Continued)

(2) Short-term benefits

Item	Opening balance	Increase in current year	Decrease in current year	Closing balance
I. Wages, bonuses, allowances and subsidies	2,196,234,239.79	5,186,928,885.41	5,260,604,016.60	2,122,559,108.60
II. Employee welfare benefits	485,611.75	238,772,336.20	239,028,518.52	229,429.43
III. Social insurance premiums	8,031,212.81	382,730,993.21	382,595,610.87	8,166,595.15
Including: Medical insurance	7,005,359.84	331,139,202.42	331,055,779.27	7,088,782.99
Work-related injury insurance	460,958.45	29,862,202.66	29,814,266.23	508,894.88
Maternity insurance	410,071.04	20,577,642.29	20,567,317.72	420,395.61
Others	154,823.48	1,151,945.84	1,158,247.65	148,521.67
IV. Housing provident fund	5,090,607.20	439,730,770.74	439,374,437.73	5,446,940.21
V. Trade union funds and staff education funds	43,168,215.25	85,248,638.32	91,444,132.82	36,972,720.75
VI. Short-term paid absences	—	—	—	—
VII. Short-term profit-sharing scheme	—	—	—	—
VIII. Other short-term benefits	26,679,673.82	414,531,539.64	416,466,100.28	24,745,113.18
Total	2,279,689,560.62	6,747,943,163.52	6,829,512,816.82	2,198,119,907.32

(3) Defined contribution plan

Item	Opening balance	Increase in current year	Decrease in current year	Closing balance
I. Basic pension insurance premiums	16,757,987.87	663,197,857.26	660,996,584.93	18,959,260.20
II. Unemployment insurance premiums	893,398.74	28,806,579.37	28,302,733.18	1,397,244.93
III. Enterprise annuity contributions	55,881,074.50	249,033,977.01	243,751,644.46	61,163,407.05
Total	73,532,461.11	941,038,413.64	933,050,962.57	81,519,912.18

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

29. EMPLOYEE REMUNERATIONS PAYABLE (Continued)

(3) Defined contribution plan (Continued)

According to the pension and unemployment insurance plan set up by the government agencies, the Group pays to such plans a contribution on the basis of 12% to 24% and 0.48% to 2% of the employees' basic wages on a monthly basis. Apart from the above monthly payment, the Group bears no longer further payment obligation. Corresponding expenses are recorded in the profit or loss of the current period or the cost of the related assets.

The enterprise annuity contribution of the Group is jointly borne by the entity and its employees. The total annual contribution of the entity is 8% of the total wages of the prior year, and is distributed to the individual account of employees on the basis of 8% of the individual contribution base of employees. The individual monthly contribution base of employees is the average monthly wage of employees for the prior year (the maximum individual contribution base shall not exceed 5 times the average contribution base of the Group). The rest is included in the enterprise account. The individual contribution of employees accounts for 25% of the Group's contribution to them and is deducted by the Group from the wages of employees. The annuity fund of the Group adopts the mode of legal person entrustment management, and the enterprise annuity fund pooled is entrusted by SINOTRANS & CSC to the trustee for the entrusted management, and a contract for the trusted management of the enterprise annuity fund is signed. The Group has no further payment obligations beyond the monthly contributions to the annuity fund.

The Group should respectively contribute RMB912,231,834.27 and RMB28,806,579.37 (prior year: RMB825,831,479.30 and RMB27,162,264.57) to the pension insurance and unemployment insurance plan for the current year. As of 31 December 2024, the Group had RMB80,122,667.25 and RMB1,397,244.93 (1 January 2024: RMB72,639,062.37 and RMB893,398.74) of contributions payable to the pension and unemployment insurance plan which are due and unpaid during the reporting period. The contributions payable were paid after the reporting period.

30. TAXES AND DUES PAYABLE

Item	Closing balance	Opening balance
Enterprise income tax	309,349,414.28	319,172,989.17
Value-added tax	167,822,098.30	116,969,975.82
Individual income tax	41,734,092.40	39,355,812.86
Property tax	28,681,319.88	26,095,729.02
Urban land use tax	10,697,889.56	10,563,208.61
Urban maintenance & construction tax	4,383,312.47	5,488,573.55
Stamp duty	4,174,337.20	4,187,035.87
Education surcharge and local education surcharge	4,135,438.50	4,559,597.14
Other taxes	12,613,538.27	7,856,566.77
Total	583,591,440.86	534,249,488.81

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For the year ended 31 December 2024

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31. OTHER PAYABLES

Item	Closing balance	Opening balance
Interest payable	—	—
Dividends payable	73,788,729.28	69,477,271.80
Other payables	1,922,469,671.63	2,255,832,540.88
Total	1,996,258,400.91	2,325,309,812.68

(1) Dividends payable

Item	Company name	Closing balance	Opening balance
Ordinary share dividend	Shenzhen Nanyou (Holdings) Corp. Ltd.	10,575,000.00	11,232,000.00
	China Merchants Port Group Co., Ltd.	10,575,000.00	11,232,000.00
	China Foreign Shipping Agency Co., Ltd.	10,575,000.00	11,232,000.00
	Shenzhen Yantian Port Group Co., Ltd.	10,575,000.00	11,232,000.00
	Guangdong Nanhai Food Import & Export Co., Ltd.	8,843,269.46	8,843,269.46
	Guangdong Food Import and Export Group Co., Ltd.	7,074,615.56	7,074,615.56
	Shenzhen Navigation Group Co., Ltd.	7,050,000.00	7,488,000.00
	ZHONG SHAN TRANSPORTATION COMPANY LIMITED	3,020,607.60	—
	Long Distance Transportation Co., Ltd.	2,045,981.32	—
	Guangdong Silk-tex Group Co., Ltd.	1,965,746.75	—
	Weihai Industrial Investment Group Co., Ltd.	680,000.00	—
	Nantong Economic and Technological Development Zone Holding Group Co., Ltd.	487,900.99	1,071,126.92
	Weihai Taihe Investment Co., Ltd.	300,000.00	—
	SINOTRANS & CSC HOLDINGS Co., Ltd.	20,607.60	—
	Sinotrans Jiangxi Company	—	72,259.86
Total		73,788,729.28	69,477,271.80

Note: The Group had no material dividends payable outstanding for more than one year at the end of the year.

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31. OTHER PAYABLES (Continued)

(2) Other payables

1) Other payables by nature of payment

Item	Closing balance	Opening balance
Deposits and guarantees collected	711,208,348.51	770,501,816.64
Current transactions with non-related parties	425,607,867.36	337,180,054.21
Payment for project, equipment and land	224,412,509.52	150,741,450.40
Current transactions with related parties	192,140,911.64	579,527,026.54
Amounts to be transferred for factoring and securitization of accounts receivable	150,372,007.54	237,960,372.88
Others	218,728,027.06	179,921,820.21
Total	1,922,469,671.63	2,255,832,540.88

2) Aging analysis of other payables

Aging	Closing balance		Opening balance	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year (including 1 year)	1,211,034,951.08	62.99	1,655,752,368.00	73.40
1 to 2 years (including 2 years)	308,417,847.92	16.05	142,440,951.11	6.31
2 to 3 years (including 3 years)	90,041,743.28	4.68	86,456,435.11	3.84
Over 3 years	312,975,129.35	16.28	371,182,786.66	16.45
Total	1,922,469,671.63	100.00	2,255,832,540.88	100.00

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31. OTHER PAYABLES (Continued)

(2) Other payables (Continued)

3) Significant other payables aged over one year

Company name	Amount owed	Aging	Reasons for non-repayment
Shanghai Changjiang Shipping Corporation	65,128,068.45	1 to 2 years	Not yet due for settlement
SINOTRANS & CSC HOLDINGS Co., Ltd.	24,051,000.00	Over 3 years	No agreed term
Entity 1	20,678,108.94	Over 3 years	No agreed term
Entity 2	17,210,357.80	1 to 2 years	Not yet due for settlement
Entity 3	14,028,220.70	1 to 2 years, over 3 years	Not yet due for settlement
Entity 4	10,000,000.00	1 to 2 years	Not yet due for settlement
Entity 5	9,352,060.50	Over 3 years	Not yet due for settlement
China United Tally (Shenzhen) Co., Ltd.	9,000,000.00	1 to 2 years, over 3 years	Not yet due for settlement
Entity 6	7,239,838.94	1 to 2 years, 2 to 3 years, over 3 years	Not yet due for settlement
Entity 7	6,800,000.00	1 to 2 years	Not yet due for settlement
Entity 8	6,646,243.18	1 to 2 years	Not yet due for settlement
Entity 9	6,150,507.31	2 to 3 years	Not yet due for settlement
Entity 10	5,895,535.69	1 to 2 years	Not yet due for settlement
Entity 11	5,377,743.74	Over 3 years	Not yet due for settlement
CSC Cargo (Dazhou) Co., Ltd.	5,351,077.47	1 to 2 years	Not yet due for settlement
Total	212,908,762.72	—	—

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31. OTHER PAYABLES (Continued)

(2) Other payables (Continued)

4) Significant other payables at the end of the year

Company name	Amount owed	Aging	Nature or content
Entity 1	124,723,977.91	Within 1 year	Amounts to be transferred for factoring and securitization of accounts receivable
Shanghai Changjiang Shipping Corporation	82,048,121.66	Within 1 year, 1 to 2 years	Current transactions with related parties
Entity 2	53,659,554.05	Within 1 year	Payment for project, equipment and land
Entity 3	42,406,012.91	Within 1 year	Arbitration compensation
Entity 4	40,814,896.06	Within 1 year	Payment for project, equipment and land
Entity 5	25,648,029.63	Within 1 year	Amounts to be transferred for factoring and securitization of accounts receivable
SINOTRANS & CSC HOLDINGS Co., Ltd.	24,051,000.00	Over 3 years	Current transactions with related parties
Entity 6	20,678,108.94	Over 3 years	Current transactions with non-related parties
Entity 7	17,210,357.80	1 to 2 years	Deposits and guarantees collected
Entity 8	15,500,000.00	Within 1 year	Deposits and guarantees collected
Entity 9	15,341,195.18	Within 1 year	Payment for project, equipment and land
Entity 10	14,028,220.70	1 to 2 years, over 3 years	Payment for project, equipment and land
Entity 11	10,000,000.00	1 to 2 years	Current transactions with non-related parties
Total	486,109,474.84		

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31. OTHER PAYABLES (Continued)

(2) Other payables (Continued)

5) Amounts due to shareholders holding more than 5% (including 5%) voting shares of the Company

Company name	Closing balance	Opening balance
SINOTRANS & CSC HOLDINGS Co., Ltd.	24,051,000.00	24,078,674.27
Total	24,051,000.00	24,078,674.27

32. NON-CURRENT LIABILITIES DUE WITHIN ONE YEAR

Item	Closing balance	Opening balance
Long-term borrowings due within one year	229,462,538.87	2,394,531,715.54
Including: Guaranteed loans	59,196,990.63	134,900,283.27
Mortgage loans	121,735,930.93	63,240,529.27
Fiduciary loans	48,529,617.31	2,196,390,903.00
Lease liabilities due within one year	647,299,805.36	657,313,471.64
Bonds payable due within one year	11,495,307.76	2,066,147,945.24
Long-term payables due within one year	46,162,020.00	93,195,870.20
Estimated liabilities due within one year	6,847,709.94	—
Total	941,267,381.93	5,211,189,002.62

33. OTHER CURRENT LIABILITIES

Item	Closing balance	Opening balance
Pending output VAT	284,650,650.10	273,874,904.19
Others	3,977,677.00	27,270,020.42
Total	288,628,327.10	301,144,924.61

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

34. LONG-TERM BORROWINGS

Type of loan	Closing balance	Opening balance	Interest rate range at the end of the year (%)
Guaranteed loans (Note)	1,439,930,223.41	1,852,779,724.01	1.27, 3.27
Mortgage loans	1,072,480,178.59	526,253,737.23	2.31–3.60
Fiduciary loans	985,343,573.99	2,370,502,903.00	1.20–6.03
Total	3,497,753,975.99	4,749,536,364.24	—
Less: Long-term borrowings due within one year	229,462,538.87	2,394,531,715.54	—
Including: Guaranteed loans	59,196,990.63	134,900,283.27	—
Mortgage loans	121,735,930.93	63,240,529.27	—
Fiduciary loans	48,529,617.31	2,196,390,903.00	—
Long-term borrowings due after one year	3,268,291,437.12	2,355,004,648.70	—

Note: Guaranteed loans at the end of the year represented loans in EUR borrowed by SE LOGISTICS HOLDING B.V., a subsidiary of the Group, from the Export-Import Bank of China and the China Development Bank. For details of joint liability guarantees provided by the Company, please refer to Note X. 4. (6).

- (1) The Group had no overdue long-term borrowings at the end of the year.
- (2) **Top five long-term borrowings in the closing balance (including long-term borrowings due within one year)**

Loan unit	Borrowing start date	Borrowing termination date	Currency	Interest rate (%)	Closing balance		Opening balance	
					Foreign currency	Domestic currency	Foreign currency	Domestic currency
China Development Bank	2020-12-08	2027-12-08	EUR	1.27	96,835,055.00	728,751,573.41	101,701,033.00	799,288,758.56
Export-Import Bank of China	2020-12-08	2027-12-07	EUR	3.27	94,500,000.00	711,178,650.00	103,500,000.00	813,427,200.00
Bank of China	2024-06-24	2026-06-24	HKD	6.03	700,462,355.96	648,656,160.11	-	-
Bank of China	2019-01-02	2029-01-02	RMB	3.40, 3.60	-	352,029,758.49	-	409,713,012.77
Agricultural Bank of China	2023-07-13	2038-07-13	RMB	2.85	-	161,814,680.92	-	36,423,343.50

- (3) The Group had no long-term loans rolled over at the end of the year.
- (4) At the end of the year, the Group had no loan arrangements classified as non-current liabilities by relying on the right to defer the settlement of liabilities, which was subject to the contractual conditions that should be complied with within one year after the balance sheet date.

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

34. LONG-TERM BORROWINGS (Continued)

(5) The maturity date of long-term borrowings is analysed as follows

Item	Closing balance	Opening balance
1 to 2 years (including 2 years)	1,098,784,776.92	254,605,174.03
2 to 5 years (including 5 years)	1,764,981,599.41	1,935,984,620.74
Over 5 years	404,525,060.79	164,414,853.93
Total	3,268,291,437.12	2,355,004,648.70

35. BONDS PAYABLE

(1) Details of bonds payable

Item	Closing balance	Opening balance
2024 medium-term notes (phase I)	2,010,133,607.30	—
2021 corporate bonds (phase I)	20,274,129.26	2,026,655,123.24
2021 medium-term notes (phase I)	—	2,038,876,712.41
Less: Bonds payable due within one year	11,495,307.76	2,066,147,945.24
Total	2,018,912,428.80	1,999,383,890.41

Note: The Group's bonds payable include:

On 26 July 2021, approved by CSRC, the Company was permitted to issue unsecured corporate bonds with a nominal value of RMB100 and a total amount of RMB2 billion (2021 corporate bonds (phase I)). The bonds were issued with a term of 5 years and a fixed coupon rate of 3.15%. The principal was repaid in lump sum and interest payments were made in installments.

Pursuant to the relevant provisions of the issuer's option to adjust the coupon rate in the Prospectus of Sinotrans Limited's 2021 Public Offering of Corporate Bonds (Phase I) for Professional Investors (hereinafter referred to as "the Prospectus"), the Company issued the 2024 Announcement on Adjusting the Coupon Rate of Sinotrans Limited's 2021 Public Offering of Corporate Bonds (Phase I) for Professional Investors on 28 June 2024, which adjusted the coupon rate of the next two years for the 2021 corporate bonds (phase I) from 3.15% to 2.15% (with the adjusted interest start date on 26 July 2024). The adjustment triggered the investor's resale option clause set out in the Prospectus. The accumulated amount declared for resale by investors was RMB1,980 million (excluding interest), which was paid by the Company on 26 July 2024.

On 7 June 2021, by registration approved by the National Association of Financial Market Institutional Investors (ZSXZ [2021] MTN486), the Company issued the 2021 medium term-notes (phase I) (21 Sinotrans MTN001) with a nominal value of RMB100 and a total amount of RMB2 billion. The medium-term notes were issued with a maturity of three years and a fixed coupon rate of 3.50%. The principal was repaid in lump sum and interest payments were made in installments. The medium-term notes were due for payment during the year.

On 18 September 2024, by registration approved by the National Association of Financial Market Institutional Investors (ZSXZ [2024] MTN747), the Company issued the 2024 medium term-notes (phase I) (24 Sinotrans MTN001) with a nominal value of RMB100 and a total amount of RMB2 billion. The medium-term notes were issued with a maturity of three years and a fixed coupon rate of 2.08%. The principal was repaid in lump sum and interest payments were made in installments.

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

35. BONDS PAYABLE (Continued)

(2) The maturity date of bonds payable is analysed as follows

Item	Closing balance	Opening balance
1 to 2 years (including 2 years)	19,998,638.85	—
2 to 5 years (including 5 years)	1,998,913,789.95	1,999,383,890.41
Total	2,018,912,428.80	1,999,383,890.41

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

35. BONDS PAYABLE (Continued)

(3) Specifics of bonds payable

Bond name	Face value	Coupon rate (%)	Issue date	Bond term	Issue amount	Opening balance	Effects from changes in the scope of consolidation	Issued in current year	Interest accrued at face value	Amortisation of premium and discount	Current repayments and interest payments	Effects from transition in foreign currency statements	Closing balance	In default
2024 medium-term notes (phase I)	2,000,000,000.00	2.08	2024-09-18	3 years	2,000,000,000.00	—	—	1,998,100,000.00	11,853,150.68	180,456.82	—	—	2,010,130,607.30	No
2021 corporate bonds (phase II)	2,000,000,000.00	2.15	2021-07-26	5 years	2,000,000,000.00	2,028,655,123.24	—	—	36,006,657.58	612,346.44	2,043,000,000.00	—	20,274,128.26	No
2021 medium-term notes (phase I)	2,000,000,000.00	3.50	2021-06-07	3 years	2,000,000,000.00	2,038,876,712.41	—	—	30,684,931.48	438,355.11	2,070,000,000.00	—	—	No
Total	6,000,000,000.00	—	—	—	6,000,000,000.00	4,065,531,835.65	—	1,998,100,000.00	78,544,739.74	1,231,161.17	4,113,000,000.00	—	2,030,407,735.56	—
Less: Bonds payable due within one year	—	—	—	—	—	2,065,147,945.24	—	—	—	—	—	—	11,495,307.76	—
Bonds payable due after one year	—	—	—	—	—	1,993,383,890.41	—	—	—	—	—	—	2,018,912,428.80	—

Note: The Group's bonds payable have a coupon rate that approximates the effective interest rate, and the amount of premium and discount is small. The Group uses the simplified method to amortise the premium and discount amounts evenly over the term of the bonds.

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

36. LEASE LIABILITIES

(1) Lease liabilities

Item	Closing balance	Opening balance
Lease payments	3,537,938,150.30	4,094,321,239.38
Less: Unrecognised financing expenses	806,189,669.96	939,274,962.15
Total	2,731,748,480.34	3,155,046,277.23
Less: Lease liabilities due within one year	647,299,805.36	657,313,471.64
Net lease liabilities	2,084,448,674.98	2,497,732,805.59

Note: The discount rates for the above lease liabilities range from 3.04%-4.90%.

(2) Maturity of lease payments

Item	Closing balance
Year 1 after balance sheet date	756,644,828.16
Year 2 after balance sheet date	448,126,079.11
Year 3 after balance sheet date	260,349,254.51
Future years	2,072,817,988.52
Total	3,537,938,150.30

Note: The Group is not exposed to significant liquidity risk in relation to lease liabilities.

37. LONG-TERM PAYABLES

Item	Closing balance	Opening balance
Related party loans	20,000,000.00	67,033,850.20
Loans from subsidiaries to non-controlling interests	46,162,020.00	49,687,020.00
Total	66,162,020.00	116,720,870.20
Less: Long-term payables due within one year	46,162,020.00	93,195,870.20
Long-term payables due after one year	20,000,000.00	23,525,000.00

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

37. LONG-TERM PAYABLES (Continued)

(1) Top five long-term payables in the closing balance (including long-term payables due within one year)

Item	Closing balance	Opening balance
Shenzhen International Holdings (Shenzhen) Co., Ltd. (Note 1)	46,162,020.00	46,162,020.00
SINOTRANS & CSC HOLDINGS Co., Ltd. (Note 2)	20,000,000.00	20,000,000.00
Sinotrans Guangdong Co., Ltd.	—	47,033,850.20
Entity 1	—	3,525,000.00
Total	66,162,020.00	116,720,870.20

Note 1: Sinotrans Shenzhen International Logistics Co., Ltd., a subsidiary of the Group, borrowed RMB27.20 million and RMB18.40 million from Shenzhen International Holdings (Shenzhen) Co., Ltd. in 2021 and 2022, respectively. On 8 April 2024, the two borrowings were due, and Sinotrans Shenzhen International Logistics Co., Ltd. and Shenzhen International Holdings (Shenzhen) Co., Ltd. signed a loan extension agreement, agreeing to an additional one-year extension of the loan term. The loan interest rate is executed at 4.35% APR. Interest will be paid quarterly, and the principal will be repaid in lump sum at maturity. As at 31 December 2024, the total principal and interest of the aforementioned loans amount to RMB46,162,000, which were presented as non-current liabilities due within one year.

Note 2: Sinotrans Logistics Investment Holdings Co., Ltd., a subsidiary of the Group, borrowed RMB20 million from SINOTRANS & CSC in 2016 with a loan term of 18 years and an interest rate of 1.20%.

(2) The maturity date of long-term payables is analyzed as follows

Item	Closing balance	Opening balance
1 to 2 years (including 2 years)	—	3,525,000.00
2 to 5 years (including 5 years)	—	—
Over 5 years	20,000,000.00	20,000,000.00
Total	20,000,000.00	23,525,000.00

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

38. LONG-TERM EMPLOYEE REMUNERATIONS PAYABLE

Item	Opening balance	Effects from changes in the scope of consolidation	Accrual in current year	Payment for the year	Actuarial adjustments	Interest adjustments	Foreign currency translation differences	Closing balance
I. Net liability for post-employment benefits – defined benefit plans	2,227,916.98	-	-733,593.70	79,402.09	-	-	-	1,414,921.19
II. Termination benefits	1,009,780.86	-	109,922.87	285,423.51	-	-	-	834,280.22
III. Other long-term benefits	1,314,905.76	-	-	-	-	-	-	1,314,905.76
Total	4,552,603.60	-	-623,670.83	364,825.60	-	-	-	3,564,107.17
Less: Long-term Employee remunerations payable due within one year	-	—	—	—	—	—	—	-
Long-term Employee remunerations payable due after one year	4,552,603.60	—	—	—	—	—	—	3,564,107.17

Note: The Group's post-employment benefits – defined benefit plans mainly represent the extra-universal costs for socialized transferred retirees accrued by Yangtze River Company, Sinotrans Jiuling Transport & Storage Co., Ltd., Zhoushan Customs Sinotrans Limited and so on. The number of beneficiaries involved in the plans as at 31 December 2024 was 144, and the scope of the impact and the amount are not material to the Group.

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

39. ESTIMATED LIABILITIES

Item	Opening balance	Effects from changes in the scope of consolidation	Increase in current year	Decrease in current year	Effects from translation in foreign currency statements	Closing balance	Reason
Pending litigation, arbitration	88,867,151.78	-	4,781,087.72	67,882,587.30	61,306.00	25,826,958.20	—
Including: Cargo damage dispute of TREN1000 engine	38,777,899.00	-	-	38,777,899.00	-	-	Note 1
A contract dispute case involving the Hefei High-tech Industrial Development Zone Investment Promotion Bureau	14,500,000.00	-	-	-	-	14,500,000.00	The details are described in Note XII
One-time housing subsidy	22,283,006.50	-	-	19,728,600.00	-	2,554,406.50	Note 2
Estimated expenditure on restoration of leased assets	4,188,956.38	-	-	2,530,512.06	-	1,658,444.32	Leaseback reversal
Cargo damage disputes	36,596,879.04	-	-	36,596,879.04	-	-	—
Including: Cargo damage dispute of Jiangxi Ganzhong Foreign Trade	27,714,000.00	-	-	27,714,000.00	-	-	Note 3
Others	-	-	380,165.56	232,533.49	-	147,632.07	—
Subtotal	151,935,993.70	-	5,161,253.28	126,971,111.89	61,306.00	30,187,441.09	—
Less: Estimated liabilities due within one year	-	—	—	—	—	6,847,709.94	—
Estimated liabilities due after one year	151,935,993.70	—	—	—	—	23,339,731.15	—

Note 1: Sinotrans Integrated Logistics Co., Ltd. (hereinafter referred to as "Integrated Logistics Company"), a subsidiary of the Group, was involved in a cargo damage dispute with Aircraft Maintenance and Engineering Corporation arising from freight transportation services. Following insurance compensation by PICC Property and Casualty Company Limited Beijing Branch, a subrogation claim was asserted against Integrated Logistics Company. Based on the risk forecast, the Group had recognized a provision for an estimated liability of RMB38,777,900 in prior years. The China International Economic and Trade Arbitration Commission heard the case in September 2024 and made an award on 27 December 2024. The award ruled that the Integrated Logistics Company should pay compensation of USD 5,454,700 to PICC Property and Casualty Company Limited Beijing branch, interest calculated based on the principal of USD 5,454,700 from 19 September 2023 until the date of full payment, and other related costs. Integrated Logistics Company transferred the estimated liability to other payables in accordance with the award.

Note 2: The one-time housing subsidy was an estimated liability accrued by the Group prior to the restructuring in 2002. As there are no longer any eligible recipients for the aforementioned portion of the one-time housing subsidy, the Group reversed the above-mentioned estimated liability of RMB19,728,600.00 through equity in the current year (consistent with the accrual method applied prior to the restructuring).

Note 3: Sinoair, a subsidiary of the Group, was involved in a dispute over cargo damage and loss with Jiangxi Ganzhong Foreign Trade Development Co., Ltd. arising from custodial agency services. Based on the risk forecast, the Group had recognized a provision for an estimated liability of RMB27,714,000 in prior years. Following a reassessment by the Group's legal and risk management departments, supplemented by legal opinions from external counsel, the residual risks associated with this matter have been resolved. Accordingly, the provision for expected liabilities of RMB27,714,000 was reversed in the current year.

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

40. DEFERRED INCOME

Item	Opening balance	Effects from changes in the scope of consolidation	Increase in current year	Decrease in current year	Closing balance	Reason
Government grants	406,187,032.26	-	146,040,801.58	26,991,698.26	525,236,135.58	Note: This was mainly due to the Group's receipt of subsidies from the government for promoting the development and standardisation of the logistics industry
Total	406,187,032.26	-	146,040,801.58	26,991,698.26	525,236,135.58	—

41. OTHER NON-CURRENT LIABILITIES

Item	Opening balance	Increase due to changes in the scope of consolidation	Increase in current year	Decrease in current year	Effects from translation in foreign currency statements	Closing balance
Liabilities associated with Lanshi Port (Note)	52,576,521.50	-	-	52,576,521.50	-	-
Total	52,576,521.50	-	-	52,576,521.50	-	-
Less: Other non-current liabilities due within one year	-	—	—	—	—	-
Other non-current liabilities due after one year	52,576,521.50	—	—	—	—	-

Note: The details of liabilities associated with Lanshi Port are described in Note IX. 22.

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

42. SHARE CAPITAL

Item	Opening balance		Increase in current year	Decrease in current year	Closing balance	
	Investment amount	Proportion (%)			Investment amount	Proportion (%)
Domestic listing (A shares)	5,255,916,875.00	72.06	-	-	5,255,916,875.00	72.06
Listing (H shares) in Hong Kong, China	2,038,300,000.00	27.94	-	-	2,038,300,000.00	27.94
Total	7,294,216,875.00	100.00	-	-	7,294,216,875.00	100.00

Note: All A shares and H shares issued by the Company are ordinary shares with a par value of RMB1 per share and are entitled to the same equity.

43. CAPITAL RESERVES

FY 2024

Item	Opening balance	Increase in current year	Decrease in current year	Closing balance
I. Share capital premium	6,558,131,499.16	29,343,487.74	14,246,649.23	6,573,228,337.67
1. Capital invested by investors (Note 1)	2,987,188,170.57	28,408,970.53	4,219,491.45	3,011,377,649.65
2. Differences arising from the acquisition and disposal of non-controlling interests (Note 2)	2,155,101,433.75	934,517.21	-	2,156,035,950.96
3. Others (Note 3)	1,415,841,894.84	-	10,027,157.78	1,405,814,737.06
II. Other capital reserves	79,873,301.90	15,887,373.15	35,540,579.95	60,220,095.10
1. Other changes in the owner's equity of the investees other than net profit or loss, other comprehensive income and profit distributions	19,928,462.19	1,704,208.39	7,131,609.42	14,501,061.16
2. Share-based payment for unexercised rights (Note 1)	59,944,839.71	14,183,164.76	28,408,970.53	45,719,033.94
3. Others	-	-	-	-
Total	6,638,004,801.06	45,230,860.89	49,787,229.18	6,633,448,432.77
Including: Exclusively state-owned capital reserves	—	—	—	—

Note 1: The Company's Stock Option Incentive Plan (Phase I) actually exercised 22,388,465 options during the year (for details, please refer to Note IX.71), obtaining the exercise payment of RMB83,894,927. The difference of RMB4,219,491.45 from the corresponding treasury share repurchase cost of RMB88,114,418.45 was adjusted to capital reserves. Other capital reserves transferred to share capital premium corresponding to the number of shares exercised amounted to RMB28,408,970.53.

Note 2: See Note VIII. 8. for details.

Note 3: The decrease in other items of share premium during the year was primarily due to the following: On 1 July 2023, Sinotrans Changjiang Company, a subsidiary of the Group, acquired 100% equity interest in Yangtze River Company from another subsidiary of China Merchants in a business combination under common control. During the year, both parties to the transaction completed the settlement of profit and loss for the transition period and the Group adjusted the capital reserves by actual settlement amount of RMB8,070,095.69. SINOTRANS (HK) HOLDINGS, a subsidiary of the Group, adjusted the capital reserves at the beginning of the prior year by RMB213,760 due to a business combination under common control with SILVER EXPRESS Company during the current year (for details, please refer to Note VIII.2), and reduced the capital reserves by RMB1,924,692.22 due to the consideration paid for the consolidation.

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

43. CAPITAL RESERVES (Continued)

FY 2023

Item	Opening balance	Increase in current year	Decrease in current year	Closing balance
I. Share capital premium	6,279,098,200.61	392,729,728.44	113,696,429.89	6,558,131,499.16
1. Capital invested by investors	3,059,876,058.40	—	72,687,887.83	2,987,188,170.57
2. Differences arising from the acquisition and disposal of non-controlling interests	1,945,510,847.79	246,459,026.90	36,868,440.94	2,155,101,433.75
3. Others	1,273,711,294.42	146,270,701.54	4,140,101.12	1,415,841,894.84
II. Other capital reserves	51,541,176.63	29,869,006.09	1,536,880.82	79,873,301.90
1. Other changes in the owner's equity of the investees other than net profit or loss, other comprehensive income and profit distributions	21,465,343.01	—	1,536,880.82	19,928,462.19
2. Share-based payment for unexercised rights	30,075,833.62	29,869,006.09	—	59,944,839.71
3. Others	—	—	—	—
Total	6,330,639,377.24	422,598,734.53	115,233,310.71	6,638,004,801.06
Including: Exclusively state-owned capital reserves	—	—	—	—

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

44. TREASURY SHARES

Item	Opening balance		Increase in current year		Decrease in current year		Closing balance	
	Number (shares)	Amount	Number (shares)	Amount	Number (shares)	Amount	Number (shares)	Amount
Domestic listed (A-share) treasury shares	49,280,000.00	193,951,597.00	11,381,122.00	59,871,070.61	22,388,465.00	88,114,418.45	38,272,657.00	165,708,249.16
Including: For equity incentives (Note 1)	49,280,000.00	193,951,597.00	-	-	22,388,465.00	88,114,418.45	26,891,535.00	105,837,178.55
For cancellation (Note 2)	-	-	11,381,122.00	59,871,070.61	-	-	11,381,122.00	59,871,070.61
Treasury shares (H-share) listed in Hong Kong, China (for cancellation) (Note 3)	-	-	3,055,000.00	9,236,007.49	-	-	3,055,000.00	9,236,007.49
Total	49,280,000.00	193,951,597.00	14,436,122.00	69,107,078.10	22,388,465.00	88,114,418.45	41,327,657.00	174,944,256.65

Note 1: The exercise conditions of the first exercise period of the Company's stock option incentive plan (Phase I) were fulfilled on 29 January 2024, and 22,388,465 options were exercised by the incentive recipients in the current year (for details, please refer to Note IX.71), corresponding to a repurchase cost of RMB88,114,418.45.

Note 2: At the Second Extraordinary General Meeting of Shareholders in 2024, the Second Meeting of A-share Class Shareholders in 2024, and the Second Meeting of H-share Class Shareholders in 2024 held by the Company on 15 November 2024, the Proposal on Repurchasing the Company's A-shares through Centralized Competitive Bidding was deliberated and approved item by item. The Company was approved to use self-owned funds or self-raised funds to repurchase its A-Share shares through centralized competitive bidding transactions, with a total repurchase amount of not less than RMB271 million (inclusive) and not exceeding RMB542 million (inclusive), at a repurchase price not exceeding RMB7.43 per share (inclusive). The repurchase period is within 12 months from the date of the general meeting of shareholders' approval of this share repurchase plan, and the Board of Directors is authorized to handle matters related to the repurchase. In accordance with the resolution and authorisation mentioned above, the Company cumulatively repurchased 11,381,122 A shares during the year, and the total amount paid was RMB59,871,070.61 (excluding transaction fees).

Note 3: At the Annual General Meeting of Shareholders in 2023, the First Meeting of H-share Class Shareholders in 2024, and the First Meeting of A-share Class Shareholders in 2024 held by the Company on 7 June 2024, the Proposal on Applying for a General Authorisation for H-share Repurchase was considered and approved, and the Board of Directors was granted a general authorisation to repurchase H shares. The Board of Directors shall, based on demand and market conditions, and in compliance with the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Ltd. and the Companies Ordinance, timely decide to repurchase up to 10% of the total number of H-shares (the total number of H-shares issued by the Company as at the date when the general meeting of shareholders approved this authorisation was 2,038,300,000 shares) issued by the Company as at the date when the general meeting of shareholders approved this authorisation. The term of such general authorisation is from the date of the relevant proposal authorised at the General Meeting of Shareholders to the earliest of the following three dates: (1) at the end of the next Annual General Meeting of the Company; or (2) 12 months expired after the approval of the repurchase authorisation proposal; or (3) the revocation or amendment of the proposal by a special proposal passed by the General Meeting of Shareholders, of the Company. In accordance with the authorisation mentioned above, the Company cumulatively repurchased 3,055,000 H shares during the year, and the total amount paid was HKD9,993,380 (excluding transaction fees).

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

45. OTHER COMPREHENSIVE INCOME

Item	Opening balance	Incurred during the year before income tax	Incurred during the year		Less: Income tax expenses	Amounts attributable to the parent company after tax	Amounts attributable to minority shareholders after tax	Closing balance
			Less: Transfer to profit or loss in the current year that charged to the other comprehensive income in the prior year	Less: Transfer to retained earnings in the current year that charged to the other comprehensive income in the prior year				
I. Other comprehensive income not to be subsequently reclassified to profit or loss	17,703,225.42	1,644,220.29	-	-	411,055.07	1,233,165.22	-	18,936,390.64
1. Change in amount arising from re-measurement of the defined benefit plan	-	-	-	-	-	-	-	-
2. Other comprehensive income not to be reclassified to profit or loss under the equity method	1,790,169.90	-	-	-	-	-	-	1,790,169.90
3. Changes in fair value of other equity instrument investments	15,913,055.52	1,644,220.29	-	-	411,055.07	1,233,165.22	-	17,146,220.74
4. Changes in fair value attributable to changes in credit risk	-	-	-	-	-	-	-	-
5. Other comprehensive income not to be subsequently reclassified to profit or loss	-	-	-	-	-	-	-	-
II. Other comprehensive income to be subsequently reclassified to profit or loss	-49,148,873.57	-99,602,069.21	6,291,326.65	-	-	-93,793,995.16	-12,099,400.70	-142,942,868.73
1. Other comprehensive income to be reclassified to profit or loss under the equity method	211,538,580.13	-136,669,569.30	6,291,326.65	-	-	-142,960,895.95	-	68,577,684.18
2. Translation difference of the financial statements in foreign currency	-260,687,453.70	37,067,500.09	-	-	-	49,166,900.79	-12,099,400.70	-211,520,552.91
3. Other comprehensive income to be reclassified to profit or loss	-	-	-	-	-	-	-	-
Total	-31,445,648.15	-97,957,848.92	6,291,326.65	-	411,055.07	-92,560,829.94	-12,099,400.70	-124,006,478.09

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Notes to the Financial Statements

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

IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

46. SPECIAL RESERVES

Item	Opening balance	Increase in current year	Decrease in current year	Closing balance
Safety production costs	129,860,229.97	105,481,667.59	92,296,734.69	143,045,162.87
Total	129,860,229.97	105,481,667.59	92,296,734.69	143,045,162.87

Note: For the subsidiaries of the Group engaged in general freight transportation or special freight transportation, such as dangerous goods, safety production costs were withdrawn on the basis of operating income in accordance with the relevant national regulations, and were included in the cost of the relevant products or the current period profit or loss, and were also transferred to special reserves.

47. SURPLUS RESERVES

FY 2024

Item	Opening balance	Increase in current year	Decrease in current year	Closing balance
Statutory surplus reserves	2,076,495,475.54	295,058,289.51	–	2,371,553,765.05
Total	2,076,495,475.54	295,058,289.51	–	2,371,553,765.05

FY 2023

Item	Opening balance	Increase in current year	Decrease in current year	Closing balance
Statutory surplus reserves	1,704,231,858.65	372,263,616.89	–	2,076,495,475.54
Total	1,704,231,858.65	372,263,616.89	–	2,076,495,475.54

Note: According to the provisions of the Articles of Association of the Company, the statutory surplus reserves shall be withdrawn at the rate of 10% of the net profit. If the accumulated statutory surplus reserves of the Company reach 50% or more of the Company's registered capital, it may not be withdrawn.

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

48. UNDISTRIBUTED PROFITS

Item	Current year amount	Prior year amount
Closing balance of the prior year	21,888,204,114.36	20,139,567,944.29
Add: Adjustments to opening undistributed profit	2,421,719.89	-318,993,498.23
Including: Changes in accounting policies	–	23,952,939.18
Business combinations under common control (Note 1)	2,421,719.89	-342,946,437.41
Opening balance of the current year	21,890,625,834.25	19,820,574,446.06
Increase in current year	3,932,447,811.38	4,214,787,238.59
Including: Net profit attributable to shareholders of the Company for the year	3,917,651,361.38	4,214,787,238.59
Others (Note 2)	14,796,450.00	–
Decrease in current year	2,398,792,384.28	2,144,735,850.40
Including: Appropriation to statutory surplus reserves for the year	295,058,289.51	372,263,616.89
Dividends distribution (Note 3)	2,103,734,094.77	1,772,359,744.37
Others	–	112,489.14
Closing balance of the current year	23,424,281,261.35	21,890,625,834.25

Note 1: SINOTRANS (HK) HOLDINGS, a subsidiary of the Group, adjusted the undistributed profits at the beginning of the prior year by RMB9,476,973.89 due to a business combination under common control with SILVER EXPRESS Company during the current year (for details, please refer to Note VIII.2), and continued to adjust the undistributed profits at the beginning of the current year by RMB2,421,719.89.

Note 2: See Note IX. 39. for details.

Note 3: At the Annual General Meeting of Shareholders in 2023 held by the Company on 7 June 2024, the Proposal on the 2023 Profit Distribution Plan and the Proposal on Applying for Authorisation of the 2024 Interim Profit Distribution Plan were approved. Based on the total share capital registered on the equity distribution record date (excluding the A-shares held in the Company's dedicated repurchase account), the Company will distribute the 2023 final dividend at a rate of RMB0.145 per share (tax inclusive). Additionally, the Board of Directors is authorised to reasonably determine the declaration and payment of the 2024 interim dividend (including but not limited to deciding whether to declare such a dividend), taking into account factors such as the Company's profitability in the first half of 2024, capital requirements, and previous dividend payout ratios. In accordance with the resolution and authorisation mentioned above, the Company has distributed a final dividend of RMB1,049,711,268.44 for 2023 and an interim dividend of RMB1,054,022,826.33 for 2024.

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

49. OPERATING INCOME, COSTS

Item	Current year		Prior year	
	Income	Costs	Income	Costs
Agency and related business	67,170,242,886.86	63,646,189,305.52	61,979,521,472.86	58,709,410,765.77
Logistics	27,950,844,234.42	25,831,014,404.50	27,522,415,054.81	24,990,915,815.48
E-commerce	10,499,686,234.15	10,600,271,401.44	12,262,716,011.13	12,256,884,712.43
Total	105,620,773,355.43	100,077,475,111.46	101,764,652,538.80	95,957,211,293.68

Note: The Group's operating income and cost presentation items are consistent with the classification of the operating segments.

(1) Information related to performance obligations

FY 2024

Item	Agency and related business	Logistics	E-commerce
Operating income	—	—	—
Including: Recognition at a certain point	67,170,242,886.86	27,950,844,234.42	10,191,379,552.24
Recognition within a certain period	—	—	—
Lease income	—	—	308,306,681.91
Total	67,170,242,886.86	27,950,844,234.42	10,499,686,234.15

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

49. OPERATING INCOME, COSTS (Continued)

(1) Information related to performance obligations (Continued)

FY 2023

Item	Agency and related business	Logistics	E-commerce
Operating income	—	—	—
Including: Recognition at a certain point	61,979,521,472.86	27,522,415,054.81	11,949,061,482.25
Recognition within a certain period	—	—	—
Lease income	—	—	313,654,528.88
Total	61,979,521,472.86	27,522,415,054.81	12,262,716,011.13

The contents and prices of services are usually explicitly agreed in the contracts (agreements, orders, etc.) entered into between the Group and its customers, which do not involve complicated payment arrangements, and the Group has an unconditional right to receive payment upon completion of the relevant services, except for advance payment arrangements.

The services provided by the Group to its customers are classified into three types: agency and related business, logistics, and e-commerce business. The entrustment of a single customer may involve a single logistics process or multiple logistics processes. When multiple logistics processes are involved, the Group decides whether or not to treat them as a performance obligation, taking into account factors such as the degree of interconnection and dependence of each logistics process. The Group's logistics, e-commerce, and agency and its related businesses based on the identity of the principally liable person usually are point-to-point logistic services to clients; customers obtain and consume the economic interests brought by the performance at the same time of the Group's performance. As the logistics and e-commerce business services provided by the Group are usually completed within a relatively short period of time within an accounting period, services provided across accounting periods are not material to the Group and therefore the Group recognises the realisation of revenue at the point of completion for the above services.

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

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

49. OPERATING INCOME, COSTS (Continued)

(1) Information related to performance obligations (Continued)

The Group determines whether its identity at the time of performing a transaction is that of a principal or an agent based on whether it has control over the goods or services prior to transferring the goods or services to the customer. In the case of agency and related businesses, the Group's identity as a principal or agent is determined primarily by considering whether it has assumed the corresponding risks and liabilities.

The logistics services provided by the Group to its customers are immediate consumable services, which usually do not involve warranty, refund, or other arrangements. The Group accrues estimated liabilities, as appropriate, when it is required by customers to pay compensation for damage to goods in the course of providing services.

(2) Statement of apportionment to remaining performance obligations

Details of the timing of recognition as revenue of the portion of the transaction price that has been received or receivable from the customer for which the Group has entered into contracts (agreements, orders, etc.) with the customer at the end of the period but has not yet performed, or has not yet fully performed, its performance obligations are set out in Note IX.28. The remaining transaction prices are not presented due to the expected term of these contracts being less than one year and the dispersed nature of the customers involved and a large number of contracts, which simplifies the treatment. The above contracts of the Group do not have variable consideration clauses.

- (3) The Group had no significant contract changes or significant transaction price adjustments during the year. The amount of revenue adjusted to the provisional estimate in the current year as a result of the completion of the reconciliation and settlement of performance obligations that have been fulfilled (or partially fulfilled) in the prior year is not material.

50. TAX AND SURCHARGES

Item	Current year	Prior year
Property tax	141,874,900.07	117,396,711.45
Urban maintenance & construction tax	47,742,142.15	39,926,617.58
Urban land use tax	47,432,462.40	42,723,279.04
Education surcharge and local education surcharge	41,986,805.25	30,519,355.43
Stamp duty	41,012,411.88	35,387,069.72
Others	9,548,422.07	8,313,887.54
Total	329,597,143.82	274,266,920.76

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

51. SELLING EXPENSES

Item	Current year	Prior year
Employee remunerations	807,952,994.91	870,265,910.35
Depreciation and amortisation expenses	40,611,772.24	39,591,744.75
Business entertainment expenses	38,949,106.48	43,835,466.36
Travel expenses	28,434,894.61	33,788,577.01
Short-term, low-value lease expenses	15,751,060.28	16,124,314.29
Office expenses	14,078,155.96	12,160,531.90
Vehicle expenses	13,280,386.06	17,568,623.38
Property and utilities (water, electricity, gas) fees	10,854,601.06	9,342,607.86
Insurance premium	10,319,391.05	6,790,495.81
Others	20,078,355.47	26,501,998.00
Total	1,000,310,718.12	1,075,970,269.71

52. ADMINISTRATIVE EXPENSES

Item	Current year	Prior year
Employee remunerations	2,428,286,490.32	2,385,695,831.92
Including: Heating costs	18,081,205.64	17,719,581.53
Depreciation and amortisation expenses	336,874,075.96	333,442,032.69
Technical service fee for communication network	85,347,828.41	103,355,474.32
Intermediary service fee	80,503,026.20	74,883,661.05
Property and utilities (water, electricity, gas) fees	70,712,838.67	85,375,134.13
Business entertainment expenses	42,284,094.54	48,983,419.92
Travel expenses	41,752,500.10	47,924,451.42
Short-term, low-value lease expenses	41,086,801.81	42,255,671.51
Insurance premium, disability insurance	40,461,464.53	36,803,398.96
Office expenses	31,424,168.17	35,349,885.10
Vehicle expenses	29,513,184.83	34,227,269.45
Decoration and repair costs	25,674,106.48	37,286,443.09
Equity incentive (Note)	14,266,290.96	30,047,571.42
Advertising expenses	12,185,861.24	21,929,920.53
Others	48,542,799.65	65,854,260.90
Total	3,328,915,531.87	3,383,414,426.41

Notes: For details of the amount of the equity incentive item in administrative expenses, please refer to Note IX. 71.

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

53. RESEARCH AND DEVELOPMENT EXPENSES

Item	Current year	Prior year
Technical service fee	60,951,191.54	137,705,962.77
Employee remunerations	58,054,698.77	48,363,829.87
Depreciation and amortisation	277,823.09	46,148,611.01
Others	1,374,477.33	970,297.51
Total	120,658,190.73	233,188,701.16

54. FINANCE COSTS

Item	Current year	Prior year
Interest expenses	406,198,794.37	521,557,615.00
Including: Bank and other borrowings	169,517,375.66	217,760,554.52
Bond interest	79,775,900.91	134,240,000.01
Interest expenses on lease liabilities	140,646,927.24	149,526,285.13
Others	16,258,590.56	20,030,775.34
Less: Capitalized interest expenses	6,195,026.66	1,991,170.35
Less: Interest income	141,358,846.67	277,907,186.18
Net exchange loss (net gains denoted by "-")	-60,460,451.13	-18,390,033.80
Others	48,977,976.14	35,592,293.81
Total	247,162,446.05	258,861,518.48

55. OTHER INCOME

Item	Current year	Prior year	Whether government grants
Financial subsidy for logistics industry	1,902,256,168.06	2,129,751,100.95	Yes
Smart Network Cargo Platform and Tax Subsidies for Headquarters Economy Projects	266,210,858.21	59,193,525.23	Yes
Tax subsidy for Shanxi Transformation and Comprehensive Reform Demonstration Zone	-	152,991,931.37	Yes
Additional deduction for value-added tax	-	82,724,415.71	No
Others	16,071,400.77	29,912,794.09	—
Total	2,184,538,427.04	2,454,573,767.35	—
Including: Government grants	2,176,768,551.38	2,371,849,351.64	—

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

56. INVESTMENT INCOME

Item	Current year	Prior year
Income from long-term equity investments under the equity method	1,878,846,814.41	2,269,632,479.77
Gain on remeasurement of equity at fair value upon acquisition or loss of control	113,415,073.53	131,329.29
Investment income from the disposal of long-term equity investments	53,218,672.60	11,474,731.95
Investment income from holding other non-current financial assets	10,001,447.58	69,759,266.03
Investment income from the disposal of held for trading financial assets	2,000.62	—
Investment income from holding held-for-trading financial assets	134.79	135.08
Investment income from the disposal of receivables financing	-5,417,965.06	-4,914,925.50
Income from derecognition of financial assets measured at amortised cost	-13,628,250.16	-19,768,357.31
Total	2,036,437,928.31	2,326,314,659.31

The Group has no significant restrictions on the repatriation of investment income.

57. GAIN FROM CHANGES IN FAIR VALUE

Item	Current year	Prior year
Financial assets held for trading	72,440.77	-144,733.05
Other non-current financial assets	244,487,581.53	267,026,501.39
Total	244,560,022.30	266,881,768.34

Note: Gain from changes in fair value during the year was mainly attributable to the increase in fair value of equity investment in Southern Airlines Logistics by RMB255,929,900, the decrease in fair value of equity investment in Ouyee Cloud by RMB31,075,900, and the increase in fair value of shares held in JD Logistics (02618) by HKD 30,200,000.

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

58. CREDIT IMPAIRMENT LOSS

Item	Current year	Prior year
Credit impairment losses on accounts receivable	-45,476,963.36	-26,361,390.03
Credit impairment losses on other receivables	-39,664,921.03	1,900,701.36
Total	-85,141,884.39	-24,460,688.67

59. IMPAIRMENT OF ASSETS

Item	Current year	Prior year
Impairment loss on goodwill	-25,332,524.09	-326,553,785.50
Loss on decline in the value of inventories	-337,366.86	-476,920.83
Impairment loss on fixed assets	-	-394,810.44
Total	-25,669,890.95	-327,425,516.77

60. INCOME FROM DISPOSAL OF ASSETS

Item	Current year	Prior year	Amount included in non-recurring profit or loss for the year
Gain on disposal of non-current assets	68,434,678.00	186,271,187.26	68,434,678.00
Including: Gain on disposal of fixed assets	35,962,352.62	89,422,113.49	35,962,352.62
Gain on disposal of intangible assets	17,071,279.03	91,750,849.48	17,071,279.03
Others	15,401,046.35	5,098,224.29	15,401,046.35
Total	68,434,678.00	186,271,187.26	68,434,678.00

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

61. NON-OPERATING INCOME

Item	Current year	Prior year	Amount included in non-recurring profit or loss for the year
Unpayable payments	24,430,570.08	39,065,660.72	24,430,570.08
Liquidated damages, compensation	14,557,113.95	12,377,657.11	14,557,113.95
Gains from damage and scrapping of non-current assets	8,301,539.29	9,101,273.33	8,301,539.29
Government grants not related to the daily activities of the enterprise	5,948,218.75	13,905,620.67	5,948,218.75
Others	26,738,078.30	28,776,781.70	26,738,078.30
Total	79,975,520.37	103,226,993.53	79,975,520.37

62. GOVERNMENT GRANTS

- (1) As at 31 December 2024, the balance of government grants receivable for the Group amounted to RMB997,759,542.48 (1 January 2024: RMB724,575,007.32). For details of the expected timing of collection of the aforementioned government grants receivable, please refer to Note IX. 7.

Reasons for significant government grants that are not received in the expected amount at the expected point in time: Sinotrans Cross-border E-commerce Supply Chain (Hunan) Co., Ltd., a subsidiary of the Group, had a receivable of RMB72,892,063 due from Airport Sub-area of China (Hunan) Pilot Free Trade Zone Changsha Area Management Committee for county-level charter flight subsidies at the beginning of the year, which was originally expected to be fully recovered by the end of June 2024. Due to financial stringency at the county level, the Group expects that the collection of the aforesaid amounts will be further delayed and may be partially uncollectible. At the end of the year, the Group accrued expected credit losses of RMB36,446,031.50 based on risk prediction.

(2) Liability items related to government grants

Category of government grants	Opening balance	New grants increase in current year	Amount included in non-operating income for the year	Amount included in other income for the year	Other changes	Closing balance	Asset-related/revenue-related
Financial subsidy for logistics industry	251,217,875.55	146,040,801.58	2,316,650.53	16,325,070.22	-	378,616,956.38	Asset-related/revenue-related
Land restitution	66,827,348.47	-	48,452.40	2,070,146.64	-	64,708,749.43	Asset-related
Relocation compensation	51,922,051.42	-	-	3,316,664.98	-	48,605,386.44	Asset-related
Others	36,219,756.82	-	-	2,914,713.49	-	33,305,043.33	Asset-related/revenue-related
Total	406,187,032.26	146,040,801.58	2,365,102.93	24,626,595.33	-	525,236,135.58	—

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

62. GOVERNMENT GRANTS (Continued)

(3) Details of government grants

Item	Current year	Prior year
Government grants obtained related to assets:		
Financial subsidy for logistics industry	145,450,901.58	22,506,478.39
Land restitution	—	8,481,100.00
Relocation compensation	—	7,746,597.24
Subtotal	145,450,901.58	38,734,175.63
Government grants obtained related to revenue:		
Financial subsidy for logistics industry	1,886,520,997.84	2,109,513,328.36
Tax subsidy for Shanxi Transformation and Comprehensive Reform Demonstration Zone	—	152,991,931.37
Smart Network Cargo Platform and Tax Subsidies for Headquarters Economy Projects	266,210,858.21	59,193,525.23
Other government grants (Note)	3,583,115.82	19,342,270.70
Subtotal	2,156,314,971.87	2,341,041,055.66
Total	2,301,765,873.45	2,379,775,231.29
Less: Government grants included in deferred income	146,040,801.58	41,546,875.63
Add: Government grants transferred from deferred income to current profit or loss	26,991,698.26	47,526,616.65
Less: Government grants to offset related costs	—	—
Government grants included in current profit or loss	2,182,716,770.13	2,385,754,972.31
Including: Government grants included in other income	2,176,768,551.38	2,371,849,351.64
Government grants included in non-operating income	5,948,218.75	13,905,620.67

Note: The other government grants consist of non-material government grant items and are not disclosed separately.

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

63. NON-OPERATING EXPENSES

Item	Current year	Prior year	Amount included in non-recurring profit or loss for the year
Expenditure on public welfare donations	9,042,224.67	8,100,110.89	9,042,224.67
Losses from damage and scrapping of non-current assets	3,789,315.95	5,135,354.43	3,789,315.95
Litigation losses (Note)	-4,373,764.72	18,735,176.58	-4,373,764.72
Compensation, liquidated damages and penalty expenses (Note)	-15,299,566.93	23,881,041.37	-15,299,566.93
Others	8,780,910.51	10,544,147.45	8,780,910.51
Total	1,939,119.48	66,395,830.72	1,939,119.48

Note: The compensation, liquidated damages and penalty expenses as well as litigation and arbitration losses mainly consist of provisions, payments, or reimbursements made by the Group in relation to litigation disputes and cargo damage disputes arising from logistics transportation service contracts in its daily operations.

64. INCOME TAX EXPENSES

(1) Income tax expenses table

Item	Current year	Prior year
Current income tax	881,620,198.94	1,096,604,133.74
Adjustments in deferred income taxes	-43,416,904.56	-41,511,021.33
Total	838,203,294.38	1,055,093,112.41

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Notes to the Financial Statements

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

64. INCOME TAX EXPENSES (Continued)

(2) Process of adjusting accounting profit and income tax expense

Item	Current year
Accounting profit	5,017,849,894.58
Income tax expense at the rate of 25 % (prior year: 25%)	1,254,462,473.65
Tax implications of non-deductible expenses	54,702,315.89
Income not subject to tax	-2,500,395.59
Tax effect of unrecognised deductible losses and deductible temporary differences for the current year	194,542,516.85
Tax effect of utilising unrecognised deductible losses and deductible temporary differences from prior years	-127,002,761.78
Effect of different tax rates applicable to subsidiaries in other regions	-20,569,750.18
Withholding tax based on the expected current earnings of subsidiaries, joint ventures and associates established outside the parent company's domicile	1,344,166.35
Impact of the subsidiary tax credit	-11,319,427.78
Change in deferred tax asset/liability balance at the beginning of the year due to tax rate adjustments	—
Tax impact of unrecognised taxable temporary differences (Note)	-469,711,703.60
Retroactive payment (refund) of prior year' taxes	-14,498,852.91
Effect of goodwill impairment	6,333,131.02
Tax effect of disposal of long-term equity investments	775,350.84
Tax effect of gain on remeasurement of equity at fair value upon acquisition or loss of control	-28,353,768.38
Income tax expenses	838,203,294.38

Note: Deferred income tax has not been recognized on investment income recognized for the Group's long-term equity investments accounted for under the equity method because the related long-term equity investments will not be sold in the foreseeable future.

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

65. EARNINGS PER SHARE

Basic earnings per share is calculated based on net income attributable to the Company's ordinary shareholders for the year, divided by the weighted average number of ordinary shares outstanding.

Item	Current year	Prior year
Revenue	—	—
Net profit attributable to shareholders of the Company for the period	3,917,651,361.38	4,214,787,238.59
Including: Net profit from continuing operations	3,917,651,361.38	4,214,787,238.59
Shares	—	—
Weighted average of the Company's outstanding ordinary shares (Note 1)	7,260,473,118.96	7,245,419,625.00
Basic earnings per share (RMB/share)	0.5396	0.5817
Diluted earnings per share (RMB/share) (Note 2)	0.5386	0.5812

Note 1: Changes in the number of ordinary shares outstanding that occurred during the month are weighted on a mid-month basis.

Note 2: On 31 December 2024, the exercise price of the Company's stock options granted to the incentive targets (See Note IX. 71) was lower than the average market price (weighted monthly) of the Company's A shares for the year, and there was a dilutive effect of such stock options.

66. LEASES

(1) The Group as lessor

Item	Current year amount	Prior year amount
I. Income status	—	—
Lease income	308,306,681.91	313,654,528.88
Including: Income related to variable lease payments not included in lease receipts	—	—
II. Undiscounted lease payments to be received after the balance sheet date	603,853,639.28	522,508,931.84
Year 1	215,462,921.04	217,296,430.68
Year 2	124,327,224.66	93,610,413.82
Year 3	88,300,308.56	62,519,069.96
Year 4	72,090,763.81	49,236,563.87
Year 5	56,007,672.81	37,137,677.15
Over 5 years	47,664,748.40	62,708,776.36

1) The Group's operating leases as lessor relate to buildings, vehicles, equipment, etc., for a term of 1-9 years, with a partial renewal option.

2) The Group does not consider the unguaranteed residual value of these assets to be a material risk to the Group due to lease subject with high versatility and short leasing periods.

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

66. LEASES (Continued)

(2) The Group has no finance lease transactions as lessor that require disclosure.

(3) The Group as lessee

Item	Current year	Prior year
Interest expenses on lease liabilities	140,646,927.24	149,526,285.13
Short-term lease payments with simplified treatment included in the cost of the related assets or in current profit or loss	731,137,726.40	642,153,167.91
Lease expenses for low-value assets (other than short-term lease expenses for low-value assets) with simplified treatment included in the cost of the related assets or in current profit or loss	25,635,185.20	24,801,084.34
Variable lease payments not included in the lease liability but included in the cost of the related asset or in current profit or loss	—	—
Including: Parts arising from sale leaseback transactions	—	—
Income from sublease of right-of-use assets	3,570,364.03	2,110,904.94
Total cash outflows related to leases	1,717,884,554.73	1,710,242,602.53

Note: The Group had no sale and leaseback transactions during the year.

67. ITEMS IN THE CONSOLIDATED CASH FLOW STATEMENT

(1) Cash related to operating activities

1) Cash received from other operating activities

Item	Current year	Prior year
Government grants	1,706,887,247.16	1,817,454,349.53
Income from leasing assets	308,306,681.91	313,654,528.88
Deposit, security deposit, and collection and advance payment, etc.	281,143,773.99	395,003,888.53
Interest income	147,227,509.66	353,163,863.19
Funds deposited subject to restrictions on litigation	84,996,389.39	—
Others	65,858,470.50	48,108,933.39
Total	2,594,420,072.61	2,927,385,563.52

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

67. ITEMS IN THE CONSOLIDATED CASH FLOW STATEMENT (Continued)

(1) Cash related to operating activities (Continued)

2) Cash paid for other operating activities

Item	Current year	Prior year
Deposit, security deposit, and collection and advance payment, etc.	603,172,494.49	1,220,022,483.88
Technical services fees expenseified	154,393,667.60	250,684,808.19
Property and utilities (water, electricity, gas) fees	81,567,439.73	94,717,741.99
Business entertainment expenses	81,233,201.02	92,818,886.28
Intermediary service fee	80,503,026.20	74,883,661.05
Travel expenses	70,187,394.71	81,713,028.43
Short-term, low-value lease costs	56,837,862.09	58,379,985.80
Compensation and liquidated damages	51,112,118.56	30,693,337.88
Insurance premium, disability insurance	50,780,855.58	43,593,894.77
Handling charge	48,977,976.14	35,592,293.81
Office expenses	45,502,324.13	47,510,417.00
Vehicle expenses	42,793,570.89	51,795,892.83
Decoration and repair costs	29,174,606.06	42,909,045.78
Funds deposited subject to restrictions on litigation	—	93,204,485.96
Others	101,819,299.96	209,865,641.69
Total	1,498,055,837.16	2,428,385,605.34

(2) Cash related to investing activities

1) Significant cash received related to investing activities

Item	Current year	Prior year
Dividends from DHL-Sinotrans International Air Courier Ltd.	1,565,377,052.60	1,896,126,019.17
Sinotrans Air Port Logistics(Shanghai) Co., Ltd. Zhu Rong Harbor land reserve payment	37,395,588.10	149,582,348.00
Total	1,602,772,640.70	2,045,708,367.17

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

67. ITEMS IN THE CONSOLIDATED CASH FLOW STATEMENT (Continued)

(2) Cash related to investing activities (Continued)

2) Significant cash paid for investing activities

Item	Current year	Prior year
Sinotrans Lingang International Logistics Center Project construction, land payments	231,310,207.85	224,003,841.20
Jiaxing Haiyan Logistics Centre Project construction, land payments	153,657,901.53	148,823,304.45
Zhejiang Airport International Logistics Supply Chain Co., Ltd. contribution	147,000,000.00	—
Taicang Port Bonded Area Integrated Logistics Park Project construction, land payments	124,594,686.80	100,800,219.85
Chengdu Eastern New Area Project construction, land payments	52,181,099.36	107,786,956.12
Total	708,743,895.54	581,414,321.62

3) Cash received from other investing activities

Item	Current year	Prior year
Negative reclassification of net cash paid to acquire subsidiaries	117,950,326.19	—
Transfer payment from Shanghai Pu'an Storage Co., Ltd.	11,120,000.00	—
Repayment from MAXX LOGISTICS FZCO.	4,443,348.98	4,165,857.30
Repayment from Shanghai Pu'an Storage Co., Ltd.	4,000,000.00	5,200,000.00
Collections of funds from SILVER EXPRESS INTERNATIONAL LIMITED	2,034,800.31	9,260,341.36
Repayment from Sinotrans Suzhou Logistics Center Co., Ltd.	—	28,500,000.00
Repayment from Shenyang Jinyun Automobile Logistics Co., Ltd.	—	3,000,000.00
Repayment from Sichuan Weibo New Material Group Co., Ltd.	—	1,632,417.55
Total	139,548,475.48	51,758,616.21

4) Cash paid for other investing activities

Item	Current year	Prior year
Reclassification of negative net cash received on disposal of subsidiaries	—	19,508,312.05
Total	—	19,508,312.05

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

67. ITEMS IN THE CONSOLIDATED CASH FLOW STATEMENT (Continued)

(3) Cash related to financing activities

1) Cash received from other financing activities

Item	Current year	Prior year
Cash received from stock option exercises	83,894,927.00	—
Total	83,894,927.00	—

2) Cash paid for other financing activities

Item	Current year	Prior year
Lease payments	961,111,643.13	1,043,288,350.28
Repayment of borrowings to RED BRAVES FINANCE LIMITED	120,286,240.55	—
Share repurchase	69,107,078.10	26,775,283.28
Repayment of borrowings and interest to Sinotrans Guangdong Co., Ltd.	47,552,398.38	47,241,272.50
Repayment of borrowings and interest to Dongguan Shilong Port Development Co., Ltd.	5,825,119.48	—
Repayment of borrowings and interest to Hainan Xunda Hongtong Storage Co., Ltd.	3,634,997.13	—
Repayment of borrowings and interest to OCEAN LIFTER I LIMITED	3,385,620.62	4,424,366.92
Repayment of interest to Shenzhen International Holdings (Shenzhen) Co., Ltd.	2,016,660.00	1,968,906.67
Payment of consideration for business combination under common control	1,924,692.22	4,140,101.12
Repayment of loans and interest to original shareholders of MARK FAMOUS INVESTMENT LIMITED and OCEAN LORD INVESTMENT LIMITED	—	35,191,018.06
Repayment of borrowings and interest to Sichuan Sinotrans Storage Service Co., Ltd.	—	29,467,007.96
Refund of contributions from minority shareholders	—	27,580,000.00
Total	1,214,844,449.61	1,220,076,306.79

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

67. ITEMS IN THE CONSOLIDATED CASH FLOW STATEMENT (Continued)

(3) Cash related to financing activities (Continued)

3) Changes in liabilities arising from financing activities

Item	Opening balance	Increase in current year		Decrease in current year		Closing balance
		Cash flow	Non-cash flow	Cash flow	Non-cash flow	
Short-term borrowings (Note)	610,217,777.09	5,047,911,194.28	52,547,202.47	2,790,725,131.59	-	2,919,951,042.25
Dividends payable	69,477,271.80	-	2,433,581,821.42	2,429,270,363.94	-	73,788,729.28
Long-term borrowings (including those due within one year)	4,749,536,364.24	1,392,592,385.24	116,970,173.19	2,743,509,889.93	17,835,056.75	3,497,753,975.99
Bonds payable (including those due within one year)	4,065,531,835.65	1,999,900,000.00	79,775,900.91	4,113,000,000.00	1,800,000.00	2,030,407,736.56
Lease liabilities (including those due within one year) and rentals payable transferred to other payables	3,179,420,946.94	-	754,122,196.62	961,111,643.13	211,677,979.89	2,760,753,520.54
Long-term accounts payable (including those due within one year)	116,720,870.20	-	2,645,205.31	53,204,055.51	-	66,162,020.00
Total	12,790,905,065.92	8,440,403,579.52	3,439,642,499.92	13,090,821,084.10	231,313,036.64	11,348,817,024.62

Note: Short-term borrowings do not include short-term borrowings resulting from the Group's participation in supplier financing arrangements, as detailed in Note IX.67.(6).

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

67. ITEMS IN THE CONSOLIDATED CASH FLOW STATEMENT (Continued)

(4) Notes to the presentation of cash flows on a net basis

Item	Relevant facts	Basis for net presentation	Financial impact
Collections and advance payments	When the Group acts as an agent in an agency and related businesses, it involves the receipt or payment of money on behalf of customers	The aforesaid amounts received or paid on behalf of customers are usually explicitly agreed in the contracts entered into between the Group and the customers and the intervals between receipt and payment are relatively short. In order to maintain the matching with the recognition of income, so as to enable investors to better understand the correspondence between the Group's cash flows and income and costs, the Group presents the amounts received or paid on behalf of customers in net amount in accordance with the principle of consistency	The presentation of amounts received or paid on behalf of customers on a net basis has no material impact on the Group's net cash flows from operating activities

(5) Significant activities and financial impacts that do not involve cash receipts or payments during the year but that affect the financial position of the enterprise or may affect the enterprise's cash flows in the future

The Group provides credit to customers as a service provider and obtains credit from suppliers as a service purchaser in its daily operations, resulting in the Group having both operating receivables and payables at the end of the year, which will be collected or paid in cash in the following year. Apart from operating receivables and payables, the Group has no other significant activities or events that do not involve cash receipts or payments during the year but affect the financial position of the enterprise or may affect the enterprise's cash flows in the future.

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

67. ITEMS IN THE CONSOLIDATED CASH FLOW STATEMENT (Continued)

(6) Supplier financing arrangements

1) *Terms and conditions of supplier financing arrangements*

Some of the Group's subsidiaries participate in financing arrangements between suppliers and financial institutions. The main economic consideration for participating in the financing arrangements is to provide assistance to small and medium-sized suppliers in terms of cash flow, thereby stabilizing or attracting capacity resources, and is not for the purpose of improving the Group's working capital. In such arrangements, the Group's payment schedule remains unchanged and the Group is not liable for interest on the supplier financing arrangement, but the Group makes unconditional (waiver of defenses as a buyer, including, but not limited to, commercial disputes) payments to the bank when due in accordance with the agreement. At the economic level, there is no material change in the Group's cash flows. However, at the legal level, the Group's liabilities to suppliers are replaced with liabilities to financial institutions, and as a result, the Group derecognizes accounts payable in such arrangements and recognizes equivalent short-term loans or payables to financial institutions (such loans or payables are short-term and are not discounted by the Group on initial recognition).

As mentioned above, the Group does not bear interest in the supplier financing arrangement and does not change the timing of the Group's payment (the same as the due date of accounts payable). The Group still reports the cash flows from the repayment of the aforesaid short-term borrowings or payables as operating activities based on the principle of substance over form and for the sake of the users of the statements to better understand the statements.

2) *Items presented in the consolidated statement of financial position and related information*

Items presented	Closing balance	Opening balance
Short-term borrowings	374,240,521.97	—
Accounts payable	—	115,664,328.83
Including: Amounts received by suppliers	374,240,521.97	115,664,328.83

3) *Range of payment due dates*

As previously stated, the timing of the Group's payments under supplier financing arrangements remains unchanged (the same as the due date of accounts payable). There is no significant difference in payment due dates between liabilities that are under supplier financing arrangements and comparable accounts payable that are not under supplier financing arrangements.

4) *Current year changes not involving cash receipts and disbursements*

The Group derecognized accounts payable and recognized short-term borrowings amounting to RMB615,469,874.87 in the current year due to participation in supplier financing arrangements.

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

67. ITEMS IN THE CONSOLIDATED CASH FLOW STATEMENT (Continued)

(7) Supplementary information of the cash flow statement

Item	Current year	Prior year
1. Reconciliation of net profit to cash flows from operating activities:	—	—
Net profit	4,179,646,600.20	4,445,632,635.82
Add: Impairment of assets	25,669,890.95	327,425,516.77
Credit impairment loss	85,141,884.39	24,460,688.67
Depreciation of fixed assets and investment properties	1,304,778,847.91	1,240,701,097.03
Depreciation of right-of-use assets	844,467,542.62	924,952,747.30
Amortisation of intangible assets	325,216,797.78	300,380,484.03
Amortisation of long-term prepaid expenses	87,756,570.46	83,644,436.22
Losses from disposal of assets (gains denoted by “-”)	-68,434,678.00	-186,271,187.26
Losses from damage and scrapping of non-current assets (gains denoted by “-”)	-4,512,223.34	-3,965,918.90
Losses from changes in fair value (gains denoted by “-”)	-244,560,022.30	-266,881,768.34
Finance costs (income denoted by “-”)	365,374,285.72	445,959,849.13
Investment losses (income denoted by “-”)	-2,036,437,928.31	-2,326,314,659.31
Decrease in deferred tax assets (increase denoted by “-”)	-48,234,787.66	-24,273,084.62
Increase in deferred tax liabilities (decrease denoted by “-”)	4,817,883.10	-17,237,936.71
Decrease in inventories (increase denoted by “-”)	2,085,417.67	15,175,160.04
Decrease in operating receivables (increase denoted by “-”)	-1,506,286,304.57	1,570,854,285.93
Increase in operating payables (decrease denoted by “-”)	794,770,038.08	-2,721,304,856.98
Others	—	—
Net cash flows from operating activities	4,111,259,814.70	3,832,937,488.82
2. Major investing and financing activities not involving cash receipts and payments:	—	—
Conversion of debts into capital	—	—
Convertible corporate bonds due within one year	—	—
Fixed assets under financing lease	—	—
3. Net changes in cash and cash equivalents:	—	—
Closing balance of cash and cash equivalents	13,440,376,824.37	13,826,301,140.45
Less: Opening balance of cash and cash equivalents	13,826,301,140.45	16,406,264,443.00
Net increase in cash and cash equivalents	-385,924,316.08	-2,579,963,302.55

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

67. ITEMS IN THE CONSOLIDATED CASH FLOW STATEMENT (Continued)

(8) Net cash from acquisition and disposal of subsidiaries for the current year

Item	Current year
I. Information on the acquisition of subsidiaries	—
1. Price of acquisition of subsidiaries	316,373,082.10
2. Cash or cash equivalents paid in the current year for business combinations occurred in the current year	25,221,800.00
Less: Cash and cash equivalents held by subsidiaries on the date of purchase	158,715,529.48
Add: Cash or cash equivalents paid in the current year for business combinations that occurred in prior periods	15,543,403.29
3. Net cash paid for acquisition of subsidiaries	-117,950,326.19
4. Acquisition of net assets of subsidiaries	493,667,922.82
Current assets	194,182,601.35
Non-current assets	432,140,717.80
Current liabilities	91,035,265.09
Non-current liabilities	41,620,131.24
II. Information about the disposal of subsidiaries	—
1. Price of disposal of subsidiaries	30,357,400.00
2. Cash or cash equivalents received in the current year from the disposal of subsidiaries in the current year	30,357,400.00
Less: Cash and cash equivalents held by subsidiaries at the time of loss of control	968,769.37
Add: Cash or cash equivalents received in the current year on disposal of subsidiaries in prior periods	—
3. Net cash received on disposal of subsidiaries	29,388,630.63
4. Disposal of net assets of subsidiaries	21,845,381.14
Current assets	16,840,673.37
Non-current assets	12,115,015.37
Current liabilities	7,110,307.60
Non-current liabilities	—

Note: The price for the acquisition and disposal of subsidiaries include the non-cash consideration portion; the net assets of subsidiaries acquired and disposed of are presented at the amounts of assets and liabilities of the subsidiaries at the dates of purchase and disposal, and have not been discounted according to the Group's proportionate share of purchases and disposals.

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

67. ITEMS IN THE CONSOLIDATED CASH FLOW STATEMENT (Continued)

(9) Cash paid for distribution of dividends, profits or settlement of interest

Item	Current year	Prior year
Payment of dividends on ordinary shares	2,105,440,176.05	1,774,016,879.15
Dividends and profits paid by subsidiaries to minority shareholders	323,830,187.89	231,473,846.97
Cash paid for the settlement of interest	297,549,117.15	367,121,456.10
Total	2,726,819,481.09	2,372,612,182.22

68. CASH AND CASH EQUIVALENTS

Item	Closing balance	Opening balance
I. Cash	13,440,376,824.37	13,826,301,140.45
Including: Cash on hand	2,716,190.61	2,827,065.78
Cash at bank readily available for payment	13,437,660,633.76	13,823,474,074.67
Other cash and bank balances readily available for payment	—	—
II. Cash equivalents	—	—
III. Closing balance of cash and cash equivalents	13,440,376,824.37	13,826,301,140.45
Including: Restricted use in cash and cash equivalents by the Company or subsidiaries of the Group	—	—

Note: At the end of the year, the Group does not present significant cash and bank balances or other assets with a restricted scope of use as cash and cash equivalents. For details of the amount of cash and bank balances at the end of the year that are not cash and cash equivalents, please refer to Note IX.1.

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

69. FOREIGN CURRENCY MONETARY ITEMS

(1) Foreign currency monetary items

Item	Closing balance of foreign currency	Exchange rate of translation	Closing balance in RMB
Cash and bank balances	—	—	4,215,174,323.72
Including: USD	396,026,921.68	7.18840	2,846,799,923.79
HKD	768,686,471.21	0.92604	711,834,419.80
EUR	29,572,850.45	7.52570	222,556,400.63
JPY	2,374,181,630.00	0.04623	109,758,416.75
Others	—	—	324,225,162.75
Accounts receivable	—	—	5,217,911,081.16
Including: USD	560,793,370.78	7.18840	4,031,207,066.51
HKD	493,519,365.70	0.92604	457,018,673.41
EUR	12,858,477.80	7.52570	96,769,046.38
JPY	2,200,068,132.00	0.04623	101,709,149.74
Others	—	—	531,207,145.12
Accounts payable	—	—	4,543,539,247.91
Including: USD	473,156,647.56	7.18840	3,401,239,245.32
HKD	454,453,596.91	0.92604	420,842,208.88
EUR	15,072,596.32	7.52570	113,431,838.13
JPY	4,090,493,330.70	0.04623	189,103,506.68
Others	—	—	418,922,448.90
Non-current liabilities due within one year	—	—	238,837,686.29
Including: USD	6,579,418.41	7.18840	47,295,491.30
HKD	62,004,303.49	0.92604	57,418,465.20
EUR	15,476,627.51	7.52570	116,472,455.65
Others	—	—	17,651,274.14
Long-term borrowings	—	—	2,226,547,189.48
Including: USD	27,486,778.24	7.18840	197,585,956.70
HKD	700,000,000.00	0.92604	648,228,000.00
EUR	183,469,077.00	7.52570	1,380,733,232.78
Lease liabilities	—	—	364,802,582.78
Including: HKD	31,786,551.74	0.92604	29,435,618.37
EUR	43,665,070.80	7.52570	328,610,223.32
Others	—	—	6,756,741.09

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

69. FOREIGN CURRENCY MONETARY ITEMS (Continued)

(2) Description of material overseas operating entities

Name of overseas operating entity	Main business location	Functional currency	Basis for selection of functional currency	Whether there was a change in the functional currency in the current year
SINOTRANS (HK) LOGISTICS LIMITED	Hong Kong, China	HKD	Based on currencies in the principal economic environment in which it operates	No
SE LOGISTICS HOLDING B.V.	Netherlands, Romania	EUR	Based on currencies in the principal economic environment in which it operates	No

70. RESEARCH AND DEVELOPMENT EXPENDITURE

(1) Presentation by nature of costs

Item	Current year	Prior year
Technical service fee	221,489,994.33	287,730,930.81
Employee remunerations	65,627,742.24	49,508,656.66
Depreciation and amortisation	277,823.09	46,148,611.01
Others	2,534,745.36	4,404,637.25
Total	289,930,305.02	387,792,835.73
Including: Expensed research and development expenditure	120,658,190.73	233,188,701.16
Capitalised research and development expenditure	169,272,114.29	154,604,134.57

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

IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

70. RESEARCH AND DEVELOPMENT EXPENDITURE (Continued)

(2) Development expenditure on research and development projects eligible for capitalisation

Item	Opening balance	Increase in current year		Decrease in current year		Closing balance
		Internal development expenditure	Others	Recognised as intangible assets	Transfer to current profit or loss	
Sinotrans Sailing	31,027,339.10	1,103,269.49	-	-	-	32,130,608.59
Network Cargo Platform Project	9,049,760.36	5,958,816.72	-	-	-	15,008,577.08
Digital Operations Management System Product Management and Quotation Management Construction Project	5,377,358.34	-	4,877,358.49	-	-	10,254,716.83
Land Transportation Information System Development	6,876,226.28	-	4,332,547.18	2,829,189.52	-	8,379,583.94
IoT Application Service Component Upgrade and Development Project	2,561,999.99	-	5,665,572.15	-	-	8,227,572.14
Data Autonomous Driving Technology Application Project	6,896,770.91	-	36,920.75	-	-	6,933,691.66
Customs Sharing Project	2,852,075.39	-	3,747,971.70	113,207.54	-	6,488,839.55
Construction of Sinotrans CRM System Phase II	5,599,999.98	-	-	-	-	5,599,999.98
Pan AI Application - General Q&A and Business Solution Large Model	-	-	5,207,547.16	-	-	5,207,547.16
Unified Information System Project	-	-	4,488,906.60	-	-	4,488,906.60
Automation and Intelligent Application Implementation Project for Sub-units of Sinotrans Logistics	-	4,361,700.00	-	-	-	4,361,700.00
Identity and Access Management System - External Authentication Project	-	-	4,358,490.56	-	-	4,358,490.56
Water freight rate management platform	-	-	4,273,584.91	-	-	4,273,584.91
i-SCP Smart Supply Chain Platform Project	-	1,811,320.76	2,264,150.94	-	-	4,075,471.70
Technology R&D - Business Management Project	6,162,669.37	-	547,169.81	2,735,849.04	-	3,973,990.14
Digital Requirements Transformation Project for BMS System Docking Finance	3,890,452.60	-	-	-	-	3,890,452.60
Construction of Human Resources System	3,332,609.18	-	513,018.86	-	-	3,845,628.04
Sinotrans New Generation Warehouse System Construction Project	-	3,782,240.00	-	-	-	3,782,240.00
Development and Upgrade of GTS System Equipment	354,817.16	-	6,117,832.72	2,814,276.18	-	3,658,373.70
Smart Supply Chain Project	-	-	3,396,226.42	-	-	3,396,226.42
Intelligent Forklift-based Warehouse Storage and Pickup Business Human-Machine Collaboration Automation Solution Application Pilot Project	-	-	3,396,226.41	-	-	3,396,226.41
Joint Innovation Project of Strategic Customers	2,909,433.95	-	283,018.87	-	-	3,192,452.82
Headquarters Business Function System Development Project	-	-	3,001,198.03	-	-	3,001,198.03
Sinotrans Logistics End-to-End Logistics Order Delivery Management System Project	-	2,967,000.00	-	-	-	2,967,000.00
Implementation Project of Operation and Monitoring Construction for Liner Train Business Products	1,903,797.08	-	891,089.63	-	-	2,794,886.71
Data Cross-Border Compliance Project	-	-	2,769,741.62	-	-	2,769,741.62
Sinotrans Online Self-service System Construction Project	2,716,981.14	-	-	-	-	2,716,981.14
Open Edition Sheet Processing Algorithm Capacity Building Project	2,363,349.01	-	262,594.34	-	-	2,625,943.35
Low-Code Development Platform Implementation Project	455,861.39	-	2,075,471.69	-	-	2,531,333.08
Data Security Technology System Construction Project	2,530,472.58	-	-	-	-	2,530,472.58
2024 Vehicle Location and Trajectory Data Procurement Project Technical Services	-	-	2,523,113.20	-	-	2,523,113.20
Carbon Management System Construction Project	-	-	2,377,358.50	-	-	2,377,358.50
Research and Development of Intelligent, Automated and Smart Solutions	1,692,452.84	-	650,660.38	-	-	2,343,113.22
Convergence Logistics Digitalization Innovation Project	-	-	2,196,226.40	-	-	2,196,226.40
Technology R&D - Data Service Management	5,507,792.35	-	2,165,000.00	5,507,792.35	-	2,165,000.00
Logistics Control Tower Construction Project	2,049,159.11	-	-	-	-	2,049,159.11
Data Integration Project for Shipping Agency and Air Cargo Operations	1,732,075.47	-	-	-	-	1,732,075.47
Sinotrans Smart Park Operation Management Project	-	2,681,717.35	-	1,088,377.35	-	1,593,340.00
GTM System Construction Project	3,154,716.99	-	2,420,218.00	4,443,396.24	-	1,131,538.75
Emergency Command Center Construction	2,029,675.01	-	189,622.64	2,206,044.40	-	13,253.25
Business Operating System Project	-	-	2,294,339.61	2,294,339.61	-	-
Xinchuang Renovation Project	-	-	3,102,735.84	3,102,735.84	-	-
Operations and Control Center Project	-	-	2,735,283.00	2,735,283.00	-	-
LLCT	12,553,165.46	-2,121,607.33	-	10,431,558.13	-	-
All Taxes Automated Filing Project	4,958,490.58	-	3,305,660.38	8,264,150.96	-	-
Others	35,330,277.61	7,573,184.83	54,687,615.68	20,223,179.22	-	77,367,898.90
Total	165,869,779.23	28,117,641.82	141,154,472.47	68,789,379.38	-	266,352,514.14

Note: The increase in development expenditure in others for the year is mainly the investment of external research and development entrusted by the Group. The proportion of development expenditure this year to the total expenditure on research and development projects this year is 58.38%.

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

70. RESEARCH AND DEVELOPMENT EXPENDITURE (Continued)

- (3) The Group has no material capitalized research and development projects that require disclosure.
- (4) As of 31 December 2024, the Group was assessed and concluded that no impairment provision was necessary for the development expenditure.
- (5) As of 31 December 2024, the Group had no significant outsourced projects under development.

71. SHARE-BASED PAYMENT

(1) Share-based payment in general

Item	Each director of the issuer Rong Song	Non-directors among the five highest paid individuals	Other managers and technical backbones	Total
Total amount of each equity instrument granted and not exercised at the beginning of the year	1,286,800.00	2,473,400.00 (Note)	65,466,641.00	69,226,841.00
Total amount of each equity instrument granted by the Company during the year	-	-	-	-
Total amount of each equity instrument exercised during the year	100,000.00	734,867.00	21,553,598.00	22,388,465.00
Total amount of each equity instrument written off by the Company during the year	-	-	-	-
Total amount of each equity instrument lapsed during the year	-	-	3,249,466.00	3,249,466.00
Total amount of each equity instrument granted and not exercised at the end of the year	1,186,800.00	1,738,533.00	40,663,577.00	43,588,910.00
Including: Total amount of each equity instrument exercisable at the end of the year	328,933.00	89,600.00	144,134.00	562,667.00
Total amount of each equity instrument granted and not exercised at the end of the year as a percentage of the total issued share capital (except treasury shares) at the end of the year	0.02%	0.02%	0.56%	0.60%
Range of exercise prices of stock options issued and outstanding at the end of the year and the remaining term of the contract	See notes for details	See notes for details	See notes for details	See notes for details
Range of exercise prices of other equity instruments at the end of the year and the remaining term of the contract	—	—	—	—
Share-based payment expense recognized during the year	329,731.67	633,787.92	13,302,771.37	14,266,290.96

Note: As of 31 December 2024, there were changes from the beginning of the year in the non-directors of the Company's five highest paid individuals, and the Company adjusted the opening presentation amounts for this category accordingly.

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

71. SHARE-BASED PAYMENT (Continued)

(1) Share-based payment in general (Continued)

Details of equity instruments granted in prior years:

In order to further enhance shareholder value, support the realization of the Company's strategy and long-term sustainable development, closely connect the interests of core employees with those of shareholders and the Company, further attract, motivate and retain core talents, and optimize corporate governance, the Company has formulated the *Sinotrans Limited Stock Option Incentive Plan (Phase I) (Draft)*. The Company's First Extraordinary General Meeting of Shareholders in 2022 considered and approved the *Proposal on the Company's Stock Option Incentive Plan (Draft) and its Summary*, the *Proposal on the Implementation and Assessment Measures of the Company's Stock Option Incentive Plan* and the *Proposal on the Authorisation of the Board of Directors to Handle Matters Relating to the Company's Stock Option Incentive Plan*.

According to the authorisation of the General Meeting of Shareholders, the Eighth Session of the Third Board of Directors of the Company held on 25 January 2022 considered and approved the *Proposal on the Granting of Stock Options to the Incentive Targets of the Company's Stock Option Incentive Plan (Phase I)*. The Company granted 73,925,800 A-share stock options to 186 incentive targets, representing 1% of the total issued share capital of the Company as at the date of grant, with 25 January 2022 as the grant date, and the source of the exercisable shares being the A-share shares repurchased by the Company. The incentive targets are the senior management and directors of the Company and its subsidiaries, as well as the management and technical backbone who have direct influence on the operating performance and sustainable development of the Company and its subsidiaries.

The vesting conditions of the stock option plan include service term conditions and certain company and individual performance conditions, etc. The stock option plan is exercised in three equal installments, with each installment vesting condition independently, and the exercise periods are from the first trading day 24 months after the grant date to the last trading day within 36 months after the grant date, from the first trading day 36 months after the grant date to the last trading day within 48 months after the grant date, and from the first trading day 48 months after the grant date to the last trading day within 60 months after the grant date, respectively.

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

71. SHARE-BASED PAYMENT (Continued)

(1) Share-based payment in general (Continued)

The company performance conditions are as follows:

Performance indicators	Effective from the first period	Effective from the second period	Effective from the third period
Return on equity attributable to the parent company	The Company's return on equity attributable to the parent company for the financial year prior to the effective point is not less than 10.25% and not less than the average value of the same industry (or the 75th percentile level of the benchmark companies)	The Company's return on equity attributable to the parent company for the financial year prior to the effective point is not less than 10.5% and not less than the average value of the same industry (or the 75th percentile level of the benchmark companies)	The Company's return on equity attributable to the parent company for the financial year prior to the effective point is not less than 10.75% and not less than the average value of the same industry (or the 75th percentile level of the benchmark companies)
CAGR of net profit attributable to owners of the parent company (based on 2020)	In the financial year prior to the effective point, the CAGR of net profit attributable to the parent company is not less than 11% and not less than the average value of the same industry (or the 75th percentile level of the benchmark companies)	In the financial year prior to the effective point, the CAGR of net profit attributable to the parent company is not less than 11.25% and not less than the average value of the same industry (or the 75th percentile level of the benchmark companies)	In the financial year prior to the effective point, the CAGR of net profit attributable to the parent company is not less than 11.5% and not less than the average value of the same industry (or the 75th percentile level of the benchmark companies)
Economic Value Added (EVA)	The EVA value of the Company in the financial year before the effective point is not less than RMB1.50 billion	The EVA value of the Company in the financial year before the effective point is not less than RMB1.60 billion	The EVA value of the Company in the financial year before the effective point is not less than RMB1.70 billion

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS
(CONTINUED)

71. SHARE-BASED PAYMENT (Continued)

(1) Share-based payment in general (Continued)

The individual performance conditions are as follows:

Individual annual performance achievement/appraisal	Percentage of stock options actually available to individuals
Good and above	100%
Qualified	80%
Unqualified	0

The exercise price is determined based on the higher of the average trading price of the Company's A shares (RMB4.18 per share) one trading day prior to the announcement of the draft stock option plan and the summary, the average trading price of the Company's A shares (RMB4.29 per share) 20 trading days prior to the announcement, and the par value of the Company's A shares (RMB1 per share), which is RMB4.29 per share (subject to adjustment by the authorized Board of Directors based on dividend payments, increase by transferring, share reductions, rights issue, etc.). The closing price of the Company's A shares on the trading day prior to the grant date of this stock option plan was RMB4.03 per share.

As approved at the Resolution on the *Adjustment of the Company's Stock Option Exercise Price* considered and approved at the Fifteenth Meeting of the Third Session of the Board of Directors, the Nineteenth Meeting of the Third Session of the Board of Directors, the Twenty-seventh Meeting of the Third Session of the Board of Directors, the Second Meeting of the Fourth Session of the Board of Directors and the Fourth Meeting of the Fourth Session of the Board of Directors of the Company, respectively, the exercise price of the aforesaid stock options was adjusted from RMB4.29 per share to RMB3.475 per share.

Pursuant to the *Resolution on the Reaching of the Exercise Conditions for the First Exercise Period of the Company's Stock Option Incentive Plan (Phase I)* considered and approved at the Twenty-eighth Meeting of the Third Session of the Board of Directors of the Company, the conditions for the exercise of the first exercise period of the aforesaid stock option plan have been fulfilled, and 176 incentive recipients are eligible to exercise the first exercise period, with a feasible exercise number of 22,951,132 shares. The Company organized the first and second centralized exercise of the first exercise period for the incentive targets from 4 March to 11 March 2024 and from 28 October to 30 October 2024, respectively, with the exercise price of RMB3.765 per share and RMB3.475 per share, respectively, and the actual number of exercised options totaled 22,388,465 shares. During the year, the weighted average exercise price of the foregoing stock options exercised was RMB3.747 per share, and the weighted average closing price of the Company's shares immediately prior to the exercise date was RMB5.87 per share.

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

71. SHARE-BASED PAYMENT (Continued)

(1) Share-based payment in general (Continued)

Until 31 December 2024, a total of 19 incentive targets under the aforesaid stock option plan had left, retired or transferred out of the Group, corresponding to 7,761,666 lapsed stock options (of which 9 had left, retired or transferred out of the Group during the current year, corresponding to 3,249,466 lapsed stock options), and 8 incentive targets had not fully satisfied the individual performance conditions, corresponding to 186,759 stock options that could not be put into effect (of which 0 stock options could not be put into effect during the current year).

Until 31 December 2024, the cumulative number of shares exercised under the stock option plan was 22,388,465 and the number of shares granted and unexercised was 43,588,910, which in aggregate accounted for 0.60% of the total issued share capital of the Company as at that date (except treasury shares). Unless approved by a special resolution at a general meeting, the aggregate number of A shares of the Company granted to any one incentive recipient through all the share incentive schemes in force (including those exercised and unexercised) shall not exceed 1% of the total issued A shares (except treasury shares) of the Company; the aggregate number of underlying shares under all the share incentive schemes of the Company in force shall not exceed 10% of the total issued A shares (except treasury shares) of the Company. The number of stock options and the number of underlying shares involved will be adjusted in the event of capital transferring from capital reserve, distribution of stock dividends, share split or share reduction, or rights issue before the exercise of stock options.

As at 31 December 2024, the average remaining waiting period for the stock option plan (Phases II and III) was 0.58 years.

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

71. SHARE-BASED PAYMENT (Continued)

(2) Equity-settled share-based payments

Item	Payments
Method of determining the fair value of equity instruments at the date of grant	The fair value of each stock option granted was calculated at the date of grant using the Black-Scholes option pricing model in accordance with <i>ASBE No. 11 – Share-based Payment and ASBE No. 22 – Recognition and Measurement of Financial Instruments</i> , and in accordance with the requirements of the State-owned Assets Supervision and Administration Commission of the State Council (SASAC) Guidelines on the Implementation of <i>Equity Incentives in Listed Companies Controlled by Central Enterprises</i>
Significant parameters of the fair value of equity instruments at the grant date	The fair value of each stock option under the aforesaid Company's stock option plan granted was calculated in accordance with the Black-Scholes option pricing model on the date of grant as RMB1.2451, and the risk-free interest rate used was the annualized interest rate of 2.3% for 3.5-year treasury bonds (same as expected maturity), the value of stock price volatility used was the historical volatility of 38.97% of the Company since its A-share listing, the expected maturity used was 3.5 years (weighted), the expected dividend rate used was 0% (according to the valuation principle and the regulatory requirements of SASAC, if the stock incentive plan stipulates the principle of adjusting the exercise price of the Company after dividends payment, the expected dividend rate will no longer be considered in the fair value assessment, and 0% will be used as input)
The basis for determining the number of exercisable equity instruments	The Group estimates the number of exercisable equity instruments by considering the number of incentive recipients who have actually left or transferred out of the Group at the point of estimation, as well as the impact of the Company's and individual's realized performance, and expects that the number of additional persons who will leave or transfer out of the Group in the future will be zero, and that the future performance conditions for the Company and the individual will be met
Reasons for significant differences between current year estimates and prior year estimates	Not applicable
Accumulated amount of equity-settled share-based payments credited to capital reserves	74,128,004.47
Total expense recognized for equity-settled share-based payments in the current year (Note)	14,266,290.96

Note: The incentive targets of the aforesaid stock option plan granted by the Company included employees of certain subsidiaries, and the service costs of such employees were recognized in the statements of the subsidiaries and aggregated to the Group.

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

71. SHARE-BASED PAYMENT (Continued)

- (3) The Group had no cash-settled share-based payments.
- (4) The Group had no modification or termination of share-based payment during the year.

72. SEGMENT REPORTING

In accordance with the Group's internal organisational structure, management requirements and internal reporting system, the Group's operations are divided into three operating segments whose operating results are regularly evaluated by the Group's management to determine the allocation of resources to them and evaluate their performance. Based on operating segments, the Group determined three reporting segments: agency and related business, professional logistics and e-commerce. These reporting segments are based on the income type of the Group.

The operating segments and reporting segments of the Group are analysed as follows:

Agency and related business: mainly include arranging the delivery of goods to designated consignees in other locations within a specified time frame in accordance with customer instructions; including shipping agency services related to freight agency to shipping companies, providing storage, storage yards, container loading and unloading stations and terminal services.

Professional logistics: mainly includes any provision of customised and professional entire logistics services to customers.

E-commerce: mainly includes providing professional logistics solutions for import and export e-commerce customers, providing customers with various public services through a unified online logistics e-commerce platform and providing customers with tracking and monitoring services for logistics equipment through a logistics equipment sharing platform.

Any information on segment reporting is disclosed in accordance with the accounting policies and measurement standards used by the segments when reporting to the management, and these measurement bases are consistent with the accounting and measurement basis at the time of the preparation of the financial statements.

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

72. SEGMENT REPORTING (Continued)

FY 2024

Item	Agency and related business	Logistics	E-commerce	Undistributed items	Inter-segment elimination	Total
Operating income:	—	—	—	—	—	—
Income from external transaction	67,170,242,886.86	27,950,844,234.42	10,499,686,234.15	-	-	105,620,773,355.43
Income from inter-segment transaction	6,165,489,652.07	750,244,559.29	1,760,817,846.60	-	-8,676,552,057.96	-
Total operating income from segments	73,335,732,538.93	28,701,088,793.71	12,260,504,080.75	-	-8,676,552,057.96	105,620,773,355.43
Total operating costs	66,529,464,422.82	27,262,050,923.67	10,798,014,921.71	514,588,873.85	-	105,104,119,142.05
Impairment of assets (loss denoted by "-")	-	-	-	-25,669,890.95	-	-25,669,890.95
Credit impairment loss (loss denoted by "-")	-30,966,584.31	-13,273,463.60	-39,547,451.91	-1,354,384.57	-	-85,141,884.39
Gain from changes in fair value (loss denoted by "-")	-	-	-	244,560,022.30	-	244,560,022.30
Investment income (loss denoted by "-")	64,781,397.80	8,239,178.97	1,388,549,470.33	574,867,881.21	-	2,036,437,928.31
Including: Income from investments in associates and joint ventures	64,781,397.80	8,239,178.97	1,388,549,470.33	417,276,767.31	-	1,878,846,814.41
Income from disposal of assets (loss denoted by "-")	-	-	-	68,434,678.00	-	68,434,678.00
Other income	1,639,007,166.86	43,253,632.01	502,277,628.17	-	-	2,184,538,427.04
Operating profit	2,313,600,444.39	727,012,658.13	1,552,950,959.03	346,249,432.14	-	4,939,813,493.69
Non-operating income	51,546,038.67	25,935,890.67	2,342,061.56	151,529.47	-	79,975,520.37
Non-operating expenses	-1,434,434.32	10,835,740.03	-7,480,927.60	18,741.37	-	1,939,119.48
Total profit	2,366,580,917.38	742,112,808.77	1,562,773,948.19	346,382,220.24	-	5,017,849,894.58
Income taxes	533,476,970.28	201,610,055.71	102,032,405.24	1,083,863.15	-	838,203,294.38
Net profit	1,833,103,947.10	540,502,753.06	1,460,741,542.95	345,298,357.09	-	4,179,646,600.20
Total assets	36,392,156,331.44	25,897,599,291.27	5,151,117,043.46	9,754,627,471.68	-	77,195,500,137.85
Total liabilities	14,296,173,011.51	7,255,876,387.48	1,591,235,357.86	12,011,537,162.51	-	35,154,821,919.36
Supplementary information:	—	—	—	—	—	—
Depreciation and amortisation expenses	1,370,132,450.30	1,051,168,274.02	25,130,593.67	115,788,440.78	-	2,562,219,758.77
Capital expenditures	1,616,732,259.49	593,024,136.30	16,240,669.31	289,806,732.72	-	2,515,803,797.82
Non-cash expenses other than depreciation and amortisation	30,966,584.31	13,273,463.60	39,547,451.91	27,024,275.52	-	110,811,775.34
Increase in long-term equity investments in associates and joint ventures accounted for under the equity method	-78,525,913.46	17,504,160.16	-188,614,536.43	352,058,136.95	-	102,421,847.22

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

72. SEGMENT REPORTING (Continued)

FY 2023

Item	Agency and related business	Logistics	E-commerce	Undistributed items	Inter-segment elimination	Total
Operating income:	—	—	—	—	—	—
Income from external transaction	61,979,521,472.86	27,522,415,054.81	12,262,716,011.13	-	-	101,764,652,538.80
Income from inter-segment transaction	5,239,806,527.36	718,425,649.41	2,306,167,469.58	-	-8,264,399,646.35	-
Total operating income from segments	67,219,328,000.22	28,240,840,704.22	14,568,883,480.71	-	-8,264,399,646.35	101,764,652,538.80
Total operating costs	61,636,919,024.72	26,522,576,956.80	12,466,083,346.28	557,333,802.40	-	101,182,913,130.20
Impairment of assets (loss denoted by "-")	-	-	-	-327,425,516.77	-	-327,425,516.77
Credit impairment loss (loss denoted by "-")	-15,158,853.04	-4,164,205.77	-3,381,509.72	-1,756,120.14	-	-24,460,688.67
Gain from changes in fair value (loss denoted by "-")	-	-	-	266,881,768.34	-	266,881,768.34
Investment income (loss denoted by "-")	83,883,071.02	2,099,119.32	1,769,398,851.46	470,933,617.51	-	2,326,314,659.31
Including: Income from investments in associates and joint ventures	83,883,071.02	2,099,119.32	1,769,398,851.46	414,251,437.97	-	2,269,632,479.77
Income from disposal of assets (loss denoted by "-")	-	-	-	186,271,187.26	-	186,271,187.26
Other income	1,970,936,965.14	77,717,094.96	405,919,707.25	-	-	2,454,573,767.35
Operating profit	2,382,263,631.26	1,075,490,106.52	1,968,569,713.84	37,571,133.80	-	5,463,894,585.42
Non-operating income	52,892,405.75	18,773,406.24	4,096,616.69	27,464,564.85	-	103,226,993.53
Non-operating expenses	17,084,942.39	39,740,313.00	156,232.68	9,414,342.65	-	66,395,830.72
Total profit	2,418,071,094.62	1,054,523,199.76	1,972,510,097.85	55,621,356.00	-	5,500,725,748.23
Income taxes	660,334,497.00	254,376,453.22	138,943,883.36	1,438,278.83	-	1,055,093,112.41
Net profit	1,757,736,597.62	800,146,746.54	1,833,566,214.49	54,183,077.17	-	4,445,632,635.82
Total assets	38,750,615,526.13	20,784,553,629.25	7,262,272,108.10	9,109,350,150.88	-	75,906,791,414.36
Total liabilities	14,981,830,600.64	5,702,513,968.89	1,886,498,026.45	13,214,587,249.03	-	35,785,429,845.01
Supplementary information:	—	—	—	—	—	—
Depreciation and amortisation expenses	1,151,377,641.05	1,196,699,039.52	126,725,536.57	74,876,547.44	-	2,549,678,764.58
Capital expenditures	1,731,032,400.12	621,481,284.26	41,786,083.55	261,359,425.04	-	2,655,659,192.97
Non-cash expenses other than depreciation and amortisation	15,158,853.04	4,164,205.77	3,381,509.72	1,756,120.14	-	24,460,688.67
Increase in long-term equity investments in associates and joint ventures accounted for under the equity method	86,354,038.60	118,013,518.00	-95,857,889.22	498,114,211.31	-	606,623,878.69

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X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

1. RELATED PARTIES WITH CONTROL RELATIONSHIPS

Name of controlling shareholders and the ultimate controlling party	Place of registration	Nature of business	Registered capital	Shareholding ratio (%)	Voting ratio (%)
China Merchants Group Co., Ltd.	Beijing	Conducting transportation undertaking and etc.	RMB16,900 million	—	—

2. RELATED INFORMATION ON SUBSIDIARIES IS PROVIDED IN NOTE VIII.

3. THE MAIN RELATED PARTIES THAT HAVE TRANSACTIONS WITH THE GROUP BUT DO NOT HAVE A CONTROL RELATIONSHIP ARE AS FOLLOWS

Name of related party	Nature
MING WAH (SINGAPORE) AGENCY PTE LTD.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
OCEAN LIFTER I LIMITED	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
RED BRAVES FINANCE LTD.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
YANGTZE NAVIGATION (SINGAPORE) PTE. LTD.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Sinotrans Anhui Direct Storage and Transportation Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Beijing Aocheng Wuhe Real Estate Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Beijing Sinotrans Land Transportation Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Sinotrans Beijing Sanjianfang Warehouse Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Beijing Sinotrans Logistics Center Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Beijing China Merchants Property Management Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Chiwan Container Terminal Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Dalian Port Container Logistics Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Dalian Jifa Port Logistics Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Dalian Jiye Logistics Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Dalian Container Terminal Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Dalian United King Port Auto Trade Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Dandong Port Group Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Dongguan Shenchuan Port Affairs Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Dongguan Shenchuan Wharf Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
China Freight Forwarding Fujian Hexi Storage & Transportation Company	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Fujian Sinotrans Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Sinotrans Guangdong Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Guangdong Yide Port Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party

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X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

3. THE MAIN RELATED PARTIES THAT HAVE TRANSACTIONS WITH THE GROUP BUT DO NOT HAVE A CONTROL RELATIONSHIP ARE AS FOLLOWS (Continued)

Name of related party	Nature
Guangdong Zhanjiang Port Longteng Shipping Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Guangxi Sinotrans Fangchenggang Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Guangxi Sinotrans Nanning Storage and Transportation Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Guangxi Sinotrans Automobile Transportation Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Associated Maritime Company (Hong Kong) Limited	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Hailong No. 15 (Tianjin) Leasing Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Sinotrans Hebei Company Yuanshi Warehouse	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Hebei Shijiazhuang Zhengding Sinotrans Warehousing and Logistics Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
SINOTRANS Henan, Jiuling Transport & Storage Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Hubei Sinotrans Bulk Cargo Transportation Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Jiangsu Foreign Transportation Container Station Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Sinotrans Jiangsu Logistics Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Liaoning Port Holding (Yingkou) Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Liaoning Port Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Liaoning Sinotrans Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Nanjing Yangyang Chemicals Transport & Trade Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Nanjing Changjiang Oil Transportation Longtan Shipping Engineering Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
China Changjiang National Shipping (Group) Corporation	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Nanjing Merchants Bureau Real Estate Management Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Inner Mongolia Inland Bonded Logistics Park Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Inner Mongolia Sinotrans Logistics Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Ningbo Daxie Merchants International Terminal Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Panjin Port Group Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Xiamen Sinotrans Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Shandong Sinotrans Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Shanghai Foreign Trade Warehouse Jiefangdao Storage and Transportation Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Shanghai Foreign Trade Warehouse Pudong Company	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Shanghai Foreign Trade Yangxing Storage & Transportation Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
SCSC International Merchant & Shipping (Hong Kong) Company Limited	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Shanghai Changjiang International Shipping Agency Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Shanghai Changjiang Shipping Corporation	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Shanghai Changshi Shipping Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Shanghai Investment Promotion Bureau Property Management Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party

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X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

3. THE MAIN RELATED PARTIES THAT HAVE TRANSACTIONS WITH THE GROUP BUT DO NOT HAVE A CONTROL RELATIONSHIP ARE AS FOLLOWS (Continued)

Name of related party	Nature
Shanghai China Merchants Ming Wah Shipping Company Limited	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Shanghai Zhaotong Container Transportation Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Shanghai Sinotrans Qiantang Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
SINOTRANS Shanghai Zhang HUA BANG Storage and Transportation Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Shekou Container Terminal Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Shenzhen Chiwan Port Development Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Shenzhen Chiwan International Freight Forwarding Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Shenzhen Chiwan Tug Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Shenzhen Haixing Harbor Development Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Shenzhen Lianda Tug Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Shenzhen Magang Cangma Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Shenzhen Nanyou (Holdings) Corp. Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
China Merchants Landmark (Shenzhen) Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
CSC Fenghai MOTOR Logistics Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Shenzhen Merchants Home Technology Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Shenzhen China Merchants Ro-Ro Transportation Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Shenzhen Investment Promotion Meilun Hotel Management Co., Ltd. Meilun Chamber	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Shenzhen Merchants Shekou International Cruise Home Port Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Shenzhen Merchants Ping'an Asset Management Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Sinotrans Suzhou Storage Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Tianjin Sinotrans Binhai Logistics Management Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Tianjin Sinotrans Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Wuhan Changjiang Waterway Institute of Planning and Design Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Wuhan Changjiang Steamship Company	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Wuhan Merchants Roll-on-roll Transportation Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Hong Kong Ming Wah Shipping Company Limited	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Xinjiang Sinotrans Regional Storage and Transportation Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Yangzhou Sinotrans International Freight Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Sinotrans Yinchuan Inland Port Logistics Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Yingkou Port Shipping & Cargo Agency Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Yingkou Xingang Ore Terminal Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Yiu Lian Dockyards (Shekou) Limited	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Yiu Lian Dockyards Limited	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Zhanjiang Port (Group) Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party

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X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

3. THE MAIN RELATED PARTIES THAT HAVE TRANSACTIONS WITH THE GROUP BUT DO NOT HAVE A CONTROL RELATIONSHIP ARE AS FOLLOWS (Continued)

Name of related party	Nature
Zhanjiang Port International Container Terminal Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Zhanjiang Port Petrochemical Terminal Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Zhangzhou China Merchants Port Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Zhangzhou China Merchants Tugboat Company Limited	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Zhangzhou China Ocean Shipping Tally Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
CSC (Wuhan)Green Shipping Technology Services Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Changhang Freight (Zhoushan) Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
CSC Cargo Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Long Distance Transportation Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
China Merchants Port (Shenzhen) Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
China Merchants Jiayu Property Management Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
China Merchants Bonded Logistics Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
China Merchants Godown,Wharf&Transportation Company Limited	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
China Merchants Port Group Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
China Merchants Group Shared Services Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
China Merchants International Technology Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
China Merchants International Terminal (Qingdao) Limited	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
China Merchants Container Service Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
China Merchants Group Finance Co.,Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
China Merchants Health Industry (Qichun) Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
China Merchants Jinling SHIPYARD (Jiangsu) Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
China Merchants Jinling Shipyard (Nanjing) Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
China Merchants Jinling SHIPYARD (Weihai) Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
China Merchants Jinling Dingheng Shipping (Yangzhou) Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Nanjing Tanker Corporation	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
China Merchants Automobile Trading Co.,Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
China Merchants Renhe Life Insurance Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
China Merchants Food (China) Co., Limited	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
China Merchants Investment Development Company Limited	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
CHINA MERCHANTS INVESTMENTS LIMITED	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
China Merchants Viking Cruise Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
China Merchants Property Management Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
China Merchants New Materials Technology (Chongqing) Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party

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X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

3. THE MAIN RELATED PARTIES THAT HAVE TRANSACTIONS WITH THE GROUP BUT DO NOT HAVE A CONTROL RELATIONSHIP ARE AS FOLLOWS (Continued)

Name of related party	Nature
China Merchants Heavy Industry (Jiangsu) Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
China Merchants Chongqing Communications Technology Research & Design Institute Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
China Merchants Qianhai Bay (Shenzhen) Supply Chain Management Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
China Merchants Securities Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
China Merchants Sinotrans (Shenzhen) Industrial Innovation Private Equity Investment Fund Partnership (Limited Partnership)	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Zhaotong Supply Chain Management Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Zhengzhou Merchants Logistics Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Sinotrans (Shenzhen) Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Sinotrans Alashankou Company	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Sinotrans Beijing Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Sinotrans Erlian Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Sinotrans Hainan Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Sinotrans Jiangxi Company	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Sinotrans Nantong Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Sinotrans Inner Mongolia Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
SINOTRANS & CSC HOLDINGS Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
AVIC Property Management Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Sinotrans (Jiaxing) International Freight Forwarding Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Sinotrans Container Lines (Hainan) Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Sinotrans Container Lines (Hong Kong) Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Sinotrans Container Lines Overseas Company Limited	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Sinotrans Container Lines Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Sinotrans Shanghai (Group) Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Sinotrans Shanghai (Group) Property Development Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Chongqing Changhang Dongfeng Shipbuilding Industry Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
CSC Chongqing Changjiang National Shipping Company	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
CSC Cargo (Dazhou) Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
MAXX LOGISTICS FZCO.	Joint ventures of the Group
SINOTRANS ALMAJDOUIE MIDDLE EAST CO.,LTD.	Joint ventures of the Group
Beijing Medlink Supply Chain Management Co., Ltd.	Joint ventures of the Group
Beijing Sinotrans Huali Logistics Co., Ltd.	Joint ventures of the Group
Dongguan Port Container Terminals Co., Ltd.	Joint ventures of the Group
Dongguan Sinotrans Kuasheng E-Commerce Co., Ltd.	Joint ventures of the Group
Jiangsu Nantong Sinotrans Supply Chain Management Co., Ltd.	Joint ventures of the Group

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X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

3. THE MAIN RELATED PARTIES THAT HAVE TRANSACTIONS WITH THE GROUP BUT DO NOT HAVE A CONTROL RELATIONSHIP ARE AS FOLLOWS (Continued)

Name of related party	Nature
Jiangsu Sinotrans Lvsu Port Heavy Logistics Development Co., Ltd.	Joint ventures of the Group
Jiangsu Sinotrans Yangkou Port Logistics Development Co., Ltd.	Joint ventures of the Group
Jingjiang Sinotrans Bonded Logistics Co., Ltd.	Joint ventures of the Group
Nantong Comprehensive Bonded Zone Sinotrans Logistics Co., Ltd.	Joint ventures of the Group
Ningbo Dagang New Century Container Co., Ltd.	Joint ventures of the Group
Ningbo Taiping International Trade Transportation Co., Ltd.	Joint ventures of the Group
Rongyun (Xiamen) Supply Chain Co., Ltd.	Joint ventures of the Group
Rushan Sinotrans Port Logistics Development Co., Ltd.	Joint ventures of the Group
Shaanxi Sinotrans Guotie Logistics Co., Ltd.	Joint ventures of the Group
Shanghai Tongyun International Logistics Co., Ltd.	Joint ventures of the Group
Shanghai Wai-Hong Yishida International Logistics Co., Ltd.	Joint ventures of the Group
China United Tally (Shenzhen) Co., Ltd.	Joint ventures of the Group
Shenyang Jinyun Automobile Logistics Co., Ltd.	Joint ventures of the Group
Suzhou Sinotrans Zhongli International Freight Co., Ltd.	Joint ventures of the Group
Tangshan Port Sinotrans Shipping Agency Co., Ltd.	Joint ventures of the Group
Weihai Comprehensive Bonded Zone Hongxin Supply Chain Management Co., Ltd.	Joint ventures of the Group
Wuhan Eastlake Comprehensive Bonded Area Bonded Logistics Co., Ltd.	Joint ventures of the Group
Xinjiang New Railway Sinotrans Logistics Co., Ltd.	Joint ventures of the Group
New Land Bridge (Lianyungang) Terminal Co., Ltd.	Joint ventures of the Group
Yantai Comprehensive Bonded Zone Baoyuntong Supply Chain Management Co., Ltd.	Joint ventures of the Group
Zhangjiagang Bonded Port Area Sinotrans Changjiang International Logistics Co., Ltd.	Joint ventures of the Group
Sinotrans Logistics (Pakistan) Limited	Joint ventures of the Group
Sinotrans Philippines Inc.	Joint ventures of the Group
Sinotrans Suzhou Logistics Center Co., Ltd.	Joint ventures of the Group
Sinotrans Turkey Limited	Joint ventures of the Group
Sinotrans Aramex (Shanghai) International Aviation Express Delivery Co., Ltd.	Joint ventures of the Group
DHL-Sinotrans International Air Courier Ltd.	Joint ventures of the Group
Sinotrans Hongfeng (Shanghai) International Logistics Co., Ltd.	Joint ventures of the Group
Sinotrans PFS Cold Chain Logistics Co., Ltd.	Joint ventures of the Group
Nissin-Sinotrans International Logistics Co., Ltd.	Joint ventures of the Group
Sinotrans Sarens Logistics Co., Ltd.	Joint ventures of the Group
Sinotrans Senko International Cold Chain Logistics (Shanghai) Co., Ltd.	Joint ventures of the Group
China-Vietnam Sinotrans Logistics Co., Ltd.	Joint ventures of the Group
Ningbo Dagang Container Co., Ltd.	Joint ventures of the Group
DHL-Sinotrans Bonded Storage (Beijing) Co., Ltd.	A subsidiary of the Group's joint venture

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X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

3. THE MAIN RELATED PARTIES THAT HAVE TRANSACTIONS WITH THE GROUP BUT DO NOT HAVE A CONTROL RELATIONSHIP ARE AS FOLLOWS (Continued)

Name of related party	Nature
Sinotrans PFS Yida (Shanghai) Logistics Co., Ltd.	A subsidiary of the Group's joint venture
Beijing Chentong Freightling Service Co., Ltd.	An associate of the Group
Beijing Honglian Technology Co., Ltd.	An associate of the Group
Guangxi Yunyu Port Co., Ltd.	An associate of the Group
Jiangmen Gaosha Outside Freight Agency Co., Ltd.	An associate of the Group
Jiangsu Jiangyin Port Group Co., Ltd.	An associate of the Group
Liaoning Sinotrans Hengjiu Transportation Service Co., Ltd.	An associate of the Group
Land and Sea New Channel Operation Co. Ltd.	An associate of the Group
Ma'anshan Tianshun Port Co., Ltd.	An associate of the Group
Nanjing Huaxing Loading and Unloading Service Co., Ltd.	An associate of the Group
Nantong Sinotrans Dongzaogang Logistics Development Co., Ltd.	An associate of the Group
Ningbo Beilun Donghua Container Transportation Service Co., Ltd.	An associate of the Group
Qingdao Yujiachang Container Storage And Transportation Co. Ltd.	An associate of the Group
Shanghai Pu'an Storage Co., Ltd.	An associate of the Group
Shenyang Fuyun Cold Chain Logistics Co., Ltd.	An associate of the Group
Shenyang Henglu Logistics Co., Ltd.	An associate of the Group
Tianjin Runfeng Logistics Co., Ltd.	An associate of the Group
Weihai Weidong Shipping Co., Ltd.	An associate of the Group
Wuhan Port Container Co., Ltd.	An associate of the Group
Yangzhou Comprehensive Bonded Zone Supply Chain Management Co., Ltd.	An associate of the Group
China International Exhibition Transportation Co., Ltd.	An associate of the Group
Sinotrans Huajie International Logistics (Beijing) Co., Ltd.	An associate of the Group
Sinotrans Medical Technology (Chengdu) Co., Ltd.	An associate of the Group
Shandong Port&Shipping Sinotrans Supply Chain Development Co., Ltd.	An associate of the Group
China-Europe Railway Express (Shenyang) Assembly Center Construction and Operation Co., Ltd.	An associate of the Group
Loscam Packaging Equipment Leasing (Shanghai) Co., Ltd.	A subsidiary of an associate of the Group
Loscam Supply Chain Management (Jiaxing) Co., Ltd.	A subsidiary of an associate of the Group
Qingdao Qingzhui Logistics Technology Co., Ltd.	A subsidiary of an associate of the Group
Sinotrans Pulse Technology (Chengdu) Co., Ltd.	A subsidiary of an associate of the Group
China Changjiang Bunker (Sinopec) Co., Ltd.	A joint venture of the ultimate controlling party
Jiangsu China Changjiang Bunker (Sinopec) Co., Ltd.	A subsidiary of a joint venture of the ultimate controlling party
Shenzhen China Changjiang Bunker (sinopec) Co., Ltd.	A subsidiary of a joint venture of the ultimate controlling party
China Merchants Bank Co., Ltd.	An associate of the ultimate controlling party

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X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

4. THE GROUP HAD THE FOLLOWING SIGNIFICANT RELATED TRANSACTIONS WITH THE ABOVE RELATED PARTIES DURING THE YEAR

(1) Pricing policy and basis

- 1) In the process of providing freight agency and professional logistics services to customers, the Group has more demand for procurement of various transportation services and terminal services, etc., and the related parties are large domestic shipping and port operators, so there is a demand for the Group to procure shipping, container transportation and special equipment transportation and other related transportation services and terminal services from the related parties in its daily operations. At the same time, due to the different geographical distribution of business between the Group and Sinotrans Group's enterprises and some joint ventures and associates, there is also a demand for the Group to procure logistics services such as freight forwarding from the related parties. As the Group is a leading integrated logistics service provider in China, there is a demand for the Group to procure ship agency services, freight agency services, warehousing services and leasing logistics equipment from the related parties.
- 2) On 26 October 2023, the Company signed the Integrated Service Agreement with China Merchants, which is effective from 1 January 2024 to 31 December 2026. According to the agreement, the pricing of the Group's related transactions with China Merchants and its subsidiaries is at market price and the terms of service are on normal commercial terms. The aforesaid market price refers to the price at which the same or similar services are provided or obtained by an independent third party in the same area in the ordinary course of parties' business in the same area under normal commercial terms. The agreement stipulates that the Group shall provide transportation and logistics services to China Merchants and its subsidiaries up to a limit of RMB2.5 billion in 2024, RMB3.250 billion in 2025 and RMB4.225 billion in 2026; the Group shall accept transportation and logistics services from China Merchants and its subsidiaries up to a limit of RMB3.5 billion in 2024, RMB4.550 billion in 2025 and RMB5.915 billion in 2026. On 15 December 2023, the Integrated Service Agreement was approved by the Company's General Meeting of Shareholders.

The Group's daily business operations require the continuous and stable use of office properties, warehouses, yards, container handling stations and real estate operated by related parties for production offices, as well as the leasing of land, buildings and logistics and transportation equipment from related parties. On 26 October 2023, the Company signed the Lease Agreement with China Merchants, which is effective from 1 January 2024 to 31 December 2026. According to the agreement, the pricing of the Group's related transactions with China Merchants and its subsidiaries is at market price and the terms are on normal commercial terms. The aforesaid market price refers to the price at which the same or similar leased subject property is offered or acquired by an independent third party in the same area in the ordinary course of parties' business in the same area under normal commercial terms. The limit for the Group to lease properties, containers, and other equipment from China Merchants and its subsidiaries is not more than RMB668 million in 2024, RMB769 million in 2025 and RMB883 million in 2026. The limit for the Group to lease properties to China Merchants and its subsidiaries is not more than RMB240 million in 2024, RMB276 million in 2025 and RMB318 million in 2026. On 15 December 2023, the Lease Agreement was approved by the Company's General Meeting of Shareholders.

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For the Year ended 31 December 2024

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

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

4. THE GROUP HAD THE FOLLOWING SIGNIFICANT RELATED TRANSACTIONS WITH THE ABOVE RELATED PARTIES DURING THE YEAR (Continued)

(1) Pricing policy and basis (Continued)

- 3) On 26 October 2023, the Company signed the Financial Services Agreement with China Merchants Group Finance Co., Ltd. (hereinafter referred to as the Finance Company), a subsidiary of China Merchants, effective from 1 January 2024 to 31 December 2026, agreeing that the Group's end-of-day deposit balance (excluding loans) with the Finance Company is capped at RMB6 billion, the maximum daily outstanding loan balance (including accrued interest and handling charge) is capped at RMB10 billion, and the total amount of other financial services expenses incurred in each year is capped at RMB20 million. On 15 December 2023, the Financial Services Agreement was approved by the Company's General Meeting of Shareholders.

- 4) On 15 December 2023, the Second Extraordinary General Meeting of Shareholders of the Company in 2023 considered and approved the Resolution on Continuing Related Transactions with China Merchants Bank for the Years 2024-2026. Pursuant to the Proposal, the Group opened an account with China Merchants Bank Co., Ltd. (hereinafter referred to as "China Merchants Bank") and deposited the funds with China Merchants Bank on the principle of freedom of access and withdrawal at an interest rate not lower than the interest rate floor stipulated by the People's Bank of China at that time in respect of such type of deposits, and not lower than the interest rate determined by other cooperative financial institutions providing the same type of deposit services to the Group. The Group's maximum daily deposit balance with China Merchants Bank shall not exceed RMB6 billion in each of the years 2024, 2025 and 2026; the interest rate of the overall credit business provided by China Merchants Bank in accordance with the Group's operation and development needs shall not be higher than the upper limit of the standard prescribed by the People's Bank of China at that time in respect of such type of credit business (fees), and not be higher than the price offered by other cooperative financial institutions for providing the Group with the overall credit business. The maximum loan balances (including interest payable and handling charge) of the Group with China Merchants Bank shall not exceed RMB10 billion in each of the years 2024, 2025, and 2026; China Merchants Bank shall provide the Group with other financial services such as settlement approved by the National Financial Regulatory Administration, and the fees and charges for other financial services shall be charged in accordance with the relevant regulations of the People's Bank of China.

- 5) On 27 March 2023, the Company entered into the Purchase Service Agreement, which is valid from 1 January 2023 to 31 December 2025, with Shenzhen Merchants Home Technology Co., Ltd. Pursuant to the agreement, such daily related transactions are priced on the basis of market prices, and the limit of the Group's purchases of commodities from Shenzhen Merchants Home Technology Co., Ltd. shall not exceed RMB120 million in 2023, RMB144 million in 2024 and RMB172.8 million in 2025.

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For the Year ended 31 December 2024
(Unless indicated otherwise, all amounts are expressed in RMB)

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

4. THE GROUP HAD THE FOLLOWING SIGNIFICANT RELATED TRANSACTIONS WITH THE ABOVE RELATED PARTIES DURING THE YEAR (Continued)

(2) Related transactions for the purchase and sale of goods, rendering and acceptance of services

1) Sale of goods and rendering of services

Name of related party	Content of related transactions	Current year	Prior year
Other enterprises controlled by the same controlling shareholder and ultimate controlling party	—	1,009,747,958.37	1,007,659,183.12
Sinotrans Container Lines Overseas Company Limited	Transportation and related services	349,791,086.35	—
Sinotrans Container Lines Co., Ltd.	Transportation and related services	176,821,944.33	523,668,484.50
Associated Maritime Company (Hong Kong) Limited	Transportation and related services	80,912,765.69	77,207,543.07
Sinotrans Container Lines (Hainan) Co., Ltd.	Transportation and related services	79,932,474.22	67,627,751.36
China Merchants Group Finance Co., Ltd.	Interest income	55,101,837.96	87,289,563.76
China Merchants Viking Cruise Co., Ltd.	Transportation and related services	37,938,042.47	14,681,200.91
Zhaotong Supply Chain Management Co., Ltd.	Transportation and related services	29,807,048.32	1,711,780.35
China Merchants Heavy Industry (Jiangsu) Co., Ltd.	Transportation and related services	24,220,234.51	19,742,537.68
YANGTZE NAVIGATION (SINGAPORE) PTE. LTD.	Transportation and related services	14,039,687.20	13,864,188.31
Nanjing Tanker Corporation	Transportation and related services	12,501,233.31	5,324,547.47
Hong Kong Ming Wah Shipping Company Limited	Transportation and related services	8,260,167.32	10,626,789.27
China Merchants Automobile Trading Co., Ltd.	Transportation and related services	8,132,523.93	4,194,213.09
Inner Mongolia Sinotrans Logistics Co., Ltd.	Transportation and related services	7,509,859.95	1,000.00
CSC Cargo (Dazhou) Co., Ltd.	Transportation and related services	7,474,031.92	2,355,535.61
Shenzhen China Merchants Ro-Ro Transportation Co., Ltd.	Transportation and related services	6,891,460.03	6,100,828.00
China Merchants Jinling SHIPYARD (Weihai) Co., Ltd.	Transportation and related services	6,425,435.40	6,614,254.43
Shanghai China Merchants Ming Wah Shipping Company Limited	Transportation and related services	6,223,554.83	—
China Merchants Qianhai Bay (Shenzhen) Supply Chain Management Co., Ltd.	Transportation and related services	5,905,092.56	9,668.02
Shekou Container Terminal Co., Ltd.	Transportation and related services	5,219,661.93	4,339,577.80
Shanghai Zhaotong Container Transportation Co., Ltd.	Transportation and related services	4,961,525.65	—
China Merchants Jinling Shipyard (Jiangsu) Co., Ltd.	Transportation and related services	4,649,835.39	—
China Merchants Jinling Shipyard (Nanjing) Co., Ltd.	Transportation and related services	4,576,795.11	936,927.60
SINOTRANS Shanghai Zhang HUA BANG Storage and Transportation Co., Ltd.	Property management fees	4,210,900.03	2,552,264.15
Beijing Sinotrans Logistics Center Co., Ltd.	Property management fees	4,047,169.81	4,872,595.82
Beijing Sinotrans Land Transportation Co., Ltd.	Property management fees	4,047,169.81	4,546,885.00
SINOTRANS Henan, Jiuling Transport & Storage Co., Ltd.	Property management fees	3,905,660.36	3,905,660.38
Dalian Port Container Logistics Co., Ltd.	Transportation and related services	3,886,983.95	5,340,258.21
Shanghai Changjiang International Shipping Agency Co., Ltd.	Transportation and related services	3,615,944.40	4,063,628.41
China Merchants Jinling Dingheng Shipping (Yangzhou) Co., Ltd.	Transportation and related services	3,572,964.96	604,015.88
Yiu Lian Dockyards (Shekou) Limited	Transportation and related services	3,185,125.66	—

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For the Year ended 31 December 2024

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

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

4. THE GROUP HAD THE FOLLOWING SIGNIFICANT RELATED TRANSACTIONS WITH THE ABOVE RELATED PARTIES DURING THE YEAR (Continued)

(2) Related transactions for the purchase and sale of goods, rendering and acceptance of services (Continued)

1) Sale of goods and rendering of services (Continued)

Name of related party	Content of related transactions	Current year	Prior year
China Merchants Sinotrans (Shenzhen) Industrial Innovation Private Equity Investment Fund Partnership (Limited Partnership)	Partnership management fees	2,831,132.08	2,831,132.06
Chiwan Container Terminal Co., Ltd.	Transportation and related services	2,690,593.08	98,233.15
Shanghai Foreign Trade Warehouse Pudong Company	Property management fees	2,603,773.67	1,698,113.20
China Merchants New Materials Technology (Chongqing) Co., Ltd.	Transportation and related services	2,599,776.42	-
Nanjing Yangyang Chemicals Transport & Trade Co., Ltd.	Transportation and related services	2,387,976.54	1,228,048.86
China Merchants Investment Development Company Limited	Others	1,969,811.32	984,905.66
Shenzhen Chiwan International Freight Forwarding Co., Ltd.	Transportation and related services	1,526,646.50	1,681,781.00
Shenzhen Magang Cangma Co., Ltd.	Transportation and related services	1,463,922.02	59,860.24
Shanghai Foreign Trade Warehouse Jiefangdao Storage and Transportation Co., Ltd.	Property management fees	1,440,490.58	1,440,490.57
Shanghai Foreign Trade Yangxing Storage & Transportation Co., Ltd.	Property management fees	1,435,700.01	1,435,660.37
Sinotrans Nantong Co., Ltd.	Transportation and related services	1,405,660.35	370,471.70
Sinotrans Beijing Sanjianfang Warehouse Ltd.	Property management fees	1,339,622.64	1,453,341.16
Shenzhen Merchants Home Technology Co., Ltd.	Others	1,333,505.88	-
Sinotrans Inner Mongolia Co., Ltd.	Transportation and related services	1,311,014.52	4,562,496.45
Shanghai Sinotrans Qiantang Co., Ltd.	Property management fees	1,219,680.59	-
Shenzhen Haixing Harbor Development Co., Ltd.	Transportation and related services	1,091,120.96	96,036.50
China Merchants Port (Shenzhen) Co., Ltd.	Transportation and related services	844,811.36	1,913,765.82
Sinotrans Container Lines (Hong Kong) Co., Ltd.	Transportation and related services	823,608.92	59,018,421.58
Shenzhen Chiwan Port Development Co., Ltd.	Transportation and related services	724,972.72	1,059,675.55
Shanghai Changshi Shipping Co., Ltd.	Transportation and related services	253,622.31	1,233,090.88
CSC Cargo Co., Ltd.	Transportation and related services	123,765.35	7,732,766.51
Long Distance Transportation Co., Ltd.	Transportation and related services	104,150.89	3,046,266.52
Dalian Jifa Port Logistics Co., Ltd.	Transportation and related services	2,881.00	1,237,349.29
Shanghai Changjiang Shipping Corporation	Transportation and related services	-	32,428,828.66
Others	Transport and related services, etc.	10,451,501.30	9,866,748.31
Joint ventures and their subsidiaries	—	902,360,573.81	710,802,289.97
Shaanxi Sinotrans Guotie Logistics Co., Ltd.	Transportation and related services	201,864,264.50	141,591,551.86
Xinjiang New Railway Sinotrans Logistics Co., Ltd.	Transportation and related services	185,310,164.59	108,783,350.74
Nissin-Sinotrans International Logistics Co., Ltd.	Transportation and related services	119,952,370.67	109,790,822.89
Ningbo Taiping International Trade Transportation Co., Ltd.	Transportation and related services	102,211,958.60	105,819,981.64
Sinotrans Aramex (Shanghai) International Aviation Express Delivery Co., Ltd.	Transportation and related services	49,637,513.00	25,177,039.04
DHL-Sinotrans International Air Courier Ltd.	Transportation and related services	48,449,611.54	53,954,823.66

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

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

4. THE GROUP HAD THE FOLLOWING SIGNIFICANT RELATED TRANSACTIONS WITH THE ABOVE RELATED PARTIES DURING THE YEAR (Continued)

(2) Related transactions for the purchase and sale of goods, rendering and acceptance of services (Continued)

1) Sale of goods and rendering of services (Continued)

Name of related party	Content of related transactions	Current year	Prior year
Beijing Medlink Supply Chain Management Co., Ltd.	Transportation and related services	48,293,479.33	18,969,465.70
Jiangsu Nantong Sinotrans Supply Chain Management Co., Ltd.	Transportation and related services	34,055,887.69	25,444,142.46
Weihai Comprehensive Bonded Zone Hongxin Supply Chain Management Co., Ltd.	Transportation and related services	22,513,959.55	14,647,069.88
Shanghai Tongyun International Logistics Co., Ltd.	Transportation and related services	21,827,074.75	30,601,059.47
China-Vietnam Sinotrans Logistics Co., Ltd.	Transportation and related services	11,655,828.06	20,108,031.17
Sinotrans PFS Cold Chain Logistics Co., Ltd.	Transportation and related services	10,059,681.96	12,195,865.14
Rushan Sinotrans Port Logistics Development Co., Ltd.	Transportation and related services	8,577,235.15	—
Sinotrans Sarens Logistics Co., Ltd.	Transportation and related services	7,779,012.79	18,225,823.10
Sinotrans PFS Yida (Shanghai) Logistics Co., Ltd.	Transportation and related services	5,871,951.23	4,331,182.15
Beijing Sinotrans Huaili Logistics Co., Ltd.	Transportation and related services	5,019,830.75	3,767,408.11
Zhangjiagang Bonded Port Area Sinotrans Changjiang International Logistics Co., Ltd.	Transportation and related services	3,808,447.39	5,710,248.70
SINOTRANS ALMAJDOUIE MIDDLE EAST CO.,LTD.	Transportation and related services	3,160,588.21	882,224.32
Jiangsu Sinotrans Lvsì Port Heavy Logistics Development Co., Ltd.	Transportation and related services	2,096,436.32	491,251.28
Tangshan Port Sinotrans Shipping Agency Co., Ltd.	Transportation and related services	1,766,330.97	838,522.80
Suzhou Sinotrans Zhongli International Freight Co., Ltd.	Transportation and related services	1,492,181.24	1,894,276.19
DHL-Sinotrans Bonded Storage (Beijing) Co., Ltd.	Transportation and related services	1,475,363.75	1,394,899.62
Yantai Comprehensive Bonded Zone Baoyuntong Supply Chain Management Co., Ltd.	Transportation and related services	1,207,794.11	1,034,345.32
Dongguan Port Container Terminals Co., Ltd.	Transportation and related services	1,084,891.84	649,698.52
MAXX LOGISTICS FZCO.	Transportation and related services, Interest income	64,957.25	3,479,703.76
Others	Transport and related services, etc.	3,123,758.57	1,019,502.45
Associates and their subsidiaries	—	126,789,116.85	131,806,013.62
Weihai Weidong Shipping Co., Ltd.	Transportation and related services	28,054,323.08	29,634,097.25
Loscam Packaging Equipment Leasing (Shanghai) Co., Ltd.	Transportation and related services	20,829,756.62	20,021,531.16
Nantong Sinotrans Dongzaogang Logistics Development Co., Ltd.	Transportation and related services	18,204,033.41	18,835,513.21
Qingdao Yuiachang Container Storage And Transportation Co. Ltd.	Transportation and related services	13,224,691.04	14,672,247.51
Loscam Supply Chain Management (Jiaxing) Co., Ltd.	Transportation and related services	12,710,340.63	9,638,603.29
Shenyang Fuyun Cold Chain Logistics Co., Ltd.	Transportation and related services	8,095,238.12	8,095,238.12
Tianjin Runfeng Logistics Co., Ltd.	Transportation and related services	4,449,384.18	7,961,061.98
Sinotrans Pulse Technology (Chengdu) Co., Ltd.	Transportation and related services	3,463,352.64	—
Land and Sea New Channel Operation Co. Ltd.	Transportation and related services	3,713,709.91	6,392,771.24
Sinotrans Huajie International Logistics (Beijing) Co., Ltd.	Transportation and related services	3,635,779.03	8,615,740.23

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For the Year ended 31 December 2024

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

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

4. THE GROUP HAD THE FOLLOWING SIGNIFICANT RELATED TRANSACTIONS WITH THE ABOVE RELATED PARTIES DURING THE YEAR (Continued)

(2) Related transactions for the purchase and sale of goods, rendering and acceptance of services (Continued)

1) Sale of goods and rendering of services (Continued)

Name of related party	Content of related transactions	Current year	Prior year
Sinotrans Medical Technology (Chengdu) Co., Ltd.	Transportation and related services	2,219,965.68	127,461.13
Liaoning Sinotrans Hengjiu Transportation Service Co., Ltd.	Transportation and related services	2,127,584.35	461,795.98
Shanghai Pu'an Storage Co., Ltd.	Interest income	1,471,278.83	1,632,608.76
Wuhan Port Container Co., Ltd.	Transportation and related services	1,310,263.25	46,018.87
China International Exhibition Transportation Co., Ltd.	Transportation and related services	734,523.62	2,465,886.47
Nanjing Huaxing Loading and Unloading Service Co., Ltd.	Transportation and related services	-	1,006,290.00
Others	Transport and related services, etc.	2,544,892.46	2,199,148.42
Joint ventures and subsidiaries of the ultimate controlling party	—	875,530.10	712,853.87
Jiangsu China Changjiang Bunker (Sinopec) Co., Ltd.	Transportation and related services	484,702.83	403,510.07
China Changjiang Bunker (Sinopec) Co., Ltd.	Transportation and related services	372,902.74	257,507.80
Shenzhen China Changjiang Bunker (sinopec) Co., Ltd.	Transportation and related services	17,924.53	51,836.00
An associate of the ultimate controlling party	—	5,664,636.99	4,804,026.70
China Merchants Bank Co., Ltd.	Interest income	5,664,636.99	4,804,026.70
Total rendering of services	—	2,045,437,816.12	1,855,784,367.28

2) Purchase of goods and acceptance of services

Name of related party	Content of related transactions	Current year	Prior year
Other enterprises controlled by the same controlling shareholder and ultimate controlling party	—	2,007,209,021.20	1,930,248,256.99
Sinotrans Container Lines Overseas Company Limited	Transportation and related services	353,429,169.73	-
Sinotrans Container Lines (Hainan) Co., Ltd.	Transportation and related services	309,769,068.97	269,444,045.67
Sinotrans Container Lines Co., Ltd.	Transportation and related services	232,596,820.05	561,106,730.21
Shanghai Zhaotong Container Transportation Co., Ltd.	Transportation and related services	124,511,386.88	9,308,270.93
Sinotrans Alashankou Company	Transportation and related services	78,584,538.82	57,214,177.01
Nanjing Tanker Corporation	Transportation and related services	73,287,873.05	164,679,692.78
Liaoning Port Holding (Yingkou) Co., Ltd.	Transportation and related services	56,212,641.10	20,522,834.76
Shenzhen Merchants Home Technology Co., Ltd.	Purchase of goods	55,742,733.87	71,779,066.11
Liaoning Port Co., Ltd.	Transportation and related services	43,822,674.44	59,482,151.43
Dalian Port Container Logistics Co., Ltd.	Transportation and related services	43,807,653.65	271,461.24
Dandong Port Group Co., Ltd.	Transportation and related services	41,254,849.27	24,768,882.79
CSC (Wuhan)Green Shipping Technology Services Co., Ltd.	Transportation and related services	39,368,213.42	6,522,970.75
Hubei Sinotrans Bulk Cargo Transportation Co., Ltd.	Transportation and related services	38,545,965.15	48,478,067.98
China Merchants Property Management Co., Ltd.	Property management fees, others	30,658,631.32	22,995,935.22

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X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

4. THE GROUP HAD THE FOLLOWING SIGNIFICANT RELATED TRANSACTIONS WITH THE ABOVE RELATED PARTIES DURING THE YEAR (Continued)

(2) Related transactions for the purchase and sale of goods, rendering and acceptance of services (Continued)

2) Purchase of goods and acceptance of services (Continued)

Name of related party	Content of related transactions	Current year	Prior year
YANGTZE NAVIGATION (SINGAPORE) PTE. LTD.	Transportation and related services	28,076,065.97	69,794,085.73
Zhanjiang Port (Group) Co., Ltd.	Transportation and related services	25,748,710.44	35,189,020.69
Dalian Container Terminal Co., Ltd.	Transportation and related services	19,628,034.91	18,163,941.58
China Merchants International Terminal (Qingdao) Limited	Transportation and related services	19,411,963.20	17,548,770.20
Beijing Aocheng Wuhe Real Estate Co., Ltd.	Property management fees, others	19,249,525.54	7,813,698.71
SCSC International Merchant & Shipping (Hong Kong) Company Limited	Transportation and related services	19,231,138.20	26,932,259.48
China Merchants Bonded Logistics Co., Ltd.	Transportation and related services	18,380,061.59	10,965,561.12
Shanghai Foreign Trade Warehouse Pudong Company	Transportation and related services	15,295,749.42	-
Yingkou Xingang Ore Terminal Co., Ltd.	Transportation and related services	15,242,514.13	23,802,635.87
Yiu Lian Dockyards (Shekou) Limited	Transportation and related services	13,271,014.23	-
Sinotrans Nantong Co., Ltd.	Transportation and related services	11,367,011.44	-
Zhengzhou Merchants Logistics Co., Ltd.	Transportation and related services	11,253,298.07	12,160,066.24
Shenzhen Merchants Shekou International Cruise Home Port Co., Ltd.	Transportation and related services	9,911,064.64	210,686.77
Shenzhen Lianda Tug Co., Ltd.	Transportation and related services	9,730,105.25	8,744,391.99
Panjin Port Group Co., Ltd.	Transportation and related services	8,768,472.07	24,914,013.43
Zhanjiang Port International Container Terminal Co., Ltd.	Transportation and related services	8,343,959.13	8,060,409.20
SINOTRANS Henan, Jiuling Transport & Storage Co., Ltd.	Transportation and related services	7,968,539.18	-
China Merchants Jiayu Property Management Co., Ltd.	Transportation and related services	7,918,868.76	-
Sinotrans Shanghai (Group) Co., Ltd.	Property management fees, others	7,890,096.10	2,002,285.66
China Freight Forwarding Fujian Hexi Storage & Transportation Company	Transportation and related services	7,612,627.16	-
China Merchants Group Finance Co., Ltd.	Interest expense, handling charge	7,286,545.04	9,749,377.60
Shenzhen Chiwan Tug Co., Ltd.	Transportation and related services	6,789,169.57	6,739,714.25
Zhaotong Supply Chain Management Co., Ltd.	Transportation and related services	6,696,001.17	197,680.69
China Merchants Investment Development Company Limited	Others	6,012,074.23	8,345,405.90
China Changjiang National Shipping (Group) Corporation	Transportation and related services	5,971,804.58	18,442,450.23
SINOTRANS & CSC HOLDINGS Co., Ltd.	Technical service fee	5,968,125.44	5,056,353.33
Shandong Sinotrans Co., Ltd.	Transportation and related services	5,794,508.46	1,307,690.32
Shenzhen China Merchants Ro-Ro Transportation Co., Ltd.	Transportation and related services	5,529,414.71	15,232,214.85
Dongguan Shenchowan Port Affairs Co., Ltd.	Transportation and related services	5,279,153.79	61,051.54
Sinotrans Guangdong Co., Ltd.	Property management fees, others	5,057,884.72	2,520,442.57
Shanghai Changjiang International Shipping Agency Co., Ltd.	Transportation and related services	5,019,947.34	8,498,040.78
Nanjing Merchants Bureau Real Estate Management Co., Ltd.	Property management fees	4,918,347.27	-
Zhangzhou China Merchants Tugboat Company Limited	Transportation and related services	4,725,471.32	3,107,829.92

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Notes to the Financial Statements

For the Year ended 31 December 2024

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

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

4. THE GROUP HAD THE FOLLOWING SIGNIFICANT RELATED TRANSACTIONS WITH THE ABOVE RELATED PARTIES DURING THE YEAR (Continued)

(2) Related transactions for the purchase and sale of goods, rendering and acceptance of services (Continued)

2) Purchase of goods and acceptance of services (Continued)

Name of related party	Content of related transactions	Current year	Prior year
Zhangzhou China Merchants Port Co., Ltd.	Transportation and related services	4,163,957.28	3,840,536.86
Inner Mongolia Inland Bonded Logistics Park Co., Ltd.	Transportation and related services	3,947,903.05	8,711,752.29
Guangxi Sinotrans Automobile Transportation Co., Ltd.	Transportation and related services	3,832,050.66	-
Shanghai Investment Promotion Bureau Property Management Co., Ltd.	Property management fees, others	3,787,671.33	3,325,647.51
Guangdong Yide Port Co., Ltd.	Transportation and related services	3,613,772.45	2,923,857.93
Shenzhen Chiwan Port Development Co., Ltd.	Transportation and related services	3,555,821.83	2,741,648.71
China Merchants Port (Shenzhen) Co., Ltd.	Transportation and related services	3,485,955.11	1,559,118.65
Guangxi Sinotrans Nanning Storage and Transportation Co., Ltd.	Transportation and related services	3,428,259.28	3,281,891.70
Dongguan Chiwan Wharf Co., Ltd.	Transportation and related services	3,383,534.90	2,123,799.97
Sinotrans Shanghai (Group) Property Development Co., Ltd.	Property management fees, others	3,348,072.31	5,438,121.02
Beijing China Merchants Property Management Co., Ltd.	Property management fees	3,049,459.44	-
Wuhan Changjiang Steamship Company	Transportation and related services	3,026,504.86	2,938,225.47
CSC Cargo (Dazhou) Co., Ltd.	Transportation and related services	3,013,093.14	936,326.07
Sinotrans (Jiaxing) International Freight Forwarding Co., Ltd.	Transportation and related services	2,895,338.45	2,891,176.06
Yiu Lian Dockyards Limited	Transportation and related services	2,794,902.85	628,570.37
CSC Cargo Co., Ltd.	Transportation and related services	2,765,313.16	2,023,644.50
Liaoning Sinotrans Co., Ltd.	Transportation and related services	2,751,977.66	2,657,196.25
Sinotrans Hebei Company Yuanshi Warehouse	Transportation and related services	2,518,150.79	-
Nanjing Changjiang Oil Transportation Longtan Shipping Engineering Co., Ltd.	Transportation and related services	2,332,429.20	1,665,698.22
Tianjin Sinotrans Binhai Logistics Management Co., Ltd.	Property management fees, others	2,268,583.81	2,288,517.82
CSC Fenghai MOTOR Logistics Co., Ltd.	Transportation and related services	2,091,228.85	9,783.02
Guangxi Sinotrans Fangchenggang Co., Ltd.	Transportation and related services	1,981,901.18	35,200.00
China Merchants International Technology Co., Ltd.	Transportation and related services	1,910,286.11	1,663,454.70
Guangdong Zhanjiang Port Longteng Shipping Co., Ltd.	Transportation and related services	1,905,377.38	1,126,037.74
China Merchants Group Shared Services Co., Ltd.	Technical service fee	1,866,099.20	-
Inner Mongolia Sinotrans Logistics Co., Ltd.	Transportation and related services	1,835,110.47	1,708,517.88
Xiamen Sinotrans Co., Ltd.	Others	1,780,969.10	12,571.43
Dalian United King Port Auto Trade Co., Ltd.	Transportation and related services, others	1,733,214.14	-
Wuhan Changjiang Waterway Institute of Planning and Design Co., Ltd.	Expenditure on construction in progress	1,723,732.46	7,550,047.19
Changhang Freight (Zhoushan) Co., Ltd.	Transportation and related services	1,661,194.95	-
Hebei Shijiazhuang Zhengding Sinotrans Warehousing and Logistics Co., Ltd.	Transportation and related services	1,499,701.20	823,072.82
Zhanjiang Port Petrochemical Terminal Co., Ltd.	Transportation and related services	1,435,135.51	6,455,368.72
Fujian Sinotrans Co., Ltd.	Transportation and related services	1,404,957.04	826,044.42

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For the Year ended 31 December 2024
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X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

4. THE GROUP HAD THE FOLLOWING SIGNIFICANT RELATED TRANSACTIONS WITH THE ABOVE RELATED PARTIES DURING THE YEAR (Continued)

(2) Related transactions for the purchase and sale of goods, rendering and acceptance of services (Continued)

2) Purchase of goods and acceptance of services (Continued)

Name of related party	Content of related transactions	Current year	Prior year
Tianjin Sinotrans Co., Ltd.	Transportation and related services	1,308,357.94	-
Zhangzhou China Ocean Shipping Tally Co., Ltd.	Transportation and related services	1,300,748.29	1,261,606.11
China Merchants Landmark (Shenzhen) Co., Ltd.	Transportation and related services	1,288,826.52	-
Shenzhen Investment Promotion Meilun Hotel Management Co., Ltd. Meilun Chamber	Transportation and related services	1,267,388.63	412,123.40
Sinotrans Erian Co., Ltd.	Transportation and related services	1,255,663.10	-
Sinotrans (Shenzhen) Co., Ltd.	Transportation and related services	1,242,388.83	850,290.37
Shekou Container Terminal Co., Ltd.	Transportation and related services	1,144,166.98	2,417,890.87
Sinotrans Suzhou Storage Co., Ltd.	Transportation and related services	1,123,204.42	-
AVIC Property Management Co., Ltd.	Transportation and related services	1,081,432.94	4,831,982.37
China Merchants Qianhai Bay (Shenzhen) Supply Chain Management Co., Ltd.	Transportation and related services	1,076,981.63	88,113.21
MING WAH (SINGAPORE) AGENCY PTE LTD.	Transportation and related services	1,038,967.93	-
China Merchants Health Industry (Qichun) Co., Ltd.	Transportation and related services, others	891,277.15	1,282,846.15
China Merchants Food (China) Co., Limited	Transportation and related services, others	858,777.30	1,257,670.98
China Merchants Securities Co., Ltd.	Transportation and related services	754,716.98	5,283,018.87
Yangzhou Sinotrans International Freight Co., Ltd.	Transportation and related services	690,611.33	1,417,359.96
Dalian Jiye Logistics Co., Ltd.	Transportation and related services	625,212.13	49,861,374.82
Yingkou Port Shipping & Cargo Agency Co., Ltd.	Transportation and related services	346,480.33	1,466,318.54
Sinotrans Jiangsu Logistics Co., Ltd.	Transportation and related services	185,636.41	3,581,435.90
Shanghai Sinotrans Qiantang Co., Ltd.	Transportation and related services	49,837.98	6,516,761.50
Shanghai Changjiang Shipping Corporation	Transportation and related services, interest expenses	-	77,957,172.17
China Merchants Renhe Life Insurance Co., Ltd.	Transportation and related services, others	-	4,697,065.71
Xinjiang Sinotrans Regional Storage and Transportation Co., Ltd.	Transportation and related services	-	4,338,000.00
Wuhan Merchants Roll-on-roll Transportation Co., Ltd.	Transportation and related services	-	3,010,339.45
Ningbo Daxie Merchants International Terminal Co., Ltd.	Transportation and related services	-	2,328,957.75
Chongqing Changhang Dongfeng Shipbuilding Industry Co., Ltd.	Transportation and related services	-	1,812,764.90
Jiangsu Foreign Transportation Container Station Co., Ltd.	Transportation and related services	-	1,312,706.69
Others	Transport and related services, etc.	21,947,198.44	21,942,264.42

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For the Year ended 31 December 2024

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

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

4. THE GROUP HAD THE FOLLOWING SIGNIFICANT RELATED TRANSACTIONS WITH THE ABOVE RELATED PARTIES DURING THE YEAR (Continued)

(2) Related transactions for the purchase and sale of goods, rendering and acceptance of services (Continued)

2) Purchase of goods and acceptance of services (Continued)

Name of related party	Content of related transactions	Current year	Prior year
Joint ventures and their subsidiaries	—	1,197,247,934.65	1,130,028,274.34
Xinjiang New Railway Sinotrans Logistics Co., Ltd.	Transportation and related services	356,353,265.20	355,183,737.49
Shaanxi Sinotrans Guotie Logistics Co., Ltd.	Transportation and related services	176,447,491.31	210,775,287.58
Sinotrans Turkey Limited	Transportation and related services	130,099,237.33	165,434,675.33
Beijing Sinotrans Huali Logistics Co., Ltd.	Transportation and related services	82,792,992.79	70,763,310.60
China-Vietnam Sinotrans Logistics Co., Ltd.	Transportation and related services	72,828,252.15	39,616,667.97
Jiangsu Nantong Sinotrans Supply Chain Management Co., Ltd.	Transportation and related services	47,175,584.75	46,819,479.25
DHL-Sinotrans International Air Courier Ltd.	Transportation and related services	58,988,167.11	58,103,766.10
New Land Bridge (Lianyungang) Terminal Co., Ltd.	Transportation and related services	43,436,094.53	25,798,018.33
Dongguan Port Container Terminals Co., Ltd.	Transportation and related services	35,554,659.67	39,047,719.45
Jiangsu Sinotrans Lvsi Port Heavy Logistics Development Co., Ltd.	Transportation and related services	27,109,219.95	24,822,266.11
Sinotrans Suzhou Logistics Center Co., Ltd.	Transportation and related services	29,062,802.87	28,168,235.68
Nissin-Sinotrans International Logistics Co., Ltd.	Transportation and related services	25,194,922.58	3,580,918.32
Sinotrans Philippines Inc.	Transportation and related services	17,861,193.03	2,546,109.76
Weihai Comprehensive Bonded Zone Hongxin Supply Chain Management Co., Ltd.	Transportation and related services	12,079,216.57	5,590,297.01
Rushan Sinotrans Port Logistics Development Co., Ltd.	Transportation and related services	12,041,334.38	—
Yantai Comprehensive Bonded Zone Baoyuntong Supply Chain Management Co., Ltd.	Transportation and related services	11,611,860.53	3,779,607.00
SINOTRANS ALMAJDOUIE MIDDLE EAST CO.,LTD.	Transportation and related services	8,371,822.25	7,707,619.93
Ningbo Taiping International Trade Transportation Co., Ltd.	Transportation and related services	7,847,118.53	1,139,590.88
Wuhan Eastlake Comprehensive Bonded Area Bonded Logistics Co., Ltd.	Transportation and related services	6,847,982.20	—
Sinotrans Aramex (Shanghai) International Aviation Express Delivery Co., Ltd.	Transportation and related services	6,189,449.88	6,285,326.10
Sinotrans Logistics (Pakistan) Limited	Transportation and related services	4,534,626.25	1,671,560.59
Sinotrans Sarens Logistics Co., Ltd.	Transportation and related services	3,650,889.63	920,475.60
Jingjiang Sinotrans Bonded Logistics Co., Ltd.	Transportation and related services	3,125,376.01	591,463.58
Sinotrans High-Tech Logistics (Suzhou) Co., Ltd. (Note)	Transportation and related services	3,292,377.60	3,811,729.10
Jiangsu Sinotrans Yangkou Port Logistics Development Co., Ltd.	Transportation and related services	3,026,878.59	4,009.60
Shanghai Tongyun International Logistics Co., Ltd.	Transportation and related services	2,525,111.23	108,879.10
Nantong Comprehensive Bonded Zone Sinotrans Logistics Co., Ltd.	Transportation and related services	1,795,098.31	1,234,521.33
Shanghai Wai-Hong Yishida International Logistics Co., Ltd.	Transportation and related services	1,531,448.39	1,139,616.23
Ningbo Dagang New Century Container Co., Ltd.	Transportation and related services	1,281,272.25	5,285,065.80
Shenyang Jinyun Automobile Logistics Co., Ltd.	Transportation and related services	1,205,317.47	3,114,389.11
Sinotrans Senko International Cold Chain Logistics (Shanghai) Co., Ltd.	Transportation and related services	943,964.39	7,477,578.36

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Notes to the Financial Statements

For the Year ended 31 December 2024
(Unless indicated otherwise, all amounts are expressed in RMB)

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

4. THE GROUP HAD THE FOLLOWING SIGNIFICANT RELATED TRANSACTIONS WITH THE ABOVE RELATED PARTIES DURING THE YEAR (Continued)

(2) Related transactions for the purchase and sale of goods, rendering and acceptance of services (Continued)

2) Purchase of goods and acceptance of services (Continued)

Name of related party	Content of related transactions	Current year	Prior year
Zhangjiagang Bonded Port Area Sinotrans Changjiang International Logistics Co., Ltd.	Transportation and related services	759,652.00	1,012,373.51
Ningbo Dagang Container Co., Ltd.	Transportation and related services	430,398.88	1,028,804.33
Tangshan Port Sinotrans Shipping Agency Co., Ltd.	Transportation and related services	-	3,535,167.10
Dongguan Sinotrans Kuasheng E-Commerce Co., Ltd.	Transportation and related services	-	2,321,123.30
Others	Transport and related services, etc.	1,252,856.04	1,608,884.81
Associates and their subsidiaries	—	634,183,364.52	509,165,304.43
Liaoning Sinotrans Hengjiu Transportation Service Co., Ltd.	Transportation and related services	112,499,198.97	125,404,785.60
Weihai Weidong Shipping Co., Ltd.	Transportation and related services	130,303,039.93	132,256,488.63
Sinotrans Medical Technology (Chengdu) Co., Ltd.	Transportation and related services	82,329,397.01	1,640,572.47
Shandong Port&Shipping Sinotrans Supply Chain Development Co., Ltd.	Transportation and related services	70,650,716.87	-
Loscam Packaging Equipment Leasing (Shanghai) Co., Ltd.	Transportation and related services	45,043,295.74	47,242,858.02
Jiangsu Jiangyin Port Group Co., Ltd.	Transportation and related services	40,523,972.30	46,972,202.01
Sinotrans Huajie International Logistics (Beijing) Co., Ltd.	Transportation and related services	30,554,334.49	32,713,130.05
Nanjing Huaxing Loading and Unloading Service Co., Ltd.	Transportation and related services	24,636,042.85	18,782,897.54
Wuhan Port Container Co., Ltd.	Transportation and related services	18,497,849.43	16,202,957.87
Nantong Sinotrans Dongzaogang Logistics Development Co., Ltd.	Transportation and related services	17,305,999.63	16,793,530.35
Qingdao Yujiachang Container Storage And Transportation Co. Ltd.	Transportation and related services	13,393,590.63	11,236,326.10
Ma'anshan Tianshun Port Co., Ltd.	Transportation and related services	13,137,044.08	15,270,083.43
Yangzhou Comprehensive Bonded Zone Supply Chain Management Co., Ltd.	Transportation and related services	11,439,085.59	10,750,567.88
Shenyang Henglu Logistics Co., Ltd.	Transportation and related services	6,966,225.03	8,486,628.52
China-Europe Railway Express (Shenyang) Assembly Center Construction and Operation Co., Ltd.	Transportation and related services	5,718,750.13	10,052,173.00
Beijing Chentong Freight Service Co., Ltd.	Transportation and related services	3,193,214.68	831,863.67
Jiangmen Gaosha Outside Freight Agency Co., Ltd.	Transportation and related services	2,202,535.09	1,772,210.83
Tianjin Runfeng Logistics Co., Ltd.	Transportation and related services	1,407,677.78	1,315,301.38
Ningbo Beilun Donghua Container Transportation Service Co., Ltd.	Transportation and related services	1,128,016.99	760,144.83
China International Exhibition Transportation Co., Ltd.	Transportation and related services	1,193,126.58	6,334,909.07
Land and Sea New Channel Operation Co. Ltd.	Transportation and related services	390,887.50	3,683,004.82
Others	Transport and related services, etc.	1,669,363.22	662,668.36
Joint ventures and subsidiaries of the ultimate controlling party	—	22,085,571.16	5,764,219.58
China Changjiang Bunker (Sinopec) Co., Ltd.	Transportation and related services	20,887,169.98	5,764,219.58
Jiangsu China Changjiang Bunker (Sinopec) Co., Ltd.	Transportation and related services	1,198,401.18	-
An associate of the ultimate controlling party	—	13,809,493.27	9,471,221.95
China Merchants Bank Co., Ltd.	Interest expense, handling charge	13,809,493.27	9,471,221.95
Total services accepted	—	3,874,535,384.80	3,584,677,277.29

Note: On 30 November 2024, High-Tech Logistics Company was changed from a joint venture to a subsidiary of the Group (for details, please refer to Note VIII.3). The Group's related transactions with them until 30 November 2024 are still classified and reported as related transactions with "joint ventures and their subsidiaries".

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

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

4. THE GROUP HAD THE FOLLOWING SIGNIFICANT RELATED TRANSACTIONS WITH THE ABOVE RELATED PARTIES DURING THE YEAR (Continued)

(3) Balance of major creditor's rights and debts

Item	Name of related party	Closing balance	Opening balance
Cash and bank balances	Other enterprises controlled by the same controlling shareholder and ultimate controlling party	5,787,029,280.41	4,223,397,105.18
	China Merchants Group Finance Co., Ltd.	5,787,029,280.41	4,223,397,105.18
	Associates of the ultimate controlling party	537,861,794.00	196,376,904.32
	China Merchants Bank Co., Ltd.	537,861,794.00	196,376,904.32
	Total cash and bank balances	6,324,891,074.41	4,419,774,009.50
Accounts receivable	Other enterprises controlled by the same controlling shareholder and ultimate controlling party	71,330,306.65	72,451,990.14
	Sinotrans Container Lines Co., Ltd.	23,233,902.89	22,446,726.21
	Sinotrans Container Lines (Hainan) Co., Ltd.	12,105,994.86	918,596.80
	Sinotrans Container Lines Overseas Company Limited	9,278,389.57	–
	Shekou Container Terminal Co., Ltd.	3,595,190.69	–
	Sinotrans Container Lines (Hong Kong) Co., Ltd.	3,105,991.36	9,846,126.30
	Associated Maritime Company (Hong Kong) Limited	2,883,040.43	1,146,032.82
	Chiwan Container Terminal Co., Ltd.	1,982,769.64	–
	Shanghai Zhaotong Container Transportation Co., Ltd.	1,796,182.04	176,648.57
	Zhaotong Supply Chain Management Co., Ltd.	1,464,096.10	–
	Nanjing Yangyang Chemicals Transport & Trade Co., Ltd.	1,335,272.33	1,338,387.61
	SINOTRANS Henan, Jiuling Transport & Storage Co., Ltd.	1,034,999.99	4,140,000.00
	CSC Cargo (Dazhou) Co., Ltd.	953,859.91	1,314,758.90
	Shanghai China Merchants Ming Wah Shipping Company Limited	741,568.40	5,473,051.53
	China Merchants Heavy Industry (Jiangsu) Co., Ltd.	708,658.18	2,186,000.00
	Nanjing Tanker Corporation	641,424.90	1,115,956.23
	China Merchants Jinling SHIPYARD (Weihai) Co., Ltd.	460,133.83	1,005,221.95
	China Merchants Viking Cruise Co., Ltd.	432,610.65	1,212,211.61
	YANGTZE NAVIGATION (SINGAPORE) PTE. LTD.	212,221.26	1,111,228.92
	Shanghai Changjiang Shipping Corporation	–	15,702,500.79
	Others	5,363,999.62	3,318,541.90
	Joint ventures and associates and their subsidiaries	90,023,433.34	111,974,891.23
	Nissin-Sinotrans International Logistics Co., Ltd.	17,320,497.57	30,163,731.82
	Shaanxi Sinotrans Guotie Logistics Co., Ltd.	10,698,735.08	26,557,326.29
	Beijing Medlink Supply Chain Management Co., Ltd.	9,471,440.48	2,311,331.14

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For the Year ended 31 December 2024
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X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

4. THE GROUP HAD THE FOLLOWING SIGNIFICANT RELATED TRANSACTIONS WITH THE ABOVE RELATED PARTIES DURING THE YEAR (Continued)

(3) Balance of major creditor's rights and debts (Continued)

Item	Name of related party	Closing balance	Opening balance
	Sinotrans Aramex (Shanghai) International Aviation Express Delivery Co., Ltd.	7,649,273.07	2,993,750.52
	DHL-Sinotrans International Air Courier Ltd.	6,896,947.62	6,086,842.44
	Jiangsu Nantong Sinotrans Supply Chain Management Co., Ltd.	4,784,305.58	2,489,638.64
	China-Vietnam Sinotrans Logistics Co., Ltd.	4,425,131.65	3,313,791.11
	Loscam Packaging Equipment Leasing (Shanghai) Co., Ltd.	3,272,568.85	2,985,537.50
	SINOTRANS ALMAJDOUIE MIDDLE EAST CO.,LTD.	2,779,954.30	3,791,873.39
	Sinotrans Pulse Technology (Chengdu) Co., Ltd.	1,651,241.76	–
	Loscam Supply Chain Management (Jiaxing) Co., Ltd.	1,650,791.05	1,715,257.65
	Weihai Weidong Shipping Co., Ltd.	1,367,737.40	1,666,047.03
	Wuhan Port Container Co., Ltd.	1,338,049.54	48,780.78
	Sinotrans Senko International Cold Chain Logistics (Shanghai) Co., Ltd.	1,312,445.16	1,311,355.61
	Sinotrans Medical Technology (Chengdu) Co., Ltd.	1,206,917.89	17,890.32
	Nantong Sinotrans Dongzaogang Logistics Development Co., Ltd.	987,609.65	1,200,516.68
	Shanghai Tongyun International Logistics Co., Ltd.	903,630.60	1,802,202.43
	Sinotrans Sarens Logistics Co., Ltd.	209,737.48	3,606,131.30
	Sinotrans PFS Cold Chain Logistics Co., Ltd.	33,680.96	2,653,355.01
	Weihai Comprehensive Bonded Zone Hongxin Supply Chain Management Co., Ltd.	12,971.72	2,083,779.88
	Sinotrans Turkey Limited	–	2,514,497.73
	MAXX LOGISTICS FZCO.	–	1,945,216.01
	Others	12,049,765.93	10,716,037.95
	Total accounts receivable	161,353,739.99	184,426,881.37
Other receivables	Other enterprises controlled by the same controlling shareholder and ultimate controlling party	35,216,045.95	25,726,393.29
	China Merchants Sinotrans (Shenzhen) Industrial Innovation Private Equity Investment Fund Partnership (Limited Partnership)	6,569,312.33	3,568,312.33
	China Merchants Investment Development Company Limited	3,773,584.85	–
	Zhengzhou Merchants Logistics Co., Ltd.	3,509,095.48	4,042,884.48
	Beijing Aocheng Wuhe Real Estate Co., Ltd.	3,140,072.40	2,966,874.48
	China Merchants Bonded Logistics Co., Ltd.	2,564,741.30	2,498,106.78
	Sinotrans Container Lines Co., Ltd.	1,513,929.57	858,800.00
	China Merchants International Terminal (Qingdao) Limited	1,490,000.00	1,290,000.00

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For the Year ended 31 December 2024

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

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

4. THE GROUP HAD THE FOLLOWING SIGNIFICANT RELATED TRANSACTIONS WITH THE ABOVE RELATED PARTIES DURING THE YEAR (Continued)

(3) Balance of major creditor's rights and debts (Continued)

Item	Name of related party	Closing balance	Opening balance
	China Merchants Renhe Life Insurance Co., Ltd.	1,457,250.00	1,124,499.53
	Sinotrans Container Lines (Hainan) Co., Ltd.	1,204,790.20	–
	SINOTRANS Shanghai Zhang HUA BANG Storage and Transportation Co., Ltd.	1,115,895.00	–
	Long Distance Transportation Co., Ltd.	–	2,135,317.81
	Others	8,877,374.82	7,241,597.88
	Joint ventures and associates and their subsidiaries	52,064,484.59	54,299,401.18
	Shenyang Jinyun Automobile Logistics Co., Ltd.	20,249,247.88	20,250,237.89
	MAXX LOGISTICS FZCO.	8,307,926.02	12,719,323.08
	Qingdao Qingzhui Logistics Technology Co., Ltd.	5,609,779.66	–
	DHL-Sinotrans International Air Courier Ltd.	3,458,000.00	5,473,105.00
	Guangxi Yunyu Port Co., Ltd.	2,680,000.00	2,680,000.00
	Sinotrans Hongfeng (Shanghai) International Logistics Co., Ltd.	2,143,511.37	2,143,511.37
	Beijing Honglian Technology Co., Ltd.	1,591,300.00	3,600.00
	Sinotrans Sarens Logistics Co., Ltd.	1,506,339.03	–
	China-Vietnam Sinotrans Logistics Co., Ltd.	1,188,827.69	993,482.50
	Sinotrans Logistics (Pakistan) Limited	1,103,139.06	1,086,918.23
	Sinotrans Philippines Inc.	627,902.11	2,321,221.84
	Shanghai Pu'an Storage Co., Ltd.	–	1,100,000.00
	Others	3,598,511.77	5,528,001.27
	Total other receivables	87,280,530.54	80,025,794.47
Dividends receivable	Joint ventures and associates	9,080,009.80	37,507,529.28
	Wuhan Port Container Co., Ltd.	6,000,000.00	6,112,000.00
	SINOTRANS ALMAJDOUE MIDDLE EAST CO.,LTD.	1,860,983.72	1,860,983.72
	Shenyang Henglu Logistics Co., Ltd.	252,026.08	1,382,026.08
	Sinotrans High-Tech Logistics (Suzhou) Co., Ltd.	–	24,000,000.00
	Xinjiang New Railway Sinotrans Logistics Co., Ltd.	–	4,152,519.48
	Others	967,000.00	–
Interest receivable	Joint ventures	1,243,805.82	1,160,913.17
	MAXX LOGISTICS FZCO.	1,243,805.82	1,160,913.17
Prepayments	Other enterprises controlled by the same controlling shareholder and ultimate controlling party	19,143,919.46	20,934,253.97
	Liaoning Port Holding (Yingkou) Co., Ltd.	6,318,992.97	208,588.00

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

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

4. THE GROUP HAD THE FOLLOWING SIGNIFICANT RELATED TRANSACTIONS WITH THE ABOVE RELATED PARTIES DURING THE YEAR (Continued)

(3) Balance of major creditor's rights and debts (Continued)

Item	Name of related party	Closing balance	Opening balance
	Liaoning Port Co., Ltd.	5,905,615.96	144,908.41
	Dalian United King Port Auto Trade Co., Ltd.	2,013,500.00	-
	Dandong Port Group Co., Ltd.	358,303.48	2,722,254.51
	Yingkou Xingang Ore Terminal Co., Ltd.	330,789.63	9,479,539.08
	Sinotrans Alashankou Company	182,770.40	1,531,685.64
	Shanghai Changjiang Shipping Corporation	-	5,165,201.45
	Others	4,033,947.02	1,682,076.88
	Joint ventures and associates and their subsidiaries	177,518,629.28	153,741,522.38
	Jiangsu Jiangyin Port Group Co., Ltd.	77,926,763.84	52,456,749.73
	Shaanxi Sinotrans Guotie Logistics Co., Ltd.	65,000,000.00	47,239,100.00
	Liaoning Sinotrans Hengjiu Transportation Service Co., Ltd.	15,915,271.89	14,454,142.67
	New Land Bridge (Lianyungang) Terminal Co., Ltd.	10,400,000.00	9,697,236.33
	Sinotrans Medical Technology (Chengdu) Co., Ltd.	2,050,000.00	19,008,393.00
	SINOTRANS ALMAJDOUIE MIDDLE EAST CO.,LTD.	1,874,824.02	519,591.95
	Sinotrans Philippines Inc.	1,428,295.27	329,126.96
	Tangshan Port Sinotrans Shipping Agency Co., Ltd.	1,065,000.00	1,039,356.20
	Beijing Honglian Technology Co., Ltd.	444,800.00	425,000.00
	DHL-Sinotrans International Air Courier Ltd.	430,355.50	722,405.91
	Sinotrans Logistics (Pakistan) Limited	349,207.42	924,761.96
	Sinotrans Suzhou Logistics Center Co., Ltd.	8,970.78	1,167,032.12
	Sinotrans Turkey Limited	6,408.35	1,183,123.32
	Beijing Sinotrans Huali Logistics Co., Ltd.	-	1,329,155.34
	MAXX LOGISTICS FZCO.	-	1,289,918.77
	Weihai Comprehensive Bonded Zone Hongxin Supply Chain Management Co., Ltd.	-	400,865.19
	Jingjiang Sinotrans Bonded Logistics Co., Ltd.	-	360,000.00
	Others	618,732.21	1,195,562.93
	A joint venture of the ultimate controlling party	1,226,440.00	-
	China Changjiang Bunker (Sinopec) Co., Ltd.	1,226,440.00	-
	Total prepayments	197,888,988.74	174,675,776.35
Non-current assets	Associates	-	15,120,000.00
due within one year	Shanghai Pu'an Storage Co., Ltd.	-	15,120,000.00

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

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

4. THE GROUP HAD THE FOLLOWING SIGNIFICANT RELATED TRANSACTIONS WITH THE ABOVE RELATED PARTIES DURING THE YEAR (Continued)

(3) Balance of major creditor's rights and debts (Continued)

Item	Name of related party	Closing balance	Opening balance
Accounts payable	Other enterprises controlled by the same controlling shareholder and ultimate controlling party	440,315,256.13	155,516,072.29
	Sinotrans Container Lines Overseas Company Limited	196,722,103.76	–
	Sinotrans Container Lines (Hainan) Co., Ltd.	119,235,318.42	24,921,401.08
	Sinotrans Container Lines Co., Ltd.	30,077,698.43	8,294,119.37
	Zhengzhou Merchants Logistics Co., Ltd.	21,522,963.38	9,818,736.27
	Hubei Sinotrans Bulk Cargo Transportation Co., Ltd.	10,828,768.06	31,029,675.01
	Nanjing Tanker Corporation	10,559,639.69	8,354,874.68
	CSC (Wuhan) Green Shipping Technology Services Co., Ltd.	4,786,486.73	559,402.65
	Zhanjiang Port (Group) Co., Ltd.	4,581,658.18	1,572,719.52
	Shanghai Zhaotong Container Transportation Co., Ltd.	4,466,452.10	17,668.45
	Sinotrans Alashankou Company	4,036,257.42	522,145.20
	Shenzhen Lianda Tug Co., Ltd.	3,132,022.50	1,580,336.00
	SCSC International Merchant & Shipping (Hong Kong) Company Limited	3,000,002.50	5,550,000.00
	Dalian Container Terminal Co., Ltd.	2,539,759.00	3,169,554.00
	Yiu Lian Dockyards (Shekou) Limited	2,262,294.86	–
	Hailong No. 15 (Tianjin) Leasing Co., Ltd.	2,130,000.00	3,250,000.00
	Shenzhen Chiwan Tug Co., Ltd.	1,726,373.50	1,067,880.00
	Shenzhen Merchants Shekou International Cruise Home Port Co., Ltd.	1,662,579.34	124,705.00
	China Merchants Container Service Co., Ltd.	1,330,774.40	759,062.21
	MING WAH (SINGAPORE) AGENCY PTE LTD.	1,273,822.04	–
	YANGTZE NAVIGATION (SINGAPORE) PTE. LTD.	1,162,157.33	11,394,690.04
	China Merchants Property Management Co., Ltd.	1,051,138.53	1,062,278.55
	Shanghai Changjiang Shipping Corporation	80,499.45	27,351,674.68
	Liaoning Port Holding (Yingkou) Co., Ltd.	–	2,537,548.82
	AVIC Property Management Co., Ltd.	–	1,500,000.00
	Others	12,146,486.51	11,077,600.76
	Joint ventures and associates and their subsidiaries	326,983,131.90	221,137,748.94
	Sinotrans Medical Technology (Chengdu) Co., Ltd.	56,045,142.94	433,882.06
	Xinjiang New Railway Sinotrans Logistics Co., Ltd.	31,530,279.57	32,013,793.25
	Jiangsu Sinotrans Lvsj Port Heavy Logistics Development Co., Ltd.	26,759,611.08	18,662,795.49

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Notes to the Financial Statements

For the Year ended 31 December 2024
(Unless indicated otherwise, all amounts are expressed in RMB)

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

4. THE GROUP HAD THE FOLLOWING SIGNIFICANT RELATED TRANSACTIONS WITH THE ABOVE RELATED PARTIES DURING THE YEAR (Continued)

(3) Balance of major creditor's rights and debts (Continued)

Item	Name of related party	Closing balance	Opening balance
	Beijing Sinotrans Huali Logistics Co., Ltd.	23,489,283.90	22,297,796.67
	Weihai Weidong Shipping Co., Ltd.	21,660,311.64	5,457,991.19
	Liaoning Sinotrans Hengjiu Transportation Service Co., Ltd.	21,601,940.64	6,067,612.54
	Loscam Packaging Equipment Leasing (Shanghai) Co., Ltd.	16,873,998.99	17,451,533.51
	Shandong Port&Shipping Sinotrans Supply Chain Development Co., Ltd.	16,523,614.49	18,839,295.51
	Jiangsu Nantong Sinotrans Supply Chain Management Co., Ltd.	10,489,267.67	8,219,382.62
	China-Vietnam Sinotrans Logistics Co., Ltd.	10,467,716.95	13,502,601.82
	Sinotrans Huajie International Logistics (Beijing) Co., Ltd.	9,205,029.75	8,174,282.94
	Dongguan Port Container Terminals Co., Ltd.	7,548,128.65	976,233.04
	Sinotrans Suzhou Logistics Center Co., Ltd.	7,462,966.43	2,478,371.35
	Shaanxi Sinotrans Guotie Logistics Co., Ltd.	6,817,300.78	5,662,359.69
	Yantai Comprehensive Bonded Zone Baoyuntong Supply Chain Management Co., Ltd.	6,651,523.49	1,427,684.00
	Wuhan Port Container Co., Ltd.	6,346,761.19	4,829,675.99
	China-Europe Railway Express (Shenyang) Assembly Center Construction and Operation Co., Ltd.	5,132,287.98	10,219,174.99
	Sinotrans Philippines Inc.	4,444,306.12	756,248.95
	Nissin-Sinotrans International Logistics Co., Ltd.	2,914,581.35	1,196,034.23
	Ma'anshan Tianshun Port Co., Ltd.	2,745,258.09	2,138,820.46
	Sinotrans Sarens Logistics Co., Ltd.	2,582,147.63	-
	New Land Bridge (Lianyungang) Terminal Co., Ltd.	2,220,494.50	1,127,801.88
	Rushan Sinotrans Port Logistics Development Co., Ltd.	2,209,877.09	-
	Nanjing Huaxing Loading and Unloading Service Co., Ltd.	2,127,386.53	2,191,446.86
	Nantong Sinotrans Dongzaogang Logistics Development Co., Ltd.	1,733,806.61	803,395.25
	Jiangsu Jiangyin Port Group Co., Ltd.	1,702,368.52	9,619,861.69
	SINOTRANS ALMAJDOUIE MIDDLE EAST CO.,LTD.	1,680,658.56	1,781,141.16
	Shenyang Henglu Logistics Co., Ltd.	1,652,659.47	1,834,974.73
	Yangzhou Comprehensive Bonded Zone Supply Chain Management Co., Ltd.	1,652,313.53	322,046.09
	DHL-Sinotrans International Air Courier Ltd.	1,563,020.14	1,080,671.18
	China International Exhibition Transportation Co., Ltd.	1,103,174.32	695,219.33
	Qingdao Yujiachang Container Storage and Transportation Co. Ltd.	131,594.40	8,533,100.69
	Sinotrans Logistics (Pakistan) Limited	-	5,018,126.80
	MAXX LOGISTICS FZCO.	-	1,076,515.80
	Others	11,914,318.90	6,247,877.18

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Notes to the Financial Statements

For the Year ended 31 December 2024

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

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

4. THE GROUP HAD THE FOLLOWING SIGNIFICANT RELATED TRANSACTIONS WITH THE ABOVE RELATED PARTIES DURING THE YEAR (Continued)

(3) Balance of major creditor's rights and debts (Continued)

Item	Name of related party	Closing balance	Opening balance
	Joint ventures and subsidiaries of the ultimate controlling party	3,795,748.33	-
	China Changjiang Bunker (Sinopec) Co., Ltd.	2,597,347.15	-
	Jiangsu China Changjiang Bunker (Sinopec) Co., Ltd.	1,198,401.18	-
	Total accounts payable	771,094,136.36	376,653,821.23
Other payables	Other enterprises controlled by the same controlling shareholder and ultimate controlling party	166,476,916.17	538,862,158.54
	Shanghai Changjiang Shipping Corporation	82,048,121.66	175,128,068.45
	SINOTRANS & CSC HOLDINGS Co., Ltd.	24,051,000.00	24,078,674.27
	Shanghai Sinotrans Qiantang Co., Ltd.	8,630,107.01	110,000.00
	Hubei Sinotrans Bulk Cargo Transportation Co., Ltd.	7,909,161.58	18,136,121.60
	Shanghai Foreign Trade Warehouse Pudong Company	6,290,279.22	4,351,624.62
	Sinotrans Container Lines (Hainan) Co., Ltd.	5,368,914.37	-
	CSC Cargo (Dazhou) Co., Ltd.	5,351,077.47	5,780,273.96
	SINOTRANS Shanghai Zhang HUA BANG Storage and Transportation Co., Ltd.	5,295,822.22	2,751,512.73
	China Merchants Investment Development Company Limited	3,251,439.05	-
	Sinotrans Nantong Co., Ltd.	2,775,238.69	1,121,531.02
	Shanghai Foreign Trade Warehouse Jiefangdao Storage and Transportation Co., Ltd.	2,499,297.02	1,768,336.67
	SINOTRANS Henan, Jiuling Transport & Storage Co., Ltd.	1,981,651.36	-
	Sinotrans Anhui Direct Storage and Transportation Co., Ltd.	1,846,000.00	1,846,000.00
	Sinotrans Container Lines Co., Ltd.	1,543,209.27	104,096,259.81
	Sinotrans Shanghai (Group) Co., Ltd.	1,428,750.55	1,778,878.70
	Beijing Aocheng Wuhe Real Estate Co., Ltd.	1,006,836.03	-
	Shandong Sinotrans Co., Ltd.	18,483.85	4,009,638.56
	Sinotrans Guangdong Co., Ltd.	17,067.13	1,357,177.33
	RED BRAVES FINANCE LTD.	-	119,265,784.68
	CSC Chongqing Changjiang National Shipping Company	-	57,995,745.69
	China Merchants Godown, Wharf & Transportation Company Limited	-	6,493,643.42
	OCEAN LIFTER I LIMITED	-	3,688,752.18
	Others	5,164,459.69	5,104,134.85
	Joint ventures and associates and their subsidiaries	25,663,995.47	40,664,868.00
	China United Tally (Shenzhen) Co., Ltd.	9,000,000.00	9,000,000.00
	Yangzhou Comprehensive Bonded Zone Supply Chain Management Co., Ltd.	2,450,000.00	-

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Notes to the Financial Statements

For the Year ended 31 December 2024
(Unless indicated otherwise, all amounts are expressed in RMB)

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

4. THE GROUP HAD THE FOLLOWING SIGNIFICANT RELATED TRANSACTIONS WITH THE ABOVE RELATED PARTIES DURING THE YEAR (Continued)

(3) Balance of major creditor's rights and debts (Continued)

Item	Name of related party	Closing balance	Opening balance
	Shenyang Fuyun Cold Chain Logistics Co., Ltd.	2,079,460.21	2,079,460.21
	Beijing Honglian Technology Co., Ltd.	2,041,550.00	194,000.00
	Sinotrans Turkey Limited	1,687,959.41	3,413,732.20
	Loscam Packaging Equipment Leasing (Shanghai) Co., Ltd.	1,156,791.36	1,533,771.40
	Sinotrans Senko International Cold Chain Logistics (Shanghai) Co., Ltd.	1,076,761.80	1,076,761.80
	Rongyun (Xiamen) Supply Chain Co., Ltd.	1,000,000.00	1,000,000.00
	Sinotrans Suzhou Logistics Center Co., Ltd.	973,014.30	1,207,297.00
	Shanghai Tongyun International Logistics Co., Ltd.	4,526.00	14,596,360.00
	Shanghai Wai-Hong Yishida International Logistics Co., Ltd.	-	2,299,378.80
	Shaanxi Sinotrans Guotie Logistics Co., Ltd.	-	1,519,708.08
	Others	4,193,932.39	2,744,398.51
	Total other payables	192,140,911.64	579,527,026.54
Dividends payable	Other enterprises controlled by the same controlling shareholder and ultimate controlling party	23,216,588.92	22,536,259.86
	Shenzhen Nanyou (Holdings) Corp. Ltd.	10,575,000.00	11,232,000.00
	China Merchants Port Group Co., Ltd.	10,575,000.00	11,232,000.00
	Long Distance Transportation Co., Ltd.	2,045,981.32	-
	SINOTRANS & CSC HOLDINGS Co., Ltd.	20,607.60	-
	Sinotrans Jiangxi Company	-	72,259.86
Contract liabilities	Other enterprises controlled by the same controlling shareholder and ultimate controlling party	32,596,838.46	31,148,261.90
	Associated Maritime Company (Hong Kong) Limited	21,608,604.54	13,908,687.56
	China Merchants Investment Development Company Limited	5,599,056.60	11,893,814.34
	Hong Kong Ming Wah Shipping Company Limited	2,556,006.73	3,635,358.52
	Sinotrans Container Lines Co., Ltd.	1,459,117.77	-
	Others	1,374,052.82	1,710,401.48
	Joint ventures and associates and their subsidiaries	23,620,622.16	23,459,116.65
	Shenyang Fuyun Cold Chain Logistics Co., Ltd.	4,250,000.00	4,047,619.06
	Shanghai Tongyun International Logistics Co., Ltd.	4,190,740.34	1,853,128.08
	Shaanxi Sinotrans Guotie Logistics Co., Ltd.	3,854,338.78	2,501,645.80
	Tianjin Runfeng Logistics Co., Ltd.	3,497,051.05	2,151,800.00
	Xinjiang New Railway Sinotrans Logistics Co., Ltd.	2,378,243.80	8,589,639.64
	Sinotrans PFS Cold Chain Logistics Co., Ltd.	1,608,844.05	-
	Tangshan Port Sinotrans Shipping Agency Co., Ltd.	1,180,000.00	-

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Notes to the Financial Statements

For the Year ended 31 December 2024

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

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

4. THE GROUP HAD THE FOLLOWING SIGNIFICANT RELATED TRANSACTIONS WITH THE ABOVE RELATED PARTIES DURING THE YEAR (Continued)

(3) Balance of major creditor's rights and debts (Continued)

Item	Name of related party	Closing balance	Opening balance
	Weihai Weidong Shipping Co., Ltd.	1,056,628.48	–
	DHL-Sinotrans International Air Courier Ltd.	624,507.90	2,153,647.80
	Others	980,267.76	2,161,636.27
	Total contract liabilities	56,217,460.62	54,607,378.55
Long-term payables	Other enterprises controlled by the same controlling shareholder and ultimate controlling party	20,000,000.00	20,000,000.00
	SINOTRANS & CSC HOLDINGS Co., Ltd.	20,000,000.00	20,000,000.00
Short-term borrowings	Other enterprises controlled by the same controlling shareholder and ultimate controlling party	150,137,284.74	215,217,777.09
	China Merchants Group Finance Co., Ltd.	150,137,284.74	215,217,777.09
	An associate of the ultimate controlling party	322,055,335.24	200,000,000.00
	China Merchants Bank Co., Ltd.	322,055,335.24	200,000,000.00
	Total short-term borrowings	472,192,619.98	415,217,777.09
Long-term borrowings	Other enterprises controlled by the same controlling shareholder and ultimate controlling party	221,585,956.68	107,257,228.75
	CHINA MERCHANTS INVESTMENTS LIMITED	197,585,956.68	79,257,228.75
	China Merchants Group Finance Co., Ltd.	24,000,000.00	28,000,000.00
	An associate of the ultimate controlling party	133,959,537.54	74,560,105.99
	China Merchants Bank Co., Ltd.	133,959,537.54	74,560,105.99
	Total long-term borrowings	355,545,494.22	181,817,334.74
Non-current liabilities due within one year	Other enterprises controlled by the same controlling shareholder and ultimate controlling party	48,101,457.20	47,064,650.20
	CHINA MERCHANTS INVESTMENTS LIMITED	46,075,637.76	–
	China Merchants Group Finance Co., Ltd.	2,025,819.44	30,800.00
	Sinotrans Guangdong Co., Ltd.	–	47,033,850.20
	An associate of the ultimate controlling party	10,975,669.34	5,557,274.97
	China Merchants Bank Co., Ltd.	10,975,669.34	5,557,274.97
	Total non-current liabilities due within one year	59,077,126.54	52,621,925.17

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Notes to the Financial Statements

For the Year ended 31 December 2024
(Unless indicated otherwise, all amounts are expressed in RMB)

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

4. THE GROUP HAD THE FOLLOWING SIGNIFICANT RELATED TRANSACTIONS WITH THE ABOVE RELATED PARTIES DURING THE YEAR (Continued)

(4) The Group had no related trustee management/contracting and entrusted management/outsourcing during the year.

(5) Related leases

1) The Group as the lessor

Name of lessee	Type of leased assets	Rental income recognised for the current year	Rental income recognised for the prior year
Sinotrans Container Lines (Hong Kong) Co., Ltd.	Transportation equipment	41,163,592.07	57,508,487.21
Sinotrans Container Lines Overseas Company Limited	Transportation equipment	9,609,081.32	—
Shenyang Fuyun Cold Chain Logistics Co., Ltd.	Buildings	8,095,238.12	8,095,238.12
Sinotrans Container Lines Co., Ltd.	Transportation equipment	7,895,287.21	11,174,192.43
Sinotrans Senko International Cold Chain Logistics (Shanghai) Co., Ltd.	Buildings	4,849,644.98	4,797,460.41
Others	Buildings and transportation equipment	998,569.32	2,602,598.04
Total	—	72,611,413.02	84,177,976.21

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Notes to the Financial Statements

For the Year ended 31 December 2024

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

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

4. THE GROUP HAD THE FOLLOWING SIGNIFICANT RELATED TRANSACTIONS WITH THE ABOVE RELATED PARTIES DURING THE YEAR (Continued)

(5) Related leases (Continued)

2) The Group as the lessee

Name of lessor	Type of leased assets	Rental costs for short-term leases and low-value asset leases with simplified treatment		Rent paid		Interest expenses on lease liabilities assumed		Net amount of right-of-use assets		Lease liabilities (including those due within one year)	
		Current year	Prior year	Current year	Prior year	Current year	Prior year	Closing balance	Opening balance	Closing balance	Opening balance
Beijing Aocheng Wuhe Real Estate Co., Ltd.	Buildings	3,969,734.40	4,289,917.04	55,461,283.71	49,916,490.14	26,170,293.66	26,699,438.43	444,492,910.24	465,741,633.12	518,434,089.36	533,956,085.51
Sinotrans Shanghai (Group) Co., Ltd.	Buildings	453,690.48	3,801,898.16	17,949,455.51	5,773,851.65	1,197,908.60	469,461.47	20,631,635.23	23,021,540.22	21,043,450.37	23,812,703.26
Shanghai Foreign Trade Warehouse Pudong Company	Buildings	-	-	16,041,666.65	26,430,114.05	1,054,021.51	589,780.04	16,825,156.14	-	15,746,000.49	-
SINOTRANS Shanghai Zhang HUA BANG Storage and Transportation Co., Ltd.	Buildings	-	-	15,149,723.80	13,619,674.69	1,100,495.78	841,648.37	15,679,418.34	1,243,615.77	14,741,187.05	1,219,503.68
Shandong Sinotrans Co., Ltd.	Buildings and others	200,000.00	516,124.58	12,047,548.82	3,272,158.16	1,066,123.27	1,031,200.40	13,167,206.76	18,727,598.05	14,782,684.42	21,274,883.99
Shanghai Foreign Trade Warehouse Jielangdao Storage and Transportation Co., Ltd.	Buildings	-	-	9,165,061.68	8,841,683.33	681,556.62	633,255.58	9,438,135.57	-	8,873,669.47	-
Sinotrans Nantong Co., Ltd.	Buildings and others	1,416,048.75	-	8,411,761.85	4,437,561.53	599,630.33	1,407,033.58	10,113,870.92	20,227,741.86	9,984,609.44	19,569,341.19
Shanghai Sinotrans Qiantang Co., Ltd.	Buildings	3,499,848.00	4,046,382.80	7,826,157.80	15,925,184.16	613,284.04	1,042,046.88	9,382,655.37	19,236,036.90	9,346,745.22	19,944,740.65
China Freight Forwarding Fujian Heli Storage & Transportation Company	Buildings	-	52,800.00	7,623,853.20	4,733,519.18	448,845.91	734,826.69	7,179,220.68	14,358,441.27	7,473,628.16	14,648,635.45
China Merchants Bonded Logistics Co., Ltd.	Buildings	6,644,514.60	-	7,027,776.00	5,856,480.00	199,644.80	377,873.27	1,122,740.81	7,859,185.67	1,166,151.80	7,994,283.00
SINOTRANS Henan, Jiujiang Transport & Storage Co., Ltd.	Buildings	-	-	5,944,954.14	7,926,605.50	441,104.15	679,934.27	7,509,797.39	15,019,594.91	7,797,219.85	15,282,721.20
Sinotrans Guangdong Co., Ltd.	Buildings	1,235,360.69	-	5,542,014.85	2,975,688.53	691,070.55	780,451.66	11,688,948.13	13,308,220.73	12,681,562.13	14,341,002.05
Sinotrans Beijing Co., Ltd.	Buildings	-	-	4,943,753.85	2,966,252.31	232,843.62	421,070.35	3,711,031.02	7,422,062.04	3,877,000.92	7,599,160.38
China Merchants International Terminal (Qingdao) Limited	Buildings	11,005,808.12	11,193,302.51	4,750,557.12	-	1,563,226.77	-	26,452,876.38	-	28,674,447.60	-
Guangxi Sinotrans Automobile Transportation Co., Ltd.	Buildings	329,754.08	-	4,440,770.40	3,356,557.13	209,895.23	495,811.14	2,469,477.86	9,463,214.28	2,477,893.76	9,654,442.05
Guangxi Sinotrans Nanning Storage and Transportation Co., Ltd.	Buildings	344,289.38	-	3,481,957.55	-	212,167.68	343,899.97	3,274,905.53	6,563,783.64	3,286,066.31	6,696,432.45
Sinotrans Hebei Company Yuanshi Warehouse	Buildings	135,979.79	139,761.90	2,801,042.52	1,734,078.44	183,293.14	278,969.11	2,425,446.30	4,850,892.58	3,203,480.14	5,821,229.52
Xiamen Sinotrans Co., Ltd.	Buildings	-	64,800.00	2,375,589.84	2,567,365.75	103,851.22	219,476.61	1,357,435.83	3,542,288.02	1,125,924.85	3,412,497.64
Guangxi Sinotrans Fangchenggang Co., Ltd.	Buildings	-	-	2,311,371.12	1,787,252.04	136,079.42	222,761.99	2,176,569.02	4,353,138.14	2,265,826.43	4,441,118.13
Sinotrans Erian Co., Ltd.	Buildings and equipment	-	-	1,460,796.48	3,142,831.85	70,949.32	219,446.72	-	1,351,577.36	-	1,495,093.73
Sinotrans Yinchuan Inland Port Logistics Co., Ltd.	Buildings and others	-	-	1,157,099.64	-	121,851.37	329,061.40	2,758,635.57	4,372,990.84	2,954,643.83	5,320,393.94
Sinotrans Hainan Co., Ltd.	Buildings	-	-	873,337.13	655,216.50	323,101.97	306,208.73	6,018,854.45	6,687,398.96	6,100,181.02	7,126,505.84
China Merchants Chongqing Communications Technology Research & Design Institute Co., Ltd.	Buildings	-	-	796,613.36	836,444.04	131,509.40	163,289.74	1,996,595.10	2,662,126.80	2,410,907.77	3,076,011.73
Beijing Sinotrans Land Transportation Co., Ltd.	Buildings and equipment	32,241,295.58	40,723,249.34	-	-	-	-	-	-	-	-
Beijing Sinotrans Logistics Center Co., Ltd.	Buildings	29,649,837.09	36,948,437.08	-	-	-	-	-	-	-	-
Sinotrans Beijing Sanjianfang Warehouse Ltd.	Buildings	14,724,738.09	17,955,801.71	-	-	-	-	-	-	-	-
Zhengzhou Merchants Logistics Co., Ltd.	Buildings	11,253,298.07	13,833,411.36	-	-	-	-	-	-	-	-
Shanghai Foreign Trade Yangxing Storage & Transportation Co., Ltd.	Buildings	3,504,951.21	2,471,255.83	-	-	-	-	-	-	-	-
Others	Buildings, equipment and others	11,039,826.91	15,327,419.18	24,152,748.95	26,987,624.98	1,168,424.12	1,373,646.83	14,319,722.52	19,002,690.60	15,170,500.39	23,565,362.76
Total	—	131,648,975.24	151,364,561.49	221,736,895.97	193,742,633.96	38,721,172.48	39,660,613.23	634,173,245.16	669,015,771.76	713,617,870.78	750,252,148.15

Note: Rent paid is determined on the basis of actual annual rent paid in cash. The above-mentioned related leases do not involve variable lease payments not included in the lease liabilities.

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X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

4. THE GROUP HAD THE FOLLOWING SIGNIFICANT RELATED TRANSACTIONS WITH THE ABOVE RELATED PARTIES DURING THE YEAR (Continued)

(6) Related guarantees

1) The Group as the guarantor

Financing guarantees

Guaranteed parties	Guaranteed balance at the end of the year	Guaranteed balance at the beginning of the year	Starting date of the guarantee	Maturity date of the guarantee	Whether the guarantee has been fulfilled
SE LOGISTICS HOLDING B.V.	728,751,573.41	813,427,200.00	2020-12-08	2027-12-07	No
SE LOGISTICS HOLDING B.V.	711,178,650.00	799,288,758.56	2020-12-08	2027-12-08	No
Shenzhen Haixing Harbor Development Co., Ltd.	437,765,581.31	459,418,502.52	2019-07-01	2037-07-01	No
China Merchants Logistics Shenzhen Co., Ltd	100,094,416.67	-	2024-03-11	2025-01-19	No
JSC China Merchants CHN-BLR Commerce and Logistics Company	-	240,063,765.45	2016-05-31	2027-04-15	Yes
Sinotrans Logistics Co., Ltd.	-	200,000,000.00	2023-08-02	2025-08-01	Yes

Credit guarantees:

The Company provides a guarantee for its subsidiaries to apply for credit lines from JPMorgan Chase Bank (China) Company Limited (hereinafter referred to as JPMorgan Chase Bank). The credit lines are valid for a period of 1 to 3 years and the credit lines can be used in a rolling cycle during the validity period. As of 31 December 2024, the Company provided a guarantee for credit lines to its subsidiaries amounting to RMB970,000,000 (1 January 2024: RMB1,340,900,000).

In order to meet the ordinary operation and business development requirements of the Group's subsidiaries, pursuant to the Credit Limit Agreement signed between the Company and Bank of China Limited (hereinafter referred to as the Bank of China), the Company issued an updated Confirmation Letter to Bank of China on 12 December 2024. It was confirmed to split the credit limit to 79 subsidiaries of the Group with an aggregate amount of RMB4,152 million, and it was confirmed that the debts incurred by the subsidiaries as a result of the use of the aforesaid credit limit were all included in the Maximum Amount Guarantee Contract, Application for Arrangement and Split of Credit Limit, or other guarantee contracts/clauses signed or to be signed between the Company and the Bank of China, which are guaranteed by the Company. The term of use (i.e. the guarantee term) of the credit limit provided by Bank of China to its subsidiaries is from the effective date of the new annual credit limit to 5 December 2025. Among them, the guarantees provided by the Company to five non-wholly owned subsidiaries and their branches (Sinotrans Ningbo International Container Transportation Co., Ltd., Sinotrans Ningbo International Forwarding Agency Co., Ltd., China Marine Shipping Agency Ningbo Co., Ltd., China Marine Shipping Agency Ningbo Co., Ltd. Beilun Branch, and Ningbo Transocean International Forwarding Agency Co., Ltd.), were all counter-guaranteed by other shareholders; all others are guarantees provided to wholly-owned subsidiaries and there are no counter-guarantees. On 26 December 2024, 3 of the aforementioned 79 subsidiaries, who use credit lines cut from the Company, applied for credit lines from the Bank of China using their own credit instead, and the guarantee obligations for the credit lines cut from the Company were terminated. As of 31 December 2024, the Company had cut its credit lines of Bank of China to 76 subsidiaries, and the total amount cut was RMB3,164.86 million.

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

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

4. THE GROUP HAD THE FOLLOWING SIGNIFICANT RELATED TRANSACTIONS WITH THE ABOVE RELATED PARTIES DURING THE YEAR (Continued)

(6) Related guarantees (Continued)

1) *The Group as the guarantor (Continued)*

In February 2024, Sinotrans Logistics Ltd. renewed the Amendment Agreement to the Accounts Payable Service Agreement with JPMorgan Chase Bank for a period of one year to apply for using the bank credits for the factoring of accounts payable by certain suppliers of Sinotrans Logistics Ltd. and its subsidiaries. On 11 March 2024, the Company entered into the Guarantee Contract, pursuant to which the Company guaranteed to the JPMorgan Chase Bank, on a joint and several basis, the proper and timely performance by Sinotrans Logistics Ltd. and its subsidiaries of all of their obligations and liabilities for accounts payable recognized by JPMorgan Chase Bank under the Accounts Payable Service Agreement, including providing guarantees with respect to the amount of the invoices payable (not to exceed RMB270 million) by Sinotrans Logistics Ltd. and its subsidiaries under the Accounts Payable Service Agreement and the share of fees, late fees, indemnification obligations and other liabilities related to accounts payable services. The guarantee period starts from the date of signing of the guarantee contract and expires on the date that is two years after the expiration of the maturity date of the last recognized accounts payable after the expiration or termination of the Accounts Payable Service Agreement (the maturity date shall be extended accordingly if the maturity date of the last recognized accounts payable is extended).

Operating guarantees:

The Group provided operating-type guarantees to its subsidiaries and joint ventures and associates for the operation of project logistics, loading and unloading operations, bidding business, shipping booking agency, warehousing services, and other businesses and asset transactions for the conduct of the operating businesses mentioned above. As of 31 December 2024, the balance of the aforementioned operating-type guarantees was RMB350,000,000 (1 January 2024: RMB350,000,000).

Qualification guarantees:

The Group guarantees the futures delivery warehouse business of subsidiaries of the Group, such as Sinotrans Central China Co., Ltd. (hereinafter referred to as Sinotrans Central China), Sinotrans Eastern, Sinotrans South China, Sinotrans North China Co., Ltd., Sinotrans Northeast Co. Ltd., Qingdao Sinotrans Supply Chain Management Co., Ltd., Qingdao Sinotrans Smart Logistics Co., Ltd. on the Shanghai Futures Exchange and its subsidiaries (including but not limited to Shanghai International Energy Exchange Co., Ltd.), Zhengzhou Commodity Exchange, Dalian Commodity Exchange, Guangzhou Futures Exchange and other futures exchanges, including the irrevocable and floating joint and several guarantees for the full amount of all liabilities for all the operations of the guaranteed parties in respect of the warehousing, storage, discharging and delivery of futures commodities. The guarantee period shall be for the duration of the corresponding futures delivery warehouse business agreement between the guaranteed party and the above-mentioned futures exchange (including the period of automatic renewal without objection by both parties) and for a period of two or three years from the expiry of the duration (to be determined according to the requirements of the futures exchange).

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X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

4. THE GROUP HAD THE FOLLOWING SIGNIFICANT RELATED TRANSACTIONS WITH THE ABOVE RELATED PARTIES DURING THE YEAR (Continued)

(7) Related party fund lending

Related party	Loan amount	Starting date	Maturity date	Description
Borrowed				
China Merchants Bank Co., Ltd.	300,000,000.00	2024-12-30	2025-12-30	Short-term borrowings
CHINA MERCHANTS INVESTMENTS LIMITED	154,634,592.60	2024-07-15	2029-07-15	Long-term borrowings, non-current liabilities due within one year
CHINA MERCHANTS INVESTMENTS LIMITED	44,513,500.92	2022-09-21	2022-09-21	Long-term borrowings, non-current liabilities due within one year
CHINA MERCHANTS INVESTMENTS LIMITED	44,513,500.92	2023-01-03	2026-01-03	Long-term borrowings, non-current liabilities due within one year
China Merchants Bank Co., Ltd.	46,223,931.33	2024-02-02	2033-01-15	Long-term borrowings, non-current liabilities due within one year
China Merchants Bank Co., Ltd.	33,161,237.18	2023-01-16	2033-01-15	Long-term borrowings, non-current liabilities due within one year
China Merchants Group Finance Co., Ltd.	26,025,819.44	2022-07-12	2028-05-10	Long-term borrowings, non-current liabilities due within one year
China Merchants Group Finance Co., Ltd.	25,024,038.19	2024-09-13	2025-01-03	Short-term borrowings
China Merchants Group Finance Co., Ltd.	25,022,649.31	2024-09-27	2025-01-03	Short-term borrowings
China Merchants Group Finance Co., Ltd.	25,022,649.31	2024-06-06	2025-01-03	Short-term borrowings
China Merchants Group Finance Co., Ltd.	25,022,649.31	2024-11-06	2025-01-03	Short-term borrowings
China Merchants Group Finance Co., Ltd.	25,022,649.31	2024-11-18	2025-01-03	Short-term borrowings
China Merchants Group Finance Co., Ltd.	25,022,649.31	2024-11-29	2025-01-03	Short-term borrowings
SINOTRANS & CSC HOLDINGS Co., Ltd.	20,000,000.00	2016-03-07	2034-03-06	Long-term payables
China Merchants Bank Co., Ltd.	14,445,228.12	2024-06-19	2033-01-15	Long-term borrowings, non-current liabilities due within one year
China Merchants Bank Co., Ltd.	13,588,943.92	2023-05-10	2033-01-15	Long-term borrowings, non-current liabilities due within one year
China Merchants Bank Co., Ltd.	12,009,166.66	2024-11-21	2025-11-21	Short-term borrowings
China Merchants Bank Co., Ltd.	10,535,960.24	2023-03-31	2033-01-15	Long-term borrowings, non-current liabilities due within one year
China Merchants Bank Co., Ltd.	10,046,168.58	2024-10-15	2025-10-15	Short-term borrowings
China Merchants Bank Co., Ltd.	7,868,825.32	2023-06-16	2033-01-15	Long-term borrowings, non-current liabilities due within one year
China Merchants Bank Co., Ltd.	6,852,058.09	2024-05-27	2033-01-15	Long-term borrowings, non-current liabilities due within one year
China Merchants Bank Co., Ltd.	6,426,394.49	2023-12-15	2033-01-15	Long-term borrowings, non-current liabilities due within one year
China Merchants Bank Co., Ltd.	5,832,628.19	2023-09-08	2033-01-15	Long-term borrowings, non-current liabilities due within one year
Lent				
Shenyang Jinyun Automobile Logistics Co., Ltd.	20,000,000.00	2023-05-15	No specific maturity date	Other receivables
MAXX LOGISTICS FZCO.	9,551,731.84	2017-12-20	No specific maturity date	Other receivables, interest receivable
Guangxi Yunyu Port Co., Ltd.	2,500,000.00	2014-10-08	No specific maturity date	Other receivables

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X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

4. THE GROUP HAD THE FOLLOWING SIGNIFICANT RELATED TRANSACTIONS WITH THE ABOVE RELATED PARTIES DURING THE YEAR (Continued)

(8) Related party asset transfers and debt restructuring

Related party	Content of related transactions	Current year	Prior year
Shenzhen Merchants Ping'an Asset Management Co., Ltd.	Note	11,120,000.00	—

Note: During the year, the Company transferred its debt investment in an associate, Shang Hai Pu'an Storage Co., Ltd. (hereinafter referred to as "Pu'an Storage Company"), amounting to RMB11.12 million, to Shenzhen Merchants Ping'an Asset Management Co., Ltd. (hereinafter referred to as "Merchants Ping'an AMC"), at a consideration of RMB11.12 million (based on the asset appraisal report No. 022127 of Zhongtonghua Appraisal Report 2024 issued by Beijing Zhongtonghua Asset Appraisal Co., Ltd.). The details are described in Note XI. 2.

(9) Remuneration of directors, supervisors, general managers, and senior managers

1) Remuneration of directors, supervisors, and general managers

Item	Current year	Prior year
Directors:	—	—
Fee (Note)	664,800.00	664,800.00
Other remuneration	—	—
– Wages and allowances	933,800.70	985,179.84
– Discretionary bonuses	470,601.00	470,601.37
– Contributions to the pension plan	234,407.04	231,144.00
– Share-based payments	329,731.67	578,570.30
Supervisors:	—	—
Fee	172,518.97	214,800.00
Other remuneration	—	—
– Wages and allowances	1,380,477.40	1,040,217.87
– Discretionary bonuses	312,365.00	436,194.30
– Contributions to the pension plan	320,615.52	253,652.40
– Share-based payments	—	—

Note: The directors' fees disclosed above represent the payment of RMB664,800 (previous year: RMB664,800) to independent non-executive directors.

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X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

4. THE GROUP HAD THE FOLLOWING SIGNIFICANT RELATED TRANSACTIONS WITH THE ABOVE RELATED PARTIES DURING THE YEAR (Continued)

(9) Remuneration of directors, supervisors, general managers, and senior managers (Continued)

2) Scope of remuneration of directors, supervisors, and general managers

Item	Fee of directors	Wages and allowances	Discretionary bonuses	Contributions to the pension plan	Subtotal	Share-based payments	Total
Current year							
Directors:							
- Xiufeng Wang	-	-	-	-	-	-	-
- Guofeng Yang	-	-	-	-	-	-	-
- Rong Song	-	933,800.70	470,601.00	234,407.04	1,638,808.74	329,731.67	1,968,540.41
- Zhiliang Yu	-	-	-	-	-	-	-
- Wu Tao	-	-	-	-	-	-	-
- Li Luo	-	-	-	-	-	-	-
- Kewei Xu	-	-	-	-	-	-	-
- Taiwan Wang	72,712.50	-	-	-	72,712.50	-	72,712.50
- Yan Meng	72,712.50	-	-	-	72,712.50	-	72,712.50
- Haiqing Song	72,712.50	-	-	-	72,712.50	-	72,712.50
- Qian Li	72,712.50	-	-	-	72,712.50	-	72,712.50
- Xiaoli Wang	93,487.50	-	-	-	93,487.50	-	93,487.50
- Yaping Ning	93,487.50	-	-	-	93,487.50	-	93,487.50
- Xinjian Cui	93,487.50	-	-	-	93,487.50	-	93,487.50
- Fan Cui	93,487.50	-	-	-	93,487.50	-	93,487.50
Supervisors:							
- Zhiyi Zhang	-	807,800.70	107,834.00	209,207.04	1,124,841.74	-	1,124,841.74
- Bulin Fu	-	-	-	-	-	-	-
- Fangsheng Zhou	65,118.97	-	-	-	65,118.97	-	65,118.97
- Zhaoping Fan	107,400.00	-	-	-	107,400.00	-	107,400.00
- Shengyun Wang	-	572,676.70	204,531.00	111,408.48	888,616.18	-	888,616.18
Prior year							
Directors:							
- Boming Feng	-	-	-	-	-	-	-
- Dexing Song	-	-	-	-	-	-	-
- Rong Song	-	985,179.84	470,601.37	231,144.00	1,686,925.21	578,570.30	2,265,495.51
- Weidong Deng	-	-	-	-	-	-	-
- Jian Jiang	-	-	-	-	-	-	-
- Li Luo	-	-	-	-	-	-	-
- Kewei Xu	-	-	-	-	-	-	-
- Taiwan Wang	166,200.00	-	-	-	166,200.00	-	166,200.00
- Yan Meng	166,200.00	-	-	-	166,200.00	-	166,200.00
- Haiqing Song	166,200.00	-	-	-	166,200.00	-	166,200.00
- Qian Li	166,200.00	-	-	-	166,200.00	-	166,200.00
Supervisors:							
- Bilie Huang	-	443,561.59	197,906.30	122,958.00	764,425.89	-	764,425.89
- Suiqi Kou	-	-	-	-	-	-	-
- Fangsheng Zhou	107,400.00	-	-	-	107,400.00	-	107,400.00
- Zhaoping Fan	107,400.00	-	-	-	107,400.00	-	107,400.00
- Shengyun Wang	-	596,656.28	238,288.00	130,694.40	965,638.68	-	965,638.68

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X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

4. THE GROUP HAD THE FOLLOWING SIGNIFICANT RELATED TRANSACTIONS WITH THE ABOVE RELATED PARTIES DURING THE YEAR (Continued)

(9) Remuneration of directors, supervisors, general managers, and senior managers (Continued)

3) Five highest paid individuals

Of the five highest paid individuals for the current year, 1 of them is a director (prior year: 1), 1 of them is a supervisor (prior year: none), and details of his remuneration are set out above. The details of the remuneration of the remaining 3 (prior year: 4) highest paid individuals who are not directors or supervisors for the current year are as follows:

Item	Current year	Prior year
Wages and allowances	1,978,023.88	2,860,296.18
Discretionary bonuses	999,060.97	1,322,114.23
Contributions to the pension plan	520,934.40	761,197.74
Share-based payments	633,787.92	1,487,880.66

The number of the highest paid individuals with remuneration within the following bands who are not directors or supervisors are as follows:

Item	The number of individuals in current year	The number of individuals in prior year
Less than HKD 1,000,000	–	–
HKD 1,000,001 to HKD 1,500,000	3	4
HKD 1,500,001 to HKD 2,000,000	–	–
HKD 2,000,001 to HKD 2,500,000	–	–

- 4) None of the directors of the Company has waived or agreed to waive any remuneration during the year, except for the directors of Xiufeng Wang, Guofeng Yang, Zhiliang Yu, Wu Tao, Li Luo and Kewei Xu, who did not receive any remuneration from the Company during the year. During the previous record periods, the Company did not pay any remuneration to any of the directors, supervisors, or the five highest paid individuals as an inducement to join or upon joining the Company or as compensation for loss of office.

5) The remuneration of the major management

The remuneration of the major management (including the amounts paid and payable to the directors, supervisors, and senior management) is as follows:

Item	Current year	Prior year
Wages and allowances	7,264,278.32	6,246,893.19
Discretionary bonuses	2,750,553.56	2,428,245.67
Contributions to the pension plan	1,791,703.02	1,594,147.26
Share-based payments	1,520,076.30	2,667,232.46
Total	13,326,611.20	12,936,518.58

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X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

4. THE GROUP HAD THE FOLLOWING SIGNIFICANT RELATED TRANSACTIONS WITH THE ABOVE RELATED PARTIES DURING THE YEAR (Continued)

(9) Remuneration of directors, supervisors, general managers, and senior managers (Continued)

(10) Related party deposits

The difference between deposits placed and withdrawals by the Group with China Merchants Bank in 2024 was net deposit of RMB341,484,889.68 (deposit of RMB9,047,012.18 in 2023) and interest income from deposits of RMB5,664,636.99 in 2024 (RMB4,804,026.70 in 2023). The difference between deposits and withdrawals with the Finance Company in 2024 was net deposit of RMB1,563,632,175.23 (net withdrawal of RMB487,292,014.85 in 2023). Interest income from deposits of RMB55,101,837.96 in 2024 (RMB87,289,563.76 in 2023).

(11) Trademark licensing

The Company signed a Trademark License Agreement with SINOTRANS & CSC in March 2015, authorizing the Group to use ten trademarks, such as "SINOTRANS" of SINOTRANS & CSC with registration number 779072 from 1 March 2015 to 28 February 2025 without compensation.

(12) Others

At the Twelfth Meeting of the Third Session of the Board of Directors of the Company held on 15 June 2022, the Proposal on the Provision of Loans to a Holding Subsidiary was considered and passed, agreeing that the Company, through SINOTRANS (HK) HOLDINGS, a subsidiary, together with China Merchants Investment Company Limited (hereinafter referred to as China Merchants Investment Company), should provide loans to China Merchants CHN-BLR Commerce, a subsidiary of the Group, with their own funds in proportion to their shareholdings in China Merchants CHN-BLR Commerce, for the purpose of relieving its operational and financial pressure and supporting its business development. The total amount of the loan is USD 30 million, to be borrowed in three tranches (with annual downs from 2022 to 2024), each with a term not exceeding three years, at an interest rate of 1% per annum. As of 31 December 2024, SINOTRANS (HK) HOLDINGS and China Merchants Investment Company had provided loans of USD 8.4 million and USD 11.6 million, respectively, to China Merchants CHN-BLR Commerce.

Pursuant to the Proposal on the Provision of Loans to a Holding Subsidiary approved at the Company's 2023 Annual General Meeting of Shareholders, the Company, through its wholly-owned subsidiary, SINOTRANS (HK) HOLDINGS, provided a loan of RMB111,135,192.00 to China Merchants CHN-BLR Commerce, a holding subsidiary of the Company, on 15 July 2024 for a term of 5 years at an annual interest rate of 2.7%. China Merchants Investment Company, the parent company of the other shareholder of China Merchants CHN-BLR Commerce, has provided a loan with the same terms on a pro rata basis in the amount of RMB154,634,592.60.

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Notes to the Financial Statements

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XI. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Group's main financial instruments include cash and bank balances, accounts receivable, other receivables, other non-current financial assets, borrowings, bonds payable, accounts payable and other payables. The details of financial instruments are set out in the notes to items mentioned above. The risks associated with these financial instruments and the risk management policies adopted by the Group to mitigate these risks are described below. These risk exposures are managed and monitored by the management of the Group to ensure that the risks above are controlled within a limited range.

1. RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group engages in risk management with the objective of striking an appropriate balance between risks and rewards, minimizing the negative impact of risks on the Group's operating results, and maximizing the interests of shareholders and other equity investors. Based on this risk management objective, the Group's basic strategy for risk management is to identify and analyze the various risks to which the Group is exposed, establish appropriate risk tolerance floors and conduct risk management, and monitor the various risks in a timely and reliable manner to keep them within the limits.

(1) Market risk

1) Foreign exchange risk

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to foreign exchange risk relates primarily to USD, HKD, and EUR. The Group's other major business activities are denominated and settled in RMB, except for the Group's companies established in the Hong Kong Special Administrative Region and outside Hong Kong, which make purchases and sales in the registered local currency. As at 31 December 2024, changes in the fair value or future cash flows arising from changes in exchange rates of assets and liabilities in respect of the USD, HKD, and EUR balances as described in the table below may have an impact on the Group's results of operations.

Item	Assets		Liabilities	
	Closing balance	Opening balance	Closing balance	Opening balance
USD	6,878,006,990.30	6,712,794,240.74	3,646,120,693.32	2,947,725,571.33
HKD	1,168,853,093.21	965,790,961.17	1,155,924,292.45	2,622,172,277.38
EUR	319,325,447.01	452,491,906.52	1,939,247,749.88	2,215,535,533.34
Total	8,366,185,530.52	8,131,077,108.43	6,741,292,735.65	7,785,433,382.05

Note: The end of the period balance of foreign currency assets and liabilities are presented in RMB at the year-end exchange rate.

The Group pays close attention to the impact of exchange rate changes on the Group's foreign exchange risk. The management has made a policy to control foreign exchange risk by optimizing the structure of net foreign currency assets.

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Notes to the Financial Statements

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XI FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

1 RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(1) Market risk (Continued)

1) Foreign exchange risk (Continued)

Sensitivity analysis of foreign exchange risk

With other variables remaining unchanged, the pre-tax effects of reasonable changes in the exchange rate on current profit or loss and shareholders' equity are as follows:

Exchange rate changes	Current year		Prior year	
	Effect on total comprehensive income	Pre-tax effects on shareholders' equity	Effect on total comprehensive income	Pre-tax effects on shareholders' equity
USD appreciation by 5% against RMB	161,594,314.85	161,594,314.85	188,253,433.47	188,253,433.47
USD devaluation by 5% against RMB	-161,594,314.85	-161,594,314.85	-188,253,433.47	-188,253,433.47
HKD appreciation by 5% against RMB	646,440.04	646,440.04	-82,819,065.81	-82,819,065.81
HKD devaluation by 5% against RMB	-646,440.04	-646,440.04	82,819,065.81	82,819,065.81
EUR appreciation by 5% against RMB	-80,996,115.14	-80,996,115.14	-88,152,181.34	-88,152,181.34
EUR devaluation by 5% against RMB	80,996,115.14	80,996,115.14	88,152,181.34	88,152,181.34

2) Interest rate change risk

The Group's foreign currency borrowings were mainly floating rate borrowings in USD, HKD, and EUR, the interest rates of which were not affected by the adjustment of the benchmark lending rate by the People's Bank of China.

The Group's main liabilities exposed to interest rate risk are long-term borrowings and non-current liabilities due within one year.

Sensitivity analysis of interest rate risk

The sensibility analysis of interest rate risks is based on the following assumptions:

- Any changes in market interest rates affect interest income or expenses of financial instruments with variable interest rates.
- For financial instruments with fixed interest rates that are measured at fair value, any changes in market interest rates only affect their interest income or expenses.
- Any changes in the fair value of other financial assets and liabilities that are calculated using the discounted cash flow method at the prevailing market interest rate at the date of the statement of financial position.

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

XI FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

1 · RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(1) Market risk (Continued)

2) Interest rate change risk (Continued)

On the basis of the above assumptions, and with other variables remaining unchanged, the pre-tax effects of the possible reasonable changes in interest rates on current profit or loss and shareholders' equity are as follows:

Interest rate changes	Current year		Prior year	
	Effects on total profit	Pre-tax effects on shareholders' equity	Effects on total profit	Pre-tax effects on shareholders' equity
Interest rate rises by 0.5%	-12,720,040.61	-12,720,040.61	-14,906,292.06	-14,906,292.06
Interest rate is lowered by 0.5%	12,720,040.61	12,720,040.61	14,906,292.06	14,906,292.06

3) Other price risks

Financial assets held for trading, other equity instrument investments and other non-current financial assets held by the Group include some investments in shares of listed companies. As a result, the Group bears the risk of price changes in the securities market. The Group usually does not make direct investments in shares of listed companies. Existing investments in shares of listed companies were mainly formed and acquired by offsetting the conversion of investee entities to publicly listed companies. With other variables remaining unchanged, the pre-tax effects of the possible reasonable changes in stock prices on shareholders' equity are as follows:

Item	Stock price changes	Current year			Prior year		
		Effects on total profit	Effect on other comprehensive income (excluding income tax)	Pre-tax effects on shareholders' equity	Effects on total profit	Effect on other comprehensive income (excluding income tax)	Pre-tax effects on shareholders' equity
Financial assets held for trading	Stock price rises by 10%	57,437.43	-	57,437.43	52,018.98	-	52,018.98
Other non-current financial assets		11,853,312.00	-	11,853,312.00	8,862,831.60	-	8,862,831.60
Other equity instrument investments		-	2,281,716.23	2,281,716.23	-	2,117,294.20	2,117,294.20
Financial assets held for trading	Stock price falls by 10%	-57,437.43	-	-57,437.43	-52,018.98	-	-52,018.98
Other non-current financial assets		-11,853,312.00	-	-11,853,312.00	-8,862,831.60	-	-8,862,831.60
Other equity instrument investments		-	-2,281,716.23	-2,281,716.23	-	-2,117,294.20	-2,117,294.20

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XI FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

1 · RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(2) Credit risk

As at 31 December 2024, the maximum credit risk exposure that is likely to cause financial losses to the Group was due primarily to the losses on the Group's financial assets arising from the failure of the other party to the contract to fulfill its obligations, including the book balance of the recognised financial assets in the consolidated statement of financial position; for financial instruments measured at fair value, the book value reflects its risk exposure that is not the maximum, and its maximum risk exposure will change with future changes in fair value. In addition, it also includes losses to be paid for the performance of contingent obligations and financial guarantees, see the amount of financial guarantee contracts disclosed in Note IX. 39 and the Note X. 4. (6).

In order to reduce the credit risk, the Group has set up a group to determine credit lines, conduct credit approvals and implement other monitoring procedures to ensure that any necessary measures are taken to recover overdue claims. In addition, the Group reviews the recovery of each individual receivable at the end of the reporting period to ensure that sufficient credit loss provision is made for amounts that are irrecoverable. As a result, the Group's management considers that the Group's credit risk has been reduced significantly.

See Note IV.11.2 for the Group's specific method for assessing whether credit risk has increased significantly since initial recognition, the basis for determining that credit impairment has occurred for financial assets, the portfolio method for assessing expected credit risk by dividing the portfolio into groups, and the policy for direct write-downs of financial instruments. Except for the top five closing balances of accounts receivable and other receivables disclosed in Note IX. 4 and Note IX. 7, the Group has no other significant credit concentration risks.

The Group's cash and cash equivalents are mainly bank deposits with related party non-bank financial institutions and reputable state-owned banks with high credit ratings and other large and medium-sized listed banks, and the Group believes that there are no significant credit risk and almost will be no losses incurred due to default.

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XI FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

1 · RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(2) Credit risk (Continued)

As part of the Group's credit risk management, the Group uses the aging of accounts receivable to assess the expected credit losses on receivables arising from operations. The Group's business involves a large number of customers. Except for situations such as disputes, litigations or operational difficulties, restructuring and bankruptcy, and customers of related parties, there is no significant difference in the credit risk characteristics of the remaining customers, and the aging information reflects the solvency of such customers when the receivables are due. As at 31 December 2024, the credit risk and expected credit losses for the accounts receivable and contract assets of this type of customers are as follows:

Item	Expected credit loss rate over the entire life (%)	Book balance	Credit loss provision
Within 1 year (including 1 year)	1.45	12,932,102,689.49	187,515,489.00
1 to 2 years (including 2 years)	41.68	120,766,074.80	50,335,299.98
2 to 3 years (including 3 years)	88.26	31,547,486.35	27,843,811.45
Over 3 years	100.00	29,895,192.10	29,895,192.10
Total	—	13,114,311,442.74	295,589,792.53

The above expected credit loss rates throughout the holding period are based on historical actual credit loss rates and take into account current conditions and projections of future economic conditions. During the period from 1 January 2024 to 31 December 2024, there have been no significant changes to the Group's valuation approach and material assumptions.

As at 31 December 2024, the maximum amount of financial guarantees provided by the Group for joint ventures and associates was RMB437,765,581.31. Details of the financial guarantee contracts are set out in Note X. 4. (6). As at 31 December 2024, the management of the Group assessed the overdue status of the relevant borrowings under the guarantees, the financial position of the relevant borrowers and the economic situation of the industry in which the debtors operate, and concluded that there was no significant increase in the relevant credit risk since the initial recognition of this part of the financial guarantee contract. Accordingly, the Group has no financial guarantee contracts classified as requiring a loss allowance to be measured at the expected credit losses over the entire life of the contract, and the above financial guarantee contracts are measured at the amount of their loss allowance for expected credit losses over the next 12 months. During the period from 1 January 2024 to 31 December 2024, there have been no significant changes to the Group's valuation approach and material assumptions.

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XI FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

1 · RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(3) Liquidity risk

In managing the liquidity risk, the Group's management believes that sufficient cash and cash equivalents should be maintained and monitored to meet the Group's business needs and to reduce the impact of cash flow fluctuations. The Group's management monitors the use of bank loans and ensures compliance with loan agreements.

The Group's unused bank borrowings at the end of the year amounted to RMB18.894 billion (1 January 2024: RMB19.678 billion).

According to the maturity date of the undiscounted contract or expected cash flows, the financial liabilities held by the Group are analysed as follows:

Item	Book value	Within 1 year	1 to 5 years	Over 5 years	Total
1. Non-derivative financial liabilities, etc.	—	—	—	—	—
Short-term borrowings	3,294,191,564.22	3,311,660,497.28	—	—	3,311,660,497.28
Long-term borrowings	3,268,291,437.12	98,731,440.54	3,018,626,360.69	462,140,993.41	3,579,498,794.64
Accounts payable	12,756,894,871.90	12,756,894,871.90	—	—	12,756,894,871.90
Bills payable	183,554,323.76	183,554,323.76	—	—	183,554,323.76
Other payables	1,996,258,400.91	1,996,258,400.91	—	—	1,996,258,400.91
Non-current liabilities due within one year	941,267,381.93	1,053,156,777.65	—	—	1,053,156,777.65
Bonds payable	2,018,912,428.80	30,534,692.24	2,103,086,020.09	—	2,133,620,712.33
Lease liabilities	2,084,448,674.98	—	1,416,950,667.24	1,364,342,654.90	2,781,293,322.14
Estimated liabilities	23,339,731.15	—	19,126,880.33	4,212,850.82	23,339,731.15
Long-term payables	20,000,000.00	240,000.00	960,000.00	21,004,054.79	22,204,054.79

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

XI FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

2. TRANSFER OF FINANCIAL ASSETS

(1) Classification of transfer methods

Transfer method	Nature of financial assets transferred	Amount of financial assets transferred	Derecognition	Basis for determining derecognition
Factoring and securitization of accounts receivable	Accounts receivable	1,000,822,670.73	Note 1	Note 1
Bill endorsement or discounting	Bank acceptance bills	3,986,304,316.70	Note 2	Note 2
Bill endorsement or discounting	Commercial acceptance bills	427,714,697.97	Note 3	Note 3
Agreed transfer	Debt investments due within one year	11,120,000.00	Note 4	Note 4
Total	—	5,425,961,685.40	—	—

Note 1: During the year, Sinotrans Eastern Company, a subsidiary of the Group, entered into the Non-recourse Domestic Rongxinda Business Contract with Bank of China Limited Shanghai Branch (hereinafter referred to as Bank of China Shanghai Branch), under which the accounts receivable and the corresponding insurance rights and benefits of the accounts receivable which were insured against domestic credit insurance with Bank of China Insurance Co., Ltd. Shanghai Branch designated by Bank of China Shanghai Branch were assigned to Bank of China Shanghai Branch. After the transfer of the above accounts receivable, Sinotrans Eastern Company retained the right to collect the cash flows but assumed the obligation to pay the collected cash flows to the Bank of China Shanghai Branch without material delay. Sinotrans Eastern Company had no advance or guarantee obligation, had no right to sell or pledge the above accounts receivable separately, no longer assumed the credit risk of the transferred accounts receivable, and did not assume the risk of insurance claims and the risk of the difference in the amount of the insurance indemnification and therefore, it was derecognized.

During the year, Sinotrans Zhejiang Co., Ltd. (hereinafter referred to as Sinotrans Zhejiang), a subsidiary of the Group, entered into the Non-recourse Domestic Rongxinda Business Contract with Bank of China Limited Ningbo Haishu Branch (hereinafter referred to as Bank of China Haishu Branch), under which the accounts receivable and the corresponding insurance rights and benefits of the accounts receivable which were insured against domestic credit insurance with Bank of China Insurance Co., Ltd. Ningbo Branch designated by Bank of China Haishu Branch were assigned to Bank of China Haishu Branch. After the transfer of the above accounts receivable, Sinotrans Zhejiang retained the right to collect the cash flows but assumed the obligation to pay the collected cash flows to the Bank of China Haishu Branch without material delay. Sinotrans Zhejiang had no advance or guarantee obligation, had no right to sell or pledge the above accounts receivable separately, no longer assumed the credit risk of the transferred accounts receivable, and did not assume the risk of insurance claims and the risk of the difference in the amount of the insurance indemnification and therefore, it was derecognized.

During the year, Sinotrans Logistics Ltd. and Sinotrans South China Company, subsidiaries of the Group, entered into the Contracts for the Assignment of Accounts Receivable with China CREDIT Trust Co., Ltd. ("China CREDIT Trust", on behalf of the "China CREDIT Trust Chengyuan No. 37 Pooled Funds Trust Plan") respectively, and transferred accounts receivable claims to China CREDIT Trust. After the transfer of the above accounts receivable, Sinotrans Logistics Ltd. and Sinotrans South China Company retained the right to collect the cash flows but assumed the obligation to pay the collected cash flows to China CREDIT Trust without material delay, Sinotrans Logistics Ltd. and Sinotrans South China Company had no advance and guarantee obligations, had no right to sell or pledge the above accounts receivable separately, held no share of the aforesaid Pooled Fund Trust Plan, and no longer assumed the credit risk of the transferred accounts receivable, and therefore it was derecognized.

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XI FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

2. TRANSFER OF FINANCIAL ASSETS (Continued)

(1) Classification of transfer methods (Continued)

Note 2: The Group determines whether the bank acceptance bills receivable should be derecognised upon endorsement or discounting based on the credit risk rating of the acceptance bank. As the acceptance banks of the bank acceptance bills obtained by the Group are mainly large commercial banks and listed joint-stock commercial banks with high credit ratings, other bank acceptance bills do not account for a significant proportion and have small individual amounts and a large quantity. The Group derecognises the bank acceptance bills upon endorsement or discounting based on the materiality principle, unless public information indicates that there are significant abnormal changes in the credit risk of the acceptance banks. Details of bank acceptance bills endorsed or discounted at the end of the year and outstanding at the balance sheet date are shown in Note IX.5.

Note 3: Sinotrans South China, a subsidiary of the Group, entered into the Electronic Commercial Bills Discounting Business Cooperation Agreement and Supplementary Agreement with China Merchants Bank Co., Ltd. Guangzhou Branch (hereinafter referred to as "China Merchants Bank Guangzhou Branch"), and signed the Commercial Bills Discounting Master Contract with Ping An Bank Co., Ltd. Guangzhou Branch (hereinafter referred to as "Ping An Bank Guangzhou Branch"). The aforesaid agreements stipulate that after the commercial acceptance bills are discounted to the China Merchants Bank Guangzhou Branch and the Ping An Bank Guangzhou Branch. If the commercial acceptance bills are refused to be paid at maturity, the China Merchants Bank Guangzhou Branch and the Ping An Bank Guangzhou Branch will give up the recourse to Sinotrans South China, and will only have the option of recourse to the maker of the bills or to other antecedent parties. According to this, Sinotrans South China derecognized the discounted commercial acceptance bills amounting to RMB8,807,821.17 (of which, RMB6,922,770.17 was outstanding at the balance sheet date).

Except for the above derecognized amounts, other commercial acceptance bills of the Group are not derecognized upon endorsement or discounting. Details of commercial acceptance bills endorsed or discounted at the end of the year and outstanding at the balance sheet date are shown in Note IX.3.

Note 4: The debt investment due within one year represents the Company's loan to Pu'an Storage Company (which has undergone the approval procedures and a loan has been provided by another shareholder of Pu'an Storage Company on a pro rata basis on the same terms), with a maturity date of 21 November 2024, and an interest rate of 12%. Since Pu'an Storage Company failed to repay the loan on time due to a temporary shortage of funds and the Company did not plan to grant an extension, the Company entered into an Asset Transfer Agreement with Merchants Ping'an AMC during the year to transfer the debt investment to Merchants Ping'an AMC. After the transfer of the above debt investment, the Company has not retained the contractual right to receive cash flows, and does not assume the credit risk of the debt investment (failure to repay the debt investment to Merchants Ping'an AMC on time and in full, or to pay the interest, penalty, default, etc. as agreed), interest rate risk, etc., and therefore, it is derecognized.

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XI FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

2. TRANSFER OF FINANCIAL ASSETS (Continued)

(2) Financial assets derecognized by transfer

Item	Transfer methods for financial assets	Amount of financial assets derecognized	Gains or losses related to derecognition
Accounts receivable	Factoring and securitization of accounts receivable	1,000,822,670.73	-13,556,038.30
Bank acceptance bills	Bill endorsement or discounting	3,986,304,316.70	-5,417,965.06
Commercial acceptance bills	Bill discounting	8,807,821.17	-72,211.86
Debt investments due within one year	Agreed transfer	11,120,000.00	—
Total	—	5,007,054,808.60	-19,046,215.22

- (3) As at 31 December 2024, there were no financial assets transferred, such as securitization and factoring with accounts receivable, that continued to be involved in assets and liabilities recognized.

3. FAIR VALUE

The fair value of financial assets and financial liabilities is determined in accordance with the following methods:

The fair value of financial assets and financial liabilities with standard terms and conditions and for which there is an active market is determined by reference to the corresponding active market prevailing bid price and prevailing asking price, respectively.

The fair value of other financial assets and financial liabilities (excluding derivatives) is determined in accordance with the common pricing model based on the discounted future cash flow method or recognized using observable current market prices.

The fair value of derivative instruments is determined using publicly quoted prices in active markets.

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XI FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

3. FAIR VALUE (Continued)

The Group's management believes that the book value of financial assets and financial liabilities measured at amortized cost in the financial statements approximate the fair values of those assets and liabilities.

The following table presents the fair value information and the level of the measurement at fair value at the end of the reporting period for the Group's assets and liabilities measured at fair value on a continuous and non-continuous basis at each balance sheet date. The level within which the results of the measurements at fair value fall depends on the lowest level of inputs that are significant to the measurement at fair value as a whole. The three levels of inputs are defined as:

Level I input value: the unadjusted quotation of the same assets or liabilities that can be obtained on the measurement date in the active market.

Level II input value: the direct or indirect observable input value of related assets or liabilities other than the level I input value.

Level III input value: the unobservable input value of related assets or liabilities.

(1) The year-end fair value of assets and liabilities measured at fair value

Item	Fair value at the end of the year			Total
	Level I fair value measurement	Level II fair value measurement	Level III fair value measurement	
I. Continuous measurement at fair value	—	—	—	—
(I) Financial assets held for trading	574,374.32	—	—	574,374.32
1. Financial assets at fair value through profit or loss	574,374.32	—	—	574,374.32
Including: Equity instrument investments	574,374.32	—	—	574,374.32
(II) Receivables financing	—	430,890,739.48	—	430,890,739.48
(III) Other equity instrument investments	22,817,162.27	—	394,050,500.00	416,867,662.27
(IV) Other non-current financial assets	118,533,120.00	—	1,096,733,020.98	1,215,266,140.98
1. Financial assets at fair value through profit or loss	118,533,120.00	—	1,096,733,020.98	1,215,266,140.98
Including: Equity instrument investments	118,533,120.00	—	1,096,733,020.98	1,215,266,140.98
Total assets measured at fair value on a continuous basis	141,924,656.59	430,890,739.48	1,490,783,520.98	2,063,598,917.05

(2) Determination basis of market price of the continuous and non-continuous items of level I fair value measurement

The Group's financial instruments included in Level I fair value measurement are shares held in listed companies, both domestic and foreign, and the fair value is determined using the closing price of the open market on the last trading day of the balance sheet date.

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XI FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

3. FAIR VALUE (Continued)

(3) Qualitative and quantitative information on the valuation techniques and significant parameters used for continuous and non-continuous items of level II fair value measurement

The Group's financial instruments included in Level II fair value measurement are bank acceptance bills held at fair value through other comprehensive income (receivables financing). The acceptance banks for the bank acceptance bills held by the Group are mainly large commercial banks and listed joint-stock commercial banks with high credit ratings. The bank acceptance bills have the maturities of less than 6 months, and are of very low credit risk. At the balance sheet date, the book value of the bank acceptance bills receivable approximates the fair value.

(4) Qualitative and quantitative information on the valuation techniques and significant parameters used for continuous and non-continuous items of level III fair value measurement

The Group's financial instruments included in Level III fair value measurement are primarily unlisted equity investments held. The Group applies valuation techniques to determine the fair value of significant unlisted equity investments. The valuation model used is mainly a market multiplier approach. The Group needs to identify comparable listed companies on the basis of industry, type, structure, size, growth and risk of the business and to calculate an appropriate market multiplier for each comparable listed company identified. The specific input values to the valuation technique consist primarily of PE multiples, PB multiples, EV/EBITDA multiples, EV/Sales multiples and the discount parameters for lacking market liquidity of comparable listed companies. The main unobservable input used are discount parameters for lacking market liquidity. The higher the discount parameter for lacking market liquidity, the lower the fair value.

During the year, the Company engaged Vocation (Beijing) International Asset Appraisal Co., Ltd. to appraise the fair value of the equity investments held in Southern Airlines Logistics and Ouyeel Cloud, and the valuation report Vocation Gu Bao Zi No. 0018 (2025) was issued. Qualitative and quantitative information on the valuation techniques and significant parameters used are as follows:

Item	FAIR VALUE	Valuation technique	Comparable listed company	Multiplier chosen	Discount parameter for lacking market liquidity
Equity investment in China Southern Airlines Logistics Co., Ltd.	797,374,579.60	Market multiplier approach	China Eastern Air Logistics (601156), Yunda Holdings (002120), YTO Express (600233), Deppon Logistics (603056)	PE multiple	29.90%
Equity investment in Ouyeel Cloud Commerce Co., Ltd.	116,671,663.62	Market multiplier approach	Shanghai Ganglian (300226), Minmetals Development (600058), Orient Enterprise (600278), Sumec (600710)	EV/Sales multiple	29.40%

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XI FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

3. FAIR VALUE (Continued)

(5) Continuing Level III fair value measurements, reconciliation information between beginning and end of year book values and sensitivity analysis of unobservable parameters

Reconciliation information between beginning of year and end of year book values:

Item	Opening balance	Total current year gain or loss				Purchase, issuance, sale, and settlement					Effects from translation in foreign currency statements	Closing balance	Unrealized gains or losses for the year through profit or loss on assets held at the end of the reporting year
		Transfer to Level III	Transfer from Level III	Included in profit or loss	Charge to other comprehensive income	Purchase	Issuance	Sale	Settlement	Others			
Financial assets held for trading	-	-	-	-	-	-	-	-	-	-	-	-	-
Other equity instrument investments	394,050,500.00	-	-	-	-	-	-	-	-	-	-	394,050,500.00	-
Other non-current financial assets	888,212,779.30	-	-	217,172,085.23	-	-	-	-	-	-8,366,843.55	-285,000.00	1,086,733,020.98	217,172,085.23
1. Financial assets at fair value through profit or loss	888,212,779.30	-	-	217,172,085.23	-	-	-	-	-	-8,366,843.55	-285,000.00	1,086,733,020.98	217,172,085.23
Including: Equity instrument investments	888,212,779.30	-	-	217,172,085.23	-	-	-	-	-	-8,366,843.55	-285,000.00	1,086,733,020.98	217,172,085.23
Total	1,282,263,279.30	-	-	217,172,085.23	-	-	-	-	-	-8,366,843.55	-285,000.00	1,490,783,520.98	217,172,085.23

Note: Dividend gains totaling RMB10,001,447.58 (not included in current year gains and losses) were obtained from the continuous items of Level III fair value measurement during the year.

Sensitivity analysis of unobservable inputs:

Indicator changes	Current year	
	Effect on total comprehensive income (excluding income tax)	Pre-tax effects on shareholders' equity
Increase the discount parameter for lacking market liquidity by 5%	-74,539,176.05	-74,539,176.05
Decrease the discount parameter for lacking market liquidity by 5%	74,539,176.05	74,539,176.05

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XI FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

3. FAIR VALUE (Continued)

- (6) **Reasons for conversion and policy for determining the point of conversion for items that are continuously measured at fair value and that are converted between levels during the current year**

The Group's continuous fair value items measured at fair value have not been converted between levels during the current year.

- (7) **Changes in valuation techniques occurred during the current year and the reasons for the changes**

There were no significant changes in the valuation techniques of the Group during the current year.

- (8) **The fair value of financial assets and financial liabilities not measured at fair value**

According to the Group's Management, the book value of financial assets and financial liabilities measured at amortised cost in the financial statements approximates their fair value as at 31 December 2024.

4. CAPITAL MANAGEMENT

The Group's capital management objectives are to safeguard the Group's continuing operations in order to provide returns to shareholders and other equity holders while maintaining an optimal capital structure to reduce the cost of capital. The Group manages capital using a leverage ratio, which is defined as the ratio of net liabilities to adjusted capital and net liabilities. There are no significant changes to the Group's capital management objectives, policies, or procedures in 2024 and 2023. The Group's leverage ratio at the date of the statement of financial position is as follows:

Item	31 December 2024	31 December 2023
Short-term borrowings	3,294,191,564.22	610,217,777.09
Non-current liabilities due within one year	941,267,381.93	5,211,189,002.62
Long-term borrowings	3,268,291,437.12	2,355,004,648.70
Bonds payable	2,018,912,428.80	1,999,383,890.41
Long-term payables	20,000,000.00	23,525,000.00
Lease liabilities	2,084,448,674.98	2,497,732,805.59
Less: Cash and cash equivalents	13,440,376,824.37	13,826,301,140.45
Net liability	-1,813,265,337.32	-1,129,248,016.04
Shareholders' equity	42,040,678,218.49	40,121,361,569.35
Shareholders' equity and net liabilities	40,227,412,881.17	38,992,113,553.31
Leverage ratio	-5%	-3%

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XII. CONTINGENCIES

Item	Closing balance	Opening balance
Contingent liabilities arising from external guarantees	—	—
Including: Loan guarantee for fellow subsidiaries	1,540,024,640.08	2,052,779,724.01
Loan guarantee for associates	437,765,581.31	459,418,502.52
Total	1,977,790,221.39	2,512,198,226.53

1. AS AT 31 DECEMBER 2024, THE GROUP'S SIGNIFICANT PENDING LITIGATION AND ARBITRATION WERE AS FOLLOWS

Parties involved	Litigation/dispute content	Amounts involved (RMB10,000)	Recognised estimated liabilities (RMB10,000)	Litigation/ dispute status
Significant pending litigation, and arbitration:	—	28,693.46	1,450.00	—
Hefei High-tech Industrial Development Zone Investment Promotion Bureau	The Group invested and operated in Hefei High-tech Industrial Development Zone and disputes resulted from the investment, tax and other indicators failing to meet the required standards	13,896.64	1,450.00	First trial in progress
Chuangang Tongyi (Shanghai) Supply Chain Management Co., Ltd.	The Group was engaged in the warehouse services for Chuangang Tongyi (Shanghai) Supply Chain Management Co., Ltd. and a dispute arose from the amount of goods warehoused	5,531.04	—	First trial in progress
China Rail Construction Bridge Engineering Bureau Group Co., Ltd.	The Group was engaged in the EPC services from China Rail Construction Bridge Engineering Bureau Group Co., Ltd. and a dispute arose because the settlement amount could not be agreed	3,734.00	—	Arbitration in progress
Jiangsu Sailboat Petrochemical Co., Ltd.	In the course of the Group's provision of transportation services for large equipment, the transportation vehicles and equipment were in danger due to ground subsidence and Jiangsu Sailboat Petrochemical Co., Ltd. was required to bear the rescue and relief expenses	2,131.68	—	First trial in progress
Schneider Electric (China) Co., Ltd.	The Group had a dispute with Schneider Electric (China) Co., Ltd. over cargo damage arising from the provision of transportation services	2,105.60	—	Arbitration in progress
Dongguan Desheng Building Materials Co., Ltd.	The Group subleased a wharf operation site to Dongguan Desheng Building Materials Co., Ltd. and was required to pay the related losses and expenses as the berth in question did not apply for the relevant documents for berthing operation in a timely manner, resulting in the suspension of work and rectification	1,294.50	—	Second instance pending trial
Major cargo damage disputes (not yet sued):	—	—	—	—

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XII. CONTINGENCIES (CONTINUED)

2. CONTINGENT LIABILITIES ARISING FROM OTHER MATTERS OF THE GROUP AS AT 31 DECEMBER 2024

The details of capital commitments are described in Note XIII.

3. As at 31 December 2024, there were no material contingent assets resulting from the contingent events.

XIII. CAPITAL COMMITMENT

Item	Closing balance	Opening balance
Capital expenditures contracted but not recognised in the financial statements	—	—
Including: Purchase and construction of assets (Note 1)	1,053,630,434.36	1,152,045,518.64
Investments in associates, joint ventures and other investees (Note 2)	252,517,036.51	321,284,275.15
Port investment projects	57,909,470.44	29,179,505.90
Total	1,364,056,941.31	1,502,509,299.69

Note 1: As at 31 December 2024, the Group's capital expenditure contracted for but not recognised in the financial statements related to the acquisition and construction of assets mainly represented unrecognized capital expenditure related to contracts for engineering construction and general contracting entered into by the Group with CHINA HARBOUR ENGINEERING L.L.C, China Construction Eighth Engineering Division Corp., Ltd., China Construction Seventh Engineering Division Corp., Ltd and others regarding the Sinotrans Dubai Logistics Park Project, Sinotrans Lingang International Logistics Center Project, Sinotrans Chengdu Eastern New Area Logistics Park Project.

Note 2: As at 31 December 2024, the Group's unpaid subscribed capital contribution to the associates China Merchants Sinotrans (Shenzhen) Industrial Innovation Private Equity Investment Fund Partnership (Limited Partnership) and Guangzhou Air Cargo Co., Ltd. amounted to RMB183.50 millions; the unpaid subscribed capital contribution to the joint venture Foshan Sanshui Yinggang Freight Terminal Co., Ltd. amounted to RMB29.65 millions; the unpaid subscribed capital contribution to SINO-BLR Industrial Investment Fund, L.P. (other non-current financial assets) amounted to RMB39.36 millions.

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XIV. NON-ADJUSTMENT EVENTS AFTER THE DATE OF THE BALANCE SHEET

1. PROFIT DISTRIBUTION

As approved at the 4th meeting of the 8th session of the Board of Directors of the Company held on 25 March 2025, the Company proposed to distribute a cash dividend of RMB0.145 (including tax) per share for the year 2024 based on the total share capital of 7,181,652,423 shares (net of shares in the Company's special account for repurchases) registered on the date of registration of shareholdings for the implementation of the equity distribution, and it is expected to distribute RMB1,041,339,601.34. The profit distribution plan is to be approved by the shareholders' meeting of the Company.

2. BOND ISSUANCE

With the approval of the China Securities Regulatory Commission, the Company completed the issuance of "Sinotrans Limited Public Offering of Science and Technology Innovation Corporate Bonds for Professional Investors in 2025 (Phase I)" on 21 January 2025, with an issue amount of RMB2 billion, a maturity period of 3 years, a coupon interest rate of 1.79%, and a debt service method of annual interest payments and lump-sum principal payment upon maturity.

The Group has no other material events after the balance sheet date other than the above-mentioned events.

XV. NON-MONETARY ASSET EXCHANGE

There were no significant non-monetary asset exchanges and transactions for the Group during the current year.

XVI. DEBT RESTRUCTURING

The Group had no significant debt restructuring transactions during the year.

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Notes to the Financial Statements

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

XVII. NOTES TO THE MAIN ITEMS IN THE FINANCIAL STATEMENTS OF THE PARENT COMPANY

1. CASH AND BANK BALANCES

Item	Closing balance			Opening balance		
	Amount in original currency	Exchange rate	Amount in RMB	Amount in original currency	Exchange rate	Amount in RMB
Cash on hand	—	—	10,533.36	—	—	10,492.70
Including: RMB	-	1.00000	-	-	1.0000	-
USD	-	7.18840	-	-	7.0827	-
Others	—	—	10,533.36	—	—	10,492.70
Cash at banks	—	—	3,735,521,605.70	—	—	5,271,952,723.00
Including: RMB	3,113,412,672.87	1.00000	3,113,412,672.87	4,622,459,134.22	1.0000	4,622,459,134.22
USD	80,416,719.45	7.18840	578,067,546.09	91,350,031.89	7.0827	647,004,870.87
HKD	37,961,258.44	0.92604	35,153,643.77	2,226,380.97	0.9062	2,017,590.96
JPY	186,948,177.00	0.04623	8,642,614.22	176.86	0.0502	8.88
Others	—	—	245,128.75	—	—	471,118.07
Other cash and bank balances	—	—	5,527,589.79	—	—	11,401,329.07
Including: Deposited in external financial institutions	—	—	2,484,423.12	—	—	242,583.44
Including: RMB	2,484,423.12	1.00000	2,484,423.12	242,583.44	1.0000	242,583.44
Deposited in finance companies	—	—	3,043,166.67	—	—	11,158,745.63
Including: RMB	3,043,166.67	1.00000	3,043,166.67	11,158,745.63	1.0000	11,158,745.63
Deposited in finance companies	—	—	1,770,607,208.73	—	—	1,406,696,855.07
Including: RMB	1,768,108,974.93	1.00000	1,768,108,974.93	1,363,426,951.19	1.0000	1,363,426,951.19
USD	165,850.13	7.18840	1,192,197.07	6,109,238.55	7.0827	43,269,903.88
HKD	1,410,345.91	0.92604	1,306,036.73	-	0.9062	-
Total	—	—	5,511,666,937.58	—	—	6,690,061,399.84
Including: Total amount deposited abroad	—	—	-	—	—	-

(1) Restricted use of cash and bank balances at the end of the year

Item	Closing balance	Opening balance	Reasons for restricted use
Interest receivable	5,284,896.68	11,158,745.63	Not yet settled
Credit card deposits	134,797.50	134,797.50	Credit card deposits
Security margin	107,895.61	107,785.94	Security margin
Total	5,527,589.79	11,401,329.07	—

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XVII. NOTES TO THE MAIN ITEMS IN THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (CONTINUED)

2. ACCOUNTS RECEIVABLE

(1) Overall status of accounts receivable

Item	Closing balance	Opening balance
Accounts receivable	996,957,595.92	1,083,564,670.73
Less: Credit loss provision	26,510,471.51	42,723,391.03
Total	970,447,124.41	1,040,841,279.70

(2) Overall aging of accounts receivable

The aging analysis of accounts receivable based on the transaction date is as follows:

Item	Closing balance			Opening balance		
	Book balance	Proportion (%)	Credit loss provision	Book balance	Proportion (%)	Credit loss provision
Within 1 year (including 1 year)	946,097,928.73	94.90	10,555,474.44	1,014,446,547.99	93.62	12,266,160.09
1 to 2 years (including 2 years)	37,726,262.05	3.78	14,323,067.74	48,411,660.67	4.47	16,999,374.78
2 to 3 years (including 3 years)	6,645,873.55	0.67	608,036.06	8,754,861.07	0.81	7,648,374.73
Over 3 years	6,487,531.59	0.65	1,023,893.27	11,951,601.00	1.10	5,809,481.43
Total	996,957,595.92	100.00	26,510,471.51	1,083,564,670.73	100.00	42,723,391.03

(3) Classification of accounts receivable

Category	Closing balance					Opening balance				
	Book balance		Credit loss provision		Book value	Book balance		Credit loss provision		Book value
	Amount	Proportion (%)	Amount	Expected credit loss ratio (%)		Amount	Proportion (%)	Amount	Expected credit loss ratio (%)	
Credit loss provisions on an individual basis	216,700.12	0.02	216,700.12	100.00	-	276,485.00	0.03	276,485.00	100.00	-
Credit loss provisions by portfolio	996,740,895.80	99.98	26,293,771.39	2.64	970,447,124.41	1,083,288,185.73	99.97	42,446,906.03	3.92	1,040,841,279.70
Including:										
Low-risk portfolio	233,329,021.69	23.40	-	-	233,329,021.69	182,361,934.19	16.83	-	-	182,361,934.19
Aging portfolio	763,411,874.11	76.58	26,293,771.39	3.44	737,118,102.72	900,926,251.54	83.14	42,446,906.03	4.71	858,479,345.51
Total	996,957,595.92	100.00	26,510,471.51	—	970,447,124.41	1,083,564,670.73	100.00	42,723,391.03	—	1,040,841,279.70

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XVII. NOTES TO THE MAIN ITEMS IN THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (CONTINUED)

2. ACCOUNTS RECEIVABLE (Continued)

(3) Classification of accounts receivable (Continued)

Including: Accounts receivable with individual credit loss provisions at the end of the year

Company name	Book balance	Credit loss provision	Expected credit loss ratio (%)	Reasons for accrual
Others	216,700.12	216,700.12	100.00	Involved in litigation and not expected to be recovered
Total	216,700.12	216,700.12	—	—

(4) Accounts receivable of low-risk portfolio

Item	Book balance	Expected credit loss ratio (%)	Credit loss provision
Accounts receivable from related parties	233,329,021.69	—	—
Total	233,329,021.69	—	—

(5) Accounts receivable of aging portfolios

Item	Book balance	Expected credit loss ratio (%)	Credit loss provision
Within 1 year (including 1 year)	727,601,709.06	1.45	10,550,224.78
1 to 2 years (including 2 years)	34,258,230.90	41.68	14,278,830.64
2 to 3 years (including 3 years)	742,914.64	88.26	655,696.46
Over 3 years	809,019.51	100.00	809,019.51
Total	763,411,874.11	—	26,293,771.39

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XVII. NOTES TO THE MAIN ITEMS IN THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (CONTINUED)

2. ACCOUNTS RECEIVABLE (Continued)

(6) Changes in credit loss provision of accounts receivable

Item	Opening balance	Accrual	Amount of change during the year		Other changes	Closing balance
			Recovery or reversal	Carry-forward or write-off		
Current year	42,723,391.03	-10,275,816.24	59,784.88	5,877,318.40	-	26,510,471.51
Prior year	47,677,032.83	4,947,199.42	9,527,740.41	373,100.81	-	42,723,391.03

(7) Credit loss provisions recovered or reversed during the year

Company name	Book balance of accounts receivable	Reason for recovery or reversal	Basis for determining original credit loss provisions	Accumulated amount of credit loss provision recognized before recovery or reversal	Recovered or reversal amount
Others	101,485.00	Payment recovery	Involved in litigation and not expected to be recovered	101,485.00	59,784.88
Total	101,485.00	—	—	101,485.00	59,784.88

(8) Accounts receivable actually written off during the year

Company name	Nature of accounts receivable	Write-off amount	Reason for write-off	Write-off procedures performed	Whether arising from related transactions
Entity 1	Logistics business	5,301,289.48	Statute of limitations has expired	Approved by the General Manager's Office	No
Others	Logistics business	576,028.92	No enforceable property after application for enforcement, etc.	Approved by the General Manager's Office	No
Total	—	5,877,318.40	—	—	—

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XVII. NOTES TO THE MAIN ITEMS IN THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (CONTINUED)

2. ACCOUNTS RECEIVABLE (Continued)

- (9) There were no amounts due from shareholders' entities holding 5% (or more) of the voting shares of the Company at the end of the year.

(10) Top five in terms of accounts receivable

Company name	Relationship with the Company	Book balance	Aging	Credit loss provision	As a percentage of total accounts receivable (%)
Entity 1	Client	79,636,140.58	Within 1 year, 1 to 2 years	4,639,893.73	7.99
Hunan Zhongnan International Land Port Co., Ltd.	Subsidiary	62,209,837.41	Within 1 year	—	6.24
Entity 2	Client	58,396,891.64	Within 1 year	846,754.93	5.86
Entity 3	Client	56,003,855.50	Within 1 year	812,055.90	5.62
Sinotrans (Shenyang) International Liner Co.	Subsidiary	54,367,124.28	Within 1 year	—	5.45
Total	—	310,613,849.41	—	6,298,704.56	31.16

- (11) The Company had no accounts receivable involving government grants at the end of the year.

3. RECEIVABLES FINANCING

Category	Closing balance	Opening balance
Bank acceptance bills	8,812,734.22	21,949,473.78
Total	8,812,734.22	21,949,473.78

- (1) There were no bank acceptance bills due to defective endorsement, etc. at the end of year.

- (2) There was no pledged receivable financing at the end of the year.

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XVII. NOTES TO THE MAIN ITEMS IN THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (CONTINUED)

3. RECEIVABLES FINANCING (Continued)

(3) Receivables financing that have been endorsed or discounted at year-end and are not yet due at the balance sheet date

Category	Amount derecognised at year-end	Amount not derecognised at year-end
Bank acceptance bills	63,696,874.47	—
Total	63,696,874.47	—

Note: The Company determines whether the bank acceptance bills receivable should be derecognised upon endorsement or discounting based on the credit risk rating of the acceptance bank. As the acceptance banks of the bank acceptance bills obtained by the Company are mainly large commercial banks and listed joint-stock commercial banks with high credit ratings, other bank acceptance bills do not account for a significant proportion and have small individual amounts and a large quantity. The Company derecognises the bank acceptance bills upon endorsement or discounting based on the materiality principle, unless public information indicates that there are significant abnormal changes in the credit risk of the acceptance banks.

(4) There were no receivables financings at the end of the year that were transferred to accounts receivable as a result of the non-performance of the issuer.

(5) Credit loss provision for receivables financing

Category	Closing balance				Opening balance			
	Book balance		Credit loss provision		Book balance		Credit loss provision	
	Amount	Proportion (%)	Amount	Expected credit loss ratio (%)	Amount	Proportion (%)	Amount	Expected credit loss ratio (%)
Credit loss provisions by portfolio	8,812,734.22	—	—	—	21,949,473.78	—	—	—
Total	8,812,734.22	—	—	—	21,949,473.78	—	—	—

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XVII. NOTES TO THE MAIN ITEMS IN THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (CONTINUED)

3. RECEIVABLES FINANCING (Continued)

(5) Credit loss provision for receivables financing (Continued)

1) Receivables financing with credit loss provision on a portfolio basis

Category	Closing balance		
	Book balance	Credit loss provision	Expected credit loss ratio (%)
Bank acceptance bills portfolio	8,812,734.22	—	—
Total	8,812,734.22	—	—

Note: As at 31 December 2024 and 31 December 2023, there were no bank acceptance bills held by the Group subject to significant credit risk and resulted in significant losses due to bank default (bills receivable are expected to be collected in full). The Company had no provision for credit losses based on materiality considerations.

(6) There was no actual write-off of receivables financing in the Company during the year.

(7) Changes in receivables financing and fair value movements during the year

Bank acceptance bills held by the Company at fair value through other comprehensive income are mainly accepted by large commercial banks with high credit ratings and listed share-holding commercial banks, with maturities of less than 6 months and very low credit risk. At the balance sheet date, the book value of the bank acceptance bills receivable approximates the fair value.

(8) There were no amounts due from shareholders' entities holding 5% (or more) of the voting shares of the Company at the end of the year.

(9) The maturity date of the bank acceptance bills mentioned above is all within 360 days.

4. OTHER RECEIVABLES

Item	Closing balance	Opening balance
Interest receivable	—	—
Dividends receivable	25,553,731.83	63,165,640.92
Other receivables	14,169,160,830.41	12,985,094,217.00
Total	14,194,714,562.24	13,048,259,857.92

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XVII. NOTES TO THE MAIN ITEMS IN THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (CONTINUED)

4. OTHER RECEIVABLES (Continued)

(1) Dividends receivable

Investee	Opening balance	Increase due to changes in the scope of consolidation	Increase in current year	Decrease in current year	Translation difference of the financial statements in foreign currency	Closing balance	Reason for non-recovery	Whether an impairment occurs and judgment basis
Dividends receivable aged within 1 year	39,090,909.09	-	3,322,265,233.76	3,359,877,142.85	-	1,479,000.00	—	—
Sinotrans Shandong Asia-Europe IOT Operation Co., Ltd.	-	-	1,020,000.00	-	-	1,020,000.00	Declared but not yet issued	No
Sinotrans Suzhou Logistics Center Co., Ltd.	-	-	459,000.00	-	-	459,000.00	Declared but not yet issued	No
DHL-Sinotrans International Air Courier Ltd.	-	-	1,565,377,052.60	1,565,377,052.60	-	-	—	—
Sinotrans Changjiang Co., Ltd.	39,090,909.09	-	183,426,607.43	222,517,516.52	-	-	—	—
Sinotrans Central China Co., Ltd.	-	-	355,386,479.67	355,386,479.67	-	-	—	—
Sinotrans South China Co., Ltd.	-	-	311,579,190.08	311,579,190.08	-	-	—	—
Sinotrans Eastern Company Limited	-	-	277,478,301.67	277,478,301.67	-	-	—	—
Sinotrans Air Transport Development Co., Ltd.	-	-	266,027,710.24	266,027,710.24	-	-	—	—
Sinotrans Logistics Co., Ltd.	-	-	111,122,347.70	111,122,347.70	-	-	—	—
Sinotrans Northeast Co. Ltd	-	-	65,173,594.08	65,173,594.08	-	-	—	—
Sinotrans North China Co., Ltd.	-	-	60,642,550.84	60,642,550.84	-	-	—	—
Sinotrans Landbridge Transportation Co., Ltd.	-	-	35,612,456.06	35,612,456.06	-	-	—	—
Sinotrans Fujian Co., Ltd.	-	-	29,427,547.50	29,427,547.50	-	-	—	—
Nippon Express (Shanghai) Co., Ltd.	-	-	16,729,140.90	16,729,140.90	-	-	—	—
China Merchants Sinotrans (Shenzhen) Industrial Innovation Private Equity Investment Fund Partnership (Limited Partnership)	-	-	9,696,770.00	9,696,770.00	-	-	—	—
Sinotrans (Japan) Co., Ltd.	-	-	9,623,459.88	9,623,459.88	-	-	—	—
Sinotrans Korea Shipping Co., Ltd.	-	-	7,636,407.27	7,636,407.27	-	-	—	—
Nissin-Sinotrans International Logistics Co., Ltd.	-	-	7,500,000.00	7,500,000.00	-	-	—	—
Sinotrans Chongqing Co., Ltd.	-	-	3,827,897.90	3,827,897.90	-	-	—	—
Sinotrans Heavy-lift Logistics Co., Ltd.	-	-	2,905,593.14	2,905,593.14	-	-	—	—
China Marine Shipping Agency Co., Ltd.	-	-	1,238,753.00	1,238,753.00	-	-	—	—
New Land Bridge (Lianyungang) Terminal Co., Ltd.	-	-	374,373.80	374,373.80	-	-	—	—
Dividends receivable aged over 1 year	24,074,731.83	-	-	-	-	24,074,731.83	—	—
Sinotrans Eastern Company Limited	10,904,887.09	-	-	-	-	10,904,887.09	Support the development of subsidiary	No

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XVII. NOTES TO THE MAIN ITEMS IN THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (CONTINUED)

4. OTHER RECEIVABLES (Continued)

(1) Dividends receivable (Continued)

Investee	Opening balance	Increase due to changes in the scope of consolidation	Increase in current year	Decrease in current year	Translation difference of the financial statements in foreign currency	Closing balance	Reason for non-recovery	Whether an impairment occurs and judgment basis
Sinotrans Eastern Company Limited	8,067,261.02	-	-	-	-	8,067,261.02	Support the development of subsidiary	No
Trade Sky International Limited	3,241,600.00	-	-	-	-	3,241,600.00	Support the development of subsidiary	No
SINOTRANS ALMAJDOUE MIDDLE EAST CO., LTD.	1,860,983.72	-	-	-	-	1,860,983.72	Incomplete payment approval process	No
Total	63,165,640.92	-	3,322,265,233.76	3,359,877,142.85	-	25,553,731.83	—	—

(2) Other receivables

1) Analysis by aging

Item	Closing balance			Opening balance		
	Book balance	Proportion (%)	Credit loss provision	Book balance	Proportion (%)	Credit loss provision
Within 1 year (including 1 year)	1,908,983,474.06	13.47	-	7,918,229,439.12	60.98	-
1 to 2 years (including 2 years)	7,285,230,282.20	51.42	-	988,911,777.41	7.61	-
2 to 3 years (including 3 years)	932,708,997.39	6.58	-	251,491,267.78	1.94	-
Over 3 years	4,042,238,076.76	28.53	-	3,826,461,732.69	29.47	-
Total	14,169,160,830.41	100.00	-	12,985,094,217.00	100.00	-

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XVII. NOTES TO THE MAIN ITEMS IN THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (CONTINUED)

4. OTHER RECEIVABLES (Continued)

(2) Other receivables (Continued)

2) Classification of other receivables

Category	Closing balance					Opening balance				
	Book balance		Credit loss provision		Book value	Book balance		Credit loss provision		Book value
	Amount	Proportion (%)	Amount	Expected credit loss ratio (%)		Amount	Proportion (%)	Amount	Expected credit loss ratio (%)	
Credit loss provisions on an individual basis	-	-	-	-	-	-	-	-	-	-
Credit loss provisions by portfolio	14,169,160,830.41	100.00	-	-	14,169,160,830.41	12,985,094,217.00	100.00	-	-	12,985,094,217.00
Including:										
Low-risk portfolio	14,169,160,830.41	100.00	-	-	14,169,160,830.41	12,985,094,217.00	100.00	-	-	12,985,094,217.00
Aging portfolio within 1 year	-	-	-	-	-	-	-	-	-	-
Aging portfolio over 1 year	-	-	-	-	-	-	-	-	-	-
Total	14,169,160,830.41	—	-	—	14,169,160,830.41	12,985,094,217.00	—	-	—	12,985,094,217.00

3) Other receivables of low-risk portfolio

Item	Book balance	Expected credit loss ratio (%)	Credit loss provision
Related party payments	14,073,822,034.18	—	—
Advances	33,923,156.73	—	—
Deposits, collateral	16,157,444.67	—	—
Government grants	5,000,000.00	—	—
Others	40,258,194.83	—	—
Total	14,169,160,830.41	—	—

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XVII. NOTES TO THE MAIN ITEMS IN THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (CONTINUED)

4. OTHER RECEIVABLES (Continued)

(2) Other receivables (Continued)

4) Analysis by nature of payments

Item	Closing balance			Opening balance		
	Book balance	Credit loss provision	Book value	Book balance	Credit loss provision	Book value
Related party payments	14,073,822,034.18	-	14,073,822,034.18	12,919,699,813.31	-	12,919,699,813.31
Advances	33,923,156.73	-	33,923,156.73	37,817,866.60	-	37,817,866.60
Deposits, collateral	16,157,444.67	-	16,157,444.67	18,320,427.30	-	18,320,427.30
Government grants	5,000,000.00	-	5,000,000.00	5,000,000.00	-	5,000,000.00
Others	40,258,194.83	-	40,258,194.83	4,256,109.79	-	4,256,109.79
Total	14,169,160,830.41	-	14,169,160,830.41	12,985,094,217.00	-	12,985,094,217.00

5) Outstanding debts of shareholders holding more than 5% (including 5%) voting shares of the Company

Company name	Closing balance		Opening balance	
	Amount owed	Credit loss provision	Amount owed	Credit loss provision
SINOTRANS & CSC HOLDINGS Co., Ltd.	2,493.20	-	-	-
Total	2,493.20	-	-	-

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XVII. NOTES TO THE MAIN ITEMS IN THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (CONTINUED)

4. OTHER RECEIVABLES (Continued)

(2) Other receivables (Continued)

6) The top five of the closing balances in other receivables, grouped by party in arrears

Company name	Relationship with the Company	Book balance	Aging	Percentage of total other receivables (%)	Credit loss provision	Nature or content
Sinotrans Logistics Co., Ltd.	Subsidiary	5,304,452,311.18	Within 1 year, 1 to 2 years, 2 to 3 years, over 3 years	37.44	-	Related party payments
SINOTRANS (HK) LOGISTICS LIMITED	Subsidiary	2,237,678,061.52	Within 1 year, 1 to 2 years, 2 to 3 years, over 3 years	15.79	-	Related party payments
Sinotrans Logistics Investment Holdings Co., Ltd.	Subsidiary	1,462,344,969.69	Within 1 year, 1 to 2 years, 2 to 3 years, over 3 years	10.32	-	Related party payments
Sinotrans South China Co., Ltd.	Subsidiary	1,448,053,057.58	Within 1 year, 1 to 2 years, 2 to 3 years, over 3 years	10.22	-	Related party payments
Sinotrans Air Transport Co., Ltd.	Subsidiary	1,000,145,450.48	Within 1 year, 1 to 2 years, 2 to 3 years, over 3 years	7.06	-	Related party payments
Total	—	11,452,673,850.45	—	80.83	-	—

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XVII. NOTES TO THE MAIN ITEMS IN THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (CONTINUED)

4. OTHER RECEIVABLES (Continued)

(2) Other receivables (Continued)

7) Related party payments

Company name	Relationship with the Company	Book balance	Percentage of total other receivables (%)
Sinotrans Logistics Co., Ltd.	Subsidiary	5,304,452,311.18	37.44
SINOTRANS (HK) LOGISTICS LIMITED	Subsidiary	2,237,678,061.52	15.79
Sinotrans Logistics Investment Holdings Co., Ltd.	Subsidiary	1,462,344,969.69	10.32
Sinotrans South China Co., Ltd.	Subsidiary	1,448,053,057.58	10.22
Sinotrans Air Transport Co., Ltd.	Subsidiary	1,000,145,450.48	7.06
Sinotrans Eastern Company Limited	Subsidiary	978,700,312.33	6.91
Sinotrans Logistics Development Co., Ltd.	Subsidiary	256,238,071.52	1.81
Sinotrans Fujian Co., Ltd.	Subsidiary	173,098,311.89	1.22
Ningbo Meishan Bonded Port Area Sinotrans Supply Chain Management Co., Ltd.	Subsidiary	142,304,462.39	1.00
Sinotrans Cold Chain Logistics Co., Ltd.	Subsidiary	135,915,327.89	0.96
Sinotrans Landbridge Transportation Co., Ltd.	Subsidiary	129,684,918.00	0.92
Sinotrans Heavy-lift Logistics Co., Ltd.	Subsidiary	107,066,323.11	0.76
Sinotrans Guangxi Co., Ltd.	Subsidiary	83,132,639.52	0.59
Shenzhen Sinotrans Logistics Co., Ltd.	Subsidiary	80,145,485.33	0.57
Sinotrans Innovative Technology Co., Ltd.	Subsidiary	71,081,326.35	0.50
Zhongshan Sinotrans Logistics Co., Ltd.	Subsidiary	56,660,000.00	0.40
Dongying Sinotrans Logistics Co., Ltd.	Subsidiary	40,903,947.00	0.29
Shanghai Sinotrans Weiyun International Logistics Co., Ltd.	Subsidiary	28,344,703.99	0.20
Sinotrans Northeast Co. Ltd	Subsidiary	26,792,375.10	0.19
Sinotrans Chemical International Logistics Co., Ltd.	Subsidiary	23,655,482.60	0.17
Guangdong Sinotrans Huangpu Warehouse Code Co., Ltd.	Subsidiary	20,013,328.00	0.14
Others	—	267,411,168.71	1.89
Total	—	14,073,822,034.18	99.35

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XVII. NOTES TO THE MAIN ITEMS IN THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (CONTINUED)

4. OTHER RECEIVABLES (Continued)

(2) Other receivables (Continued)

8) Other receivables in relation to government grants

Company name	Government grant items	Closing balance	Closing aging	Expected time and amount to be received
Entity 1	Relocation grants	5,000,000.00	1 to 2 years	Full payment is expected to be recovered in 2025
Total	—	5,000,000.00	—	—

9) There were no prepayments transferred to other receivables during the year.

10) The Company had no other receivables related to the centralized management of funds at the end of the year.

5. LONG-TERM EQUITY INVESTMENTS

(1) Classification of long-term equity investments

Item	Opening balance	Increase in investment	Decrease in investment	Other increases (Decrease denoted by "-")	Effects from translation in foreign currency statements	Closing balance
Investment in subsidiary	16,882,849,410.70	495,278,018.77	—	—	—	17,378,127,429.47
Investments in joint ventures	2,309,126,827.16	50,000,000.00	19,925,187.00	-227,039,165.73	—	2,112,162,474.43
Investments in associates	197,402,767.77	42,500,000.00	—	-12,890,611.85	—	227,012,155.92
Subtotal	19,389,379,005.63	587,778,018.77	19,925,187.00	-239,929,777.58	—	19,717,302,059.82
Less: Impairment provision of long-term equity investments	—	—	—	—	—	—
Total	19,389,379,005.63	587,778,018.77	19,925,187.00	-239,929,777.58	—	19,717,302,059.82

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

5. LONG-TERM EQUITY INVESTMENTS(Continued)

1) **Investments in associates and joint ventures**

		Changes in the current year						Effects from translation in foreign currency statements		Closing balance	Crising balance of impairment provision
Investee	Investment costs	Opening balance	Increase in investment	Decrease in investment	Investment profit or loss under equity method	Other comprehensive income adjustments	Other changes in equity profits declared	Cash dividends and impairment provision	Others	Closing balance	Crising balance of impairment provision
Joint ventures											
P.H.L-Sriharas International Air Courier Ltd.	443,284,798.72	2,309,126,827.16	50,000,000.00	19,925,187.00	1,403,782,800.77	-41,584,758.15	807,985.15	1,580,085,193.50	-	2,112,462,471.43	-
	69,144,505.07	1,873,711,260.04	-	-	1,385,136,552.58	-	-	1,585,377,052.60	-	1,838,470,760.02	-
Nisun Sriharas International Logistics Co., Ltd.	55,518,961.25	123,480,582.33	-	-	13,747,372.76	-	807,985.15	7,500,000.00	-	130,515,940.24	-
Sriharas Suzhou Logistics Center Co., Ltd.	97,898,300.00	106,777,651.20	-	-	4,237,097.92	-	-	459,000.00	-	110,555,639.02	-
TP Ease Energy Co., Ltd.	100,000,000.00	50,000,000.00	50,000,000.00	-	-917,522.11	-	-	-	-	99,082,477.89	-
Sriharas PFS Cold Chain Logistics Co., Ltd.	90,000,000.00	49,095,150.06	-	-	-4,403,342.64	-	-	-	-	44,691,807.42	-
Sriharas Logistics Pakistan Limited	1,457,004.00	28,072,032.32	-	-	-1,600,088.48	-19,689,064.10	-	-	-	6,772,279.94	-
Shanghai United Cold Chain Logistics Co., Ltd.	15,000,000.00	7,758,307.57	-	-	-1,295,556.08	-	-	-	-	6,463,751.49	-
Nippon Express (Shanghai) Co., Ltd.	-	36,103,435.78	-	19,925,187.00	550,882.12	-	-	16,729,140.90	-	-	-
Others	14,246,018.40	34,150,507.66	-	-	8,328,404.80	-21,865,084.05	-	-	-	20,613,818.41	-
Associates											
Shenghai P.Lan Storage Co., Ltd.	234,985,246.67	197,402,767.77	42,500,000.00	-	-4,073,834.70	-	879,992.95	9,696,770.00	-	227,012,155.92	-
Jingzhi Logistics Technology Co., Ltd.	78,173,640.00	80,502,786.41	-	-	1,799,247.28	-	-	-	-	82,302,033.69	-
China Merchants Shoriras (Shenzhen) Industrial Innovation Private Equity Investment Fund Partnership (Limited Partnership)	49,000,000.00	43,321,507.13	-	-	-6,786,886.43	-	879,992.95	-	-	37,444,633.55	-
Ma aristan Tianshun Port Co., Ltd.	52,498,379.67	7,016,555.38	42,500,000.00	-	-3,062,555.15	-	-	9,696,770.00	-	36,757,620.23	-
Shangshi Bulk Commodity Warehouse Receipt Registration Co., Ltd.											
China International Exhibition Transportation Co., Ltd.	315,227.00	4,839,776.05	-	-	3,160,375.90	-	-	-	-	8,000,151.95	-
Total	673,250,035.39	2,506,529,594.93	92,500,000.00	19,925,187.00	1,399,709,996.07	-41,584,758.15	1,687,978.00	1,599,761,993.50	-	2,339,474,630.35	-

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XVII. NOTES TO THE MAIN ITEMS IN THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (CONTINUED)

5. LONG-TERM EQUITY INVESTMENTS (Continued)

(2) Details of long-term equity investments (Continued)

2) Investment in subsidiary

Name of investees	Opening balance	Increase in current year	Decrease in current year	Effects from translation	Closing balance
				in foreign currency statements	
Sinotrans Air Transport Development Co., Ltd.	5,857,730,307.68	766,170.43	-	-	5,858,496,478.11
Sinotrans Logistics Co., Ltd.	4,740,495,551.91	969,495.11	-	-	4,741,465,047.02
Sinotrans South China Co., Ltd.	1,280,108,180.31	1,899,941.12	-	-	1,282,008,121.43
Sinotrans Eastern Company Limited	1,084,667,815.27	1,159,379.21	-	-	1,085,827,194.48
Sinotrans Changjiang Co., Ltd.	1,005,126,114.30	113,107.76	-	-	1,005,239,222.06
Sinotrans Central China Co., Ltd.	633,465,226.96	346,827,228.44	-	-	980,292,455.40
Sinotrans Logistics Investment Holdings Co., Ltd.	495,584,869.59	302,967.22	-	-	495,887,836.81
Wide Shine Development Limited	430,372,292.05	-	-	-	430,372,292.05
Trade Sky International Limited	341,057,315.76	-	-	-	341,057,315.76
Sinotrans Fujian Co., Ltd.	201,125,853.27	47,128.23	-	-	201,172,981.50
Sinotrans Engineering Logistics Co., Ltd.	-	140,000,000.00	-	-	140,000,000.00
Sinotrans Northeast Co. Ltd	137,777,353.60	495,519.72	-	-	138,272,873.32
Sinotrans North China Co., Ltd.	136,989,587.56	480,707.99	-	-	137,470,295.55
Sinotrans Heavy-lift Logistics Co., Ltd.	135,009,500.38	140,038.18	-	-	135,149,538.56
Sinotrans Hubei Company Limited	121,352,393.11	-	-	-	121,352,393.11
Sinotrans Innovative Technology Co., Ltd.	100,470,309.16	113,107.76	-	-	100,583,416.92
Others	181,516,739.79	1,963,227.60	-	-	183,479,967.39
Total	16,882,849,410.70	495,278,018.77	-	-	17,378,127,429.47

Note: The increase in long-term equity investments in subsidiaries during the year was due to the capital increase of RMB345.76 millions in Sinotrans Central China, the capital contribution of RMB140 million by Sinotrans Engineering Logistics Co., Ltd., a newly established wholly-owned subsidiary, and the granting of stock options by the Company to the employees of a number of its subsidiaries (please refer to Note IX.71 for details), which resulted in an increase of RMB9.52 millions in long-term equity investments in subsidiaries.

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XVII. NOTES TO THE MAIN ITEMS IN THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (CONTINUED)

5. LONG-TERM EQUITY INVESTMENTS (Continued)

- (3) As of 31 December 2024, the Company reviewed the operating conditions, asset status, and industry operating environment of its major subsidiaries, joint ventures or associates, and found no obvious signs of impairment. Therefore, no impairment provision was made for long-term equity investments this year.
- (4) As at 31 December 2024, there were no significant restrictions on the Company's ability to transfer funds from joint ventures or associates to the Company.
- (5) The Company had no significant excess losses incurred in its joint ventures or associates during the year.
- (6) As at 31 December 2024, except for unpaid subscribed capital contributions to joint ventures (see Note XIII. for details), the Company had no unrecognised commitments to provide funds or resources to joint ventures, or to purchase shares of interests in joint ventures.

6. SHORT-TERM BORROWINGS

(1) Classification of short-term borrowings

Category	Closing balance	Opening balance
Fiduciary loans	1,981,557,305.56	—
Total	1,981,557,305.56	—

- (2) No short-term borrowings were outstanding at the end of the year.

7. LONG-TERM BORROWINGS

Type of loan	Closing balance	Opening balance	Interest rate range at the end of the year (%)
Fiduciary loans	67,000,000.00	67,000,000.00	1.20
Total	67,000,000.00	67,000,000.00	—
Less: Long-term borrowings due within one year	—	—	—
Including: Fiduciary loans	—	—	—
Long-term borrowings due after one year	67,000,000.00	67,000,000.00	—

- (1) No long-term borrowings were outstanding at the end of the year.

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Notes to the Financial Statements

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XVII. NOTES TO THE MAIN ITEMS IN THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (CONTINUED)

7. LONG-TERM BORROWINGS (Continued)

(2) Top five long-term borrowings in the closing balance (including long-term borrowings due within one year)

Loan unit	Borrowing start date	Borrowing termination date	Currency	Interest rate (%)	Closing balance		Opening balance	
					Foreign currency	Local currency	Foreign currency	Local currency
Agricultural Development Bank of China	2015-11-20	2034-11-17	RMB	1.20	-	40,000,000.00	-	40,000,000.00
Agricultural Development Bank of China	2016-02-29	2033-02-28	RMB	1.20	-	27,000,000.00	-	27,000,000.00

(3) The Company had no long-term borrowings extended at the end of the year.

(4) At the end of the year, the Company had no loan arrangements classified as non-current liabilities by relying on the right to defer the settlement of liabilities, which was subject to the contractual conditions that should be complied with within one year after the balance sheet date.

(5) The maturity date of long-term borrowings is analysed as follows

Item	Closing balance	Opening balance
1 to 2 years (including 2 years)	-	-
2 to 5 years (including 5 years)	-	-
Over 5 years	67,000,000.00	67,000,000.00
Total	67,000,000.00	67,000,000.00

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XVII. NOTES TO THE MAIN ITEMS IN THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (CONTINUED)

8. BONDS PAYABLE

(1) Details of bonds payable

Item	Closing balance	Opening balance
2024 medium-term notes (phase I)	2,010,133,607.30	—
2021 corporate bonds (phase I)	20,274,129.26	2,026,655,123.24
2021 medium-term notes (phase I)	—	2,038,876,712.41
Less: Bonds payable due within one year	11,495,307.76	2,066,147,945.24
Total	2,018,912,428.80	1,999,383,890.41

Note: The details of bonds payable are described in Note IX. 35.

(2) The maturity date of bonds payable is analysed as follows

Item	Closing balance	Opening balance
1 to 2 years (including 2 years)	19,998,638.85	—
2 to 5 years (including 5 years)	1,998,913,789.95	1,999,383,890.41
Total	2,018,912,428.80	1,999,383,890.41

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Notes to the Financial Statements

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XVII. NOTES TO THE MAIN ITEMS IN THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (CONTINUED)

8. BONDS PAYABLE (Continued)

(3) Specifics of bonds payable

Bond name	Face value	Coupon rate (%)	Issue date	Bond term	Issue amount	Opening balance	Effects from changes in the scope of consolidation	Issued in current year	Interest accrued at face value	Amortisation of premium and discount	Current repayments and interest payments	Effects from translation in foreign currency statements	Closing balance	In default
2024 medium-term notes (phase I)	2,000,000,000.00	2.08	2024-09-18	3 years	2,000,000,000.00	-	-	1,998,100,000.00	11,833,150.68	130,456.62	-	-	2,010,133,607.30	No
2021 corporate bonds (phase I)	2,000,000,000.00	2.15	2021-07-26	5 years	2,000,000,000.00	2,026,655,123.24	-	-	36,006,667.58	612,348.44	2,043,000,000.00	-	20,274,128.26	No
2021 medium-term notes (phase I)	2,000,000,000.00	3.50	2021-06-07	3 years	2,000,000,000.00	2,038,876,712.41	-	-	30,684,931.48	438,356.11	2,070,000,000.00	-	-	No
Total	6,000,000,000.00	-	-	-	6,000,000,000.00	4,065,531,835.65	-	1,998,100,000.00	78,547,739.74	1,231,161.17	4,113,000,000.00	-	2,030,407,738.56	-
Less: Bonds payable due within one year	-	-	-	-	-	2,066,147,945.24	-	-	-	-	-	-	11,485,307.76	-
Bonds payable due after one year	-	-	-	-	-	1,999,383,890.41	-	-	-	-	-	-	2,018,912,428.30	-

Note: The Company's bonds payable have a coupon rate that approximates the effective interest rate, and the amount of premium and discount is small. The Company uses the simplified method to amortise the premium and discount amounts evenly over the term of the bonds.

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XVII. NOTES TO THE MAIN ITEMS IN THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (CONTINUED)

9. CAPITAL RESERVES

FY 2024

Item	Opening balance	Increase in current year	Decrease in current year	Closing balance
I. Share capital premium	10,648,390,638.65	28,576,454.45	12,289,587.14	10,664,677,505.96
1. Capital invested by investors	10,728,847,844.03	28,576,454.45	4,219,491.45	10,753,204,807.03
2. Others	-80,457,205.38	—	8,070,095.69	-88,527,301.07
II. Other capital reserves	64,917,625.37	15,954,268.96	28,614,323.90	52,257,570.43
1. Other changes in the owner's equity of the investees other than net profit or loss, other comprehensive income and profit distributions	5,298,445.87	1,687,978.00	37,869.45	6,948,554.42
2. Share-based payment for unexercised rights	60,163,649.15	14,266,290.96	28,576,454.45	45,853,485.66
3. Others	-544,469.65	—	—	-544,469.65
Total	10,713,308,264.02	44,530,723.41	40,903,911.04	10,716,935,076.39
Including: Exclusively state-owned capital reserves	—	—	—	—

FY 2023

Item	Opening balance	Increase in current year	Decrease in current year	Closing balance
I. Share capital premium	10,721,078,526.48	—	72,687,887.83	10,648,390,638.65
1. Capital invested by investors	10,801,535,731.86	—	72,687,887.83	10,728,847,844.03
2. Others	-80,457,205.38	—	—	-80,457,205.38
II. Other capital reserves	35,233,799.16	30,047,571.42	363,745.21	64,917,625.37
1. Other changes in the owner's equity of the investees other than net profit or loss, other comprehensive income and profit distributions	5,662,191.08	—	363,745.21	5,298,445.87
2. Share-based payment for unexercised rights	30,116,077.73	30,047,571.42	—	60,163,649.15
3. Others	-544,469.65	—	—	-544,469.65
Total	10,756,312,325.64	30,047,571.42	73,051,633.04	10,713,308,264.02
Including: Exclusively state-owned capital reserves	—	—	—	—

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XVII. NOTES TO THE MAIN ITEMS IN THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (CONTINUED)

10. UNDISTRIBUTED PROFITS

Item	Current year amount	Prior year amount
Closing balance of the prior year	6,686,280,777.84	5,108,267,970.16
Add: Adjustments to opening undistributed profits	—	—
Opening balance	6,686,280,777.84	5,108,267,970.16
Increase in current year	2,950,582,895.11	3,722,636,168.94
Including: Net profit for the year	2,950,582,895.11	3,722,636,168.94
Decrease in current year	2,398,792,384.28	2,144,623,361.26
Including: Appropriation to statutory surplus reserves for the year	295,058,289.51	372,263,616.89
Dividends distribution	2,103,734,094.77	1,772,359,744.37
Closing balance of the current year	7,238,071,288.67	6,686,280,777.84

11. OPERATING INCOME, COSTS

Item	Current year		Prior year	
	Income	Costs	Income	Costs
Agency and related business	4,207,050,462.75	4,177,552,264.67	3,736,371,911.02	3,570,577,239.94
Logistics	1,607,367,358.47	1,519,896,670.45	1,801,339,340.16	1,622,816,862.86
Total	5,814,417,821.22	5,697,448,935.12	5,537,711,251.18	5,193,394,102.80

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Notes to the Financial Statements

For the Year ended 31 December 2024

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XVII. NOTES TO THE MAIN ITEMS IN THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (CONTINUED)

11. OPERATING INCOME, COSTS (Continued)

(1) Information related to performance obligations

FY 2024

Item	Agency and related business	Logistics
Operating income	—	—
Including: Recognition at a certain point	4,207,050,462.75	1,607,367,358.47
Recognition within a certain period	—	—
Lease income	—	—
Total	4,207,050,462.75	1,607,367,358.47

FY2023

Item	Agency and related business	Logistics
Operating income	—	—
Including: Recognition at a certain point	3,736,371,911.02	1,801,339,340.16
Recognition within a certain period	—	—
Lease income	—	—
Total	3,736,371,911.02	1,801,339,340.16

The contents and prices of services are usually explicitly agreed in the contracts (agreements, orders, etc.) entered into between the Company and its customers, which do not involve complicated payment arrangements, and the Company has an unconditional right to receive payment upon completion of the relevant services, except for advance payment arrangements.

The services provided by the Company to its customers were classified into two types: agency and related business, and logistics. The entrustment of a single customer may involve a single logistics process or multiple logistics processes. When multiple logistics processes are involved, the Company decides whether or not to treat them as a single performance obligation, taking into account factors such as the degree of interconnection and dependence of each logistics process. The professional logistics and agency and related businesses conducted based on the identity of the primarily responsible person carried out by the Company usually provide customers with point-to-point logistics services. This enables customers to both obtain and consume economic benefits from the Company's performance at the same time as the Company's performance. As these services are typically completed within a relatively short period within an accounting period. The provision of services across accounting periods is not significant for the Company. Therefore, the Company recognizes the realization of income at the point of completion of the aforementioned services.

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Notes to the Financial Statements

For the Year ended 31 December 2024
(Unless indicated otherwise, all amounts are expressed in RMB)

XVII. NOTES TO THE MAIN ITEMS IN THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (CONTINUED)

11. OPERATING INCOME, COSTS (Continued)

(1) Information related to performance obligations (Continued)

The Company recognizes income from the agency and related business conducted in the capacity of an agent when the related act of the agency is completed.

The Company determines whether its identity at the time of performing a transaction is that of a principal or an agent based on whether it has control over the goods or services prior to transferring the goods or services to the customer. In the case of agency and related businesses, the Company's status as a principal or agent is determined primarily by considering whether it has assumed the corresponding risks and liabilities.

The logistics services provided by the Company to its customers are immediate consumable services, which usually do not involve warranty, refund and other arrangements. The Company accrues estimated liabilities, as appropriate, when it is required by customers to pay compensation for damage to goods in the course of providing services.

(2) Statement of apportionment to remaining performance obligations

The Company has entered into contracts (agreements, orders, etc.) with customers at the end of the year, but the portion of the transaction price for performance obligations that have not yet been performed or have not yet been fulfilled that has been received or receivable from the customer of RMB62,882,087.50 (closing balance of contract liabilities) will be recognised as revenue within one year. The remaining transaction prices are not presented due to the expected term of these contracts being less than one year and the dispersed nature of the customers involved and the large number of contracts, which simplifies the treatment. The Company has no variable consideration clauses in the above contracts.

(3) The Company had no significant contract changes or significant transaction price adjustments during the year. The amount of revenue adjusted to the provisional estimate in the current year as a result of the completion of the reconciliation and settlement of performance obligations that have been fulfilled (or partially fulfilled) in the prior year is not material.

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Notes to the Financial Statements

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

XVII. NOTES TO THE MAIN ITEMS IN THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (CONTINUED)

12. FINANCE COSTS

Item	Current year	Prior year
Interest expenses	308,219,263.11	304,333,643.16
Including: Bank and other borrowings	34,592,105.56	1,103,966.67
Bond interest	79,775,900.91	134,240,000.01
Interest expenses on lease liabilities	25,401,447.45	26,297,976.43
Interest on collection of funds from subsidiaries	168,449,809.19	142,691,700.05
Less: Capitalized interest expenses	—	—
Less: Interest income	219,342,662.31	322,313,711.93
Net exchange loss (net gains denoted by “-”)	10,396,331.28	-5,352,187.59
Others	3,754,915.97	3,408,477.80
Total	103,027,848.05	-19,923,778.56

13. INVESTMENT INCOME

Item	Current year	Prior year
Income from long-term equity investments under the equity method	1,399,708,966.07	1,859,650,164.75
Income from long-term equity investments under the cost method	1,669,256,573.25	1,697,897,960.21
Investment income from holding other non-current financial assets	53,246,697.01	118,452,207.25
Investment income from the disposal of long-term equity investments	17,462,572.63	—
Investment income from the disposal of receivables financing	-482,132.14	-510,574.55
Investment income from the disposal of other non-current financial assets	—	-12,091,826.62
Total	3,139,192,676.82	3,663,397,931.04

The Company has no significant restrictions on the repatriation of investment income.

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Notes to the Financial Statements

For the Year ended 31 December 2024
(Unless indicated otherwise, all amounts are expressed in RMB)

XVII. NOTES TO THE MAIN ITEMS IN THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (CONTINUED)

14. SUPPLEMENTARY INFORMATION OF THE PARENT COMPANY IN THE CASH FLOW STATEMENT

Item	Current year	Prior year
1. Reconciliation of net profit to cash flows from operating activities:	—	—
Net profit	2,950,582,895.11	3,722,636,168.94
Add: Impairment of assets	—	—
Credit impairment losses	-10,335,601.12	-4,580,540.99
Depreciation of fixed assets and investment properties	6,839,117.89	8,842,443.64
Depreciation of right-of-use assets	26,122,790.94	25,948,531.68
Amortisation of intangible assets	67,519,244.68	49,956,539.07
Amortisation of long-term prepaid expenses	1,180,551.32	404,794.65
Losses from disposal of assets (gains denoted by "-")	-209,334.66	-14,889.11
Losses from damage and scrapping of non-current assets (gains denoted by "-")	241,719.32	110,782.70
Losses from changes in fair value (gains denoted by "-")	-224,854,011.86	-317,808,265.86
Finance costs (income denoted by "-")	300,415,735.12	279,849,763.47
Investment losses (income denoted by "-")	-3,139,192,676.82	-3,663,397,931.04
Decrease in deferred tax assets (increase denoted by "-")	—	—
Increase in deferred tax liabilities (decrease denoted by "-")	—	—
Decrease in inventories (increase denoted by "-")	-98,085.47	117,157.47
Decrease in operating receivables (increase denoted by "-")	-419,629,067.12	-125,783,451.37
Increase in operating payables (decrease denoted by "-")	286,721,818.87	68,046,361.95
Others	—	—
Net cash flows from operating activities	-154,694,903.80	44,327,465.20
2. Major investing and financing activities not involving cash receipts and payments:	—	—
Conversion of debts into capital	—	—
Convertible corporate bonds due within one year	—	—
Fixed assets under financing lease	—	—
3. Net changes in cash and cash equivalents:	—	—
Closing balance of cash and cash equivalents	5,506,139,347.79	6,678,660,070.77
Less: Opening balance of cash and cash equivalents	6,678,660,070.77	8,035,397,765.29
Net increase in cash and cash equivalents	-1,172,520,722.98	-1,356,737,694.52

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Notes to the Financial Statements

For the Year ended 31 December 2024

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

XVIII. SUPPLEMENTARY INFORMATION

1. NON-RECURRING STATEMENT OF PROFIT OR LOSS FOR THE YEAR

In accordance with the Explanatory Announcement No.1 on Information Disclosure for Companies Offering Securities to the Public – Non-recurring Profit or Loss (as amended in 2023) issued by the China Securities Regulatory Commission, the Group's non-recurring profit or loss for 2024 are as follows:

Item	Current year	Prior year	Description
Gains and losses on disposal of non-current assets, including offsetting of asset impairment provision	239,580,647.47	201,831,564.08	—
Government grants recognized in current profit or loss, except for the government grants that are closely related to the Company's normal business operations, in line with the national policies and regulations, and in accordance with the determined criteria, and have a continuous impact on the Company's profit or loss	448,607,261.18	457,354,478.82	—
Gains and losses from changes in fair value of financial assets and liabilities held by non-financial corporations and gains and losses from the disposal of financial assets and liabilities, except for effective hedging business related to the Company's normal operations	244,562,022.92	336,641,169.45	—
Fees charged to non-financial enterprises for fund occupancy included in current profit or loss	1,536,236.08	2,165,495.36	—
Profit or loss from entrusting others to invest or manage assets	-	-	—
Profit or loss from external entrusted loans	-	-	—
Loss of assets due to force majeure factors, such as natural disasters	-	-	—
Reversal of provision for impairment of receivables subject to separate impairment tests	23,972,817.96	19,756,232.63	—
Income from the fair value of identifiable net assets of investees when the investment cost of the enterprise for the acquisition of subsidiaries, associates and joint ventures is less than the investment obtained	-	-	—
Current net profit or loss of subsidiaries from the business combination under common control from the beginning of the period to the date of combination	303,038.59	23,266,992.79	—
Profit or loss from exchange of non-monetary assets	-	-	—
Profit or loss from debt restructuring	-	-	—

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Notes to the Financial Statements

For the Year ended 31 December 2024
(Unless indicated otherwise, all amounts are expressed in RMB)

XVIII. SUPPLEMENTARY INFORMATION (CONTINUED)

1. NON-RECURRING STATEMENT OF PROFIT OR LOSS FOR THE YEAR (Continued)

Item	Current year	Prior year	Description
One-time costs incurred by the enterprise due to the fact that the relevant business activities are no longer continuing, such as expenses for relocating employees	-	-	—
One-time effect on current profit or loss due to adjustments in tax, accounting and other laws and regulations	-	-	—
One-time share-based payment expense recognized for cancellation and modification of equity incentive plans	-	-	—
For cash-settled share-based payments, gains and losses arising from changes in the fair value of Employee remunerations payable after the date of exercise of options	-	-	—
Profit or loss from changes in fair value of investment properties subsequently measured using the fair value model	-	-	—
Gains arising from transactions at significantly unfair prices	-	-	—
Profit or loss arising from contingencies irrelevant to the normal business operations of the company	-	-	—
Trusteeship fee income from entrusted operations	-	-	—
Other non-operating income and expenses not mentioned above	67,575,958.80	9,713,577.16	—
Other profit and loss items that meet the definition of non-recurring profit or loss	7,769,875.66	82,062,043.30	—
Subtotal	1,033,907,858.66	1,132,791,553.59	—
Income tax effect amount	-106,399,075.15	-213,467,777.82	—
Amount of minority interest impact (after tax)	-173,262,747.20	-161,176,623.65	—
Total	754,246,036.31	758,147,152.12	—

The Group does not have any non-recurring gains or losses recognized as items not listed in Explanatory Announcement No.1 on Information Disclosure for Companies Offering Securities to the Public – Non-recurring Profit or Loss, and the cases in which the non-recurring profit and loss items listed in Explanatory Announcement No.1 on Information Disclosure for Companies Offering Securities to the Public – Non-recurring Profit or Loss are defined as recurring gain or loss.

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Notes to the Financial Statements

For the Year ended 31 December 2024

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

XVIII. SUPPLEMENTARY INFORMATION (CONTINUED)

2. RETURN ON NET ASSETS AND EARNINGS PER SHARE

In accordance with the Explanatory Announcement No. 9 on Information Disclosure for Companies Offering Securities to the Public – Calculation and Disclosure of Return on Net Assets and Earnings per Share (as amended in 2010) issued by CSRC, the weighted average return on net assets, basic earnings per share and diluted earnings per share of the Group for 2024 are as follows:

Profit during the reporting period	Weighted average return on equity (%)	Earnings per share	
		Basic earnings per share (RMB/share)	Diluted earnings per share (RMB/share)
Net profit attributable to shareholders of the Company	10.05	0.5396	0.5386
Net profit attributable to shareholders of the Company after deduction of non-recurring profit or loss	8.11	0.4357	0.4349

XIX. OTHER SIGNIFICANT EVENTS

Pursuant to the approval and authorization by the shareholders' meeting (see Note IX.44 for details), the Company newly repurchased an aggregate of 52,272,795 A shares from 1 January 2025 to the date of approval of the reporting of these financial statements for a total amount of RMB269,424,326.55 (excluding transaction costs); and an aggregate of 18,964,000 newly repurchased H shares for a total amount of HKD69,915,070 (excluding transaction costs). All of the above newly repurchased shares will be used to cancel and reduce the registered capital of the Company.

Except for the matters mentioned above, the Group has no other significant events required to be disclosed.

XX. APPROVAL OF THE FINANCIAL STATEMENTS

The Group's financial statements for 2024 were approved for presentation by the Board of Directors of the Group on 25 March 2025.

The Board of Directors of SINOTRANS LIMITED
25 March 2025



中國外運

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By order of the Board
Sinotrans Limited
Li Shichu
Company Secretary

Beijing, 25 March 2025

As at the date of this announcement, the board of directors of the Company comprises Song Rong, Yang Guofeng, Luo Li, Yu Zhiliang, Tao Wu, Jerry Hsu, and four independent non-executive directors, namely Wang Xiaoli, Ning Yaping, Cui Xinjian and Cui Fan.