



中國外運

中國外運股份有限公司
SINOTRANS LIMITED

Stock Code: 00598HK 601598SH

2025 ANNUAL REPORT

**CUSTOMERS'
SUCCESS
OUR
ACHIEVEMENT**



Important Notice

1. The Board, Directors 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. Absent Director

Position of the absent Director	Name of the absent Director	Reason for the absence of the Director	Name of the proxy
Director	Gao Xiang	Other engagement	Zhang Yi

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, Zhang Yi; Chief Financial Officer, Li Xiaoyan and the person in charge of the Financial Department (person in charge of accounting), Wang Xueyan, 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 2025 interim cash dividend of RMB0.145 per Share (tax included) on 20 October 2025, totaling RMB1,041,040,240.89 (tax included). The Board proposed that the final dividend for 2025 is RMB0.155 per Share (tax included) in cash based on the total share capital registered on the record date of the equity distribution. As at the date of the disclosure of this Annual Report, the total share capital is 7,173,751,227 Shares, based on which, the total amount of the final dividend is expected to be RMB1,111,931,440.19 (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 for the full year of 2025 will be RMB0.30 per Share (tax included) aggregately.

As at the end of the Reporting Period, relevant circumstances regarding unrecouped losses of the parent company and their impact on matters such as the Company's profit distribution

☐ Applicable ☒ Not applicable

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 2025 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.

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Documents
Available
for Check

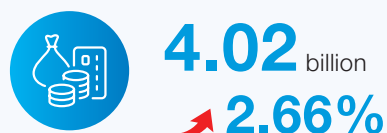
1. Financial statements signed and sealed by person in charge of the Company, chief financial officer and the person in charge of the Financial Department.
2. Auditor's report sealed by the auditor, signed and sealed by the certified public accountants.
3. All the documents and announcements of the Company 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 2025

Revenue



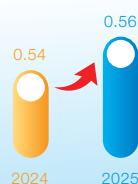
Net Profit Attributable to Shareholders of the Company



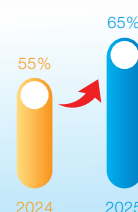
Return on Equity



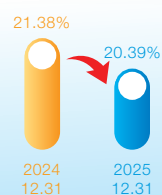
Earnings per Share (RMB)



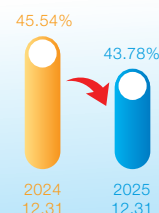
Payout Ratio*



Interest-bearing Debt Ratio



Debt to Asset Ratio



Contract Logistics

Business volume
1.3%



Sea Freight Forwarding

Business volume
3%



Overseas Business

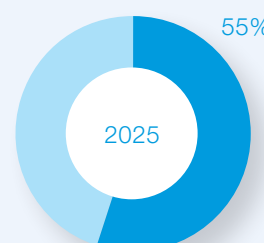
Revenue
7%

Assets Revitalizing



Issued the first central SOE-asset-based logistics infrastructure REITs in China

The Ratio of Revenue from Core Direct Customer



* The dividend amount includes the cash dividend and Share repurchase.

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 60.20% 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 Law	the Company Law of the People's Republic of China
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
CSRC	China Securities Regulatory Commission
Director(s)	director(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 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
Reporting Period/Period	the period from 1 January 2025 to 31 December 2025
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, a controlling shareholder of the Company, which aggregately holds 36.69% of the issued share capital of the Company as at the date of this Report
SSE	Shanghai Stock Exchange
SSE Listing Rules	Listing Rules of Shanghai Stock Exchange



Chapter 2

General Information and Key Financial Indicators

I. COMPANY INFORMATION

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

II. 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	Wang Yang, 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	13A, China Merchants Logistics Center, 38 Hong Wan Road, Tsing Yi, NT, Hong Kong, 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: RMB in million

Key accounting data	2025	2024	Change as compared to the corresponding period of last year (%)	2023	2022	2021
Operating income	96,808.66	105,620.77	-8.34	101,764.65	109,293.50	124,348.39
Total profit	5,114.29	5,017.85	1.92	5,500.73	5,243.49	4,732.40
Net profit attributable to shareholders of the Company	4,021.80	3,917.65	2.66	4,214.79	4,079.19	3,713.52
Net profit net of non-recurring gains or losses attributable to shareholders of the Company	1,678.33	3,163.41	-46.95	3,456.64	3,534.75	3,389.24
Net cash flows from operating activities	3,085.51	4,111.26	-24.95	3,832.94	5,245.41	4,164.56

	As at the end of 2025	2024	Change as compared to the corresponding period of last year (%)	As at the end of 2023	As at the end of 2022	2021
Net assets attributable to shareholders of the Company	41,289.56	39,567.59	4.35	37,803.81	34,804.43	33,101.22
Total assets	78,347.87	77,195.50	1.49	75,906.79	78,502.44	74,306.36
Total liabilities	34,303.42	35,154.82	-2.42	35,785.43	41,572.73	39,256.06



Chapter 2

General Information and Key Financial Indicators

(II) Key Financial Indicators

Key financial indicators	2025	2024	Change as compared to the corresponding period of last year (%)	2023	2022	2021
Basic earnings per share (RMB)	0.5598	0.5396	3.74	0.5817	0.5549	0.5018
Diluted earnings per share (RMB)	0.5598	0.5386	3.94	0.5812	0.5549	0.5018
Basic earnings per share, net of non-recurring gains or losses (RMB)	0.2336	0.4357	-46.39	0.4771	0.4809	0.4580
Weighted average return on equity (%)	9.92	10.05	Decrease by 0.13 percentage point	11.57	11.99	11.69
Weighted average return on equity, net of non-recurring gains or losses (%)	4.14	8.11	Decrease by 3.97 percentage points	9.47	10.36	10.67

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

✓Applicable ☐ Not applicable

In 2025, the Company achieved revenue of RMB96.809 billion, representing a year-on-year decrease of 8.34%, which was mainly due to the decrease in freight rates; the net profit attributable to shareholders of the Company amounted to RMB4.022 billion, representing a year-on-year increase of 2.66%, which was mainly because the Group actively responded to the severe internal and external situations by means like strengthening cost control, optimizing and revitalizing assets, etc. and managed to achieve a year-on-year increase in net profit attributable to shareholders of the Company under the circumstance that core segments such as air freight and land freight were greatly impacted by the international economic and trade environment; the net profit net of non-recurring gains or losses attributable to shareholders of the Company amounted to RMB1.678 billion, representing a year-on-year decrease of 46.95%, which was primarily driven by three factors: firstly, the dual impact of U.S. tariff policies and declining market demand led to significant contraction in air freight and land freight businesses; secondly, recurring investment income from joint ventures and associates showed lower performance compared to the same period last year; thirdly, the Company recorded certain asset impairment losses during the Reporting Period.

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 2025 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	23,771,708,199.46	26,750,793,032.06	24,515,087,883.37	21,771,074,722.31
Net profit attributable to shareholders of the Company	644,994,648.83	1,301,954,078.37	732,347,717.52	1,342,501,051.07
Net profit net of non-recurring gains or losses attributable to shareholders of the Company	570,512,742.83	827,215,377.46	685,536,530.09	-404,929,787.00
Net cash flows from operating activities	-1,353,505,269.84	1,521,228,131.66	414,587,328.41	2,503,195,953.05

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	2025	Notes (if applicable)	Unit: RMB	
			2024	2023
Gains and losses from disposal of non-current assets, including the part offset with the provision for impairment of assets	2,177,634,228.09		239,580,647.47	201,831,564.08
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	327,671,265.08		448,607,261.18	457,354,478.82
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	107,039,424.94		244,562,022.92	336,641,169.45
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
Reversal of impairment of accounts receivables that had impairment test separately	8,131,382.11		23,972,817.96	19,756,232.63
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
Other non-operating income and expenses other than the above items	-59,492,020.76		67,575,958.80	9,713,577.16
Other gains and losses classified to non-recurring profit or loss	4,435,505.25		7,769,875.66	82,062,043.30
Less: Impact on income tax	110,556,823.41		106,399,075.15	213,467,777.82
Impact on minority interests (after tax)	111,400,328.89		173,262,747.20	161,176,623.65
Total	2,343,462,632.41		754,246,036.31	758,147,152.12

Chapter 2

General Information and Key Financial Indicators

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 Gains or Losses" 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 Gains or Losses" as recurring gains or losses items.

☐ Applicable ☒ Not applicable

XI. COMPANIES WITH EQUITY INCENTIVES AND EMPLOYEE STOCK OWNERSHIP PLANS MAY CHOOSE TO DISCLOSE NET PROFIT NET OF THE IMPACT OF SHARE-BASED PAYMENTS

☒ Applicable ☐ Not applicable

Unit: RMB

Key accounting data	2025	2024	Change as compared to the corresponding period of last year (%)	2023
Net profit attributable to shareholders of the Company net of the impact of share-based payments	4,040,882,915.71	3,903,385,070.42	3.52	4,184,739,667.17

XII. 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)	574,374.32	1,031,653.86	457,279.54	458,499.83
Other non-current financial assets (Note 2)	1,215,266,140.98	1,317,219,473.76	101,953,332.78	107,046,420.78
Other equity instrument investments (Note 3)	416,867,662.27	1,351,795,493.97	934,927,831.70	
Total	1,632,708,177.57	2,670,046,621.59	1,037,338,444.02	107,504,920.61

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, Ouyeel Cloud Business Co., Ltd. held by the Group.

Note 3: Other equity instrument investments refer to the 3.98% equity interest in Antong Holdings Co., Ltd., 13% equity interest in CSC Cargo Co., Ltd. and 2,884,597 shares of Air China Limited held by the Group.

XIII. OTHERS

☐ Applicable ☒ Not applicable

Chapter 3

Chairman's Statement

RESPONDED TO CHANGES, STABILIZED THE OVERALL SITUATION, AND OPENED NEW PROSPECTS

In 2025, facing the complex and rigorous environment characterized by the reconstruction of the global economic and trade order and the intertwined domestic momentum conversion, the Group proactively responded to changes, stabilized the overall situation, and opened new prospects. With “resilience” as the guideline, we ensured the smooth flow of the supply chain; with “innovation” as the engine, we fostered new quality productive forces, maintained stable core business operation, and delivered a solid performance for the 14th “Five-Year Plan”.

In **strengthening strategy**, the Group developed the strategic planning framework for the 15th “Five-Year Plan”. Driven by the formulation of the 15th “Five-Year Plan” strategy, we drove the systematic improvement of the overall work, with the strategic system gradually improved, the development path gradually clarified and the innovation momentum steadily strengthened. In **expanding market shares**, amid the complex and rapidly-changing market environment, Sinotrans focused on evolving customer needs, actively and effectively expanded the market and strived for incremental growth. The Group's major segments achieved growth in their business volumes, with its core businesses providing strong support. This has fully demonstrated the Group's development resilience. In **advancing reforms**, the strategic marketing system has initially taken shape, with the formation of the standardized product matrix accelerated, the intensive resources operation breaking the barriers and gaining its momentum, and the new methods in cost control starts improving efficiency. Furthermore, the international talent management model has been gradually rolled out, while the overseas business operation has experienced comprehensive and rapid development. In **strengthening management**, the Group adopted the “penetration strategy” as its central approach, focusing on strengthening management in areas such as overseas operations, remuneration, and risk control, further solidifying the foundation of governance of the Company.

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 2024 final dividend (RMB0.145 per Share, tax included) and the 2025 interim dividend (RMB0.145 per Share, tax included) on 21 July 2025 and 20 October 2025, respectively, with a total cash dividend payout of RMB2.079 billion (tax included) for the whole year. Upon the approval at the Board meeting convened on 30 March 2026 by the Company, it was proposed to the general meeting that the 2025 final dividend is RMB0.155 per Share in cash (tax included) to be distributed based on the total share capital registered on the record date of equity distribution; if approved, the Company's annual dividend in 2025 will be RMB0.30 per Share (tax included) in aggregate, and the total payout amount would be RMB2.153 billion (tax included), which, together with the amount cumulatively used in 2025 for share repurchase of approximately RMB0.48 billion, representing a payout ratio of 65.45%.

ENVIRONMENTAL AND SOCIAL RESPONSIBILITIES

The Group always deeply embeds the concept of green, low-carbon and sustainable development into its strategic core, impels industrial upgrading through digital and intelligent empowerment, leads industry revolution with green priority, and responsibly practices the mission of a central enterprise, steadfastly pushes forward the Company's high-quality development, with a view of creating long-term value for the country, customers, investors, employees and the society. For detailed information on the Group's performance of environmental and social responsibilities in 2025, please refer to the “2025 Environmental, Social and Governance Report” published by the Company.

INVESTOR RELATIONS

While delivering to investors our stable business performance, the Company continues to deepen the management of its investor relations. Through various channels such as results briefings, investor surveys, investment bank strategy conferences, roadshows and reverse roadshows, the SSE E-interaction platform, investor hotlines and emails, we engage in investor communications in accordance with laws and regulations, address market concerns in a timely manner, convey the Company's value, and continuously improve the recognition of the capital market. In 2025, the Company organized and held 5 important meetings including regular results briefings and participated in the collective results briefing of listed subsidiaries of China Merchants Group, where the Directors and Management attended in person. In addition, we organized and participated in approximately 20 management roadshows. Reverse roadshows were hosted in Guangzhou and other places, extensively enhancing investors' understanding of the Company's business layout and development strategies. Furthermore, the Company persistently focuses on navigating investor needs, continues to improve the information disclosure mechanism, strengthens proactive disclosure and voluntary disclosure, and effectively enhances the pertinence, effectiveness and transparency of information disclosure, thereby exerting the “window” role of information disclosure in value transmission and investor communication.

Chapter 3

Chairman's Statement

OUTLOOK

The International Monetary Fund (IMF) forecasts that the global economic growth rate in 2026 to be 3.3%, and uncertainties overshadowing trade policies and geopolitical risks remain the major factors dragging down economic activities. In 2026, anchoring the goal of becoming a “world-class innovative integrated logistics enterprise”, Sinotrans will adhere to development as the top priority, activate innovation as the primary driving force, and efficiently utilize reform as the key. Focusing on four main lines, Sinotrans will strive to fully achieve a good start for the 15th “Five-Year Plan”. **Firstly, we will strengthen the foundation and consolidate the roots of development.** In strengthening risk control, we will enhance pre-event and in-event prevention and digital control capabilities, and increase the intensity of vertical and penetration management as well as risk identification and control and underlying risk investigation and rectification. In empowering talents, we will strive to build a talent pool characterized by appropriate scale, reasonable structure and excellent quality. In strengthening synergistic coordination, we will fully capitalize on the advantages and resources of China Merchants Group as a comprehensive central enterprise, actively expanding the Company's business, and deeply connecting with the logistics needs of emerging industries. **Secondly, driven by strategic guidance, we will take the pulse of our business development.** Sinotrans will clarify the direction with positioning, gather synergy with consensus, promote business execution with analysis, and seek practical results through business execution, fully promoting the implementation of the strategic goals and tasks of the 15th “Five-Year Plan”. **Thirdly, by tackling key problems through reform, we expect to stimulate endogenous momentum.** While insisting on expanding markets, optimizing resources, building product pipelines, minimizing costs, strengthening organization and expanding overseas operations, we will focus on the overall coordination of reforms to promote the transformation of long-term momentum. **Fourthly, empowered by cultural cohesion, we will gather the strength to forge ahead.** By promoting the deep integration of culture and operation, we will inject strong spiritual power into the high-quality development of the enterprise.

ACKNOWLEDGEMENTS

Finally, on behalf of the Board, I would like to extend my sincere gratitude to Shareholders, partners and customers for their long-term trust and support, and express my most heartfelt gratitude to all employees for their hard work and outstanding contributions to the development of Sinotrans.

Zhang Yi

Chairman

Beijing, China

30 March 2026



Chapter 4

Management Discussion and Analysis (Report of the Board)

I. THE BUSINESS OF THE COMPANY DURING THE REPORTING PERIOD

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 customers with tailor-made integrated logistics solutions covering the entire value chain, 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. It also provides 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 possessed leading solution capabilities in multiple industries and fields, such as consumer goods, automobile and new energy, technology and 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 the macroeconomy, the domestic manufacturing industry, the consumer market and other factors.

Project logistics provides design and implementation of end-to-end one-stop logistics solutions of engineering equipment and materials for EPC enterprises in industries such as electric power, petrochemical, metallurgical mining, infrastructure and rail trains, mainly providing services for export projects. 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 situations 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 includes warehousing, transportation and distribution, international freight forwarding and multi-modal transportation of hazardous chemicals and general packaged chemicals. The Company has an integrated chemical logistics service system for warehousing, transportation (including liquid tank containers), freight forwarding, multi-modal transport and bonded logistics, forming a whole-network layout focusing on East China, North China and Southwest regions of China and synergizing public resources in Northeast China and South China. In addition to the chemical industry's prosperity, chemical logistics is also closely related to the industry policies and the safety supervision regulations.

The business objective 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 solutions lead the whole process, focusing on selected target industries, to deepen and refine the industrial chain, vertically extend the business, and horizontally replicate experience, thereby forging 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, etc. Sinotrans is the largest freight forwarding company in China and has an extensive service network covering China and reaching the world.

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



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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 relationships with major domestic and international airlines, core overseas agents and domestic logistics service providers to ensure the stability of the supply chain. At the same time, the Company continues to promote the construction of a “new carrier” system and provides customers with full-process, visualized and standardized whole supply chain air-related logistics services through controllable capacity and resources.

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 in bulk cargo, containers and in a variety of ways, including integrated whole supply chain services like domestic railway freight forwarding, international railway freight forwarding (including transit railway freight forwarding) and sea-rail multimodal transportation. The Company’s self-operated cross-border railway express platform covers over 50 routes from Changsha, Shenyang, Shenzhen, Xinxiang, Mianyang and other places (including 16 regular weekly routes). Sinotrans and China Railway Container Transport Co., Ltd. have established a new-type strategic partnership continuously, forming joint ventures in Guangzhou and Xi’an, 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 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, Zhuang Autonomous Region 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 the global trade situation, China’s export containerized freight index, China’s port container throughput volume, air cargo and mail volume, and the balance between supply and demand.

Forwarding and related business is the cornerstone of business development. It will closely align with the customers’ demand, emphasize customer-driven, value 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 transform towards 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 lines and overseas terminal resources, to satisfy the logistics demand of cross-border e-commerce customers. So far, the Company has launched B2C e-commerce package products and B2B air freight first-mile products to the countries and regions, such as Europe, the United States, South America, Africa, Japan and South Korea, and has also launched a "Sinoex trucking liner" product with FTL and LTL to Central Asia. 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 the customs policies. **Logistics e-commerce platform** refers to the provision of various public online logistics services, which includes online transactions 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 leasing, tracking and monitoring services of logistics equipment such as containers and reefer containers.

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

Explanation of Significant New Non-Core Businesses Added During the Reporting Period

☐ Applicable ☒ Not applicable

II. INDUSTRY THE COMPANY INVOLVED IN DURING THE REPORTING PERIOD

(I) Amidst a decelerated global economic growth, the domestic economy moved forward under the pressure

Against subdued global economic growth, the trade barriers increased and the supply chains remained under sustained pressure. In light of the fact that the global economy decelerated amidst multiple uncertainties, the IMF forecasts a growth rate of 3.3% for the global economy in both 2025 and 2026. The divergence in economic growth intensified, with growth in advanced economies slowing down, while emerging markets and developing economies grew at rates far exceeding the global average. Geopolitical and security risks gradually overshadowed the principle of efficiency priority upheld in the past, accelerating the "fragmentation" of the global trading ecosystem, while continuously constraining multilateral trade mechanisms. At the same time, the impact of the frequent and erratic tariff policies of the U.S. has exacerbated trade protectionism and heightened policy uncertainty, driving up global supply chain costs, continuously compressing the operating and profit margins of enterprises, and exacerbating challenges in the global economic and trade environment. The WTO forecasts that the global goods trade growth rate will slow to 1.9% in 2026, representing a significant decline from the 2025 growth rate.

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China's economy progressed towards new and high-quality directions. The impact of changes in the external environment on economic development deepened, and led to a prominent contradiction between strong domestic supply and weak demand, heightening the risks and hidden dangers in key sectors. Facing the complex and severe international economic and trade environment, China's foreign trade demonstrated strong development resilience and vitality. In 2025, China's goods trade imports and exports totalled RMB45.47 trillion, representing a year-on-year increase of 3.8% and marking nine consecutive years of growth. Among them, exports amounted to RMB26.99 trillion, representing a year-on-year increase of 6.1%, while imports amounted to RMB18.48 trillion, representing a year-on-year increase of 0.5%. Overall, China's total import and export value for the year reached a record high, and the country will continue to maintain its position as the world's largest goods trader. However, affected by factors such as insufficient momentum for global economic growth, the impact of U.S. tariff policies, and heightened trade policy uncertainty, the support from external demand in traditional markets for China may continue to weaken.

(II) China's logistics industry maintained steady progress towards new and optimized development

China's logistics industry as a whole maintained a development trend of steady progress, and continued to advance towards new and optimized development. In 2025, the total value of social logistics in China was RMB368.2 trillion, representing a year-on-year increase of 5.1%. The total social logistics costs in China were RMB19.5 trillion, representing a year-on-year increase of 3.0%, and the growth rate during the year continued to be lower than the growth of the total value of social logistics. According to the full-year operation data, while the scale of logistics demand expanded steadily and the structure was optimized, the logistics supply actively adapted to the upgrade needs such as the development of new quality productive forces and industrial transformation, promoting the continuous improvement of logistics efficiency in economic operations. The ratio of total social logistics costs to GDP dropped to 13.9%, breaking a record low at 14% or below for the first time, with the supporting role of logistics in economic development continuing to strengthen. In addition, the year 2025 witnessed a strong demand for high-end logistics and a rapid growth in the logistics demand of emerging industries such as high-end manufacturing and high-tech manufacturing, with year-on-year increases exceeding 9%. The logistics demand of traditional industries accelerated the transformation to integrated business outsourcing, and the integrated business income of key logistics enterprises increased by nearly 13.5%, becoming an important source of profit.

(III) The shipping market faced oversupply, with freight rates under sustained downward pressure

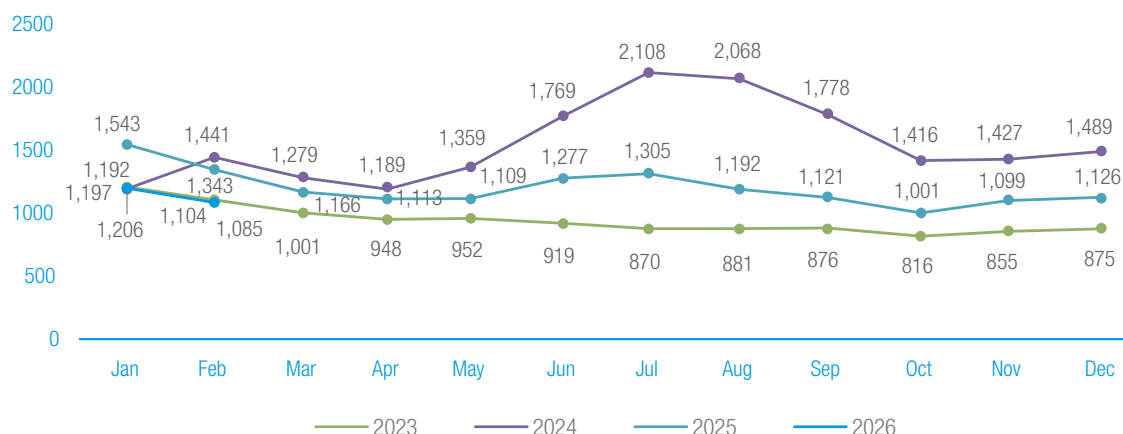
On the demand side, global container shipping demand grew moderately in 2025. Uncertainties such as U.S. tariff policies and trade frictions continued to disrupt the market and the normal operation of the industry, both of which triggered a surge in demand from short-term "front-loading exports" and led to subsequent cyclical sluggishness in demand. **On the supply side**, global container ship capacity continued to grow, and major liner companies continued to maintain and expand their capacity scales. According to data from Alphaliner, as of 1 January 2026, the total capacity of the global operating container fleet was 33.688 million TEUs, representing a year-on-year increase of approximately 7%. The overall market capacity was sufficient, and the capacity growth rate was higher than the demand growth rate. **In terms of freight rates**, under the market pressure of oversupply, container shipping freight rates showed an overall downward trend. Although there was a periodic rebound driven by inventory replenishment and the tariff window period, they failed to sustain the momentum. In 2025, the average CCFI stood at 1,197.60 points, representing a decrease of 22.76% as compared with 2024.

In 2025, China's port container throughput was 354 million TEUs, representing a year-on-year growth of 6.8% (7% in the previous year); and China's port cargo throughput was 18,338 million tonnes, representing a year-on-year growth of 4.2%, among which, foreign trade cargo throughput increasing by 4.7% year-on-year.

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CCFI (Monthly average)



(IV) Global air freight growth decelerated, with significant regional differentiation

On the demand side, the total global air cargo demand (cargo tonne kilometres, CTK) in 2025 increased by 3.4% year-on-year (international demand increased by 4.2%), and global e-commerce continued to strengthen, driving the growth in cargo volume. By region, the demand growth in the Asia-Pacific region led the world with a year-on-year increase of 8.4%, while North America became the only region in the world with negative growth, with a year-on-year decrease of 1.3%. By trade lane, driven by rising tariff pressure and the cancellation of the de minimis tax exemption policy by the U.S., the flow of global air cargo saw a significant adjustment, with the focus shifting from “Asia-North America” to “Asia-Europe”. Intra-Asia routes and “Middle East-Asia” routes also achieved relatively strong growth. **On the supply side**, the global air cargo capacity (available cargo tonne kilometres, ACTK) increased by 3.7% year-on-year (international capacity increased by 5.1%). **In terms of freight rates**, global air cargo prices remained under overall pressure in 2025. The U.S. routes saw weakening demand and prices due to the adjustment of tariff policies, with signs of stabilization in the second half of the year, but the peak season was overall lower than the same period last year. The European routes freight rates remained under pressure continuously in the first half of the year as airlines reduced certain U.S. route capacity to increase investment in Europe, with a recovery in the peak season of the second half of the year but still lower than the same period last year. **In terms of business models**, in light of market changes, air logistics enterprises have been accelerating their strategic transformation, shifting from reliance on procurement to an autonomous and controllable capacity structure, deeply expanding networks to overseas warehouses and transit hubs, and focusing on high-value-added direct customers to provide end-to-end integrated solutions and enhance competitive barriers.

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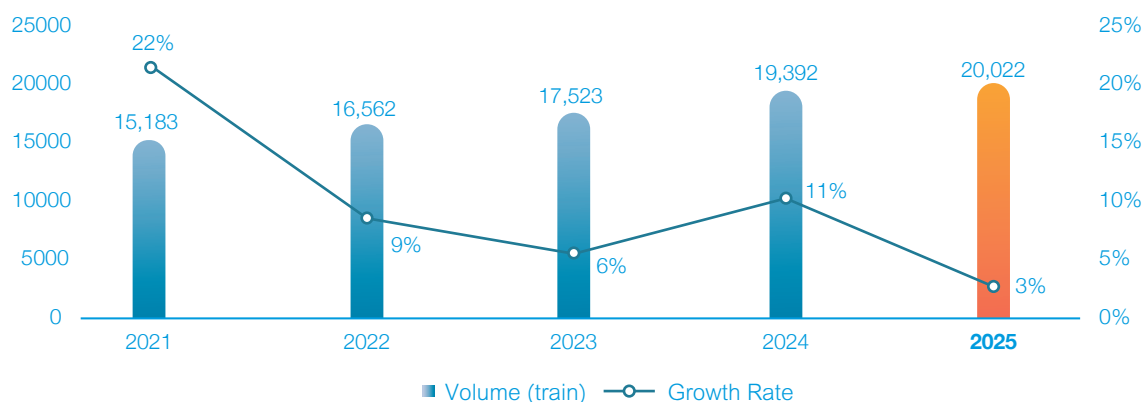
(V) China-Europe Railway Express tended to be stable, and China-Asia Railway Express achieved rapid growth

In 2025, China-Europe (China-Asia) Railway Express launched a total of 34 thousand trains and transported 3.17 million TEUs of goods, representing a year-on-year increase of 9.8% and 7.6%, respectively.

The number of China-Europe Railway Express trains exceeded 20,000 for the first time, reaching 20,022 trains, representing a year-on-year increase of 3.2%, with a volume of 2.0502 million TEUs, representing a year-on-year decrease of 1.3%, of which the export volume amounted to 1.0227 million TEUs, representing a year-on-year decrease of 10.1%. Trains launched by 14 national assembly centers accounted for 87%, promoting the transformation from the “point-to-point” operation to the “hub-to-hub” operation. The cumulative number of China-Europe Railway Express trains exceeded 120,000, connecting 232 cities in 26 European countries and more than 100 cities in 11 Asian countries.

China-Asia Railway Express launched 14,254 trains, representing a year-on-year increase of 19.6%, with a volume of 1.127 million TEUs, representing a year-on-year increase of 27.7%. Among the six ports, all achieved growth except for Erenhot. Among them, China-Vietnam Railway (Pingxiang Port) transported 45.2 thousand TEUs, representing a year-on-year increase of 99.1%, becoming the fastest-growing port for China-Asia Railway Express. China-Laos Railway Express (Mohan Port) transported 227.2 thousand TEUs, representing a year-on-year increase of 17.7%.

Scale of China-Europe Railway Express and Its Growth Rate



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(VI) Emerging markets became the growth driver for cross-border e-commerce, while the overall market faced pressure

The scale of the cross-border e-commerce industry continued to grow, with emerging markets serving as the core engine. In 2025, the global cross-border e-commerce market size achieved steady growth in a complex environment. According to eMarketer forecasts, the total global retail e-commerce sales are expected to reach USD6.4 trillion in 2025. Driven by the digital supply chain, the scale of China's cross-border e-commerce B2B market continued to expand, with cross-border live-streaming e-commerce demonstrating particularly strong momentum, while growth in mature markets such as the U.S. and the EU tended to stabilize with increasingly fierce competition.

In addition, the global regulatory network continued to tighten in 2025, leading to a significant increase in compliance costs. Reform pressure of the “de minimis” import provisions in the U.S. increased, with increasingly stringent tax and customs scrutiny for low-value parcels. The EU's General Product Safety Regulation (GPSR) has entered a phase of rigorous enforcement, while the Digital Services Act (DSA) has significantly expanded platform responsibilities. Furthermore, the compliance complexity in emerging markets continued to increase. It is expected that beyond 2026, the growth momentum of the cross-border e-commerce industry will rely more on the penetration and extensive market cultivation of emerging markets such as Southeast Asia, the Middle East, and Latin America, where the increase in e-commerce penetration in populous countries such as India and Brazil will become a key variable for global-scale growth.



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III. MANAGEMENT DISCUSSION AND ANALYSIS

(I) General Operating Situation during the Reporting Period

In 2025, the global economy experienced a slowdown in growth, with the rise of unilateralism and protectionism. Frequent changes in tariff policies pushed up the overall costs across the whole supply chain, which, coupled with ongoing geopolitical conflicts, has severely impacted the stability of international transportation corridors and posed multiple challenges and tests to the global logistics supply chain system. While the domestic economy maintained steady development despite downward pressure, structural imbalances characterized by strong supply and weak demand remained prominent, leading to sustained pressure on average rental rates and vacancy rates of warehousing facilities in major domestic logistics hub cities. Navigating through challenging conditions marked by external demand volatility, foreign trade restructuring, insufficient domestic demand, and intensifying internal competition, Sinotrans forged ahead against pressure and pursued progress while maintaining stability, demonstrating robust developmental resilience. In 2025, the Company recorded operating revenue of RMB96.809 billion and net profit attributable to owners of the parent company of RMB4.022 billion. Our major segments such as sea freight forwarding and contract logistics achieved steady growth in business volumes, continuously strengthening operational foundations and solidifying market positions. The interest-bearing debt ratio was further optimized to 20.39%, indicating a more solid financial structure.

1. Continuous advancement of the strategic marketing system

In 2025, the Company established a penetration-oriented virtual team for key industries led by the headquarters and extending to subsidiaries at all levels, forming a collaborative mechanism where “physical organizations provide strategic coordination while virtual teams address specialized challenges”. During the year, revenue from core direct clients grew by 6.5% year-on-year, with the customer structure further optimized.

2. Steady construction of the product system

In 2025, the Company developed five industry-level solutions targeting key industries. Standardized/modular products were developed around major transportation corridors, including the “Southeast Asia Express (東南亞捷運通)” product, the “GBA River-Sea Express Port-Shipping-Cargo Integration (大灣區江海達港航貨一體化)” product, and the “GBA Cross-border Green Express (灣區跨境綠運通)” product, with a standardized product matrix gradually constructed.

3. Intensive operations yielding results

In terms of **customer management**, the CRM (Customer Relationship Management) system covered over 70% of business organizations, essentially realizing online sales management. In terms of **resource management**, internal procurement of warehouse resources exceeded 60%, representing a year-on-year increase of 29 percentage points, with initial results emerging from resource-intensive operations. In terms of **cost control**, operating costs in 2025 decreased by 8.77%, higher than the decrease in revenue, with significant results achieved in intensive control.



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4. *Continuous growth of overseas business*

In 2025, the Company's revenue from overseas business increased by 7.3% year-on-year, and total profit increased by 39.3% year-on-year; especially in **Southeast Asia**, total profit increased by 12.3% year-on-year, with the Phase II of the logistics center in Thailand being operated at full capacity, and the cross-border trucking products between China and Vietnam, as well as China and Thailand, being optimized and upgraded, and signed a purchase agreement for land-use-right situated in Malaysia. In **Europe**, the Company jointly established a joint venture with China Nanshan to acquire a warehouse in Hungary in January 2026, further strengthening its resource deployment at key European hubs. Driven by contract logistics and project logistics, total profit in the **Middle East** increased by over 10% year-on-year. In **Africa**, incremental business from Chinese customers drove a year-on-year increase of over 20% in total profit.

5. *Empowerment and efficiency enhancement through technological innovation*

In terms of **smart logistics**, the Company was fully committed to advancing "AI + Logistics" initiatives, promoting the commercial application and implementation of scenarios such as smart ports and smart warehousing. Six new smart warehouses were constructed, and Level 4 autonomous driving accumulated over 3.5 million kilometers of operational mileage. In terms of **green logistics**, the Company maintained industry leadership by updating and releasing the "Sinotrans Green Logistics White Paper" (2025 Edition), and participated in the formulation of 4 national and industry standards cumulatively. A total of over 10 carbon-neutral logistics parks, stations, and terminals have been built, and the carbon calculator achieved GLEC 3.2 and ISO 14083: 2023 double certification, covering all logistics scenarios.

6. *Implementation of penetrative management in a thorough and detailed manner*

In terms of **financial control**, the Company achieved 100% online launch of financial shared services for overseas entities, and developed a full-level monitoring platform for the less-efficient business operations, effectively released the funds. In terms of **risk prevention and control**, the Company focused on key areas to enhance daily oversight and advance digital and intelligent upgrades, significantly improving the effectiveness of risk control and compliance. In terms of **production safety**, the smart fire protection system has achieved full coverage across all self-owned industrial parks in operation. The Company deepened full-chain rectification in critical areas, ensuring that the production safety situation remained stable.



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(II) Segment operation and segment profit (where segment profit is segment operating profit excluding the impact of investment income)

Logistics

In 2025, the external revenue from the Group's logistics business amounted to RMB29,370 million, representing an increase of 5.08% from RMB27,951 million of last year; the segment profit amounted to RMB559 million, representing a decrease of 22.73% from RMB724 million of last year. During the year, project logistics in industries such as metallurgical mining and power brought a year-on-year increase in external revenue for the segment. With market competition in chemical logistics intensifying, supply chain costs continued to squeeze logistics providers, leading to a year-on-year decline in segment profit for the chemical logistics segment. The Company continued to advance the improvement of less-efficient businesses and carried out resource-intensive operations; yet affected by the significant year-on-year increase in credit impairment losses, the segment profits of contract logistics and project logistics declined year-on-year.

Forwarding and Related Business

In 2025, the external revenue from the Group's forwarding and related business amounted to RMB57,010 million, representing a decrease of 15.13% from RMB67,170 million of last year. The segment profit amounted to RMB1,857 million, representing a decrease of 17.41% from RMB2,249 million of last year. Under the market pressure of oversupply, international sea freight rates declined significantly year-on-year during the year. Affected by the market environment and trade policies, air freight rates on major routes such as the US line and European line fell, resulting in a year-on-year decrease in external revenue for the segment. Although the segment profits of sea freight forwarding and shipping agency segments increased year-on-year, the overall segment profit decreased year-on-year due to the rigidity of some capacity costs in air freight and railway.

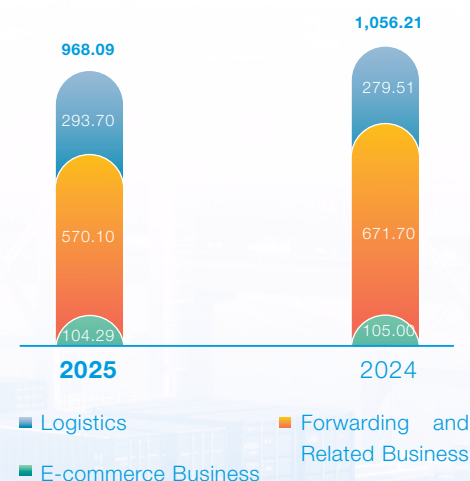
E-commerce Business

In 2025, the external revenue from the Group's e-commerce business amounted to RMB10,429 million, which was basically flat as compared to last year. The segment profit amounted to RMB20 million, representing a decrease of 87.65% from RMB159 million of last year. On one hand, direct contracting with airlines by e-commerce platforms and self-operation led to a reduction in business scale. On the other hand, as a result of the adjustment of e-commerce small parcel tariff policies, cargo volume on the US line declined, and air freight rates on major routes such as the US line and European line fell, while part of air freight capacity cost was rigid, resulting in a year-on-year decrease in the business volume, external revenue and segment profit of cross-border e-commerce logistics.

Financial Performance of Business Segments

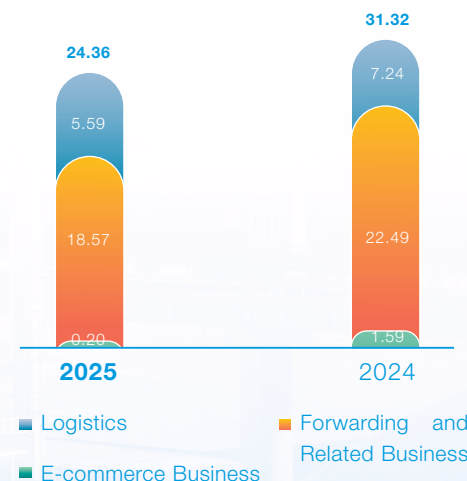
Revenue

RMB in hundred million



Segment Profit

RMB in hundred million



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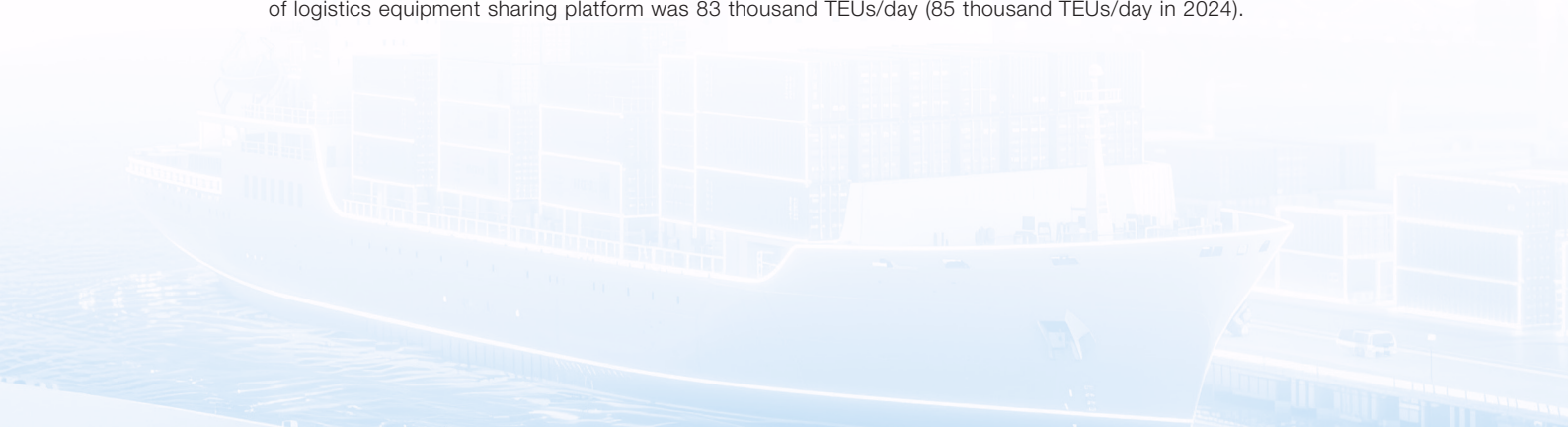
RMB in hundred million		2025	2024
Logistics			
Contract Logistics	Revenue	218.81	222.27
	Segment Profit	4.10	5.01
Project Logistics	Revenue	58.06	37.90
	Segment Profit	0.44	0.74
Chemical Logistics	Revenue	19.06	18.95
	Segment Profit	0.69	1.09
Forwarding and Related Business			
Sea Freight Forwarding	Revenue	405.26	447.78
	Segment Profit	8.20	7.84
Air Freight Forwarding	Revenue	75.97	94.03
	Segment Profit	-0.30	2.88
Railway Freight Forwarding	Revenue	97.81	102.61
	Segment Profit	-0.45	1.34
Shipping Agency	Revenue	17.85	36.34
	Segment Profit	5.28	4.91
Storage and Yard Operation	Revenue	37.06	39.72
	Segment Profit	2.86	3.01
E-commerce Business			
Cross-border E-commerce Logistics	Revenue	57.25	78.24
	Segment Profit	-0.44	0.76
Logistics Equipment Sharing Platform	Revenue	1.39	1.52
	Segment Profit	0.47	0.60
Logistics E-commerce Platform	Revenue	67.53	64.82
	Segment Profit	0.17	0.24

(III) Main business operating data

In 2025, the volume of contract logistics was 50.54 million tonnes (49.90 million tonnes in 2024); the volume of project logistics was 6.71 million tonnes (6.56 million tonnes in 2024); the volume of chemical logistics was 4.62 million tonnes (4.22 million tonnes in 2024).

In 2025, the volume of sea freight forwarding was 15.60 million TEUs (15.16 million TEUs in 2024); the volume of air freight forwarding was 843 thousand tonnes (824 thousand tonnes in 2024); the volume of rail freight forwarding was 599 thousand TEUs (573 thousand TEUs in 2024); the volume of shipping agency was 77,083 vessel calls (66,845 vessel calls in 2024); the volume of storage and yard operations was 28.60 million tonnes (28.45 million tonnes in 2024).

In 2025, the volume of cross-border e-commerce logistics was 69 thousand tonnes, (204 thousand tonnes in 2024); the volume of logistics e-commerce platform was 3.61 million TEUs (2.70 million TEUs in 2024); the volume of logistics equipment sharing platform was 83 thousand TEUs/day (85 thousand TEUs/day in 2024).



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IV. ANALYSIS OF CORE COMPETITIVENESS DURING THE REPORTING PERIOD

✓Applicable ☐Not applicable

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

The Company has an extensive and comprehensive domestic and overseas service network. The domestic service network covers 32 provinces, autonomous regions, municipalities and special administrative regions in China. Domestically the Group has more than 14 million sq.m. of land resources, including more than 4.8 million sq.m. of warehouses, approximately 2.4 million sq.m. of container yards and stations and 11 river terminals with more than 4,400 meters of coastal line resources. The self-owned overseas network of the Group covers 45 countries and regions with 72 self-owned institutions worldwide, providing customers with access to global logistics services.

(II) Continuing to Establish a New Carrier Model with a Clear and Definite Strategic Pathway

During the “15th Five-Year” period, the Company will further consolidate its development foundation. To strive for full-link service and network-wide operation under its customer-centric approach, the Company continues to establish a new carrier model characterized by “strong product mix capability, strong full-process delivery capability, and robust ecological aggregation capability”. 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, continuously improved its overseas positioning, and increased network construction and investment in resources, to further develop a network-wide operation system of strong customer relationships, strong product capabilities and resilient operations.

(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, medical and health, industrial products, engineering, energy, chemicals, etc., and provides tailor-made comprehensive, full-chain global trade compliance logistics solutions and efficient, reliable and resilient supply chain support to numerous industry-leading customers and their upstream and downstream partners. 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. At the same time, the Company is undergoing a comprehensive upgrade towards deep specialization, intelligent intensification, and green sustainability, accelerating its transition from the provision of integrated logistics services to deep cultivation of key industries and provision of integrated industry solutions, thereby constructing differentiated professional barriers. Meanwhile, through the systematic promotion of research and application of digital and intelligent technologies, as well as the penetrating lean transformation of organizational processes, the Company has cultivated a unique efficiency advantage driven by technology on the operational front and by cost optimization through centralized procurement. In addition, the Company proactively transforms green and environmental protection concepts into core resource elements, builds a green transport capacity system on a large scale, and innovates low-carbon service products, translating sustainable development into an important value growth point and market competitiveness. These strengthened and integrated capabilities have significantly enhanced the Company’s comprehensive strength in serving customers and responding to complex market challenges, laying a solid foundation for high-quality development.



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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 and development and design capabilities and channel capacity construction, continuously improved the standardized product systems and operation schemes 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 highly-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 2025, Sinotrans' sea freight forwarding ranked first globally, while its air freight forwarding ranked fifth globally. From a domestic perspective, as an AAAAA logistics enterprise rated by the China Federation of Logistics & Purchasing, Sinotrans has consecutively ranked first in both the Top 100 Logistics Enterprises in China and 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 relationships 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 partnerships with many suppliers, such as internationally renowned shipping companies and airlines.

(VI) Strengthening the Empowerment of Intelligent Logistics and the Development of Green Logistics, Promoting Business Transformation and Upgrading

Sinotrans continued 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.

As at the end of 2025, the Company had obtained 236 valid patents (including 130 invention patents) and 428 software copyrights in total, forming an intelligent logistics technology system with technologies such as artificial intelligence, autonomous driving, and robotic automation as the core.

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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	96,808,663,837.20	105,620,773,355.43	-8.34
Operating cost	91,304,872,884.98	100,077,475,111.46	-8.77
Selling expenses	1,006,187,522.88	1,000,310,718.12	0.59
Administrative expenses	3,177,830,613.47	3,328,915,531.87	-4.54
Finance costs	237,408,762.29	247,162,446.05	-3.95
Research and development expenses	178,977,991.16	120,658,190.73	48.33
Net cash flows from operating activities	3,085,506,143.28	4,111,259,814.70	-24.95
Net cash flows from investment activities	4,826,458,422.76	207,387,715.78	2,227.26
Net cash flows from financing activities	-4,399,849,653.68	-4,739,201,328.55	N/A

The change in operating income and operating cost was mainly due to the impact of factors such as the decline in freight rates and the Group's enhanced cost control, leading to a year-on-year decrease in both operating income and operating cost, with the overall decrease in operating cost slightly higher than that of operating income.

The change in selling expenses was due to the Group's vigorous market expansion while focusing on the optimization and control of expense structure, leading to the level of selling expenses remaining basically flat compared to last year.

The change in administrative expenses was mainly due to the Group's strengthening of the refined control over administrative expenses, leading to a continuous decrease in administrative expenses.

The change in finance costs was due to the Group's optimized debt structure achieving a year-on-year decrease in finance costs.

The change in research and development expenses was mainly due to the impact of increasing investment in logistics innovation R&D.

The change in net cash flows from operating activities was mainly due to the impact of the international market environment, freight rates and operating profits have decreased, resulting in a decrease in the net cash flow generated from operating activities.

The change in net cash flows from investment activities was due to the Company's proactive efforts to revitalize existing assets, optimize asset structure, enhance asset operation efficiency and accelerate capital recovery.

The change in net cash flows from financing activities was mainly due to the Group's continuous optimization of capital structure, leading to a decrease in cash outflows for repayment of borrowings compared to last year.

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Management Discussion and Analysis (Report of the Board)

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	96,808,663,837.20	91,304,872,884.98	5.69	-8.34	-8.77	Increase by 0.44 percentage point

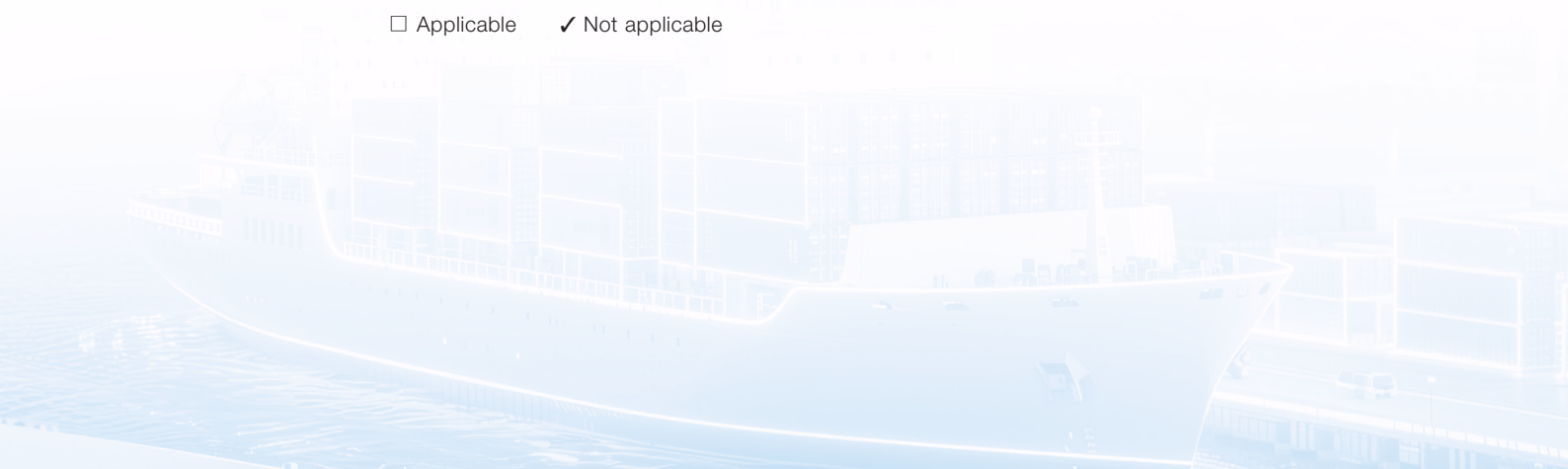
Principal businesses by product						
By product	Operating income	Operating cost	Gross margin (%)	Change in operating income over last year (%)	Change in operating cost over last year (%)	Change in gross margin over last year (%)
Logistics	29,370,187,737.42	27,264,729,304.67	7.17	5.08	5.55	Decrease by 0.42 percentage point
Forwarding and related business	57,009,837,078.46	53,750,913,513.47	5.72	-15.13	-15.55	Increase by 0.47 percentage point
E-commerce business	10,428,639,021.32	10,289,230,066.84	1.34	-0.68	-2.93	Increase by 2.29 percentage points

(2). Analysis Statement of Production and Sales

☐ Applicable ☒ Not applicable

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

☐ Applicable ☒ Not applicable



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(4). *Statement of Cost Analysis*

Unit: RMB

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 (%)	Change in amount for the current period as compared with the corresponding period of last year (%)
Logistics industry	Transportation and relevant expense	82,426,327,516.32	90.28	90,409,395,542.42	90.34	-8.83
Logistics industry	Labor cost	4,269,586,271.49	4.68	4,708,216,382.81	4.70	-9.32
Logistics industry	Depreciation and amortization	1,943,919,176.29	2.13	2,128,143,823.05	2.13	-8.66
Logistics industry	Repair and maintenance expense	136,250,680.23	0.15	150,286,843.79	0.15	-9.34
Logistics industry	Fuel expense	419,450,987.33	0.46	460,682,217.79	0.46	-8.95
Logistics industry	Rental cost	667,416,258.32	0.73	734,088,035.24	0.73	-9.08
Logistics industry	Safe production expense	97,342,939.46	0.11	106,115,541.69	0.11	-8.27
Logistics industry	Other operating expenses	1,344,579,055.54	1.47	1,380,546,724.67	1.38	-2.61
Total	/	91,304,872,884.98	100	100,077,475,111.46	100	-8.77

(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 Changes 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

Customers or suppliers under the control of the same controller are presented on a combined basis, except for those actually controlled by the same state-owned assets management institution.

Explanation on the combined calculation and presentation of the following customer and supplier information according to the same control caliber: Nil

A. Key customers and key suppliers of the Company

☒ Applicable ☐ Not applicable

Total sales to top five customers amounted to RMB6,226.40 million, accounting for 6.43% of the total sales in the year; among which, sales to related party in the sales to top five customers amounted to RMB0 ten thousand, accounting for 0% of the total sales in the year.

Unit: RMB Ten Thousand

Name of customer	Amounts of sales	Percentage of total sales of the year	Whether it is a related party
Customer 1	248,273.10	2.56%	No
Customer 2	149,266.07	1.54%	No
Customer 3	91,271.28	0.94%	No
Customer 4	68,907.30	0.71%	No
Customer 5	64,922.51	0.67%	No
Total	622,640.28	6.43%	/

Total purchases from top five suppliers amounted to RMB14,989.47 million, accounting for 16.42% of the total purchases in the year; among which, purchases from related party in the purchases from top five suppliers amounted to RMB0 ten thousand, accounting for 0% of the total purchases in the year.

Unit: RMB Ten Thousand

Name of supplier	Amounts of purchase	Percentage of total purchases of the year	Whether it is a related party
Supplier 1	329,474.77	3.61%	No
Supplier 2	329,316.74	3.61%	No
Supplier 3	309,051.58	3.38%	No
Supplier 4	296,730.81	3.25%	No
Supplier 5	234,373.15	2.57%	No
Total	1,498,947.05	16.42%	/



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- B. 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

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

- C. The Company's shares were subject to delisting risk warning or other risk warnings during the Reporting Period

☐ Applicable ☒ Not applicable



Chapter 4

Management Discussion and Analysis (Report of the Board)

D. The Company had trade business income during the Reporting Period

☐ Applicable ☒ Not applicable

Other Matters:

(i) During the year ended 31 December 2025, none of the Directors, 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, and 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 of 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.



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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.

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:	178,977,991.16
Capitalized R&D investment for the Reporting Period:	182,835,370.64
Total R&D investment:	361,813,361.80
Total R&D investment as a percentage of operating income (%):	0.37
Capitalized R&D investment as a percentage of total R&D investment (%):	50.53

(2). *Statement of R&D employees*

☒ Applicable ☐ Not applicable

Number of R&D employees in the Company:	640
R&D employees as a percentage of total employees of the Company (%):	2.00



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Management Discussion and Analysis (Report of the Board)

Educational background structure of R&D employees

Degree	Number
Doctoral candidate	3
Master degree	132
Bachelor degree	430
Associate degree	65
High school and below	10

Age structure of R&D employees

Age	Number
Under 30 years old (30 years old exclusive)	141
30-40 years old (30 years old inclusive, 40 years old exclusive)	306
40-50 years old (40 years old inclusive, 50 years old exclusive)	159
50-60 years old (50 years old inclusive, 60 years old exclusive)	34
60 years old and above	0

(3). *Explanation*

☐ Applicable ☒ Not applicable

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

☐ Applicable ☒ Not applicable



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5. Cash Flow

✓ Applicable ☐ Not applicable

Item	Unit: RMB Million	
	2025	2024
Net cash flow generated from operating activities	3,085.51	4,111.26
Net cash flow generated from investment activities	4,826.46	207.39
Net cash flow generated from financing activities	-4,399.85	-4,739.20
Effect of changes in exchange rate on cash and cash equivalents	-63.17	34.63
Net increase in cash and cash equivalents	3,448.95	-385.92
Balance of cash and cash equivalents at the end of the period	16,889.32	13,440.38

Operating Activities

For the year ended 31 December 2025, the net cash inflow generated from operating activities was RMB3,085 million, representing a decrease of RMB1,026 million as compared with RMB4,111 million of last year. Mainly due to the impact of the international market environment, freight rates and operating profits have decreased, resulting in a decrease in the net cash flow generated from operating activities. Of which, cash received for sale of products and provision of services was approximately RMB101,537 million (2024: RMB111,336 million), cash paid for purchase of goods and receipt of services was RMB89,398 million (2024: RMB98,576 million), with the net cash of RMB12,139 million (last year: RMB12,760 million), representing a decrease of RMB621 million as compared with last year; cash paid to and on behalf of employees by the Group increased by RMB58 million as compared with last year, while other cash received related to operating activities decreased by RMB150 million compared with last year.

Investment Activities

For the year ended 31 December 2025, net cash inflow generated from investment activities amounted to RMB4,826 million, representing an increase of RMB4,619 million as compared with last year. The increase was mainly due to the significant increase in the Group's cash received from disposal of subsidiaries and other operating units during the year, of which, cash received from investment income was RMB2,552 million, representing a year-on-year increase of RMB779 million; net cash received from disposal of fixed assets, intangible assets and other long-term assets was RMB111 million, representing a decrease of RMB42 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 RMB1,194 million as compared with last year; cash paid for purchase and construction of fixed assets, intangible assets and other long-term assets was RMB1,653 million, representing an increase of RMB98 million as compared with the corresponding period of last year; and cash paid for investments was RMB940 million, representing an increase of RMB603 million as compared with the corresponding period of last year.

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Financing Activities

For the year ended 31 December 2025, net cash outflow generated from financing activities amounted to RMB4,400 million, representing a decrease of RMB339 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 RMB4,156 million, representing a decrease of RMB4,285 million as compared with the corresponding period of last year, cash paid for debt repayment was RMB4,557 million, representing a decrease of RMB4,793 million as compared with the corresponding period of last year and other cash paid related to financing activities was RMB1,581 million, representing an increase of RMB366 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 2025 are set out in Note VII to the financial statements under "Chapter 9 Financial Report" of this Report.

(2) Income Tax

The Group's income tax expense was RMB831 million, representing a year-on-year decrease of 0.85% as compared with RMB838 million of last year, mainly due to a decrease in the income tax payable for the year.

(3) Fixed Assets

The details of changes in fixed assets of the Group as at 31 December 2025 are set out in Note IX. 14 to the financial statements under "Chapter 9 Financial Report" of this Report.

(4) Capital Expenditure

For the year ended 31 December 2025, the Group's capital expenditure was RMB2,465 million, mainly including RMB816 million used for the construction of infrastructure, ports and terminals facilities and other constructions, RMB224 million used for the purchase of land and software, RMB410 million used for the purchase of machineries and equipment, containers and vehicles, RMB79 million used for asset renovation and improvement, and RMB937 million used for equity investment.



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(5) *Securities Investment*

As at 31 December 2025, the listed equity investments held by the Group were RMB1,062 million, the details of which are set out in Note IX. 2, 11 and 12 to the financial statements under “Chapter 9 Financial Report” of this Report.

(6) *Contingent Liabilities and Guarantees*

As at 31 December 2025, contingent liabilities mainly comprised pending lawsuits of the Group arising from its ordinary course of business amounting to RMB128 million (as at 31 December 2024: RMB148 million).

Please see “XIII. MATERIAL CONTRACTS AND PERFORMANCE (II) Guarantees” under “Chapter 6 Significant Matters” of this Report for details of the guarantees.

(7) *Borrowings and Bonds*

As at 31 December 2025, the Group’s total borrowings amounted to RMB4,330 million (as at 31 December 2024: RMB6,792 million), among which, RMB2,577 million was settled in Renminbi, RMB208 million in U.S. dollars, RMB1,511 million in Euros and RMB34 million in Hong Kong dollars. Of the above borrowings, RMB1,807 million was bank borrowings repayable within a year.

As at 31 December 2025, the Group’s total bonds payable amounted to RMB4,064 million (as at 31 December 2024: RMB2,030 million). Of the above bonds, RMB65 million was payable within a year.

The details of the Group’s borrowings and bonds for the year ended 31 December 2025 are set out in Note IX. 24, 33 and 34 to the financial statements under “Chapter 9 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. 24 and 33 to the financial statements under “Chapter 9 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 6 Significant Matters” of this Report.

(10) *Special Reserve*

As at 31 December 2025, the special reserve of the Group was approximately RMB185 million.

(11) *Distributable Reserves*

Distributable reserves of the Company as at 31 December 2025 amounted to approximately RMB7.432 billion.

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(12) *Debt-to-Asset Ratio*

As at 31 December 2025, the debt-to-asset ratio of the Group was 43.78% (as at 31 December 2024: 45.54%), which was calculated by dividing total liabilities by total assets of the Group as at 31 December 2025.

(13) *Material Litigation and Contingent Liabilities*

Details of the Group's material litigation and contingent liabilities as at 31 December 2025 are set out in Note XII to the financial statements under "Chapter 9 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 exposure 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 X to the financial statements under "Chapter 9 Financial Report" of this Report.

(15) *Government Subsidy*

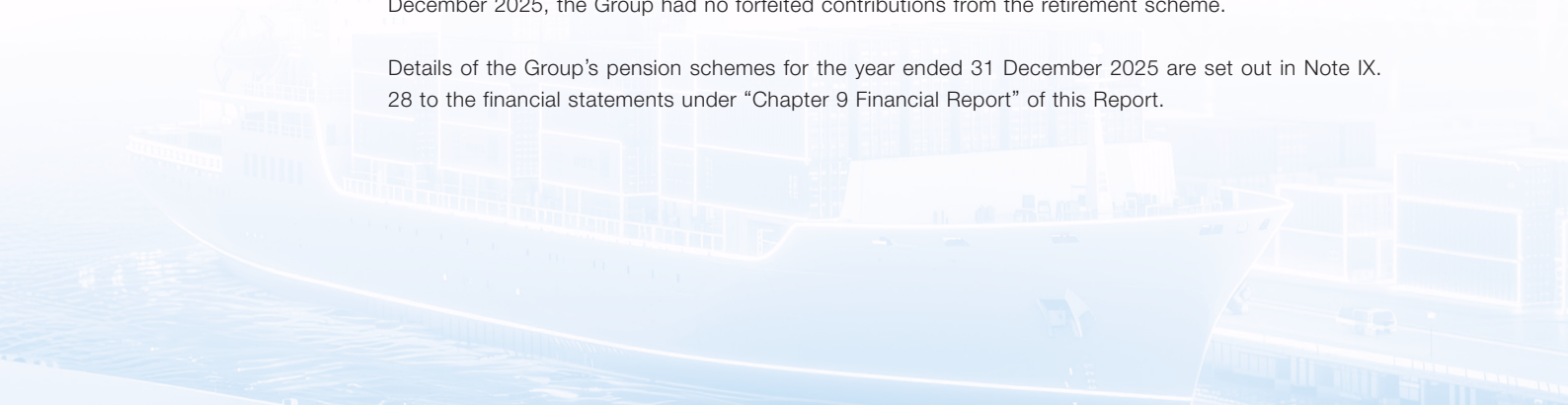
During the year ended 31 December 2025, the Group received government subsidies related to income totaling RMB1.805 billion, details of which are set out in Note IX. 60 to the financial statements under "Chapter 9 Financial Report" of this Report.

(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 2025, 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 2025 was approximately RMB240 million (2024: RMB249 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 2025, the Group had no forfeited contributions from the retirement scheme.

Details of the Group's pension schemes for the year ended 31 December 2025 are set out in Note IX. 28 to the financial statements under "Chapter 9 Financial Report" of this Report.



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For the year ended 31 December 2025, 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 plan was 135 as at 31 December 2025, and the scope and amount of its impact are not material to the Group. For details, please refer to Note IX. 37 to the financial statements under “Chapter 9 Financial Report” of this Report.

(17) Donations

During the Reporting Period, the Group made charitable and other donations amounted to approximately RMB10.00 million.

(18) Asset Impairment Provisions

According to the relevant provisions of the *Accounting Standards for Business Enterprises No. 8 - Asset Impairment* and the Company's accounting policies, based on the principle of prudence, in order to more truly and accurately reflect the asset and financial position of the Company, the Company conducted a comprehensive inventory and analysis of all types of assets within the scope of the consolidated statements, conducted impairment tests by category, and made corresponding impairment provisions for assets with indications of impairment based on the results of the impairment tests. For the year 2025, the Company made a provision for asset impairment losses of RMB1,054,675,900. The specific details are as follows:

Item	Unit: RMB10,000 Provision for 2025
I. Credit impairment losses	37,820.96
Including: Accounts receivable	24,743.52
Other receivables	13,077.44
II. Asset impairment losses	67,646.63
Including: Goodwill impairment	56,121.30
Fixed assets impairment	8,236.51
Investment properties impairment	2,222.68
Long-term equity investments impairment	1,066.14
Total	105,467.59

① Credit impairment losses

According to the method stipulated in the *Accounting Standards for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments*, based on the credit risk characteristics of accounts receivable and other receivables, expected credit losses are calculated on an individual or portfolio basis.

Accrual on an individual basis: When there is evidence that an individual receivable has been impaired, an impairment test is conducted separately, and an impairment loss is accrued based on the difference between the present value of its future cash flows and its book value.

Accrual by portfolio: Based on historical credit losses, the Company evaluates the expected credit losses of receivables on a portfolio basis by applying the adjustment for specific forward-looking factors of debtors and the economic environment to establish a credit loss matrix and considering the credit risk characteristics of different customers.

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Specific recognition criteria and accrual method for credit losses on major receivables of the Group:

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
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	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.

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Item	Accrual method	Types of portfolio	Basis/criteria for portfolio determination	Criteria/explanations for accrual
	(Phase I and phase II)	Aging portfolio within 1 year (phase I)	The Group's aging portfolio of other receivables is other receivables except for low-risk portfolio items and items with credit loss accrued on an individual basis, the aging of which reflects their credit risk characteristics.	3.90%. Aging is determined on the basis of the date of incurrence, and the Group evaluates the expected credit loss rate of other receivables in the aging portfolio annually. If the evaluation result is lower than the previous year's accrual level, no adjustment is made. If the evaluation result is higher than the previous year's accrual level, the accrual rate is increased.
		Aging portfolios more than 1 year (phase II)		32.51% for 1 to 2 years; 57.40% for 2 to 3 years; 100% for over 3 years. Aging is determined on the basis of the date of incurrence, and the Group evaluates the expected credit loss rate of other receivables in the aging portfolio annually. If the evaluation result is lower than the previous year's accrual level, no adjustment is made. If the evaluation result is higher than the previous year's accrual level, the accrual rate is increased.

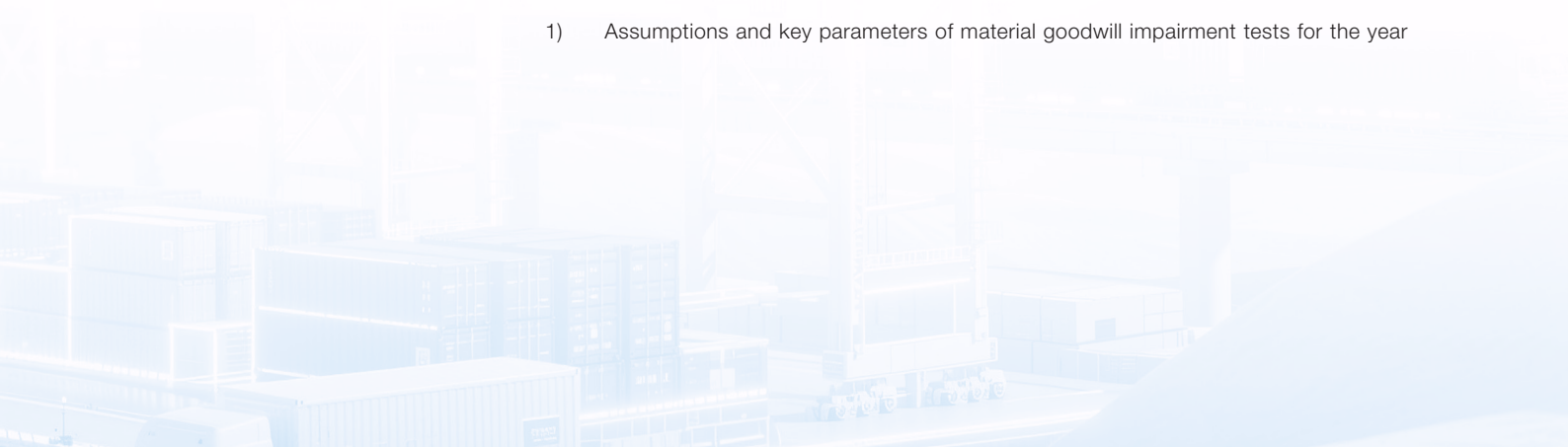
At the end of the reporting period, in accordance with the accounting policy for the provision for credit losses on receivables, the Company made accumulated provision for credit impairment losses of RMB378,209,600, of which: provision for impairment losses on accounts receivable was RMB247,435,200, and provision for impairment losses on other receivables was RMB130,774,400.

② Asset impairment losses

(1) Goodwill impairment

At the end of the reporting period, in accordance with the *Accounting Standards for Business Enterprises No. 8 - Asset Impairment* and the Company's relevant accounting policies, impairment tests were conducted on goodwill asset groups with indications of impairment.

1) Assumptions and key parameters of material goodwill impairment tests for the year



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The profitability and EBIT indicators of 7 companies including KLG EUROPE EERSEL B.V. under the Company fell short of expectations, and the Group expects that the main factors leading to the decline in profitability will be difficult to improve in the short term and will increase the uncertainty of revenue growth. This year, the profitability for the forecast period was reduced by 2.38-2.69 percentage points (compared to the corresponding forecast year in the previous goodwill impairment test), and the revenue growth rate for the forecast period was reduced by 0.00-1.00 percentage point (compared to the corresponding forecast year in the previous goodwill impairment test); the EBIT indicators of China Merchants Logistics Group Nanjing Co., Ltd. under the Company fell short of expectations due to the impact of the market environment, and the Group expects that the main factors leading to the decline in profitability will be difficult to improve in the short term and will increase the uncertainty of revenue growth. This year, the profitability for the forecast period was reduced to 3.29%-3.78%, and the revenue growth rate for the forecast period was reduced to 0%-2.68%.

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	5.50%-2.50%	7.48%-7.76%	2031 and beyond	2.56%	7.72%	12.92%
	Previous	7.00%-3.50%	9.76%-10.41%	2031 and beyond	2.54%	10.41%	13.00%
China Merchants Logistics Group Nanjing Co., Ltd.	Current	0.00%-2.68%	3.29%-3.78%	2031 and beyond	0.00%	4.88%	13.60%
	Previous	2.34%-7.16%	3.64%-6.10%	2030 and beyond	0.00%	6.15%	13.40%

2) Method and basis for determining key parameters

Parameters	Basis/methodology for determination of key parameters for 7 companies including KLG EUROPE EERSEL B.V.	Basis/methodology for determination of key parameters for China Merchants Logistics Group Nanjing Co., Ltd.	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	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	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)	Based on management's expectation, zero growth in the stabilisation period	No
Stabilisation period profitability	Determined using the profitability for the last year of the forecast period	Determined using the profitability for the last year of the forecast period	No
Discount rate	Determine using the WACC model, with the main parameters sourced from publicly available market data	Determine using the WACC model, with the main parameters sourced from publicly available market data	No

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3) Results of goodwill impairment tests

The recoverable amount of the goodwill asset group of 7 companies including KLG EUROPE EERSEL B.V. under the Company was lower than the book value of the asset group, and a provision for goodwill impairment of EUR60,901,600 was made, with an impact on total profit equivalent to RMB-490,744,900.

The recoverable amount of the goodwill asset group of China Merchants Logistics Group Nanjing Co., Ltd. under the Company was lower than the book value of the asset group, and a provision for goodwill impairment of RMB70,468,100 was made, with an impact on total profit of RMB-70,468,100.

(2) Other asset impairment losses

According to the provisions of *Accounting Standards for Business Enterprises No. 8 - Asset Impairment*, the Company assesses whether there is any indication that an asset may be impaired at the balance sheet date. For assets with indications of impairment, the Company estimates their recoverable amounts. If the measurement of the recoverable amount indicates that the recoverable amount of an asset is lower than its book value, the Company writes down the book value of the asset to its recoverable amount, and the written-down amount is recognized as an asset impairment loss in the profit or loss for the current period, while a corresponding provision for asset impairment is made.

At the end of the reporting period, the Company engaged external valuation agencies to evaluate assets with obvious indications of impairment, and made provisions for asset impairment based on the evaluation results, including a provision for fixed assets impairment of RMB82,365,100, a provision for investment properties impairment of RMB22,226,800, and a provision for long-term equity investments impairment of RMB10,661,400.

The above asset impairment matters have been reviewed and approved by the Audit Committee and the Board of the Company.



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(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 assets (%)	Amount at the end of the previous period	Amount at the end of the previous period as a percentage of total assets (%)	Year-on-year change (%)
Held-for-trading financial assets	1,031,653.86	0.00	574,374.32	0.00	79.61
Other equity instrument investments	1,351,795,493.97	1.73	416,867,662.27	0.54	224.27
Construction in progress	974,087,781.92	1.24	656,542,638.70	0.85	48.37
Development expenditure	371,856,139.08	0.47	266,352,514.14	0.35	39.61
Short-term borrowings	1,345,531,402.61	1.72	3,294,191,564.22	4.27	-59.15
Other current liabilities	177,621,130.11	0.23	288,628,327.10	0.37	-38.46
Bonds payable	3,999,104,347.06	5.10	2,018,912,428.80	2.62	98.08
Estimated liabilities	67,593,194.84	0.09	23,339,731.15	0.03	189.61



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Other descriptions:

The change in held-for-trading financial assets was due to the increase in fair value of certain held-for-trading financial assets held by the Group during the year.

The change in other equity Instrument investments was due to the Group's additional acquisition of shares in Antong Holdings during the year.

The change in construction in progress was due to the increase in investment in infrastructure projects of the Group during the year.

The change in development expenditure was due to the impact of continuous increase in research and development investment during the year.

The change in short-term borrowings was due to the Group's continuous optimization of debt structure, and the repayment of certain revolving short-term borrowings in the Report.

The change in other current liabilities was due to a significant decrease in the Group's VAT output tax to be transferred as compared to the beginning of the year.

The change in bonds payable was due to the Group's successful issuance of corporate bonds "25 Sinotrans K1" during the Period, with an issuance scale of RMB2 billion.

The change in estimated liabilities was due to the increase in estimated liabilities provided for certain pending litigation matters of the Group during the Period.

2. Overseas Assets

☒ Applicable ☐ Not applicable

(1). Asset Size

Including: overseas assets of RMB21,238,725,041.85, accounting for 27.11% 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. 22 of the Financial Statements in “Chapter 9 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 Period amounted to RMB6,721 million, representing a decrease of RMB2,518 million or 27.26% as compared to the beginning of the year, which was mainly due to the recognition of investment income from joint ventures and associates of RMB1,539 million during the year; the Group's subscription of BOC Sinotrans Warehouse Logistics REIT units of RMB262 million during the period, representing a 20% shareholding, which was accounted for as an associate; in addition, the receipt of dividends of RMB1,380 million from DHL-Sinotrans International Air Courier Ltd. and dividends of RMB1,050 million from Loscam International Holdings Co., Ltd. during the year; and the disposal of 25% equity interest in Loscam International Holdings Co., Ltd. resulting in the write-off of long-term equity investment of RMB1,696 million.

1. *Major equity investment*

☒ Applicable ☐ Not applicable

For details, please refer to “XII. CONNECTED TRANSACTIONS AND MAJOR RELATED PARTY TRANSACTIONS (IV) Material Related Party Transactions involving Joint External Investments” under “Chapter 6 Significant Matters” of this Report.



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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 fair value for Reporting Period	Accumulated changes in fair value 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	141,924,656.59	-9,873,808.17	338,699,190.24		599,916,717.17	8,742,384.00		1,061,924,371.83
Others	1,921,674,260.46	117,378,728.78					61,851,725.68	2,100,904,714.92
Total	2,063,598,917.05	107,504,920.61	338,699,190.24		599,916,717.17	8,742,384.00	61,851,725.68	3,162,829,086.75

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Securities Investment

☒ Applicable ☐ Not applicable

Unit: RMB

Type of securities	Stock code	Stock abbreviation	Initial Investment cost	Source of funds	Opening carrying amount	Gains and losses from changes in fair value 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	22,817,162.27		4,211,511.62				27,028,673.89	Other equity instrument investments
Equity securities	HK02618	JD Logistics	184,647,154.48	Self-financing	118,533,120.00	-19,074,692.00	3,689,296.00				103,147,724.00	Other non-current financial assets
Equity securities	SH600179	Antong Holdings	600,694,401.37	Self-financing	470,371.47	447,102.21	330,799,602.91	599,916,717.17			931,633,793.76	Held-for-trading financial assets, other equity instrument investments
Equity securities	HK00144	China Merchants Port	15,570.07	Self-financing	44,754.85	8,306.42	-1,220.29				51,840.98	Held-for-trading financial assets
Equity securities	SZ002766	Soiling	121,222.65	Self-financing	59,248.00	3,091.20					62,339.20	Held-for-trading financial assets
Equity securities	SZ001267	Huiyu Ecological	0.00	Self-financing	0.00	8,742,384.00			8,742,384.00		0.00	Held-for-trading financial assets
Total	/	/	793,555,220.17	/	141,924,656.59	-9,873,808.17	338,699,190.24	599,916,717.17	8,742,384.00	0.00	1,061,924,371.83	/

Explanation on 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



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(VI) Disposal of Major Assets and Equity

✓ Applicable ☐ Not applicable

- On 26 June 2025, China Merchants Shipping and Enterprises Company Limited (a wholly-owned subsidiary of the Company, “China Merchants Shipping”), CITIC Capital Maneuver Holdings Limited (“CITIC Capital Maneuver”), FV Pallet Leasing Holding Ltd. (“FV Pallet”), the purchaser, MIC Industrial Investments 4 RSC LTD. (“MIC”) and Loscam International Holdings Co., Limited (“Loscam International”) entered into the share purchase agreement of Loscam International Holdings Co., Limited (the “Share Purchase Agreement”), pursuant to which MIC agreed to acquire 25% equity interests in Loscam International held by China Merchants Shipping, 3% and 2% equity interests in Loscam International held by CITIC Capital Maneuver and FV Pallet, respectively. Among which, the consideration for the 25% equity interests in Loscam International sold by China Merchants Shipping was US\$472.1625 million. As of 21 October 2025, all the conditions precedent for the closing of the above disposal of assets have been fulfilled, and the closing has been completed. Following the transaction, China Merchants Shipping holds a 20% equity interest in Loscam International, and Loscam International continues to be an associate of the Company.

For details, please refer to the relevant announcements of the Company dated 26 June 2025 and 22 October 2025 published on the website of the SSE (www.sse.com.cn) and the website of the HKEx (www.hkexnews.hk).

- In order to revitalize the existing infrastructure assets, form a virtuous cycle of investment, further broaden financing channels and enhance the sustainable operation capability of the Company, the Company issued the first domestic warehouse and logistics REITs of a state-owned enterprise by using 6 warehouse and logistics assets held by its subsidiaries as the underlying infrastructure projects. BOC Sinotrans Warehousing and Logistics REIT was listed on the SSE on 29 July 2025, with the final raised fund units of 400 million units, the offering price of RMB3.277 per unit, and the net subscription amount of the fund raised of RMB1.3108 billion.

For details, please refer to the relevant announcements of the Company dated 15 June 2022, 11 June 2024, 7 January 2025, 2 June 2025 and 29 July 2025 published on the website of the SSE (www.sse.com.cn) and the website of the HKEx (www.hkexnews.hk).



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

☒ Applicable ☐ Not applicable

Major subsidiaries and joint ventures and associates with an impact of over 10% on the net profit of the Company:

☒ Applicable ☐ Not applicable

(1) Major Subsidiaries

Unit: RMB in ten thousand

Company Name	Nature of business	Registered Capital	Shareholding (%)	Total assets	Net assets	Operating income	Net profit
Sinotrans Logistics Co., Ltd.	Logistics	144,400.00	100.00	2,304,044.71	991,101.60	1,580,927.50	174,875.17
Sinotrans Air Transportation Development Co., Ltd.	Air freight forwarding and express services	90,548.17	100.00	1,064,714.04	768,169.44	1,012,337.50	-7,227.60
Sinotrans South China Co., Ltd.	Freight forwarding, logistics, and storage and terminal services	134,966.89	100.00	1,148,431.27	448,845.33	1,281,668.37	38,579.52
Sinotrans Eastern Company Limited	Freight forwarding, logistics, and storage and terminal services	112,050.34	100.00	741,180.45	365,821.73	1,512,168.78	39,060.41
Sinotrans Central China Co., Ltd.	Freight forwarding and logistics	100,000.00	100.00	709,141.34	274,832.67	1,335,875.42	42,285.78

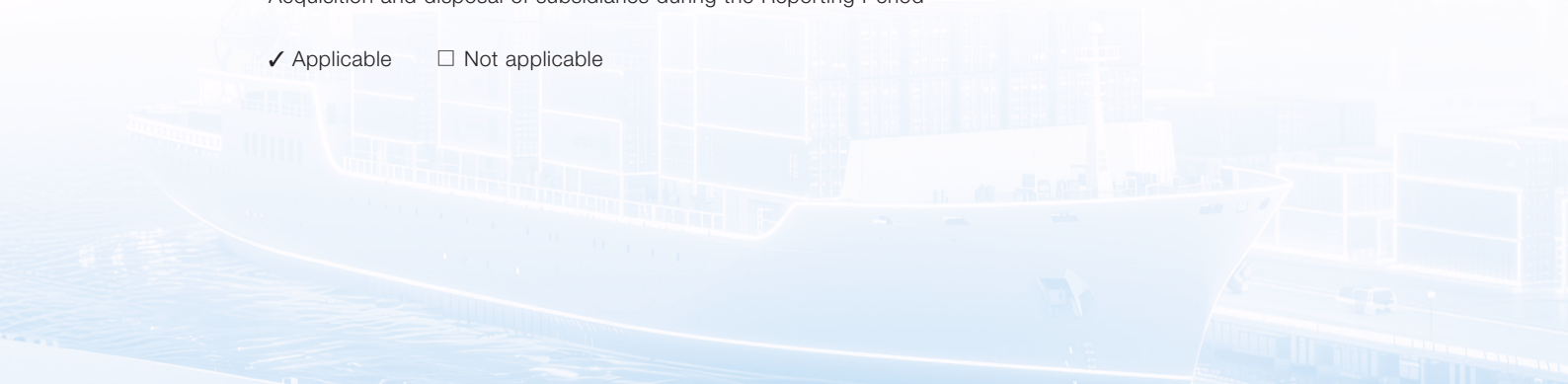
(2) Major Joint Ventures and Associates

Unit: RMB in ten thousand

Company Name	Nature of business	Registered Capital	Shareholding (%)	Total assets	Net assets	Operating income	Net profit
DHL-Sinotrans International Air Courier Ltd.	International express	US\$14.50 million	50.00	551,487.87	296,649.45	1,736,478.79	233,870.30
China Merchants Loscam International Holdings Co., Ltd.	Pallet leasing	US\$100	20.00	867,113.53	82,389.93	260,441.80	33,226.83
Wuhan Port Container Co., Ltd.	Container handling and freight forwarding	RMB400 million	30.00	72,321.09	63,189.72	13,922.71	2,167.87

Acquisition and disposal of subsidiaries during the Reporting Period

☒ Applicable ☐ Not applicable



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Name of company	Methods to acquire and dispose of subsidiaries during the Reporting Period	The difference between the disposal price and the share of the net assets of the subsidiary at the consolidated financial statement level corresponding to the disposal of the investment (RMB)
Tianjin Sinotrans Jianhe Warehousing Service Co., Ltd.	Disposal	175,218,002.99
Sinotrans (Chengdu) Airport Logistics Co., Ltd.	Disposal	57,880,015.47
Ruida Zhihui Kunshan Storage Service Co., Ltd.	Disposal	122,793,144.30
Ruida (Jinhua) Warehousing Service Co., Ltd.	Disposal	175,268,177.09
Ruida Wuxi Storage Service Co., Ltd.	Disposal	133,784,093.34
Kunshan Sinotrans Supply Chain Co., Ltd.	Disposal	118,099,458.39
Ruiyundatong (Tianjin) Warehousing Service Co., Ltd.	Disposal	34.88
Ruiyundatong (Chengdu) Warehousing Services Co., Ltd.	Disposal	141.09
Ruiyundatong (Kunshan) Warehousing Service Co., Ltd.	Disposal	29.23
Ruiyundatong (Jinhua) Warehousing Service Co., Ltd.	Disposal	224.00
Ruiyundatong (Wuxi) Warehousing Service Co., Ltd.	Disposal	223.99
Ruiyundatong Qiandeng (Kunshan) Warehousing Service Co., Ltd.	Disposal	29.23

Other explanations

✓ Applicable ☐ Not applicable

On 30 June 2025, the Group transferred six subsidiaries, including Tianjin Sinotrans Jianhe Warehousing Service Co., Ltd. (which encompasses warehousing and logistics infrastructure) and six corresponding SPVs, including Ruiyundatong (Tianjin) Warehousing Service Co., Ltd., to BOC Sinotrans Warehousing and Logistics REIT, and has completed the transfer with Bank of China Investment Management Co., Ltd., the manager of BOC Sinotrans Warehousing and logistics REIT. Since the Group is no longer able to control the relevant activities of the aforesaid companies, they are no longer included in the scope of consolidation.

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As mentioned above, BOC Sinotrans Warehousing and Logistics REIT is an entity accounted for by the Group using the equity method. According to the Group's accounting policies (see Note IV. 13 for details), for transactions between the Group and its associates and joint ventures, where the assets contributed or sold do not constitute a business, the unrealized internal transaction gains and losses are eliminated in proportion to the share held by the Group, and investment gains and losses are recognized on this basis. The Group believes that the asset groups related to warehousing and logistics infrastructure included in the equity of the aforementioned transferred companies constituted a business at the time of disposal, and there is no need to eliminate the unrealized internal transaction gains and losses in proportion to the share held by the Group. The Group's grounds for judgment and factual basis are: (1) at the time of disposal, the warehousing and logistics infrastructure held by the aforementioned disposed companies all included leases and were asset groups in continuous operation, normally receiving rent and paying daily operating expenses, etc.; (2) an organized workforce for operating management processes and executing operating management processes was obtained through long-term entrusted operation agreements. Before the disposal, the disposed companies were already entrusted for operation by professional operating companies under the Group and had signed long-term entrusted operation agreements; (3) general market participants are clearly able to combine the aforementioned warehousing and logistics infrastructure, leases, and operating agreements as a business operation to obtain continuous output.

Before the disposal, except for the warehousing and logistics infrastructure held by Sinotrans (Chengdu) Airport Logistics Co., Ltd., which was rented out to external parties, all the rest were fully rented and used at market prices by other subsidiaries of the Group (the ultimate underlying customers were all external customers). After the disposal, the Group continues to be entrusted with the operation of the aforesaid warehousing and logistics infrastructure and receives remuneration at market conditions, and the full rental arrangement will remain in effect. Based on the principle of prudence, the Group determines that the transfer of the warehousing and logistics infrastructure in the aforesaid equity disposal transaction constitutes a sale and leaseback transaction and qualifies as a sale. The gains of RMB343,717,243.68 related to the right-of-use retained under the leaseback are offset against the gain or loss on equity disposal (see Note IX. 64 for details).

(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 international and domestic economic situations: As for the international side, the international trade barriers continue to increase amid the decelerating global economic growth. In January 2026, the IMF predicted that the global economic growth rate for both 2025 and 2026 would both be 3.3%, lower than the historical average of 3.7% (from 2000 to 2019). As for the domestic side, the contradiction of strong supply and weak demand is prominent, and there are many underlying risks in key areas. The Central Economic Work Conference emphasized adhering to the general principle of “pursuing progress while ensuring stability”, implementing more proactive and effective macro policies, and enhancing the policy foresight, precision and coordination. The Conference also highlighted the need to continuously expand domestic demand, optimize supply, improve increments, and revitalize existing capacity. In addition to developing new quality productive force according to local conditions, it underscored the importance of advancing the construction of a unified national market in depth, and continuously preventing and resolving risks in key areas. Against this backdrop, China’s foreign trade has shown resilience in the complex and volatile international environment but remains under pressure. Looking into 2026, the domestic economy is expected to grow by 4.5%-5%.

In terms of the development trend of the logistics industry: Several elements have become industrial highlights, including building a resilient supply chain, preventing supply chain risks, fostering the synergetic development of smart logistics, green logistics and sustainable development, as well as regionalization and globalization, and reducing logistics costs for the whole society. **Firstly**, with the ongoing implementation of the “Belt and Road” Initiative, the going overseas initiatives of Chinese manufacturing 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 and end-to-end services, and proactively reinforce the resilience of supply chain services. **Secondly**, industrial upgrading and consumption upgrading have led to an increasing demand for high-quality, refined, and personalized logistics services. Customer demands in industries such as automobiles, electronic technology, equipment manufacturing, energy and chemicals, and medical health show differentiated characteristics, creating room for the development of logistics segments. **Thirdly**, AI-driven, green logistics, and autonomous driving will become the three major strategic technology trends in the future, which will reshape the industry landscape and drive efficiency revolution and service upgrading. Leading enterprises have deeply integrated digital and intelligent technologies for pain points in different industrial scenarios to build differentiated service capabilities. **Fourthly**, 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. **Fifthly**, the “Proposals of the Central Committee of the Communist Party of China on Formulating the 15th Five-Year Plan for National Economic and Social Development” clearly pointed out the need to reduce the logistics costs of the whole society. 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 structures, 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, practically enhancing 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 and 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

Sinotrans will anchor itself to the vision and goal of becoming a “world-class innovative integrated logistics enterprise”. By focusing on the development idea of “accumulating demands – centralizing capacity procurement – digitalizing capabilities – forging products”, the Company will promote the productization and transformation of Sinotrans' traditional business formats, building a product portfolio that can be called internally and sold externally, as well as a product system covering all scenarios and all customer groups. Taking the vertical industry as the anchor for deep cultivation, the Company will adhere to the industry-oriented marketing strategy, concentrating on ten key industries. By deepening insights into industry demand, developing adaptable industry solutions, and allocating key resources required for solution implementation, the Company aims to achieve leadership in capability, market, and value. By persisting in the digital transformation, the Company will accelerate the development of a network-wide operation system centred on the four-tier system comprising the “customer management system, product management system, resource management system, and delivery management system”, and strengthen the interconnection within the four tiers and the development of supporting IT systems, thereby supporting the realization of network-wide operation goals. Taking technological innovation as the core driving force, the Company will strengthen the research and application of cutting-edge technologies and intelligent equipment such as smart warehousing, intelligent driving, logistics visualization, and operations optimization. Focusing on the “AI+” technology pathway, the Company will advance its technology empowerment and achieve a leap in value from single-point application to systemic reconstruction.

(III) Operating Plans

☒ Applicable ☐ Not applicable

The year 2026 marks the commencement of the 15th “Five-Year Plan”. Despite increasing uncertainties and unforeseeable factors in the external environment, the fundamental conditions and long-term positive trajectory underpinning China's economic growth remain unchanged. The Company will anchor itself to the vision of becoming a “world-class innovative integrated logistics enterprise”, adhere to the general principle of pursuing progress while ensuring stability, drive itself toward achieving effective qualitative improvement and reasonable quantitative growth, and strive to secure a strong start for the 15th “Five-Year Plan”.



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Management Discussion and Analysis (Report of the Board)

1. *Continuously promoting network-wide operations to achieve quality and efficiency enhancement of existing business operations*

Firstly, advancing the standardization of basic services. The Company will establish operational hubs such as booking centers and collection and distribution centers to achieve unified online service operations. By leveraging the standardization of service segments as a key driver, the Company will enrich the basic service product system, thereby establishing a solid underlying foundation for developing industry-level solutions and standardized products. **Secondly, continuously strengthening the centralization of resource management.** The Company will construct a headquarters-coordinated operation and control center system, gradually expand the scale of the controllable capacity pool, and effectively empower the improvement of front-end market competitiveness. Building upon the intensification of warehousing resources, the Company will extend the scope to assets such as yards and terminals. **Thirdly, deepening the refinement of operational management.** The Company will focus on the operational optimization of warehousing resources to improve resource utilization efficiency, strengthen penetrative oversight, establish a real-time monitoring system for key operating indicators, and conduct governance of less-efficient operations and screening of high-risk businesses on a normalized basis.

2. *Promoting the development of industry solutions and standardized products to cultivate new drivers for business development*

Using product system development as a strategic lever, the Company will deeply integrate green logistics technologies with intelligent operational methods. This will steadily promote the Company's transformation and upgrading from a traditional freight forwarding model to a "new carrier" model, creating a dual-engine growth model driven by "industry solutions" and "standardized products", and continuously cultivating new drivers for business development.

3. *Deepening the development of the strategic marketing system to enhance marketing effectiveness*

Firstly, enhancing the quality and efficiency of the strategic marketing system. Building on the foundation of promoting the full operation of the strategic marketing system, the Company will pilot the implementation of penetrating management in strategic marketing. **Secondly, advancing industry solutions in both depth and substance.** The Company will develop industry solutions by summarizing and refining industry pain points and market insights from successful models, and will continuously optimize and iterate the solutions. **Thirdly, further coordinating customer management.** The Company will optimize customer hierarchical management, and continuously improve relevant mechanisms to fully leverage marketing synergies; and deepen the application of the CRM system to enhance the digitalization and standardization of the marketing system.

4. *Strengthening innovation-driven and technology-driven development to explore the iterative upgrading of development models*

In terms of artificial intelligence applications, the Company will continue to leverage the Company's multiple business scenarios and leading technology advantages to promote the expansion of artificial intelligence applications to the entire operational chain; broaden the commercial scenarios and large-scale application of autonomous driving, and research and develop intelligent scheduling algorithms for complex scenarios; and strengthen the research and application of embodied intelligence equipments to create flexible automation solutions covering multiple scenarios, and co-build an innovation ecosystem with customers and partners. **In terms of green logistics products and solutions system,** the Company will promote the large-scale application of new energy commercial vehicles; and continuously optimize carbon footprint calculation technologies for logistics activities to form carbon footprint service standards.

Chapter 4

Management Discussion and Analysis (Report of the Board)

5. *Anchoring the internationalization strategy to comprehensively advance overseas business development*

In Southeast Asia, the Company will continue to expand the scale of contract logistics and cross-border transportation. **In Europe**, the Company will expand the China-Europe air channel and strive for new breakthroughs in the Southern and Eastern European markets. **In the Eurasia Silk Road area**, the Company will enhance end-to-end cargo operation capacities for both import and export flows. **In the Middle East**, the Company will build an efficient transportation and warehousing network. **In Latin America**, the Company will use project logistics as an entry point to provide customized supply chain solutions and expand cross-regional business opportunities. **In Africa**, the Company will expand its footprint at key nodes in West and North Africa to continuously increase market share.

6. *Deepening penetrating organizational management to consolidate the foundation for high-quality development*

The Company will continue to drive organizational transformation and penetrating management to enhance organizational and governance effectiveness, and to raise the standard of modern governance. The Company will prevent and mitigate various risks, solidly promote the governance of underperforming businesses, strengthen process standardization and early-warning controls, and strictly uphold compliance requirements. By strengthening technology-driven safety management, clarifying accountability, improving standards development and conducting thorough risk and hazard inspections, the Company will enhance safety performance and ensure a stable safety environment.

(IV) Potential Risks

☒ Applicable ☐ Not applicable

1. *External Political and Economic Risks*

The intensification of the anti-globalization trend, the turbulent international political situation, the overall decelerated global economic growth, the escalating tariff friction, high trade barriers, and the pressure on supply chain resilience have increased the complexity, severity, and uncertainty of the external environment. Coupled with the lack of overall market demand and the intensified competition in the logistics industry, these factors may adversely affect the operating performance of the Company.

Countermeasures: The Company will maintain its strategic focus, strengthen the construction of key routes and channels for sea, air, and land transportation, optimize the network and resource layout, focus on emerging markets, accelerate the cultivation of emerging industries, enrich business scenarios, and improve the business structure. At the same time, with market demand as the core orientation, the Company will optimize the strategic marketing system, build a penetrating marketing organization, and promote the industry-oriented marketing.



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Management Discussion and Analysis (Report of the Board)

2. *Overseas Business Risk*

Affected by several unpredictable factors such as the international situation and trade relations, overseas projects of the Company may face risks in respect of geopolitics, environment and safe production, and business environment. At the same time, global trade protectionism continues to heat up with trade barriers and tariff uncertainties persisting, thereby increasing the risks of overseas operation and development.

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. The Company will focus on improving foreign exchange planning capabilities, utilize exchange rate management systems to empower precise management of foreign currency positions. At the same time, the Company will accelerate its strategic resource allocation and business expansion in key overseas regions, establishing a resilient and efficient overseas logistics service network. In addition, utilizing the linkage with the domestic network, the Company strives to establish an overseas logistics operation system of “channel + hub + network”, so as to continuously improve risk prevention and control capabilities and the standard of international management practices.

3. *Market Changes and Competition Risks*

Given that the products and services of the peers are highly homogeneous, the overall market demand is insufficient, and the competition in the industry is relatively fierce, customers' demands for supply chain resilience, green logistics, cost efficiency have intensified. If the Company fails to insightfully perceive changes in market and customer demand to adjust its business strategy in a timely manner, or fails to achieve differentiation by improving service quality and product structure, it may experience insufficient core competitiveness, leading to a decline in business volume and market share.

Countermeasures: The Company will deepen strategic cooperation with core resource providers and strengthen the control over controllable capacity resources. By promoting the dual-track capability construction of “renewal of traditional business formats + breakthrough in emerging business formats”, the Company strives to build a product matrix, which will upgrade traditional logistics services into logistics products through process-oriented and standardized methods. Focusing on industries to build customer systems and solutions, the Company proactively lays out in emerging industries such as green technology and digital intelligence technology, thereby striving to seize the commanding heights of the next round of competition, and enhancing long-term competitiveness.

4. *Credit Receivable Risk*

Changes in the external political and economic environment impact the stability of the international industrial and supply chains, and market fluctuations and policy changes continue. The Company faces the risk of receivables collection caused by the changes of customer's operation when business volume and freight rate fluctuate, which 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.

Countermeasures: The Company focuses on the refined management and control of accounts receivable, continues to adjust the customer structure, and strengthens the systematic management for the whole chain from credit granting to payment collection. The Company will optimize the credit model, strictly control 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 customer, so as to ensure tracking and early alerting in the process while strengthening the collection of overdue accounts receivable and improving the efficiency of customer payment collection, thereby effectively reducing the risk of bad debts.

Chapter 4

Management Discussion and Analysis (Report of the Board)

5. *Technological Innovation Risk*

Factors, including underdeveloped innovation and digitalization systems, ineffective technological applications, and unsatisfactory transformation of innovation mechanisms and scientific and technological achievements, may lead to the Company as a whole and its various business segments lacking obvious core competitiveness, thereby affecting the Company's digital transformation and upgrading.

Countermeasures: Taking technological innovation as the core driving force, the Company will establish an independent and controllable core technology system, and strengthen the logistics scenario-based applications of cutting-edge technologies and equipment such as smart warehousing and intelligent driving. By integrating technological innovation resources, and carrying out joint innovation of logistics scenarios with customers, the Company strives to cultivate new momentum and competitive advantages for development. Furthermore, the Company will promote the integration of upstream and downstream green and low-carbon supply chains, form low-carbon green logistics solutions, explore the new "AI+logistics" models, and achieve the system reconstruction.

(IV) 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 "I. THE BUSINESS OF THE COMPANY DURING THE REPORTING PERIOD" in this chapter.

(II) Final Dividend and Book Closure Periods

For details, please refer to "X. 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, Environment and Social Responsibility (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 "IX. EMPLOYEES OF THE COMPANY AND MAJOR SUBSIDIARIES" under "Chapter 5 Corporate Governance, Environment and Social Responsibility (Corporate Governance Report)" in this Report.

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For details of major customers and suppliers, please refer 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.

(IV) Issuance of Shares and Debentures

Please refer to “II. SECURITY ISSUANCE AND LISTING” under “Chapter 7 Changes of Shares 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 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 repurchased A Shares will be cancelled and the registered capital of the Company will be reduced. Such repurchases based on 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.



Chapter 4

Management Discussion and Analysis (Report of the Board)

During the Reporting Period, the Company has repurchased 81,182,948 A Shares, accounting for approximately 1.13% of the total number of Shares and approximately 1.57% of the total number of A Shares issued by the Company as at 31 December 2025. 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)
January 2025	29,528,697	5.32	5.03	152,577,808.13
February 2025	21,946,598	5.25	5.03	112,821,241.42
March 2025	797,500	5.05	5.04	4,025,277.00
April 2025	22,910,619	4.95	4.67	111,099,017.60
May 2025	1,690,000	4.71	4.69	7,942,131.18
October 2025	4,309,534	6.14	6.03	26,167,473.02
Total	81,182,948	/	/	414,632,948.35

In regards to the above-mentioned A Share repurchase plan, the Company has cumulatively repurchased 92,564,070 A Shares in 2024 and 2025. The A Share repurchase plan has been completed, and all repurchased A Shares were cancelled on 18 November 2025.

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 18,964,000 H Shares, accounting for approximately 0.26% of the total number of Shares and approximately 0.94% of the total number of H Shares issued by the Company as at 31 December 2025. Such repurchases boosted the market confidence and were in the interests of the Company and its shareholders as a whole. Details of repurchase of H Shares are as follows:

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

Such repurchased H Shares were cancelled on 29 July 2025.

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

Chapter 4

Management Discussion and Analysis (Report of the Board)

(VIII) Tax Relief and Exemption

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

(IX) Pre-Emptive Rights

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

(X) Related Matters of Directors and Senior Management

1. Directors and Senior Management and their biographies, changes and remuneration are set out in "III. Directors and Senior Management" under "Chapter 5 Corporate Governance, Environment and Social Responsibility (Corporate Governance Report)" in this Report.
2. Directors' 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 "III. Directors and Senior Management" under "Chapter 5 Corporate Governance, Environment and Social Responsibility (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 AND MAJOR RELATED PARTY TRANSACTIONS (I) Connected Transactions (Disclosed in Accordance with the SEHK Listing Rules)" under "Chapter 6 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.

(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.



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Management Discussion and Analysis (Report of the Board)

(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 2025, please refer to the "2025 Environmental, Social and Governance Report" published by the Company.

(XV) Important Events After the Reporting Period

☐ Applicable ☒ Not applicable



Chapter 5

Corporate Governance, Environment and Social Responsibility (Corporate Governance Report)

I. RELEVANT INFORMATION OF CORPORATE GOVERNANCE

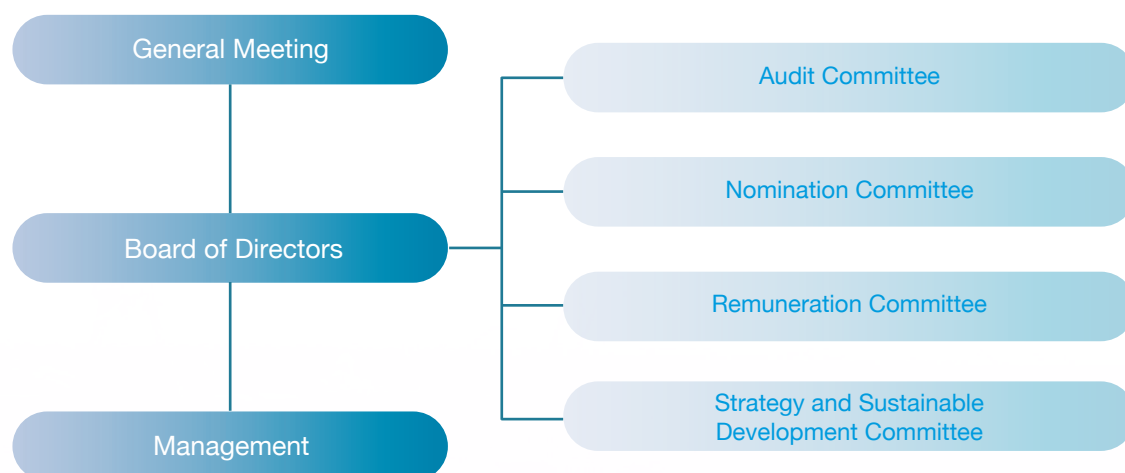
✓Applicable ☐Not applicable

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) Refining the corporate governance structure and enhancing governance effectiveness continuously

During the Reporting Period, the Company continued to refine the modern enterprise system with Chinese characteristics and enhance governance effectiveness. In accordance with the new Company Law and the regulatory requirements of the CSRC, the Company optimized the governance structure by abolishing the Supervisory Committee, with the Audit Committee of the Board assuming supervisory functions in accordance with the laws. Meanwhile, the Company systematically revised and improved 25 core governance policies, such as the Articles of Association, Rules of Procedure for General Meetings, Rules of Procedure for Board Meetings, and Rules of Board Authorization Management. The above has established a comprehensive corporate governance framework with the Articles of Association as the foundation, the procedural rules of governance bodies as the backbone, and specialized policies regulating matters such as information disclosure, related-party transactions, and insider management, etc as supporting pillars. By strengthening the rigid enforcement of policies and whole-process supervision, the Company ensures that all governance bodies exercise their powers and responsibilities in accordance with the laws, with transparency, coordinated operation, and effective balances.

The corporate governance structure of the Company is as below:



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, 4 extraordinary general meetings and 4 class meetings.

Chapter 5

Corporate Governance, Environment and Social Responsibility (Corporate Governance Report)

The Board is the operational decision-making authority of the Company. It conscientiously implements the resolutions of the general meetings and accepts the supervision of the General Meeting. The Board fully exerts its core functions of strategic guidance, decision oversight, risk prevention and control, and governance optimization, grounded in its role of “determining strategies, making decisions and preventing risks”. The Board has four professional committees, namely the Audit Committee (assuming supervisory functions), 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 Directors with special rights such as the independent engagement of consulting agencies, proposing to convene extraordinary general meetings and board meetings and the prior review of matters such as disclosable related-party transactions, effectively safeguarding the legitimate rights and interests of the Company and minority investors. During the Reporting Period, the Company convened 16 meetings of the Board, 6 meetings of the Audit Committee, 6 meetings of the Nomination Committee, 4 meetings of the Remuneration Committee, 1 meeting of the Strategy and Sustainable Development Committee, and 4 special meetings of independent Directors. For details, please refer to “VI. THE PERFORMANCE OF DIRECTORS’ DUTIES” and “VII. SPECIAL COMMITTEES UNDER THE BOARD” in this chapter.

The management, as the Company’s executive body, answers to the Board. In accordance with the Articles of Association and the authorization of the Board, the management convenes authorized special meetings and the president’s working meetings to discuss and make decisions on material matters of the Company, strictly implements the resolutions of the Board and the General Meeting, and regularly reports on the operation and management to the Board.

(II) Information Disclosure

The Company strictly adheres to the listing rules of its respective listing venues and other regulatory requirements, consistently refines its information disclosure mechanisms with investor needs as the guiding principle, strengthens proactive and voluntary disclosures, substantively enhances the relevance, effectiveness, and transparency of information disclosure, and fully leverages disclosure as a “window” for value transmission and investor communication. In 2025, the Company disclosed more than 570 documents on the SSE and the SEHK, including regular reports, disposal of assets and joint investment with the related party, and other material matters, ensuring that investors in both places obtain information in an equal and timely manner. The Company was awarded the highest rating A in the SSE’s evaluation of information disclosure work for 2024-2025 for the fifth consecutive year.

(III) Investor Relations

Since the listing, the Company has consistently prioritized investor relations, engaging in lawful and compliant investor communications through various channels including results briefings, investor research visits, conference calls, roadshows and reverse roadshows, the SSE e-interactive platform, as well as investor hotlines and emails. The Company promptly responds to investor concerns, communicates corporate value, and enhances capital market recognition. In 2025, the Company organized 5 results briefings, including regular report briefings and the China Merchants Group listed companies collective results briefing, with Directors and Management attending these meetings. The Company also arranged and participated in approximately 20 management roadshows. And reverse roadshows were held in Guangzhou and other locations to deepen investors’ understanding of the Company’s business operations and development strategies. Additionally, the Company regularly provides management with feedback on industry developments, investor concerns, and suggestions to strengthen two-way communication.

The Board has reviewed the implementation of the Company’s Shareholder Communications Policy for 2025. 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 2025 was effective.

Chapter 5

Corporate Governance, Environment and Social Responsibility (Corporate Governance Report)

(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 of 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.

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 reasonable assurance for the legality and compliance of operation and management, safety of assets, accuracy and integrity of financial reports and related information. The Board is responsible for the system and oversees the system on an on-going basis, ensuring that a review of the effectiveness of the Company's and its subsidiaries' risk management and internal control systems is conducted at least annually through the Audit Committee and the internal control evaluation reports are disclosed 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 defense lines 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, laws, compliance, auditing, accountability and insurance" into a seven-in-one integrated risk control system.



Chapter 5

Corporate Governance, Environment and Social Responsibility (Corporate Governance Report)

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 2025, the Company continued to deepen the research and application in the fields of intelligent and systematic tools. Firstly, the Company continued to build and optimize the risk control tower, build and enrich risk identification models, and create a digitally-driven risk control platform with sustainable scalability. Secondly, the Company promoted the systematic and intelligent prevention and early warning of key risks, achieving a transition from passive response to proactive prevention and control through real-time monitoring and dynamic early warning of key risks. Thirdly, the Company improved the efficiency and quality of daily internal control inspections and risk investigations, researched and applied relevant tools to achieve quality and efficiency enhancement, therefore ensuring the high-quality development of the business.

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, the Company reshaped the risk monitoring indicator system and extended it down to key second-tier subsidiaries, anchored in critical risks to enhance the precision and relevance of risk warnings. In order to focus on key risk prevention and control and enhance supervision of overseas projects, the Company continued to improve its overseas risk monitoring 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 external laws to guard against major compliance risks.

For more information on ESG risk management, please refer to the 2025 Environmental, Social and Governance Report disclosed by the Company on the SSE's website (www.sse.com.cn) and the SEHK's website (www.hkexnews.hk).



Chapter 5

Corporate Governance, Environment and Social Responsibility (Corporate Governance Report)

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 design and operation of the existing internal control system. In 2025, the Company carried out a special rectification of internal control weak areas, 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. In addition, by summarizing and sorting out the defects identified in special inspections such as the internal control evaluation and internal control supervision and inspection during the year, the Company further focused on areas with frequent risks, collaborated with relevant subsidiaries to improve control systems for key links and key areas, optimized management processes, and strengthened the effective execution of the internal control system.

The Company headquarters maintains a centralized internal audit function, which uniformly conducts internal audit activities across all subsidiary units, and has formulated the Internal Audit Management system and corresponding implementing rules. In accordance with the requirements of the Company's management and supervision, 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, the Company 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, 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 inside information such as periodic reports. During the Reporting Period, there was no insider trading before the disclosure of material and stock prices sensitive information, nor relevant punishment made by the regulatory authorities.

6. *Anti-corruption and whistleblowing*

Sinotrans strictly complies with the Supervision Law of the People's Republic of China, the Regulations on the Punishment of Managers of State-owned Enterprises, the Provisions on the Integrity of Executives of State-owned Enterprises and other national and local laws and regulations on the prevention of corruption, bribery, extortion, fraud and money laundering. It embeds integrity and compliance requirements into the entire process of corporate governance and operation and management, regulates the codes of conduct for the Company and all employees in anti-corruption, anti-bribery, and anti-money laundering, and pays attention to the compliance capability of business partners in legal operation and integrity fulfillment. Meanwhile, Sinotrans systematically identifies and prioritizes risk factors such as corruption and bribery, improper profit-seeking, and abuse of power, and takes effective measures on improving supervision mechanisms, strengthening integrity culture development, and enhancing governance effectiveness. In 2025, no corruption litigation cases against the Company or its employees were recorded by the Group, and the case clue handling rate and case investigation rate both reached 100%. For details, please refer to the 2025 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).

Chapter 5

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(V) Corporate Culture

The Group 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 Group 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 innovative integrated logistics 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 laid the foundation for the transformation and 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 2025, the Group continued to advance corporate culture development in depth. Firstly, we promoted cultural revitalization to anchor our development direction. Closely aligned with the strategic planning direction of the “15th Five-Year Plan”, we systematically developed and released the Cultural Guidance Framework for Reform, Innovation and High-Quality Development of Sinotrans in the New Era. Secondly, we deepened cultural dissemination to consolidate our driving force. We established a corporate culture lecture team, conducted extensive cultural dissemination and exchange research at the front line, planned relevant publicity around the core connotations of the “Third Entrepreneurship”, and organized the Gathering “Triple Innovation” Strength, Striving to Write a New Chapter of Reform, Innovation and High-Quality Development for Sinotrans in the New Era typical case collection campaign. Through vivid and lively grassroots practices, we comprehensively demonstrated the spirit of all employees in practicing corporate culture and striving for excellence across the entire system. Thirdly, we strengthened cultural empowerment to activate development momentum. Through diverse platforms including the official WeChat public account publicity column, the “Yunhao Cup” AI Application Innovation Competition, the “Border Youth Beijing Dream Fulfillment” public welfare project, and the “C ME FLY” overseas study program, we built a cultural communication matrix. We deeply explored and disseminated Sinotrans’ responsible image and practical achievements in driving reform and innovation through culture, fulfilling overseas responsibilities, and practicing win-win development, effectively transforming cultural soft power into hard support for deepening reform and driving development. Fourthly, we consolidated cultural support to build a brand system. We developed the “Hi-GROW” Sinotrans brand strategic planning and the “Xingyun” public welfare volunteer brand, formulated the three-year development plan for “Disaster Emergency Delivery,” and continuously enhanced Sinotrans’ brand cohesion.

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, there were some subsidiaries of Sinotrans & CSC engaged in integrated logistics business, which competed 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 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 commitments have 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. DIRECTORS AND SENIOR MANAGEMENT

(I) Changes in Shareholding and Remuneration of Present Directors 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 year	Reasons for the Change	Total pre-tax remuneration received from the Company during the Reporting Period (RMB0'000)	Whether to get remuneration from related parties of the Company
Zhang Yi	Chairman, Director	male	54	3 April 2025	6 June 2027	0	0	0	/	95.87	N
Gao Xiang	Director President Vice President Chief Digital Officer	male	53	30 June 2025 7 May 2025 23 February 2022 14 September 2016	6 June 2027 6 June 2027 7 May 2025 6 June 2027	210,000	509,600	299,600	Note 3	142.54	N
Yang Guofeng	Director	male	54	29 October 2024	6 June 2027	0	0	0	/	0	Y
Luo Li	Director	female	42	28 September 2022	6 June 2027	0	0	0	/	0	Y
Yu Zhiliang	Director	male	57	31 July 2023	6 June 2027	0	0	0	/	0	Y
Huang Chuanjing	Director	male	42	5 June 2025	6 June 2027	0	0	0	/	0	Y
Jerry Hsu	Director	male	75	18 June 2003	6 June 2027	0	0	0	/	0	N
Gong Weiguo	Director	male	54	29 December 2025	6 June 2027	0	0	0	/	0	Y
Wang Xiaoli	Independent non-executive Director	female	63	7 June 2024	6 June 2027	0	0	0	/	16.62	N
Ning Yaping	Independent non-executive Director	female	66	7 June 2024	6 June 2027	0	0	0	/	16.62	N
Cui Xinjian	Independent non-executive Director	male	63	7 June 2024	6 June 2027	0	0	0	/	16.62	N
Cui Fan	Independent non-executive Director	male	53	7 June 2024	6 June 2027	0	0	0	/	16.62	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 year	Reasons for the Change	Total pre-tax remuneration received from the Company during the Reporting Period (RMB0'000)	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	55	23 February 2022 28 December 2016 27 December 2019 24 January 2025	6 June 2027 6 June 2027 6 June 2027 6 June 2027	256,267	384,434	128,167	Note 3, Note 4	119.67	N
Li Xiaoyan	Chief Financial Officer	female	48	20 May 2024	6 June 2027	0	0	0	/	115.03	N
He Fei	Vice President	male	43	15 June 2022	6 June 2027	0	0	0	/	119.67	N
Wang Dupeng	Vice President	male	54	16 June 2023	6 June 2027	285,267	385,634	100,367	Note 3, Note 4	121.19	N
Wang Jian	Vice President	male	54	14 August 2023	6 June 2027	160,000	388,867	228,867	Note 3	126.41	N
Wang Xiufeng (Resigned)	Chairman, Director	male	55	31 July 2023	14 March 2025	0	0	0	/	0	Y
Song Rong (Resigned)	Director President	male	53	1 June 2018 22 April 2019	6 June 2025 14 March 2025	100,000	75,000	-25,000	Note 4	25.30	Y
Tao Wu (Resigned)	Director	male	59	31 July 2023	12 May 2025	0	0	0	/	0	Y
Tian Lei (Resigned)	General Counsel (Chief Compliance Officer)	male	60	27 August 2020	24 January 2025	278,600	464,400	185,800	Note 3, Note 4	59.11	N
Total	/	/	/	/	/	1,290,134	2,207,935	917,801	/	991.27	/

Notes:

- The above remuneration is the remuneration received from the Company by the above people 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 9 Financial Report" of this Report.
- The changes in Directors or Senior Management are detailed in this chapter "III. (IV) Changes of Directors and Senior Management of the Company".
- Exercised the share options.
- Reduced the shareholding in the secondary market.

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Name	Major work experience
Zhang Yi	Mr. Zhang Yi is the Chairman of the Company, and Chairman of the Strategy and Sustainable Development Committee and a member of the Nomination Committee of the Board. Mr. Zhang is a Senior Economist. He obtained a bachelor's degree of engineering in transportation management from Wuhan Institute of Water Transport Engineering, and a doctorate degree of engineering in transportation planning and management from Wuhan University of Technology. Mr. Zhang served as the Assistant to the Director and Deputy Director of Zhanjiang Port Bureau, the President, a Director and the Chairman of the Board of Directors of Zhanjiang Port (Group) Co., Ltd. From July 2017 to August 2021, he served as a Deputy General Manager of China Merchants Port Holdings Company Limited (Stock code: HK00144). From December 2018 to August 2021, he concurrently served as a Director, the Chief Operating Officer and General Manager of China Merchants Port Group Co., Ltd. (Stock code: SZ001872). From April 2020 to February 2022, he served as a Director and the Chief Executive Officer of Liaoning Port Group Limited. From November 2021 to February 2022, he served as a Director and the Chairman of the Board of Directors of Liaoning Port Co., Ltd. (Stock codes: SH601880, HK02880). From February 2022 to March 2025, he served as the Chairman of the Board of Directors of China Yangtze Shipping Group Co., Ltd. From April 2022 to April 2025, he has served as a Director and the Chairman of the Board of Directors of Nanjing Tanker Corporation (Stock code: SH601975). In April 2025, he was appointed as the Chairman and a Director of the Company. In August 2025, Mr. Zhang was appointed as the chairman of DHL-Sinotrans International Air Courier Ltd.
Gao Xiang	Mr. Gao Xiang is a Director, the President, Chief Digital Officer of the Company and a member of the Strategy and Sustainable Development Committee of the Board. Mr. Gao graduated from Nankai University in 1995. From 1995 to 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 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). From February 2022 to May 2025, 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. In May 2025, Mr. Gao was appointed as the President of the Company. In June 2025, Mr. Gao was appointed as a Director of the Company.



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Name	Major work experience
Yang Guofeng	Mr. Yang Guofeng is a 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 General Manager of Sinotrans & CSC Holdings Co., Ltd. (Group Beijing Headquarters). 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., the Head of Transportation and Logistics Division of China Merchants Group Limited, and General Manager of Sinotrans & CSC Holdings Co., Ltd. (Group Beijing Headquarters), etc.. Mr. Yang was appointed as a Director of the Company in October 2024.
Luo Li	Ms. Luo Li is a 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's degree in economics. She currently serves as the Head of the Finance Department (Property Rights Department) of China Merchants Group Limited. Ms. Luo successively served as the General Manager of Settlement Department and Assistant to General Manager 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, Deputy of the Finance Department (Property Rights Department) of China Merchants, and a Director of China Merchants Shekou Industrial Zone Holdings Co., Ltd. (Stock Code: SZ001979). In April 2025, Ms. Luo was appointed as a Director of China Merchants Securities Co., Ltd. (Stock Codes: SH600999 and HK06099). Ms. Luo was appointed as a Director of the Company in September 2022.



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Name	Major work experience
Yu Zhiliang	Mr. Yu Zhiliang is a 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 the Group Headquarters) of China Merchants Group Limited. From December 2020 to June 2023, Mr. Yu served as Vice President (with President ranking of the Group second-tier subsidiary) 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 Co., Ltd. (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 a Director of the Company in July 2023.
Huang Chuanjing	Mr. Huang Chuanjing is a Director of the Company. Mr. Huang holds a master's degree in Business Administration from the University of Wales, UK. Mr. Huang is a professional external Director appointed by China Merchants Group Limited. Mr. Huang has successively served as the Head of Terminal Operations Department of China Merchants International Terminal (Qingdao) Co., Ltd., Director of Administration Department of China Merchants Holdings (International) Company Limited, Deputy Director of the General Office and Deputy Director of the Office of Board of Directors of China Merchants Group Limited, Vice President, Board Secretary and Chief Digital Officer of China Merchants Port Group Co., Ltd. (Stock code: SZ001872), Chairman of Shekou Container Terminal Co., Ltd., Chairman of Chiwan Container Terminal Co., Ltd., and Chairman of China Merchants Bonded Logistics Co., Ltd., Vice President of China Merchants Taipingwan Development and Investment Co., Ltd., Executive Deputy Director of Dalian Taipingwan Cooperation and Innovation Zone Administrative Commission, and Chairman of Dalian Taipingwan Cooperation and Innovation Zone Construction Investment Co., Ltd. Since May 2025, he has been serving as a Director of China Merchants Shekou Industrial Zone Holdings Co., Ltd. (Stock Code: SZ001979). Since September 2025, he has been serving as a Director of China Merchants Energy Shipping Co., Ltd. (Stock Code: SH601872). Mr. Huang was appointed as a Director of the Company in June 2025.



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Name	Major work experience
Jerry Hsu	Mr. Jerry Hsu is a 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. Mr. Hsu also currently serves as Vice Chairman of DHL-Sinotrans International Air Courier Ltd., a joint venture between DHL and Sinotrans. 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, Chinese Taiwan, 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 HKSAR, Singapore, Chinese 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 Deutsche Post World Net Group ("DPWN Group"). Mr. Hsu was appointed as a 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 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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Name	Major work experience
Gong Weiguo	Mr. Gong Weiguo is a Director of the Company. Mr. Gong is currently the President of China Southern Air Logistics Co., Ltd. Mr. Gong obtained a bachelor's degree of science in applied chemistry from the Chemistry Department of Sun Yat-sen University. He served as the Vice President at the Cargo Department of China Southern Airlines Co., Ltd., and as the Vice President at China Southern Air Logistics (Guangzhou) Co., Ltd. Since April 2022, he has served as the President at China Southern Air Logistics Co., Ltd. (which was renamed in November 2022 and formerly known as China Southern Air Logistics Company Limited). Mr. Gong was appointed as Director of the Company in December 2025.
Wang Xiaoli	Ms. Wang Xiaoli is an 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 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 an independent non-executive Director of the Company in June 2024.
Ning Yaping	Ms. Ning Yaping is an independent non-executive Director of the Company and the Chairman of the Audit Committee and a 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 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 an independent non-executive Director of the Company in June 2024.



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Name	Major work experience
Cui Xinjian	Mr. Cui Xinjian is an independent non-executive Director of the Company, the Chairman of the Nomination Committee and a 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 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 and an external director of Beijing Infrastructure Investment 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 an independent non-executive Director of the Company in June 2024.
Cui Fan	Mr. Cui Fan is an independent non-executive Director of the Company and the Chairman of the Remuneration Committee and a 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 Chief Expert of 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 of the Ministry of Commerce of the PRC, the Executive Lead of the Expert Committee on International Financial Studies of the Ministry of Finance of the PRC, 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 an independent non-executive Director of the Company in June 2024.



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Name	Major work experience
Li Shichu	Mr. Li Shichu is the Vice President, Board Secretary/Company Secretary and 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 June 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.
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 Certified 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 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. in 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, and 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 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, and the deputy mayor of the Guiyang Municipal Government.



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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 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 Shareholding's entity	Position in the Shareholding's entity	Start date of appointment	End date of appointment
Yang Guofeng	China Merchants Group Limited	Head of Transportation and Logistics Division	April 2024	November 2025
	Sinotrans & CSC Holdings Co., Ltd. (Group Beijing Headquarters)	General Manager	April 2024	
Luo Li	China Merchants Group Limited	Head of Finance Department (Property Rights Department)	November 2024	January 2025
	Sinotrans & CSC Holdings Co., Ltd.	Director	January 2024	
Yu Zhiliang	China Merchants Group Limited	Full-time External Director	June 2023	April 2025
	China Merchants Group Limited	Full-time External Director	June 2023	
Huang Chuanjing	China Merchants Group Limited	Full-time External Director	April 2025	
Wang Xiufeng (Resigned)	China Merchants Group Limited	Vice President	April 2023	May 2025
Song Rong (Resigned)	China Merchants Group Limited	Vice President	March 2025	
Tao Wu (Resigned)	China Merchants Group Limited	Full-time External Director	June 2023	
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 entity	Position in the entity	Start date of appointment	End date of appointment
Zhang Yi	DHL-Sinotrans International Air Courier Ltd.	Chairman	August 2025	
Gao Xiang	CYANTRON LOGISTICS TECHNOLOGY CO., LTD	Chairman	October 2025	
	DHL-Sinotrans International Air Courier Ltd.	Director	December 2024	
	China Data Link Logistics Information Co., Ltd.	Director	April 2025	
Luo Li	China Merchants Investment Development Co., Ltd.	Director	September 2022	
	Liaoning Port Group Co., Ltd.	Director	January 2025	
	China Merchants Securities Co., Ltd.	Director	April 2025	
	China Merchants United Development Limited	Chairman	May 2025	
	China Merchants Finance Co., Ltd.	Director	September 2022	June 2025
	China Merchants Hoi Tung Trading Company Limited	Director	September 2022	January 2025
	China Merchants (Shanghai) Co., Ltd	Supervisor	October 2022	April 2025
	Bosera Funds Management Co., Ltd.	Director	July 2024	February 2026
Yu Zhiliang	China Merchants Energy Shipping Co., Ltd.	Director	July 2023	
	China Merchants Shekou Industrial Zone Holdings Co., Ltd.	Director	November 2023	
Huang Chuanjing	China Merchants Shekou Industrial Zone Holdings Co., Ltd.	Director	May 2025	
	China Merchants Energy Shipping Co., Ltd.	Director	September 2025	
Jerry Hsu	DHL-Sinotrans International Air Courier Ltd.	Vice Chairman	November 2002	
Gong Weiguo	China Southern Air Logistics Co., Ltd.	President	April 2022	
	Zhuhai Hengqi Enterprise Management Co., Ltd.	President	December 2022	
Cui Xinjian	Central University of Finance and Economics	Professor, PhD Supervisor	November 2003	
	Beijing Infrastructure Investment Co., Ltd.	External Director	April 2025	

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Name of officer	Name of the entity	Position in the entity	Start date of appointment	End date of appointment
Cui Fan	University of International Business and Economics	Professor, PhD Supervisor	January 2014	
Li Shichu	DHL-Sinotrans International Air Courier Ltd.	Director	June 2019	
	Nissin-Sinotrans International Logistics Co., Ltd.	Chairman	March 2024	
Li Xiaoyan	DHL-Sinotrans International Air Courier Ltd.	Director	December 2024	
Wang Dupeng	Shanghai Bulk Commodity Warehouse Receipt Registration Co., Ltd.	Director	December 2022	
Wang Jian	Shenzhen Haixing Harbor Development Co., Ltd.	Vice Chairman	December 2021	
Wang Xiufeng (Resigned)	China Nanshan Development (Group) Incorporation	Chairman	December 2024	October 2025
Song Rong (Resigned)	Loscam International Holdings Co., Ltd.	Chairman	December 2018	October 2025
	CYANTRON LOGISTICS TECHNOLOGY CO., LTD.	Chairman	March 2022	October 2025
	DHL-Sinotrans International Air Courier Ltd.	Chairman	June 2022	August 2025
	International Djibouti Industrial Parks Operation FZCO	Director	August 2024	July 2025
	Khor Ambado FZCO	Director	August 2024	July 2025
	East Aden Holding Company Limited	Director	August 2024	July 2025
	China Merchants Expressway Network & Technology Holdings Co., Ltd.	Chairman	July 2025	
Tao Wu (Resigned)	China Merchants Energy Shipping Co., Ltd.	Director	July 2023	July 2025
	China Merchants Shekou Industrial Zone Holdings Co., Ltd.	Director	November 2023	May 2025
	China Merchants Financial Leasing Co., Ltd.	Director	April 2025	December 2025
	China Merchants Innovation Investment Management Co., Ltd.	Director	April 2025	
Explanation on position in other entities	The above positions do not include those of Directors and Senior Management in Sinotrans, its subsidiaries and its shareholders' entities.			

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

☒Applicable ☐Not applicable

Decision-making process of remuneration of Directors 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 proposes to the Board on the remuneration of Directors. The remuneration of Senior Management is determined by the Board. The remuneration of Directors who are non-staff representative is determined by the general meetings.

Whether Directors avoid discussing their own remuneration 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 and Senior Management

The Remuneration Committee of the Company reviewed the proposal on the Settlement of 2024 Annual Income and the Payment of 2025 Remuneration for the Director and Senior Management, and the proposal for the Breakdown of 2025 Annual Key Performance Indicators (KPIs) and 2025-2027 Term Strategic Performance Metrics for Senior Management, both were approved by all voting members.

Basis for determining the remuneration of Directors, and Senior Management

The remuneration of Directors 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 and Senior Management

Please refer to the "III. (I) Changes in Shareholding and Remuneration of Present Directors and Senior Management and the Ones Resigned During the Reporting Period" of this section.



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Total payment of remuneration before tax to Directors and Senior Management as at the end of the Reporting Period

Please refer to the “III. (I) Changes in Shareholding and Remuneration of Present Directors and Senior Management and the Ones Resigned During the Reporting Period” of this section.

The basis for assessment and fulfillment status of actual compensation received by all Directors and Senior Management as at the end of the Reporting Period

The assessment results for the comprehensive evaluation of all Senior Management for the 2022-2024 term and the 2024 annual KPI performance review have been reviewed and approved by the Remuneration Committee and the Board of the Company.

The deferred payment arrangements for actual compensation received by all Directors and Senior Management as at the end of the Reporting Period

During the Reporting Period, the payment schedule of performance-based annual salaries for certain Director and all Senior Management is linked to risk prevention and control, as well as project completion. In principle, the proportion of deferred payment is no less than 20% of the annual performance-based salary, with a deferral period of no less than 3 years.

The clawback and suspension of payment status for actual compensation received by all Directors and Senior Management as at the end of the Reporting Period

As at the end of the Reporting Period, no Directors or Senior Management have caused losses to the Company due to violations of duties, nor have they been found at fault for illegal or non-compliant activities such as financial fraud, misappropriation of funds, or unauthorized guarantees. Accordingly, no clawback or suspension of compensation has occurred.

Note: The pre-tax remuneration to Directors 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 and Senior Management of the Company

✓Applicable □Not applicable

Name	Position	Changes	Reasons for Changes
Zhang Yi (Note 1)	Chairman, Director	Elected	Director change
Gao Xiang (Note 2)	Director, President	Elected/Appointed	Director/Senior Management change
Huang Chuanjing (Note 3)	Director	Elected	Director change
Gong Weiguo (Note 4)	Director	Elected	Nomination by Shareholders
Li Shichu (Note 5)	General Counsel (Chief Compliance Officer)	Appointed	Work re-allocation
Wang Xiufeng (Note 1)	Chairman, Director	Resigned	Work re-allocation
Song Rong (Note 2)	Director, President	Resigned	Work re-allocation
Tao Wu (Note 3)	Director	Resigned	Work re-allocation
Gao Xiang (Note 2)	Vice-president	Resigned	Work re-allocation
Tian Lei (Note 5)	General Counsel (Chief Compliance Officer)	Resigned	Work re-allocation

Notes:

1. In March 2025, the Board received the resignation letter from Mr. Wang Xiufeng, due to the work re-allocation, Mr. Wang Xiufeng resigned as the Chairman and the Director with effect from 14 March 2025. Accordingly, Mr. Wang Xiufeng also ceased to be the member of the Nomination Committee and the chairman of the Strategy and Sustainable Development Committee of the Board.

On 3 April 2025, the 2025 first extraordinary general meeting of the Company considered and approved the "Proposal on the Election of the Director", at which Mr. Zhang Yi was elected as the Director, with a term of office from the date of the approval of the Shareholders at the general meeting of the Company to the date of conclusion of the fourth session of the Board. The ninth meeting of the fourth session of the Board of the Company held on the same date, considered and approved the "Proposal on the Election of Mr. Zhang Yi as the Chairman (Legal Representative) of the Company", at which Mr. Zhang Yi was elected as the Chairman (Legal Representative) of the Company, with a term of office from 3 April 2025 to the date of conclusion of the fourth session of the Board. Mr. Zhang Yi obtained legal advice pursuant to Rule 3.09D of the SEHK Listing Rules on 14 March 2025, and confirmed that he has understood his responsibilities as a Director.

2. In March 2025, the Board received the resignation letter from Mr. Song Rong, due to the work re-allocation, Mr. Song Rong resigned as the President with effect from 14 March 2025. In June 2025, the Board received the resignation letter from Mr. Song Rong, due to the work re-allocation, Mr. Song Rong resigned as the Director with effect from 6 June 2025. Accordingly, Mr. Song Rong also ceased to be the member of the Strategy and Sustainable Development Committee of the Board.

On 7 May 2025, the eleventh meeting of the fourth session of the Board of the Company considered and approved the "Proposal on the Appointment and Removal of Senior Management", at which Mr. Gao Xiang was redesignated from the vice president to the president of the Company, with a term of office from the date of the approval of the Board to the date of conclusion of the fourth session of the Board. On 30 June 2025, the 2025 second extraordinary general meeting of the Company, considered and approved the "Proposal on the Election of the Director", at which Mr. Gao Xiang was elected as the Director, with a term of office from the date of the approval of the Shareholders at the general meeting of the Company to the date of conclusion of the fourth session of the Board. Mr. Gao Xiang obtained legal advice pursuant to Rule 3.09D of the SEHK Listing Rules on 6 June 2025, and confirmed that he has understood his responsibilities as a Director.

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3. In May 2025, the Board received the resignation letter from Mr. Tao Wu, due to the work re-allocation, Mr. Tao Wu resigned as the Director with effect from 12 May 2025.

On 5 June 2025, the 2024 Annual General Meeting of the Company considered and approved “Proposal on the Election of the Director”, at which Mr. Huang Chuanjing was elected as the Director, with a term of office from the date of the approval of the Shareholders at the general meeting of the Company to the date of conclusion of the fourth session of the Board. Mr. Huang Chuanjing obtained legal advice pursuant to Rule 3.09D of the SEHK Listing Rules on 12 May 2025, and confirmed that he has understood his responsibilities as a Director.

4. On 29 December 2025, the 2025 fourth extraordinary general meeting of the Company considered and approved the “Proposal on Increasing the Number of Board Seats and Amending the Relevant Provisions of the Articles of Association and its Appendices” and the “Proposal on the Additional Election of Mr. Gong Weiguo as a Director of the Company”, according to which, the Company increased the number of Board members from 11 to 12; and Mr. Gong Weiguo was elected as additional Director of the Company, 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. Gong Weiguo obtained legal advice pursuant to Rule 3.09D of the SEHK Listing Rules on 11 December 2025, and confirmed that he has understood his responsibilities as a Director.
5. In January 2025, the Board received the resignation letter from Mr. Tian Lei, 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 sixth 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.
6. On 30 September 2025, the Company convened the 2025 third extraordinary general meeting, at which the Proposal on Amending the Articles of Association and Abolishing the Supervisory Committee was reviewed and approved. The shareholders agreed to abolish the Supervisory Committee, delete relevant provisions concerning the Supervisory Committee, and the Audit Committee of the Board exercise the powers and functions of the Supervisory Committee as stipulated in the Company Law.

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' 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. Details of the remuneration of the Directors are set out in "III. (I) Changes in Shareholding and Remuneration of Present Directors 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 and Chief Executive

As at 31 December 2025, so far as the Directors were aware, the interests or short positions of the Directors, 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 the 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 the 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 2025 (%)	Approximate percentage of the issued share capital of the Company as at 31 December 2025 (%)
Gao Xiang	Director, President, Chief Digital Officer	A Shares	Beneficial Owner	509,600 (L) (Note 2)	0.0099	0.0071

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

Note 2: On 25 January 2022, Mr. Gao Xiang was granted 898,800 Share Options pursuant to Share Option Scheme of the Company. Among them, 509,600 Share Options have completed exercise registration on 27 March 2024, 12 November 2024, 28 March 2025 and 25 November 2025, 389,200 Share Options have been lapsed and cancelled because the exercise conditions were not met.

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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, 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 the 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 the 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' Interests in Transactions, Arrangements or Contracts

During the Reporting Period, none of the Directors or any entities connected with such Directors 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 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 in Competing Businesses

As at the date of disclosure of this Report, Mr. Gong Weiguo serves as President of China Southern Airlines Logistics Co., Ltd.. China Southern Airlines Logistics Co., Ltd. is engaged in air logistics and transportation business, which constitutes a certain degree of competition with the air freight forwarding business of the Group.

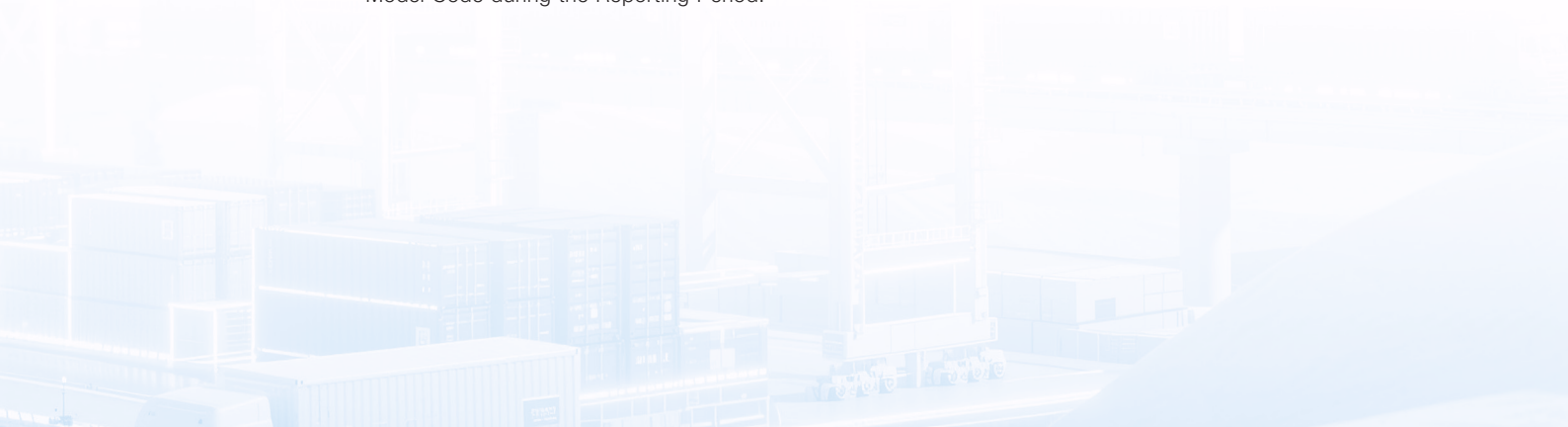
Save as disclosed in this Annual Report, as at the date of disclosure of this Report, no directors held any interest in any business that directly or indirectly constitutes or may constitute competition with the Group.

5. Directors' Rights to Acquire Shares or Bonds

Other than the Share Option Incentive Scheme adopted by the Company on 24 January 2022 (please refer to "XI. 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 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

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



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IV. SHAREHOLDERS' RIGHTS

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

1. Pursuant to Article 51 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 of Director for convening an extraordinary general meeting, and shall do so in writing. The Board of Directors shall, in accordance with laws, administrative regulations and these 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 of Directors agrees to convene the extraordinary general meeting, it shall issue a notice of convening a general meeting within five days of making a resolution. Any changes in the original request in the notice shall be approved by the relevant shareholders.
- (2) In the event that the Board of Directors does not agree to convene the extraordinary general meeting or does not make any feedback within ten days of 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 Audit Committee the convening of an extraordinary general meeting, and shall do so in writing.

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

In the event that the Audit 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 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 98 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 at ten percent (inclusive) or more of the shares with voting rights at a meeting may request the Board of Directors to convene a class meeting by signing and submitting to the Board of Directors one or more counterpart written request(s) to convene such a meeting. The written request must state the matters to be considered at that meeting. The Board of Directors 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 of Directors 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 of Directors 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 of Directors 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 52 of the Articles of Association, in the event that the Audit Committee or shareholders decide(s) to convene a general meeting on its/their own, it or they shall notify the Board of Directors in writing and report the same to the stock exchange for record. The Audit Committee or the convening shareholders shall submit relevant evidence to the stock exchange when giving a notice of general meeting and making an announcement on the resolutions made at such meeting. Before making an announcement on a resolution made at the general meeting, the percentage of voting shares held by the convening shareholders may not be less than ten percent.

(II) Shareholders' Right to Put Forward Provisional Proposals

Pursuant to Article 56 of the Articles of Association, shareholders individually or jointly holding more than one percent of voting shares of the Company may bring forward provisional proposals and submit the same in writing to the convenor ten days prior to the general meeting. The convenor shall issue a supplementary notice of general meeting within two days of receiving the proposals to publish particulars of the provisional proposals, and submit the provisional proposals to the general meeting for consideration, unless the provisional proposals violate laws, administrative regulations or these Articles of Association, or do not fall within the scope of power of the general meeting.

(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, minutes of general meetings, resolutions of Board meetings, corporate bond certificates, 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. 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 meeting; to implement the resolutions of the general meeting; to devise the Company's strategies, medium- and long-term development plans, and 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 meeting; to determine the establishment of the Company's internal management structure; to determine the appointment or dismissal of the Company's president and the secretary of the Board and other senior management and decide on their remunerations, rewards and penalties; and pursuant to the president's nominations to determine the appointment or dismissal of the vice presidents, the Chief Financial Officer, the Chief Digital Officer, the General Counsel (Chief Compliance Officer) and other senior management of the Company, assess their performance 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 meeting for appointment or replacement of the accounting firms serving as the auditors of the Company; to receive work report submitted by the president, to review his performance and to appraise effectiveness of the compliance management of the Company; to develop the Company's major income distribution plans and decide on significant matters related to employees' income distribution, 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 meeting 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 Directors' possible involvement in legal action.

In 2025, the Company expanded its Board from 11 to 12 members, and completed the change and election of the additional Director. As at 31 December 2025, the Board comprised 12 Directors, including 8 Directors, namely Mr. Zhang Yi (the Chairman), Mr. Gao Xiang, Mr. Yang Guofeng, Ms. Luo Li, Mr. Yu Zhiliang, Mr. Huang Chuanjing, Mr. Jerry Hsu and Mr. Gong Weiguo 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 is no less than one-third of the number of the board members, among which, Ms. Ning Yaping is an accounting professional, thus 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 "III. Directors 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 Board 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.

As at 31 December 2025, the Board had 3 female Directors, the proportion of the female Directors to the total number of Directors was 25%. The female employees, distributed in different regions, at various ages and with different educational backgrounds, accounted for 39.42% of the total 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 2025 and believes that the diversity policy of the Board in 2025 has been effectively implemented.

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(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.

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, which 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.



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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 prior review 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 Rules of Authorization Management of the Board 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 “V. 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 specific 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

In 2025, the Company amended the Rules of Authorization Management of the Board, further clarified the scope of authorization matters for the Chairman and the President. As of 31 December 2025, Mr. Zhang Yi and Mr. Gao Xiang served as Chairman and President of the Company respectively, with clearly defined responsibilities between the two positions. According to the Articles of Association and the Rules of Authorization Management of the Board, the Chairman is responsible for presiding over the general meetings, the management of the Board's operation, ensuring that the Company formulates sound corporate governance practices and procedures, and other matters authorized by the Board, while the President is responsible for the business management of the Company, implementation of board resolutions and other matters authorized by the Board.

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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VI. THE PERFORMANCE OF DIRECTORS' DUTIES

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

Director Name	Independent Director	Number of Board Meetings to Attend This Year	Attended in Person	Attended by Communication	Attended by Proxy	Absent	Attendance Rate in Person	Consecutive Two Times Not Attending in Person	Shareholders' Meeting Attendance Number of Shareholders' Meetings Attended/ Number of Shareholders' Meetings to Attend
Zhang Yi	No	13	13	6	0	0	100%	No	7/8
Gao Xiang	No	7	7	2	0	0	100%	No	0/4
Yang Guofeng	No	16	15	8	1	0	93.75%	No	3/9
Luo Li	No	16	15	8	1	0	93.75%	No	8/9
Yu Zhiliang	No	16	15	8	1	0	93.75%	No	9/9
Huang Chuanjing	No	9	9	3	0	0	100%	No	5/5
Jerry Hsu	No	16	11	8	5	0	68.75%	Yes	3/9
Gong Weiguo	No	0	0	0	0	0	/	No	/
Wang Xiaoli	Yes	16	16	8	0	0	100%	No	9/9
Ning Yaping	Yes	16	16	8	0	0	100%	No	9/9
Cui Xinjian	Yes	16	16	8	0	0	100%	No	9/9
Cui Fan	Yes	16	15	8	1	0	93.75%	No	9/9
Wang Xiufeng	No	1	1	1	0	0	100%	No	0/0
(Resigned)									
Song Rong	No	7	6	5	1	0	85.71%	No	0/4
(Resigned)									
Tao Wu	No	6	6	4	0	0	100%	No	1/1
(Resigned)									

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

☒ Applicable ☐ Not applicable

On 26 June 2025 and 31 July 2025, the Company convened the 14th and 15th meetings of the fourth session of the Board respectively. Due to other arrangement, Mr. Jerry Hsu, a Director, respectively entrusted Mr. Cui Fan and Ms. Ning Yaping, independent non-executive Directors, to attend and vote on his behalf at the respective meetings, and voted in favor of all proposals.

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On 9 September 2025 and 27 October 2025, the Company convened the 17th and 18th meetings of the fourth session of the Board respectively. Due to other arrangement, Mr. Jerry Hsu, a Director, entrusted Ms. Ning Yaping and Mr. Cui Fan, independent non-executive Directors, to attend and vote on his behalf at the respective meetings, and voted in favor of all proposals.

Number of Board meetings held during the year	16
Including: Number of on-site meetings	0
Number of meetings held by way of telecommunication	8
Number of meetings held in a mixed model	8

(II) Dissenting Opinions Brought by Directors on Related Matters of the Company

☐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 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 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 Company actively organized research and investigation activities for external Directors, a total of 9 collective research activities focusing on “river-sea intermodal transport”, air freight business, major projects, technological innovation, and green low-carbon initiatives. These activities enabled in-depth understanding of front-line business operations and scenarios, and the Directors put forward constructive comments and suggestions. The participation of Directors in continuous professional development during the Reporting Period is set out below:



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Name	Reading the Compilation of Listing Compliance Obligations and Codes of Conduct of Controlling Shareholder, Actual Controller, Directors and Senior Management and Guide for Directors and Senior Management 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
Zhang Yi	✓	✓	✓	✓
Gao Xiang	✓	✓	✓	✓
Yang Guofeng		✓	✓	✓
Luo Li		✓	✓	✓
Yu Zhiliang		✓	✓	✓
Huang Chuanjing	✓	✓	✓	✓
Jerry Hsu		✓	✓	✓
Gong Weiguo	✓	✓	✓	✓
Wang Xiaoli		✓	✓	✓
Ning Yaping		✓	✓	✓
Cui Xinjian		✓	✓	✓
Cui Fan		✓	✓	✓



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VII. PROFESSIONAL COMMITTEES OF THE BOARD

✓Applicable ☐Not applicable

(I) Composition of Professional Committees of the Board

As at 31 December 2025, the members of the professional committees of the Board are as follows:

Name of Professional Committee	Current Members
Audit Committee	Ms. Ning Yaping (the chairman), 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. Zhang Yi (the Chairman of the Board), Ms. Wang Xiaoli (independent non-executive Director), Ms. Ning Yaping (independent non-executive Director), 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. Zhang Yi (the chairman, the Chairman of the Board), Mr. Gao Xiang (Director), Mr. Yang Guofeng (Director), Mr. Yu Zhiliang (Director), Mr. Cui Xinjian (independent non-executive Director)

Notes:

1. Mr. Wang Xiufeng no longer served as the Chairman of the Board, Director, member of the Nomination Committee, and chairman of the Strategy and Sustainable Development Committee of the Company from 14 March 2025. Mr. Zhang Yi started to serve as the Chairman of the Board, Director, a member of the Nomination Committee, and the Chairman of the Strategy and Sustainable Development Committee of the Company from 3 April 2025.
2. Mr. Song Rong no longer served as the Director and the member of the Strategy and Sustainable Development Committee of the Company from 6 June 2025. Mr. Gao Xiang started to serve as a Director from 30 June 2025 and as a member of the Strategy and Sustainable Development Committee of the Company from 31 July 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. 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. In addition, the Company convened the 2025 third extraordinary general meeting, at which the Proposal on Amending the Articles of Association and Abolishing the Supervisory Committee was reviewed and approved, agreeing to abolish the Supervisory Committee, and the Audit Committee of the Board shall exercise the powers and functions of the Supervisory Committee as stipulated in the Company Law.

3. Meetings and attendance

During the Reporting Period, the Audit Committee of the Company held 6 meetings in total, which are as follows:

Date of Meeting	Meeting Content
13 January 2025	Heard 2 proposals including the report on the Company's 2024 annual operating performance and the report from external auditors on the 2024 annual audit plan and pre-audit work arrangements
21 March 2025	Reviewed/heard 8 proposals including the Company's 2024 annual financial final accounts report, re-appointment of external auditors for 2025, 2024 annual internal control evaluation report and 2025 evaluation plan, 2024 annual internal control audit report, 2024 annual risk control, compliance and audit work report, 2024 external guarantees, the Audit Committee's assessment report on the accounting firm's performance in 2024 and report on the discharge of supervisory duties, and auditors' report on the implementation of the Company's 2024 annual final accounts
25 April 2025	Reviewed the Company's 2025 First Quarterly Report
22 August 2025	Reviewed/heard 2 proposals including the 2025 Interim Report and external auditors' review matters on the Company's 2025 interim report
24 October 2025	Reviewed 2 proposals including the 2025 Third Quarterly Report and adjustment of the Company's share option exercise price
28 November 2025	Reviewed 2 proposals including the unfulfillment of the exercise conditions for the third exercise period under Share Option Incentive Scheme (Phase I) of the Company and the proposed cancellation of part of Share Options

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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, enhancement of operational quality and active response to changes in domestic and international economic and political situations, etc.. agreeing to submit relevant resolutions to the Board for consideration. For the specific performance of the Audit Committee, please refer to the 2025 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 2025 annual results on 27 March 2026.

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	
Ning Yaping (chairman)	6	6	0	0
Wang Xiaoli	6	6	0	0
Cui Xinjian	6	6	0	0
Cui Fan	6	6	0	0

(III) Nomination Committee

1. Main duties

The principal terms of reference of the Nomination Committee include selecting and advising on the candidates, selection 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 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 1% of the total voting shares of the Company may put forward director candidates (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 6 meetings in total, which are as follows:

Date of Meeting	Meeting Content
23 January 2025	Reviewed the proposal on appointing the General Legal Counsel (Chief Compliance Officer) of the Company
14 March 2025	Reviewed the proposal on electing the Director
7 May 2025	Reviewed the proposal on appointment and removal of Senior Management
12 May 2025	Reviewed the proposal on electing the Director
6 June 2025	Reviewed the proposal on electing the Director
11 December 2025	Reviewed 2 proposals: 1. Proposal on increasing Board seats and amending relevant provisions of the Articles of Association and its annexes; 2. Proposal on electing additional 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	
Cui Xinjian (chairman)	6	6	0	0
Zhang Yi	4	4	0	0
Wang Xiaoli	6	6	0	0
Ning Yaping	6	6	0	0
Cui Fan	6	6	0	0
Wang Xiufeng (Resigned)	1	1	0	0

(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 4 meetings in total, which are as follows:

Date of Meeting	Meeting Content
23 January 2025	Reviewed 2 proposals: 1. Proposal on the fulfillment of the exercise conditions for the second exercise period under Share Option Incentive Scheme (Phase I) of the Company; 2. Proposal on the proposed cancellation of part of Share Options
21 March 2025	Reviewed the proposal on the Director' and Senior Management's Performance Appraisal and Remuneration Distribution for the Year 2024
8 September 2025	Reviewed the proposal on the performance appraisal results of Senior Management for 2024 and the 2022-2024 term
28 November 2025	Reviewed 3 proposals: 1. Proposal on the breakdown of 2025 Annual Key Performance Indicators (KPIs) and 2025-2027 Term Strategic Performance Metrics for Senior Management; 2. Proposal on the unfulfillment of the exercise conditions for the third exercise period under Share Option Incentive Scheme (Phase I) of the Company; 3. Proposal on the proposed cancellation of part of Share Options

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	
Cui Fan (chairman)	4	4	0	0
Wang Xiaoli	4	4	0	0
Ning Yaping	4	4	0	0
Cui Xinjian	4	4	0	0

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(V) Strategy and Sustainable Development Committee

1. *Main Duties*

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; analyzing 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, evaluate the Company's governance structure and organizational structure, and examine the Company's policies regarding compliance with laws and regulatory requirements.

2. During the Reporting Period, the Company held the meeting of Strategic and Sustainable Development Committee on 25 March 2025 to consider and approve the proposal on the 2024 Environmental, Social and Governance Report, and the then member Mr. Song Rong, Mr. Yang Guofeng, Mr. Yu Zhiliang, and Mr. Cui Xinjian all attended the meeting.

(VI) The Particular Conditions of the Objection

☐Applicable ☒Not applicable

VIII. EXPLANATION ON EXISTENCE OF RISKS DISCOVERED BY THE AUDIT COMMITTEE

☐Applicable ☒Not applicable



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IX. EMPLOYEES OF THE COMPANY AND MATERIAL SUBSIDIARIES

(I) Employees

Number of employees of the parent company	227
Number of employees of major subsidiaries	31,726
Total number of employees	31,953
Number of the resigned and retired employees for whom the parent company and its major subsidiaries bear the relevant costs	0

Professional composition	
Type of professionals	Number of employees
Production personnel	19,576
Sales personnel	1,960
Technical personnel	640
Financial personnel	1,343
Administrative personnel	832
Other functional staff	3,352
Management personnel	4,250
Total	31,953

Level of education	
Type of level of education	Number of employees
Master's degree or above	2,384
Bachelor degree	15,647
College degree	8,819
Below College degree	5,103
Total	31,953

(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 includes wages, performance bonus and allowance, and employees are 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 has continuously expanded training channels and enriched carrier formats through online platforms. So far, it has recorded over 220 proprietary courses and supported subsidiaries in conducting business training through live streaming platforms. Meanwhile, relying on the “Yunzhihui” online learning platform, the Company has launched “Position Sequence Courses” and “Promotion Courses.” In 2025, the Company organized more than 105 online training sessions with over 20,258 participants.

(IV) Labor Outsourcing

☒Applicable ☐Not applicable

Total outsourcing hours

672.3 thousand hours

Total payment for labor outsourcing

RMB39.4858 million

X. 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 dividends, distribution of dividends 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 dividends 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 167 of the Articles of Association disclosed on the websites of the SSE (www.sse.com.cn) and the SEHK (www.hkexnews.hk) on 30 December 2025 and 29 December 2025 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 2024 final dividend and 2025 interim dividend of the Company were both declared and distributed in cash.

According to the Resolution in Relation to the Final Profit Distribution Plan for the Year 2024 considered and approved at 2024 Annual General Meeting convened on 5 June 2025, the Company distributed dividends 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. 7,177,483,694 Shares. The final dividend of the Company for the year 2024 was distributed on 21 July 2025 with a total of RMB1,038,392,561.89 (tax included).

According to the authorization of the 2024 Annual General Meeting and the Resolution in Relation to the Profit Distribution Plan for the Half Year of 2025 considered and approved at the 16th meeting of the fourth session of the Board on 26 August 2025, the Company distributed interim dividends 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. 7,177,483,694 Shares. The interim dividends of 2025 of the Company was distributed on 20 October 2025, with a total of RMB1,041,040,240.89 (tax included).

During the Reporting Period, the Company distributed cash dividends of RMB2,079,432,802.78 (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 2024 and the announcement in relation to the Implementation of A Share Equity Distribution for the Half Year of 2025 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 2025*

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 2025 was considered and approved at the 23rd meeting of the fourth session of the Board, proposing that the final dividend for 2025 to be RMB0.155 per share (tax included) based on the total share capital registered on the record date of the equity distribution. As at the disclosure date of this Annual Report, the total share capital of the Company was 7,173,751,227 Shares, based on which, the total dividend allotment is expected to be RMB1,111,931,440.19 (tax included). For the details, please refer to the Announcement of the Company on the Profit Distribution Proposal for the Year 2025 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) for 2025 that has already been paid, the total dividend of the Company for the year 2025 is expected to be RMB0.30 per share (tax included).

The above-mentioned resolution is still subject to the approval by the Shareholders at the 2025 Annual General Meeting of the Company. The 2025 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 2026. The Company will make further announcements 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 2025 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 (27 March 2026) preceding the date of declaration of the proposed 2025 annual dividend by the Board, namely $\text{RMB1}=\text{HK\$1.1317}$. Accordingly, the amount of the proposed dividend for each H Share is approximately HK\$0.1754.



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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 Are Positive during the Reporting Period, but the Company 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)	1.55
Number of shares converted for every 10 shares (share)	0
Amount of cash dividend (tax included) (Note 1)	2,152,971,681.08
Net profit attributable to ordinary shareholders of the Company in the consolidated financial statement during the year of dividend distribution	4,021,797,495.79
Ratio of dividend amount to net profit attributable to ordinary shareholders of the Company in the consolidated financial statement (%)	53.53
The amount of cash used for Share repurchase which was included in cash dividend (Note 2)	479,283,332.72
Total amount of cash dividend (tax included)	2,632,255,013.80
Ratio of total dividend amount to net profit attributable to ordinary shareholders of the Company in the consolidated financial statement (%)	65.45

Note 1: The amount of cash dividend includes RMB1,041,040,240.89 of interim dividend for 2025 (which have been paid) and RMB1,111,931,440.19 of final dividend for 2025 (which need further approval from the general meeting), totaling RMB2,152,971,681.08.

Note 2: During the Reporting Period, the Company repurchased 81,182,948 A Shares with the total repurchase amount of RMB414,632,948.35 in cash (excluding transaction costs); 18,964,000 H Shares, with the total repurchase amount of HK\$69,915,070.00 (excluding transaction costs). The total repurchase amount for this year is approximately RMB479,283,332.72 (excluding transaction costs).

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(V) Cash Dividends for the Past Three Fiscal Years

☒ Applicable ☐ Not applicable

Unit: RMB

Amount of cash dividend for the past three fiscal years (tax included) (1)	6,348,906,297.33
Amount of cash for repurchase Shares which were cancelled for the past three fiscal years (2) (Note)	681,966,298.25
Amount of cash dividend and repurchase Shares which were cancelled for the past three fiscal years (3)=(1)+(2)	7,030,872,595.58
Annual average net profit for the past three fiscal years (4)	4,051,412,031.92
Ratio of total cash dividend for the past three fiscal years (%) (5)=(3)/(4)	173.54
Net profit attributable to common shareholders of the Company in the consolidated financial statements for the recent fiscal year	4,021,797,495.79
Undistributed profits of financial position of the Company at the end of the recent fiscal year	7,431,593,716.19

Note: The Company's Share repurchase and cancellation for 2023-2025 includes the following: ① On 20 February 2023, the Company cancelled 60,888,000 H Shares repurchased during the period from 27 October 2022 to 20 January 2023; ② On 29 July 2025, the Company cancelled 22,019,000 H Shares repurchased during the period from 29 November 2024 to 22 January 2025; ③ On 18 November 2025, the Company cancelled 92,564,070 A Shares repurchased during the period from 15 November 2024 to 14 November 2025; ④ On 31 December 2025, the Company cancelled 5,882,578 A Shares that were repurchased in 2022 for the implementation of Share Option Scheme but not used.

XI. 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 approximately 1.03% of the Company's total issued 7,173,751,227 Shares 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 by the Company on the SSE.

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' interests.

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The Participants under the Share Option Scheme include: the Directors and senior management members of the Company; personnel at the level of assistant general manager and above 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 granted 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 highest 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.

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



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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	Proportion in the total share capital of the Company as at the date of approval of the Share Option Scheme (Note 4)	Exercisable Shares during the Reporting Period (Note 5)	Number of Share Options exercised during the Reporting Period (Note 6)	Number of Share Options Lapsed or cancelled during the Reporting Period (Note 7 & 8)	Exercise Period (Note 3)	Exercise Price (RMB/Share) (Note 2)	Number of share options held at the end of the Reporting Period
Gao Xiang	Director, President, Chief Digital Officer	25 January 2022	688,800	0.0093	299,600	299,600	389,200	25 January 2024 – 24 January 2027	3.475/3.185	0
Li Shichu	Vice President, Board Secretary, Company Secretary, General Counsel (Chief Compliance Officer)	25 January 2022	512,533	0.0069	256,267	256,267	256,266	25 January 2024 – 24 January 2027	3.475	0
Wang Dupeng	Vice President	25 January 2022	457,733	0.0062	228,867	228,867	228,866	25 January 2024 – 24 January 2027	3.475	0
Wang Jian	Vice President	25 January 2022	526,600	0.0071	228,867	228,867	297,733	25 January 2024 – 24 January 2027	3.475/3.185	0

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Name	Position	Grant Date (Note 2)	Number of share options held at the beginning of the Reporting Period	Proportion in the total share capital of the Company as at the date of approval of the draft Share Option Scheme (Note 4)	Exercisable Shares during the Reporting Period (Note 5)	Number of Share Options exercised during the Reporting Period (Note 6)	Number of Share Options Lapsed or cancelled during the Reporting Period (Note 7 & 8)	Exercise Period (Note 3)	Exercise Price (RMB/Share) (Note 2)	Number of share options held at the end of the Reporting Period
Song Rong (Resigned)	Director, President	25 January 2022	1,186,800	0.0160	428,933	0	1,186,800	25 January 2024 – 24 January 2027	/	0
Tian Lei (Resigned)	General Counsel (Chief Compliance Officer)	25 January 2022	557,200	0.0075	278,600	278,600	278,600	25 January 2024 – 24 January 2027	3.185	0
Subtotal (Note 1)	/	25 January 2022	3,929,666	0.0531	1,721,134	1,292,201	2,637,465	25 January 2024 – 24 January 2027	3.475/3.185	0
Other participants (Note 5 & 6)		25 January 2022	39,659,244	0.5359	19,792,023	19,716,756	19,942,488 (lapsed), 23,191,954 (cancelled)	25 January 2024 – 24 January 2027	3.475/3.185	0
Total (Note 5 & 6)	/	25 January 2022	43,588,910	0.589	21,513,157	21,008,957	22,579,953 (lapsed), 25,829,419 (cancelled)	25 January 2024 – 24 January 2027	3.475/3.185	0
Five Highest Paid Individuals (Note 9)	/	25 January 2022	2,185,666.00	0.0295	1,013,601.00	1,013,601.00	1,172,065.00	25 January 2024 – 24 January 2027	3.475/3.185	0

Notes:

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

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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, the 2024 interim dividend, the 2024 final dividend and the 2025 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, 25 October 2024 and 27 October 2025, respectively. After adjustment, the Exercise Price of the Share Options was RMB3.185 per Share. As at the end of the Reporting Period (i.e. 31 December 2025), the closing price of A Shares was RMB6.06 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 the expiration of the 48-month period (or four anniversaries) from the Grant Date and ending on the last trading day of the 60-month period from the Grant Date	1/3

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. On 24 January 2025, approved by the sixth meeting of the fourth session of the Board and the fourth meeting of the fourth session of the supervisory committee of the Company, the exercisable conditions for the second exercise period under the Share Option Scheme had been fulfilled. 167 participants of the Company were qualified for the exercisable conditions for the second exercise period under the Share Option Scheme (9 participants were no longer qualified to exercise due to retirement or other reasons). The number of Share Options qualified to exercise was 21,513,157.

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6. During the Reporting Period, the Company completed the exercise of Share Options in the second exercise period under the Share Option Scheme. A total of 165 participants exercised an aggregate of 21,008,957 Share Options (21,008,957 A Shares):
 - (1) On 28 March 2025, the Company completed the share registration procedures at the Shanghai Branch of China Securities Depository and Clearing Corporation Limited for the transfer of 20,431,890 Shares at the Exercise Price of RMB3.475 per Share to 164 participants for the first exercise of the second 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 RMB5.05 per Share.
 - (2) On 25 November 2025, the Company completed the share registration procedures at the Shanghai Branch of China Securities Depository and Clearing Corporation Limited for the transfer of 577,067 Shares at the Exercise Price of RMB3.185 per Share to 3 participants for the second exercise of the second 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 RMB6.31 per Share.
7. In February 2025, the Company cancelled 3,812,133 lapsed Share Options under the Share Option Scheme, including: (1) the cancellation of 3,249,466 Share Options granted but not exercisable held by the original 9 participants who were no longer qualified to exercise due to retirement or other reasons; and (2) the cancellation of 562,667 Share Options granted but not been exercised under the first exercise period.
8. In December 2025, the Company cancelled 22,017,286 lapsed Share Options under the Share Option Scheme, including: (1) the cancellation of 504,200 Share Options granted but not exercisable under the second exercise period; and (2) as the exercisable conditions for the third exercise period were not fulfilled, 21,513,086 Share Options granted lapsed and were cancelled. Upon completion of the above, the implementation of the Share Option Scheme was completed.
9. The Company granted a total of 3,040,800 Share Options to the five highest paid individuals (including 1 Director and 4 employees), and a total of 3,040,800 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. 69 to the financial statements under "Chapter 9 the Financial Report" of this Report.

For details regarding the Share Option Scheme of the Company, including its main terms, grant conditions, exercise price adjustment, the fulfillment of the exercise conditions and the exercise of options during the first exercise period, the fulfillment of the exercise conditions and the exercise of options during the second exercise period, the unfulfillment of the exercise conditions of the third exercise period, the cancellation of part of the Share Options and other relevant information, 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, 11 February 2025, 31 March 2025, 26 November 2025, 5 December 2025 and 17 December 2025, as well as 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.

As at the date of disclosure of this Report, the Share Option Scheme (Phase I) of the Company has been fully implemented, and participants have cumulatively exercised 43,397,422 Shares.



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XII. 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, to continuously optimize the construction of the internal management system, the Company conducted a comprehensive review and improvement of the rules and regulations system, optimized institutional documents in close alignment with management needs, improved the quality of institutional texts, and promoted the implementation of relevant work to grassroots units. The Company optimized internal control authority of business management matters, clarified approval procedures and division of responsibilities, streamlined duplicate processes, and effectively enhanced the efficiency and effectiveness of business management.

For the internal control assessment, please refer to the 2025 Assessment Report of Internal Control on the website of SSE (www.sse.com.cn).

Explanation on Significant Deficiencies in Internal Control During the Reporting Period

☐Applicable ☒Not applicable



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XIII. 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 enhanced internal management control and business coordination; managed and supervised the personnel appointments and removals 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.

Risk Warning on Abnormalities in Management and Control of Subsidiaries

☐ Applicable ☒ Not applicable

XIV. INFORMATION ON AUDIT REPORT OF INTERNAL CONTROL

☒ Applicable ☐ Not applicable

ShineWing Certified Public Accountants LLP has audited the effectiveness of internal control in the 2025 financial report of the Company and issued standard unqualified opinions. For details, please refer to the 2025 Audit Report of Internal Control disclosed by the Company on the website of SSE (www.sse.com.cn).

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

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

Whether a non-standard audit opinion on internal control was issued during the Reporting Period or the previous year

☐ Yes ☒ No

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

Nil



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XVI. 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

Other explanations

☐ Applicable ☒ Not applicable

XVII. 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 2025 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 ten thousand)	194.74
Including: Capital (RMB ten thousand)	194.74
Material conversion (RMB ten thousand)	0
Number of beneficiaries (person)	2,835

Specific explanations

☒ Applicable ☐ Not applicable

In 2025, Sinotrans continued to fulfill its responsibilities as a state-owned enterprise and actively promoted the development of public welfare and volunteer causes. In the combination of major public welfare projects and voluntary services, the Company continued to deepen the exploration in multiple fields such as emergency disaster relief, green environmental protection, education assistance and social care, and carried out public welfare and volunteer activities in many places at home and abroad. The beneficiary groups include disaster-affected population, adolescents, job seekers, senior citizens and truck drivers, etc., gradually building a public welfare and volunteer ecosystem characterised by “focused priorities and broad coverage”. These efforts effectively enhanced Sinotrans’ brand image and social influence at home and abroad, with an annual public welfare investment of RMB1.9474 million.

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XVIII. 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 ten thousand)	900
Including: Capital (RMB ten thousand)	900
Material conversion (RMB ten thousand)	0
Number of beneficiaries (person)	20,000
Assistance forms (such as industrial poverty alleviation, employment poverty alleviation, educational poverty alleviation, etc.)	Industrial poverty alleviation and educational poverty alleviation

Specific Explanations

☒Applicable ☐Not applicable

Sinotrans actively implements the national strategy of rural revitalization, and deepens the rural revitalization through industrial assistance, consumption-based assistance and various other forms, earnestly fulfilling its corporate social responsibilities. In 2025, Sinotrans focused on key directions such as industrial revitalization, cultural revitalization and financial assistance, concentrating on designated assisted areas such as Weining, Guizhou and Qichun, Hubei, to support the assisted counties in comprehensively advancing rural revitalization, with a total targeted investment of RMB9 million.

1. The Industrial Revitalization Project in Weining, Guizhou

A total investment was RMB6.5 million throughout the year. The Company supported Mazha Town, Niupeng Town, Xueshan Town and Guanfenghai Town in Weining County for the implementation of the “Family Ranch” industrial revitalization project. The project adopted the implementation model of “farmers led construction with post-completion subsidies”, guiding farmers to participate in the project design and construction throughout the whole process, effectively enhancing farmers’ self-management capacity, organizational capacity and sustainable development capacity, and promoting the standardised and large-scale development of the local livestock industry.



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2. The Cultural Revitalization Project in Weining, Guizhou

A total investment was RMB0.6 million throughout the year. The Company implemented the “Joy of Reading Growth Program” cultural revitalization project in Weining County, which has built book corners for 230 classes in the locality, while simultaneously carrying out training for teachers’ reading and teaching ability to cultivate students’ independent reading habits. Such investment helped improve the rural education environment and promote the root-taking of reading culture in primary schools.

3. The Industrial Revitalization Project in Qichun, Hubei

A total investment was RMB1.6 million throughout the year. The Company supported the upgrading of characteristic industries in Qichun County:

- Xiaozhuchong Village in Datong Town received an investment of RMB1 million to carry out the tea garden infrastructure upgrading project, branding its “Qichun Tea” as a county-level characteristic industry with regional influence;
- Xuetanggang Village in Guanyao Town received an investment of RMB0.6 million to construct the industrial link bridge project, effectively solving the challenges of inconvenient travel for local farmers and difficult transportation of agricultural products, reducing production and operation costs and enhancing industrial development efficiency.

4. The Financial Assistance Project in Qichun, Hubei

A total investment was RMB0.3 million throughout the year. The Company implemented the subsidy program for guarantee fees of agricultural-related small and micro enterprises, reducing the financing costs of agricultural-related business entities, supporting the development of local new agricultural business entities, and promoting agricultural enterprises to better play their role in integrating and driving farmers, thereby achieving positive social benefits.

In addition to project assistance, the Company continued to promote the procurement of agricultural products across the entire system through the “27° Agriculture” brand, deepening the consumption assistance mechanism. In 2025, the Company achieved cumulative sales of agricultural products of RMB7.1336 million through consumption-based assistance, promoting the sales of agricultural products in targeted regions and increasing farmers’ income through a market-oriented approach, further consolidating the results of assistance.



Chapter 5

Corporate Governance, Environment and Social Responsibility (Corporate Governance Report)

XIX. OTHERS

☒ Applicable ☐ Not applicable

(I) Auditor's Remuneration

For details, please refer to "Chapter 6 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 "III. Directors and Senior Management" in this chapter. In 2025, Mr. Li Shichu has completed the relevant career training for not less than 15 hours.

(III) Amendments to the Articles of Association

The Company Law promulgated on 29 December 2023, was officially implemented on 1 July 2024. In January 2025, the SEHK published the Consultation Conclusions on Proposals to Further Expand the Paperless Listing Regime and Other Rule Amendments (《建議進一步擴大無紙化上市機制及其他<上市規則>修訂的諮詢總結》), which adopted the proposals on hybrid general meetings and electronic voting, requiring issuers to ensure that their articles of association allow them to hold hybrid general meetings and provide for electronic voting on or before the first annual general meeting held after 1 July 2025. On 28 March 2025, the Guidelines on the Articles of Association of Listed Companies (《上市公司章程指引》) and the Rules for the General Meeting of Shareholders of Listed Companies (《上市公司股東會規則》) issued by the CSRC came into effect. In view of the aforesaid changes in laws and regulations, and in light of the actual circumstances such as changes in the Company's share capital and the number of Board members, the Company convened general meetings on 29 September 2025 and 29 December 2025 respectively, at which the proposals on amending the Articles of Association were reviewed and approved.

For details, please refer to the general meeting materials and the circulars dated 10 September 2025, 6 December 2025, 8 December 2025 and 12 December 2025 respectively on the website of SSE (www.sse.com.cn) and the website of SEHK (www.hkexnews.hk) published by the Company, respectively.



Chapter 6

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 and Senior Management of the Company	Note 5	13 April 2018; Effective permanently	No	Yes
	Others	the Company	Note 6	13 April 2018; Effective permanently	No	Yes
	Avoiding horizontal competition	Sinotrans & CSC	Note 7	13 April 2018; Effective permanently	No	Yes
	Avoiding horizontal competition	China Merchants	Note 8	13 April 2018; Effective permanently	No	Yes
	Resolving defective title of lands and other items	Sinotrans & CSC	Note 9	13 April 2018; Effective permanently	No	Yes
	Resolving defective title of lands and other items	China Merchants	Note 10	13 April 2018; Effective permanently	No	Yes
	Others	Sinotrans & CSC, China Merchants	Note 11	13 April 2018; Effective permanently	No	Yes
	Others	Sinotrans & CSC, China Merchants	Note 12	14 January 2019; Effective permanently	No	Yes

Chapter 6

Significant Matters

- Note 1: The covenantor shall maintain mutual independence with the Company in terms of personnel, finance, assets, 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 fair and reasonable market prices, and shall fulfil the related-party transaction decision-making process and information disclosure obligation; the covenantor shall not prejudice the legitimate interests of the Company and other non-related shareholders through related-party transactions. The covenantor undertakes to procure corporates under its control (except the Company) to comply with the aforementioned commitment.
- Note 3: The covenantor undertakes to accelerate the development of the principal business of the Company; to boost the profitability of the Company; to enhance the internal management of the Company and cost control; to continuously improve corporate governance so as to provide institutional safeguard for the development of the Company; to further improve the profit distribution system and strengthen the investor return mechanism.
- Note 4: The covenantor undertakes not to go beyond its power and interfere with the operation management activities of the Company and not to 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 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, Sinotrans & CSC, to gradually realize the withdrawal of the Excluded Companies from integrated logistics business operation within three years from the listing date of A shares of the Company so as to thoroughly resolve the issue of substantial competition has been postponed until 17 January 2025, which has been approved by the general meeting. The above commitment has been fully performed within the extended period. For details, please refer to the relevant announcements of the Company dated 27 October 2021, 11 November 2021 and 30 November 2021 disclosed on the websites of the SSE (www.sse.com.cn) and the SEHK (www.hkexnews.hk).

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Significant Matters

- Note 8: The covenantor shall take effective measures to avoid horizontal competition. There is no competition between the covenantor and other companies under its control (China Merchants and its subsidiaries) and the Company. The covenantor and other companies under its control do not, directly or indirectly, engage in any business or activity, in any form, that competes with or may compete with the principal business of the Company. During the period where the covenantor is the actual controller of the Company, if the regulatory authority or the Company believes that there is substantial horizontal competition between the covenantor and the Company, the covenantor shall offer the Company the right of first refusal.
- Note 9: The covenantor shall fully support and facilitate the Company and its subsidiaries to achieve completeness of the certificates of title for assets including lands, estates and properties. After the completion of the merger by absorption, where the Company suffers actual loss from the problem that exist in the land use rights and the ownership of property assets held prior to the merger by absorption, or where there are indemnities, penalties, taxes or other fees that arise from the operation of defective land use rights and property assets by the Company and its subsidiaries after the merger by absorption, the covenantor undertakes to fully compensate the Company and its subsidiaries in a timely manner by way of cash within 30 days after the Company has 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 or indirectly held shares (excluding H shares) issued by Sinotrans before the merger by absorption within two years after the expiration of the lockup period, the reduction price shall not be lower than the issue price (if ex-rights and/or ex-dividend adjustments are carried out due to the distribution of cash dividends, share 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); 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

☐ Applicable ☒ Not applicable



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Significant Matters

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

☐Applicable ☒Not applicable

III. IRREGULAR 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 OR CORRECTIONS 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 Explanations

☐Applicable ☒Not applicable



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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	10,520,000.00
Term of audit by the domestic accounting firm	8 years
Name of signing certified public accountants of the domestic accounting firm	Wang Yang, Xu Youbin
Term of certified public accountant of the domestic accounting firm	1 year, 5 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 5 June 2025, the 2024 annual general meeting was convened, at which the proposal in relation to the re-appointment of external auditor for 2025 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 2025, with a term of office until the conclusion of the 2025 annual general meeting of the Company. The total audit fee is RMB11.42 million, among which the audit fees for financial reports and internal control are RMB9.92 million and RMB1.50 million respectively. The Company has not changed auditors in the past three years.
- In 2025, audit fees amounted to RMB12.02 million (RMB11.34 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 the accounting firm amounted to RMB7.8564 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 of 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

Chapter 6

Significant Matters

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. SUSPECTED VIOLATIONS, PENALTIES AND RECTIFICATION OF LISTED COMPANY, ITS DIRECTORS, 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 AND MAJOR RELATED PARTY TRANSACTIONS

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

Significant connected transactions of the Group for the year ended 31 December 2025 are disclosed in Note X under “Chapter 9 Financial Report” of this Report. Save as disclosed in the section below, such connected 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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Significant Matters

1. Continuing Connected Transactions

The continuing connected transactions of the Group for the year ended 31 December 2025 are as follows:

Revenue/(Expenses)	Note	2025 (RMB)
Transactions with China Merchants Group	Note 1	
Provision of transportation and logistics services		574,404,824.91
Receiving of transportation and logistics services		1,541,393,649.65
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)		479,321,337.68
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)		121,346,828.37
Total rent payments of the Group as the lessor for properties and storage facilities (inclusive of the equipment therein)		848,684.00
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		4,850,474.88
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		952,727.16
Total rent payments of the Group as the lessor for containers and other equipment		52,623,534.48
Transaction with Daojiahui Technology Company	Note 2	
Purchase of office supplies and equipment		42,447,229.85
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)		5,962,012,179.79
Maximum daily outstanding balance of loans granted by the Finance Company to the Group (including accrued interests and handling charges)		176,163,104.18
Total expenses payable by the Group with respect to other financial services		41,466.43
Transactions with Sinotrans Shandong Hongzhi	Note 4	
Provision of transportation and logistics services		67,220,684.00
Receiving of transportation and logistics services		141,014,664.23
Transactions with Y2T	Note 5	
Provision of transportation and logistics services		1,377,613,173.66
Receiving of transportation and logistics services		1,008,293,408.52
Receiving of system development and operation maintenance services		21,832.08

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Revenue/(Expenses)	Note	2025 (RMB)
Transactions with Qingdao Jinyun Air	Note 6	
Provision of transportation and logistics services		11,496,776.27
Receiving of transportation and logistics services		15,339,372.84
Transactions with Sinotrans Changjiang	Note 7	
Provision of transportation and logistics services		647,392,469.28
Receiving of transportation and logistics services		692,189,704.32
Total rent payments of the Group as the lessor for properties and storage facilities (including facilities)		17,520,113.29
Transactions with Jiangsu Shipping Agency	Note 8	
Provision of transportation and logistics services		11,011,770.69
Receiving of transportation and logistics services		37,142,817.74

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 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:

Unit: Hundred million Currency: RMB

Categories	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

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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.

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 the Finance Company 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 interest 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, a connected non-wholly owned subsidiary of the Company, hereinafter referred to as "Sinotrans Shandong Hongzhi", together with its subsidiaries, 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 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:

Unit: Hundred million Currency: RMB

Categories	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", together with its subsidiaries, 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 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:



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Unit: Hundred million Currency: RMB

Categories	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

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, a connected non-wholly owned subsidiary of the Company, hereinafter referred to as “Qingdao Jinyun Air”, together with its subsidiaries, 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 25 March 2025, the Company renewed 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 2025 to 31 December 2027. The annual caps for transactions under the agreements are as follows:

Unit: Hundred million Currency: RMB

Categories	2025	2026	2027
Provision of transportation and logistics services	0.45	0.50	0.55
Receiving of transportation and logistics services	0.30	0.35	0.40

Note 7: The reason why the transactions with Sinotrans Changjiang Co., Ltd.* (中國外運長江有限公司, a connected non-wholly owned subsidiary of the Company, hereinafter referred to as “Sinotrans Changjiang”, together with its subsidiaries, 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 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:

Unit: Hundred million Currency: RMB

Categories	2023	2024	2025
Provision of transportation and logistics services	9.00	9.90	10.89
Receiving of transportation and logistics services	6.00	6.60	7.26
Total rent payments of the Group as the lessor for properties and storage facilities (inclusive of the equipment therein)	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, a connected non-wholly owned subsidiary of the Company, hereinafter referred to as “Jiangsu Shipping Agency”, together with its subsidiaries, collectively referred to as “Jiangsu Shipping Agency Group”), are deemed as connected transactions is that Jiangsu Shipping Agency 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:

Unit: Hundred million Currency: RMB

Categories	2023	2024	2025
Provision of transportation and logistics services	0.50	0.55	0.605
Receiving of transportation and 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 that the continuing connected transactions with Daojiahui Technology Company, 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.
 - (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 previously announced by the Company.

Chapter 6 Significant Matters

2. *Other connected transactions disclosed*

On 31 July 2025, the Board considered and approved the matters in relation to the increase of shareholding in Antong Holdings Co., Ltd. (hereinafter referred to as “Antong”), which had been reviewed and approved by the independent Directors’ special meeting in advance. Accordingly, the Company plans to leverage its own funds to increase its shareholding in Antong within 12 months from 31 July 2025, with the proposed investment amounting to no less than RMB300 million (inclusive) and no more than RMB600 million (inclusive) and at a price of no more than RMB3.2 per share (inclusive). Such increase may be conducted by means of (including but not limited to) share transfer by agreement, block trading or centralised bidding transactions, etc. At that time, the Company, through its subsidiaries Sinotrans Guangdong Shipping Co., Ltd. (廣東中外運船務有限公司) and Sinotrans Xiamen Greeting-Fortune Refrigeration Engineering Co., Ltd. (廈門中外運裕豐冷凍工程有限公司), holds an aggregate of 0.0039% shares in Antong, and China Merchants, the ultimate controlling Shareholder, holds an aggregate of approximately 15.00% shares in Antong through its subsidiaries Sinotrans Container Lines Co., Ltd. (中外運集裝箱運輸有限公司) (hereinafter referred to as “Sinotrans Container Lines”), China Merchants Port Group Co., Ltd. (招商局港口集團股份有限公司) (hereinafter referred to as “China Merchants Port”), Zhanjiang Ocean Shipping Tally Co., Ltd. (湛江中理外輪理貨有限公司) (hereinafter referred to as “Zhanjiang Ocean Shipping Tally”), China United Tally Co., Ltd. (汕頭中聯理貨有限公司) (hereinafter referred to as “Shantou China United Tally”) and Yingkou Port Group Co., Ltd. (營口港務集團有限公司) (hereinafter referred to as “Yingkou Port Group”). Therefore, the Proposed Shareholding Increase, when materialised, will constitute a connected transaction of the Company under Rule 14A.28(2) of the SEHK Listing Rules.

To ensure the effective implementation of the Company’s strategies, the Company carries out investment activities centered around its core business. At the same time, for the purpose of reasonable resource allocation, investment risk prevention and investment return enhancement, the Company has established sound decision-making and risk control mechanisms covering project initiation, feasibility studies, approval and decision-making, and post-investment management in its investment activities. The Proposed Shareholding Increase will effectively promote resource complementarity between both parties in core resources such as container shipping and self-owned containers, which will facilitate the Company in developing a “new carrier” business model, through actively strengthening and extending the supply chain, ultimately delivering end-to-end solutions and standardized products to customers in target markets, thereby boosting the core competitiveness of the Company.

From 4 August 2025 to 14 October 2025, the Company cumulatively increased its shareholding by 168.6080 million shares of Antong through block trading and centralized bidding transactions, representing approximately 3.98% of the total share capital of Antong. The total funds used for the shareholding increase were approximately RMB600 million (exclusive of taxes and fees), reaching the upper limit of the Proposed Shareholding Increase, thus the Proposed Shareholding Increase has been fully implemented.

For details, please refer to the announcements disclosed by the Company on the website of the SEHK (www.hkexnews.hk) on 1 August 2025 and 14 October 2025, respectively.



Chapter 6

Significant Matters

(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 and Master Lease Agreement with China Merchants which revised the annual caps of the provision and receiving of transportation and logistics services and leasing services with the term commencing from 1 January 2024 to 31 December 2026. The estimated annual caps and the actual amounts incurred during the Reporting Period are as follows:

Unit: RMB hundred million

Categories	Annual cap of		Actual amount of	
	2024	2025	2026	2025
Provision of transportation and logistics services	25.00	32.50	42.25	5.74
Receiving of transportation and logistics services	35.00	45.50	59.15	15.41
The lease of properties and storage facilities as the lessee from the related party	6.50	7.48	8.60	6.01
The lease of properties and storage facilities as the lessor to the related party	0.40	0.46	0.53	0.01
The lease of containers and other equipment as the lessee from the related party	0.18	0.21	0.23	0.06
The lease of containers and other equipment as the lessor to the related party	2.00	2.30	2.65	0.53

Chapter 6

Significant Matters

- (2) On 26 October 2023, the Board considered and approved the resolution on the renewal of the continuing related party transaction between the Company and China Merchants Bank from 2024 to 2026, and the maximum outstanding balance of deposits placed by the Group with China Merchants Bank is RMB6 billion and the maximum outstanding balance of loans granted by China Merchants Bank to the Group is RMB10 billion. During the Reporting Period, the Group's maximum daily deposit balance at China Merchants Bank was RMB1,295 million, and the Group's outstanding loan balance granted by China Merchants Bank to the Group was RMB467 million.

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

3. *Events Not Disclosed in the Temporary Announcements*

☐Applicable ☒Not applicable

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

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

☐Applicable ☒Not applicable

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

☐Applicable ☒Not applicable

3. *Events Not Disclosed in the Temporary Announcements*

☐Applicable ☒Not applicable

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

☐Applicable ☒Not applicable



Chapter 6

Significant Matters

(IV) Material Related Party Transactions involving Joint External Investments

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

☒Applicable ☐Not applicable

On 31 July 2025, the 15th meeting of the fourth session of the Board considered and approved the proposal on external investment and connected transactions, agree to leverage its own funds to increase its shareholding in Antong within 12 months from 31 July 2025, with the proposed investment amounting to no less than RMB300 million (inclusive) and no more than RMB600 million (inclusive) and at a price of no more than RMB3.2/share (inclusive). Such increase may be conducted by means of (including but not limited to) share transfer by agreement, block trading or centralised bidding transaction, etc. China Merchants Port, Zhanjiang Ocean Shipping Tally, Shantou China United Tally, Sinotrans Container Lines, and Yingkou Port Group, all controlled by China Merchants Group, are shareholders of Antong Holdings and the related parties of the Company. Thus this transaction constitutes a joint investment by related parties.

From 4 August 2025 to 14 October 2025, the Company has cumulatively increased its shareholding by 168.6080 million shares of Antong through block trading and centralized bidding transactions, representing approximately 3.98% of the total share capital of Antong. The total fund used for the shareholding increase was approximately RMB600 million (exclusive of taxes and fees), reaching the upper limit of the Proposed Shareholding Increase, thus the Proposed Shareholding Increase has been fully implemented.

For details, please refer to the announcements disclosed by the Company on the website of the SSE (www.sse.com.cn) on 1 August 2025 and 14 October 2025, respectively.

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



Chapter 6

Significant Matters

(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 party	Capital provided to related parties			Capital provided by related parties to listed company		
	Balances at the beginning of the Reporting Period	Amount of the transaction	Balances at the end of the Reporting period	Balances at the beginning of the Reporting Period	Amount of the transaction	Balances at the end of the Reporting period
Other companies controlled by the same parent company and ultimate controlling party	5,912,719,552.47	51,912,164.96	5,964,631,717.43	1,108,307,658.47	-294,162,645.18	814,145,013.29
Joint ventures and associates	869,018,596.83	684,139,975.43	1,553,158,572.26	847,054,039.98	-179,557,766.06	667,496,273.92
Total	6,781,738,149.30	736,052,140.39	7,517,790,289.69	1,955,361,698.45	-473,720,411.24	1,481,641,287.21
Reasons for related claims and debts	Balances with related companies.					
The impact of related claims and debts on the Company	Related claims and debts are conducted based on the time agreed under the contract or agreement in accordance with the financial settlement process and have no material effect on the operation results and financial position of the Company.					

Chapter 6

Significant Matters

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

✓Applicable ☐Not applicable

On 26 October 2023, the Company 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 maximum daily outstanding balance of the deposit placed by the Group with the Finance Company each year (excluding loan amounts provided by the Finance Company) is RMB6 billion, the maximum daily outstanding balance of the loan (including accrued interests and handling fees) granted by the Finance Company to the Group is RMB10 billion and the annual cap for other financial service fees at the Finance Company shall not exceed RMB20 million. During the Reporting Period, the Group's maximum daily deposit balance at Finance Company and outstanding loan balance granted by the Finance Company to the Group were RMB5,962 million and RMB176 million respectively, and the total fees of other financial service was RMB41.5 thousand. The above-mentioned daily related party transaction has been reviewed and approved by the Company's Extraordinary General Meeting of Shareholders on 15 December 2023. For details, please refer to relevant announcements dated 26 October 2023 and 15 December 2023 published by the Company on the websites of SSE (www.sse.com.cn) and SEHK (www.hkexnews.hk).

1. Deposit 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 Reporting Period	Amount of the transaction of the period		Balances at the end of the Reporting period
					Total deposits of the Reporting period	Total withdrawals of the Reporting period	
China Merchants Group Finance Co., Ltd.	Other company controlled by the same parent company and ultimate controlling party	6,000,000,000.00	0.55% – 4%	5,787,029,280.41	119,101,377,395.38	119,050,046,723.88	5,838,359,951.91
Total	/	/	/	5,787,029,280.41	119,101,377,395.38	119,050,046,723.88	5,838,359,951.91

Chapter 6

Significant Matters

2. Loan Business

☒ Applicable ☐ Not applicable

Unit: RMB

Related party	Related relationship	Loan facility	Loan interest rate range	Balances at the beginning of the Reporting Period	Amount of the transaction of the period		Balances at the end of the Reporting period
					Total loans of the Reporting period	Total repayments of the Reporting period	
China Merchants Group Finance Co., Ltd.	Other company controlled by the same parent company and ultimate controlling party	10,000,000,000.00	2.22% – 3.35%	176,163,104.18	83,485,201.35	234,130,033.31	25,518,272.22
Total	/	/	/	176,163,104.18	83,485,201.35	234,130,033.31	25,518,272.22

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	25,518,272.22

4. Other Explanation

☐ Applicable ☒ Not applicable

(VII) Others

☐ Applicable ☒ Not applicable



(I) Entrustment, Contracting and Leasing

☐ Applicable ☒ Not applicable

☐Applicable ☒Not applicable

☐ Applicable ☒ Not applicable

✓Applicable ☐Not applicable

Guarantors	Relation between the guarantors and the listed company	The guaranteed party	The guaranteed amount	External guarantee of the Company (excluding those provided to subsidiaries)						Whether the guarantee has been fulfilled	Is the guarantee overdue	Guarantee overdue amount	Counter Guarantee situation	Guarantee provided to the related parties	Related relationships
				Date of the guarantee (the date of the agreement)	Guarantee beginning date	Guarantee maturity date	Type of guarantee	Collateral (if any)							
Sinotrans South China Company Limited	Wholly-owned subsidiary	Shenzhen Haxing Harbor Development Co., Ltd.	409,522,640.59	1 July 2019	1 July 2019	1 July 2037	Financing guarantee/ Joint liability guarantee	Nil	No	No	0	No	Yes	Associate	
Total guaranteed amount during the Reporting Period (excluding guarantees provided to subsidiaries)															-28,242,940.72
Total guaranteed balance as at the end of the Reporting Period (A) (excluding guarantees provided to subsidiaries)															409,522,640.59
Guarantees provided by the Company and its subsidiaries to subsidiaries															
Total guaranteed amount to subsidiaries during the Reporting Period															-28,970,639.78
Total guaranteed balance to subsidiaries as at the end of the Reporting Period (B)															1,510,959,583.63
Total guarantees (including guarantees to subsidiaries) provided by the Company															
Total guaranteed amount (A+B)															1,920,482,224.22
Total guaranteed amount as a percentage of the net assets of the Company (%)															4.36
Of which:															
Guaranteed amount provided for shareholders, actual controller and their related parties (C)															0
Debt guaranteed amount provided directly or indirectly to parties with gearing ratio exceeding 70% (D)															1,510,959,583.63
Total guaranteed amount in excess of 50% of net asset (E)															0
Total guaranteed amount of the above three items (C+D+E)															1,510,959,583.63
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 applied for by companies within the Group.

In addition to the above guarantees, the Company and its subsidiaries provide guarantees for the credit lines applied for by companies within the scope of the consolidated statements. As at 31 December 2025, the total credit guarantees was RMB3,833 billion.

Chapter 6

Significant Matters

(III) Entrustment of Cash 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 7

Changes of Shares and Particulars of Shareholders

I. CHANGES IN SHARES

(I) Table of Changes in Shares

1. Table of Changes in Shares

Unit: Share

		Before the change		Increase/Decrease of the change (+, -)				After the change	
		Number	Percentage (%)	Issuance of new shares	Conversion			Number	Percentage (%)
					Bonus Share	of common reserve fund	Others		
I.	Restricted shares	0	0					0	0
II.	Tradable shares	7,294,216,875	100.00				-120,465,648	-120,465,648	7,173,751,227
	without restrictions								
1.	Ordinary shares denominated in RMB	5,255,916,875	72.06				-98,446,648	-98,446,648	5,157,470,227
2.	Foreign shares listed domestically								
3.	Foreign shares listed overseas	2,038,300,000	27.94				-22,019,000	-22,019,000	2,016,281,000
4.	Others								
II.	Total shares	7,294,216,875	100.00				-120,465,648	-120,465,648	7,173,751,227

2. Description of Share Changes

☒ Applicable ☐ Not applicable

- (1) Pursuant to the authorization of the general meeting of the Company, the Company repurchased 22,019,000 H Shares from 29 November 2024 to 22 January 2025, which were cancelled on 29 July 2025. Therefore, the total share capital of the Company was reduced by 22,019,000 shares to 7,272,197,875 shares.

Chapter 7

Changes of Shares and Particulars of Shareholders

- (2) Pursuant to the Proposal on Repurchase of A Shares through Centralized Price Bidding approved at the general meetings of the Company on 15 November 2024, the Company cumulatively repurchased 92,564,070 A shares during the repurchase period (from 15 November 2024 to 14 November 2025), and such shares were cancelled on 18 November 2025. Accordingly, the total share capital of the Company was reduced by 92,564,070 shares to 7,179,633,805 shares.
- (3) In 2022, the Company cumulatively repurchased 49,280,000 A shares for the implementation of the Share Option Scheme. The grantees under the Share Option Scheme (Phase I) cumulatively exercised 43,397,422 A shares on 27 March 2024, 12 November 2024, 28 March 2025, and 25 November 2025, respectively. Upon approval by the general meetings of the Company, the Company changed the usage of repurchased 5,882,578 A Shares not used from “equity incentive scheme” to “cancellation and reduction of registered capital of the Company accordingly”, and such shares were cancelled on 31 December 2025. Thus, the total share capital of the Company was reduced by 5,882,578 shares to 7,173,751,227 shares.

The Company convened the 2025 third extraordinary general meeting on 29 September 2025, and the 2025 fourth extraordinary general meeting, the 2025 second A Shareholders' class meeting, and the 2025 second H Shareholders' class meeting on 29 December 2025, at which the relevant proposals regarding the reduction of registered capital and amendment to the Articles of Association were approved.

For details, please refer to the relevant announcements of the Company dated 29 July 2025, 29 September 2025, 17 November 2025, 29 December 2025, and 30 December 2025 disclosed on the websites of the SSE (www.sse.com.cn) and the SEHK (www.hkexnews.hk).

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 Authorities Require to Disclose***

☐ Applicable ☒ Not applicable

(II) Changes in Restricted Shares

☐ Applicable ☒ Not applicable



Chapter 7

Changes of Shares and Particulars of Shareholders

II. SECURITY ISSUANCE AND LISTING

(I) Security Issuance during the Reporting Period

☒ Applicable ☐ Not applicable

Currency: RMB

Type of share and derivatives	Date of issue	Issue price		Amount issued	Date of listing	Shares	
		(or coupon rate)				permitted to be traded	Termination date
Bonds (including enterprise bonds, corporate bonds and debt financing instruments of non-financial enterprises)							
Sinotrans Limited 2025 Technological Innovation Corporate Bonds Publicly Issued to Professional Investors (First Tranche)	20 January 2025	1.79%		2 billion	24 January 2025	2 billion	21 January 2028

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

☒ Applicable ☐ Not applicable

- On 20 January 2025, the Company issued Sinotrans Limited 2025 Technological Innovation Corporate Bonds Publicly Issued to Professional Investors (First Tranche) in SSE with an issuance scale of RMB2 billion, a term of 3 years, and a coupon rate of 1.79%.

Chapter 7

Changes of Shares 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

In 2025, the Company cancelled 22,019,000 repurchased H Shares and 98,446,648 repurchased A Shares, and the total share capital changed from 7,294,216,875 Shares to 7,173,751,227 Shares, details of which are as follows:

Class of Shares	31 December 2024		31 December 2025	
	Number of Shares (shares)	Percentage (%)	Number of Shares (shares)	Percentage (%)
A Shares	5,255,916,875	72.06	5,157,470,227	71.89
H Shares	2,038,300,000	27.94	2,016,281,000	28.11
Total	7,294,216,875	100.00	7,173,751,227	100.00

(III) Existing Internal Staff Shares

☐Applicable ☒Not applicable

III. SHAREHOLDERS AND ACTUAL CONTROLLER

(I) Total Number of Shareholders

Total number of ordinary Shareholders at the end of the Reporting Period (shareholders)	38,324
Of which: Total number of A Shares Shareholders	38,200
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)	40,632
Of which: Total number of A Shares Shareholders	40,508
Total number of H Shares Shareholders	124
Total number of preferred Shareholders with restored voting rights at the end of the Reporting Period (shareholders)	N/A
Total number of preferred Shareholders with restored voting rights at the end of last month before the date of the Annual Report (shareholders)	N/A



Chapter 7

Changes of Shares and Particulars of Shareholders

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

Unit: Share

Shareholding of the Top 10 Shareholders (Excluding Shares Lent through Refinancing)							
Name of Shareholders (Full Name)	Increase or Decrease during the Reporting Period	Number of Shares Held at the End of the Reporting Period	Percentage (%)	Number of Restricted Shares	Pledged, Marked or Frozen Status Number		Nature of Shareholders
Sinotrans & CSC Holdings Co., Ltd.	0	2,525,339,831	35.20	0	Nil	0	State-owned legal person
HKSCC NOMINEES LIMITED	-22,137,600	1,978,637,789	27.58	0	Unknown	Unknown	Overseas legal person
China Merchants Group Limited	0	1,600,597,439	22.31	0	Nil	0	State-owned legal person
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)	63,498,620	101,141,947	1.41	0	Nil	0	Unknown
Agricultural Bank of China Co., Ltd. – China Southern S&P China A-Share Large Cap Dividend Low Vol 50 ETF (中國農業銀行股份有限公司 – 南方標普中國A股大盤紅利低波50交易型開放式指數證券投資基金)	79,760,413	79,760,413	1.11	0	Nil	0	Unknown
China Life Insurance (Group) Company – Traditional – General Insurance Products – Hong Kong Stock Connect (Innovative Strategy) (中國人壽保險(集團)公司 – 傳統 – 普通保險產品 – 港股通(創新策略))	42,173,780	42,173,780	0.59	0	Nil	0	Unknown
Guosen Securities Co., Ltd.	37,640,749	38,258,008	0.53	0	Nil	0	State-owned legal person
China Southern Airlines Group Capital Holdings Company Limited (中國南航集團資本控股有限公司) (Note 1)	36,057,264	36,057,264	0.50	0	Nil	0	State-owned legal person
DHL GLOBAL MANAGEMENT GMBH (Note 2)	35,616,000	35,616,000	0.50	0	Unknown	Unknown	Overseas legal person
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)	416,617	22,867,264	0.32	0	Nil	0	Unknown

Chapter 7

Changes of Shares and Particulars of Shareholders

Shareholding of the Top 10 Holders of Unrestricted Shares (Excluding Shares Lent through Refinancing)

Name of Shareholder	Number of Shares		Type and Number of Shares
	without Restrictions	Type	Number
Sinotrans & CSC Holdings Co., Ltd.	2,525,339,831	Ordinary shares denominated in RMB	2,525,339,831
HKSCC NOMINEES LIMITED	1,978,637,789	Shares listed overseas	1,978,637,789
China Merchants Group Limited	1,600,597,439	Ordinary shares denominated in RMB	1,600,597,439
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)	101,141,947	Ordinary shares denominated in RMB	101,141,947
Agricultural Bank of China Co., Ltd. – China Southern S&P China A-Share Large Cap Dividend Low Vol 50 ETF (中國農業銀行股份有限公司－南方標普中國A股大盤紅利 低波50交易型開放式指數證券投資基金)	79,760,413	Ordinary shares denominated in RMB	79,760,413
China Life Insurance (Group) Company – Traditional – General Insurance Products – Hong Kong Stock Connect (Innovative Strategy) (中國人壽保險(集團)公司－傳統－普通保險產品－港股通(創新策略))	42,173,780	Ordinary shares denominated in RMB	42,173,780
Guosen Securities Co., Ltd.	38,258,008	Ordinary shares denominated in RMB	38,258,008
China Southern Airlines Group Capital Holdings Company Limited (中國南航集團資本控股有限公司) (Note 1)	36,057,264	Ordinary shares denominated in RMB	36,057,264
DHL GLOBAL MANAGEMENT GMBH (Note 2)	35,616,000	Shares listed overseas	35,616,000
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)	22,867,264	Ordinary shares denominated in RMB	22,867,264
Explanations of the repurchase of special accounts among the top 10 shareholders	Nil		
Explanation of the above-mentioned shareholders' entrusted voting rights, been entrusted voting rights, and waiver of voting rights	Nil		
Explanations on the related-party relations or acting in concert among the above shareholders	China Merchants and its subsidiary held a total of 4,125,937,270 A Shares of the Company		
Explanations on the shares and voting rights restored of preferred shareholders	Nil		

Note:

- According to the disclosure of interests forms submitted by China Southern Airlines Group Co., Ltd. ("China Southern Airlines Group") and its subsidiary China Southern Airlines Group Capital Holdings Co., Ltd. ("China Southern Airlines Group Capital") on the website of the SEHK, as at 30 October 2025, China Southern Airlines Group held 221,880,000 H Shares of the Company through China Southern Airlines Group Capital. Such Shares are included in the Shares held by HKSCC NOMINEES LIMITED as shown in the above table.
- During the Reporting Period, the original shareholder DEUTSCHE POST BETEILIGUNGEN HOLDING GMBH transferred 35,616,000 H Shares to an entity DHL GLOBAL MANAGEMENT GMBH, who is under the control of the same group.

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

☐ Applicable ☒ Not applicable

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

☐ Applicable ☒ Not applicable

Chapter 7

Changes of Shares and Particulars of Shareholders

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

☐ Applicable ☒ Not applicable

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

As at 31 December 2025, so far as the Directors of the Company were aware, the following parties (other than Directors 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 the SFO, or to be recorded in the register kept by the Company pursuant to Section 336 of the 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	57.51%	-
	192,478,000 (L)	H Shares	2.68%	9.55%
China Southern Airlines Group Co., Ltd. (Note 2)	221,880,000 (L)	H Shares	3.09%	11.00%
Pandanus Associates Inc. (Note 3)	120,930,000 (L)	H Shares	1.69%	6.00%
LSV ASSET MANAGEMENT (Note 4)	120,879,600 (L)	H Shares	1.69%	6.00%

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

- As at 31 December 2025, China Merchants held 60.20% 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 Innovation and Technology (Hong Kong) Co., Ltd. (its direct wholly owned subsidiary).
- According to the Disclosure of Interests Form submitted by China Southern Airlines Group on the website of Hong Kong Stock Exchange, 221,880,000 H Shares (long position) are interests of a corporation controlled by a substantial shareholder, namely China Southern Airlines Group Capital.
- According to the Disclosure of Interests Form submitted by Pandanus Associates Inc. on the website of Hong Kong Stock Exchange, 120,930,000 H Shares (long position) are interests of corporations controlled by substantial shareholders, of which 51,685,000 H Shares (long position) are reported as unlisted derivatives settled in cash.
- According to the Disclosure of Interests Form submitted by LSV ASSET MANAGEMENT on the website of Hong Kong Stock Exchange, LSV ASSET MANAGEMENT held 91,793,600 H Shares (long position) in the capacity of investments manager. 29,086,000 H Shares (long position) are deemed interests through its general partnership interests in certain limited partnerships.

Save as disclosed above, as at 31 December 2025, so far as the Directors were aware, there was no other parties (other than Directors or chief executives) who had any interests or 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 the SFO and disclosed to the Company and Hong Kong Stock Exchange pursuant to the provisions in Divisions 2 and 3 of Part XV of the SFO.

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

☐ Applicable ☒ Not applicable

Chapter 7

Changes of Shares and Particulars of Shareholders

IV. CONTROLLING SHAREHOLDER AND ACTUAL CONTROLLER

(I) Controlling shareholder

1. Corporation

☒ Applicable ☐ Not applicable

Name
Person in charge or legal representative
Incorporation Date
Primary Operating Business

Sinotrans & CSC Holdings Co., Ltd.

Yang Guofeng

9 June 1984

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; Type I Value-added Telecommunications Services.

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

It holds 30.77% of China Merchants Nanjing Oil Transportation Co., Ltd.; holds 0.02% of Bank of Tianjin Co., Ltd.; holds 0.01% of Bank of China Co., Ltd..

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

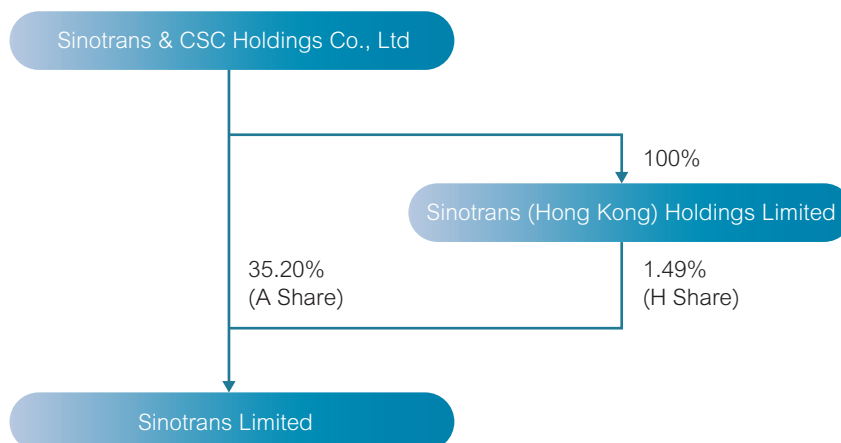


Chapter 7

Changes of Shares and Particulars of Shareholders

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

☒ Applicable ☐ Not applicable



(II) Actual Controller

1. Corporation

☒ Applicable ☐ Not applicable

Name
 Person in charge or legal representative
 Incorporation Date
 Primary Operating Business

China Merchants Group Limited

Miao Jianmin

14 October 1986

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 overseas assets; development, operation and management of Shekou Industrial Zone in Shenzhen and Zhangzhou Development Zone in Fujian.

Chapter 7

Changes of Shares and Particulars of Shareholders

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

It holds 63.45% of China Merchants Port Group Co., Ltd.; holds 71.00% of Liaoning Port Co., Ltd.; holds 62.42% of China Merchants Expressway Network & Technology Holdings Co., Ltd.; holds 72.15% of China Merchants Port Holdings Company Limited; holds 58.76% of China Merchants Shekou Industrial Zone Holdings Co., Ltd.; holds 54.48% of China Merchants Energy Shipping Co., Ltd.; holds 51.48% of China Merchants Property Operation & Service Co., Ltd.; holds 44.17% of China Merchants Securities Co., Ltd.; holds 27.86% of China Merchants Bank Co., Ltd.; holds 28.57% of Anhui Expressway Company Limited; holds 30.77% of Nanjing Tanker Corporation; holds 27.59% of China Merchants China Direct Investments Limited; holds 28.05% of Shanghai International Port (Group) Co., Ltd.; holds 24.88% of Sichuan Expressway Co., Ltd.; holds 24.49% of China International Marine Containers (Group) Co., Ltd.; holds 19.08% of Jinzhou Port Co., Ltd.; holds 17.75% of Fujian Expressway Development Co., Ltd.; holds 16.65% of Heilongjiang Transport Development Co., Ltd.; holds 16.32% of Hubei Chutian Smart Transportation Co., Ltd.; holds 16.21% of Shandong Hi-speed Company Limited; holds 15.43% of Henan Zhongyuan Expressway Co., Ltd.; holds 14.04% of Jilin Expressway Co., Ltd.; holds 13.86% of Guangxi Wuzhou Communications Co., Ltd.; holds 12.36% of Great Wall Securities Co., Ltd.; holds 11.79% of Jiangsu Expressway Company Limited; holds 8.70% of Qilu Expressway Co., Ltd.; holds 8.04% of Xiandai Investment Co., Ltd.; holds 5.54% of Pangang Group Vanadium Titanium & Resources Co., Ltd.; holds 23.08% of Ningbo Zhoushan Port Co., Ltd.; holds 2.10% of International Business Settlement Holdings Limited; holds 0.33% of JD Logistics, Inc.; holds 0.02% of Bank of Tianjin Co., Ltd.; holds 0.02% of Air China Limited; holds 0.01% of Bank of China Limited; holds 9.59% of Shanxi Hi-speed Group Co., Ltd.; holds 49% of BEST MART 360 HOLDINGS LIMITED; holds 20.00% of Antong Holdings Co., Ltd.; holds 51% of PT Nusantara Pelabuhan Handal, Tbk; holds 47.18% of CM Energy Tech Co., Ltd.; holds 0.8774% of DeepData Technology Co., Ltd.; holds 6.03% of Zhejiang Expressway Co., Ltd.; holds 15% of Humanwell Healthcare (Group) Co., Ltd.; holds 6.28% of Xiamen Xiangyu Co., Ltd.; holds 0.02% of Guangdong Xiangnong Green Agriculture Co., Ltd.; holds 0.71% of Guangxi Oriental Intelligent Manufacturing Technology Co., Ltd.; holds 35.5% of China Merchants Commercial Real Estate Investment Trust; holds 74.35% of China Merchants Land Limited; holds 7.76% of Jiangsu Deyuan Pharmaceutical Co., Ltd.; holds 9.60% of Shenzhen Expressway Co., Ltd.; holds 0.1422% of Baidu, Inc.; holds 0.0012% of Shenzhen Soling Industrial Co., Ltd.

Other circumstances

Nil



Chapter 7

Changes of Shares and Particulars of Shareholders

2. *Natural person*

☐ Applicable ☒ Not applicable

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

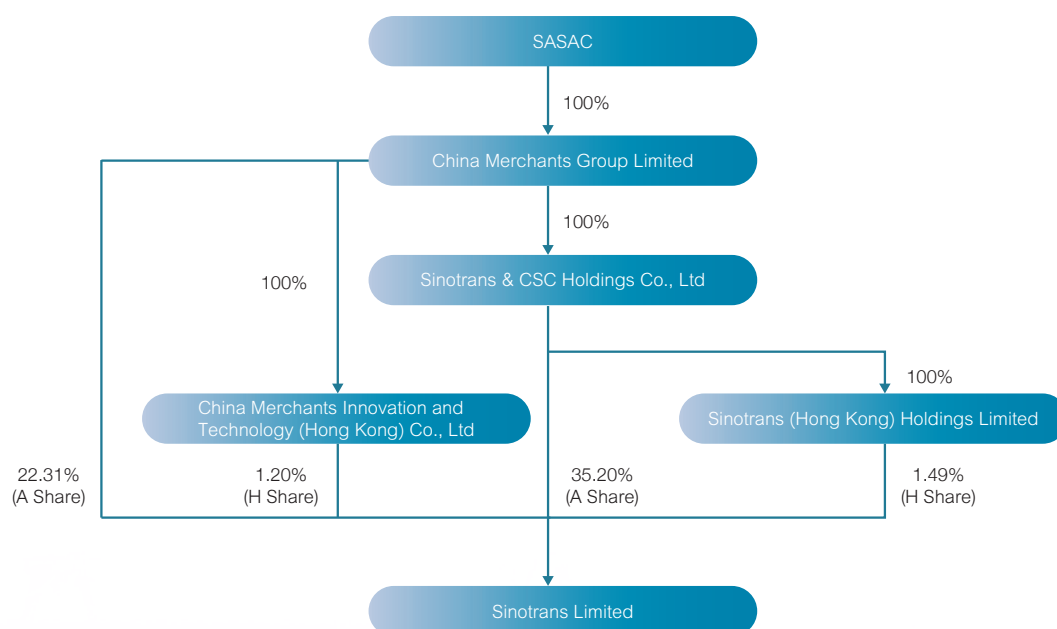
☐ Applicable ☒ Not applicable

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*

☐ Applicable ☒ Not applicable

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

☐ Applicable ☒ Not applicable

Chapter 7

Changes of Shares and Particulars of Shareholders

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 A Shares through Centralized Price 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	RMB271 million to RMB542 million
Proposed repurchase period	Within 12 months from the date of approval of the repurchase plan by the Company's general meeting
Repurchase purpose	Reduce registered capital
Repurchase quantity (shares)	81,182,948
The proportion of repurchased shares to the underlying stocks involved in the equity incentive plan (%) (if any)	Nil
Progress of the Company's adoption of centralized bidding trading to reduce the repurchased shares	Nil

Notes:

1. According to the above A Shares repurchase plan, in 2024 and 2025, the Company has repurchased 92,564,070 A Shares, repurchase amount of RMB474,504,018.96 (excluding transaction costs).
2. In 2025, the Company has repurchased 18,964,000 H Shares, with a repurchase amount of HK\$69,915,070 (excluding transaction costs).

IX. PARTICULARS OF PREFERRED SHARES

☐ Applicable ☒ Not applicable

Chapter 8

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 2026	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	0.20	26 July 2021 to 25 July 2024, Coupon rate: 3.15%; 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 investors	Match transaction, click to transaction, inquiry and transaction, bidding transaction, negotiated transaction	No
Sinotrans Limited 2025 Technological Innovation Corporate Bonds Publicly Issued to Professional Investors (First Tranche)	25 Sinotrans K1	242340	20 January 2025	21 January 2025	-	21 January 2028	20.00	1.79	Annual interest, no compound interest, repayment of principal upon maturity	SSE	CITIC Securities Company Limited, China Merchants Securities Company Limited	CITIC Securities Company Limited	Issued to Professional institutional investors	Match transaction, click to transaction, inquiry and transaction, bidding transaction, negotiated transaction	No

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

☐ Applicable ☒ Not applicable

Chapter 8

Particulars of Bonds

Interest payment and redemption of bonds during the Reporting Period

☒ Applicable ☐ Not applicable

Name of bond	Explanation of interest payment and redemption
Sinotrans Limited 2021 Corporate Bonds Publicly Issued to Professional Investors (First Tranche)	On 26 July 2025, the interest of RMB0.43 million for the interest-bearing period from 26 July 2024 to 25 July 2025.
Sinotrans Limited 2025 Technological Innovation Corporate Bonds Publicly Issued to Professional Investors (First Tranche)	On 21 January 2026, the interest of RMB35.80 million for the interest-bearing period from 21 January 2025 to 20 January 2026.

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 Post-issuance Operations

Name of intermediaries	Office address	Name of signing accountants (if applicable)	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 Road, 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	Wang Yang, 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



Chapter 8

Particulars of Bonds

4. Adjustment of Credit Rating Results

☐ Applicable ☒ Not applicable

Other explanations:

☐ Applicable ☒ Not applicable

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

Bond Code	Bond abbreviation	Status	Implementation	Changes	Modifications	Situation before the modifications	Reasons for the modifications	Whether the modifications has been approved by the authority	Status as of the end of the Reporting Period	The impact of the modifications on the rights and interests of bond investors
188446	21 SinoTrans 01	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.	Nil	No	Nil	Nil	No	Nil	Nil
242340	25 SinoTrans K1	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.	Nil	No	Nil	Nil	No	Nil	Nil

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

Chapter 8

Particulars of Bonds

(II) Proceeds from Corporate Bonds

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

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

1. Basic Information

Unit: Hundred million Currency: RMB

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

2. Changes and Adjustment to the Use of Proceeds

☐ Applicable ☒ Not applicable

3. Usage of Proceeds

(1). Actual Usage (Excluding Temporary Liquidity Replenishment)

Unit: Hundred million Currency: RMB

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

Chapter 8

Particulars of Bonds

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

☒Applicable ☐Not applicable

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

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

☐Applicable ☒Not applicable

(4). *Proceeds Used for Special Purposes*

☐Applicable ☒Not applicable

(5). *Proceeds Used for Other Purposes*

☐Applicable ☒Not applicable

(6). *Temporary Liquidity Replenishment*

☐Applicable ☒Not applicable

Chapter 8

Particulars of Bonds

4. Compliance of Use of Proceeds

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

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

☐Applicable ☒Not applicable

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

☒Applicable ☐Not applicable

1. The Company as an Issuer of Convertible Corporate Bonds

☐Applicable ☒Not applicable

2. The Company as an Issuer of Green Corporate Bonds

☐Applicable ☒Not applicable

3. The Company as an Issuer of Renewable Corporate Bonds

☐Applicable ☒Not applicable

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

☐Applicable ☒Not applicable

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

☐Applicable ☒Not applicable



Chapter 8

Particulars of Bonds

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

☐ Applicable ☒ Not applicable

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

☒ Applicable ☐ Not applicable

Unit: Hundred million Currency: RMB

Category of issuers applicable to the bond	☒ Sci-tech Innovation Enterprise ☐ Sci-tech Innovation Upgrade ☐ Sci-tech Innovation Investment ☐ Sci-tech Innovation Incubation ☐ Financial Institution
Bond code	242340
Bond abbreviation	25 Sinotrans K1
Balance of Bond	20.00
Progress of innovation and technology projects	The issuer is a scientific and technological innovation enterprise issuer
Effectiveness in promoting development of science, technology and innovation	The Company has achieved favorable results in technological innovation and development
Operation of ITF products (if any)	N/A
Other matters	Nil

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

☐ Applicable ☒ Not applicable

9. The Company as an Issuer of Relief Corporate Bonds

☐ Applicable ☒ Not applicable

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

☐ Applicable ☒ Not applicable

11. Other Special-purpose Corporate Bonds

☐ Applicable ☒ Not applicable

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

☒ Applicable ☐ Not applicable



Chapter 8

Particulars of Bonds

1. *Non-operating Fund Occupation and Lending*

(1) *Balance of the Non-operating Fund Occupation and Lending*

As at the beginning of the Reporting Period, the balance of the Company's consolidated and lending/borrowing receivables from other parties not directly attributable to operating activities (the "Non-operating Fund Occupation and Lending"): RMB32.05 million;

During the Reporting Period, increased amount of Non-operating Fund Occupation and Lending: RMB0.09 million; amount recovered: RMB3.09 million.

Whether the Non-operating Fund Occupation or Lending has breached the relevant covenants or undertakings provided in the prospectus during the Reporting Period

☐ Yes ☒ No

As at the end of the Reporting Period, total amount of Non-operating Fund Occupation and Lending not recovered: RMB29.05 million.

(2) *Details of the Non-operating Fund Occupation and Lending*

As at the end of the Reporting Period, the ratio of the consolidated Non-operating Fund Occupation and Lending not recovered to the consolidated net assets: 0.07%

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

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

☒ Fully implemented ☐ Not fully implemented ☐ Not applicable



Chapter 8

Particulars of Bonds

2. Debt Situation

(1). Interest-bearing debts and the related changes

1.1 Debt structure of the Company

The balance of the Company's interest-bearing debts (not in its consolidated statements) amounted to RMB4.581 billion as at the beginning of the Reporting Period and RMB4.989 billion as at the end of the Reporting Period, indicating an increase of 8.90%.

Unit: Hundred million Currency: RMB

Categories of interest-bearing debts	Past due	Maturity		Aggregate amount	Proportion in interest-bearing debts (%)
		Within one year (inclusive)	Over one year (exclusive)		
Corporate credit bonds	-	0.65	39.99	40.64	81.46
Bank loans	-	3.76	0.67	4.43	8.88
Loans of non-bank financial institutions	-	-	-	-	0.00
Other interest-bearing debts	-	0.21	4.62	4.82	9.67
Total	-	4.61	45.28	49.89	-

In the corporate credit bonds subsisting as at the end of the Reporting Period, the balance of corporate bonds is RMB2.053 billion, the balance of enterprise bonds is RMB0, and the balance of the debt financing instruments of non-financial enterprises is RMB2.011 billion.

1.2 Structure of consolidated interest-bearing debts

The balance of the Company's interest-bearing debts included in the consolidated statements amounted to RMB11.43 billion as at the beginning of the Reporting Period and RMB11.279 billion as at the end of the Reporting Period, indicating a decrease of 1.31% during the Reporting Period.

Unit: Hundred million Currency: RMB

Categories of interest-bearing debts	Past due	Maturity		Aggregate amount	Proportion in interest-bearing debts (%)
		Within one year (inclusive)	Over one year (exclusive)		
Corporate credit bonds	-	0.65	39.99	40.64	36.03
Bank loans	-	15.93	23.17	39.10	34.67
Loans of non-bank financial institutions	-	0.45	2.06	2.51	2.22
Other interest-bearing debts	-	5.60	24.94	30.55	27.08
Total	-	22.63	90.17	112.79	-

In the consolidated corporate credit bonds subsisting as at the end of the Reporting Period, the balance of corporate bonds was RMB2.053 billion, the balance of enterprise bonds was RMB0, and the balance of the debt financing instruments of non-financial enterprises was RMB2.011 billion.

1.3 Overseas bonds

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

Chapter 8

Particulars of Bonds

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

☐ Applicable ☒ Not applicable

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

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

☐ Applicable ☒ Not applicable

3. *Changes of the Information Disclosure Management System During the Reporting Period*

☐ Applicable ☒ Not applicable



Chapter 8

Particulars of Bonds

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

☒ Applicable ☐ Not applicable

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

Unit: Hundred million Currency: RMB

Name of bond	Short name	Code	Date of issuance	Value date	Maturity date	Balance of bond	Interest rate (%)	Manner of payment of principal and interest	Transaction site	Investor suitability arrangements (if any)	Trading mechanism	Whether there is a risk of terminating the listing transaction
Sinotrans Limited First Tranche of Medium-term Notes in 2024	24 Sinotrans MTN001	102484134	13 September 2024	18 September 2024	18 September 2027	20.00	2.08	Annual interest, no compound interest, repayment of principal upon maturity	Inter-bank market	Nil	Nil	No

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

☐ Applicable ☒ Not applicable

Overdue bonds unredeemed

☐ Applicable ☒ Not applicable

Interest payment and redemption of bonds during the Reporting Period

☒ Applicable ☐ Not applicable

Name of bond	Explanation of interest payment and redemption

Sinotrans Limited First Tranche of Medium-term Notes in 2024

On 18 September 2025, the interest of RMB41.60 million for the interest-bearing period from 18 September 2024 to 17 September 2025 was paid.

Chapter 8

Particulars of Bonds

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 Post-issuance Operations*

Name of intermediaries	Office address	Name of signing accountants	Contact Person	Telephone
Bank of China Limited	No. 1 Fuxingmennei Avenue, Xicheng District, Beijing	/	Liu Bin	010-65154572
China Merchants Bank Co., Ltd.	3rd Floor, Block A, Merchants International Finance Center, 156 Fuxingmennei Avenue, Xicheng District, Beijing	/	Li Linwei	17813120581
Shanghai Brilliance Credit Rating & Investors Service Co., Ltd.	14th Floor, Huasheng Building, No. 398 Hankou Road, 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	Wang Yang, Xu Youbin	Xu Youbin	13521775637
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



Chapter 8

Particulars of Bonds

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

☒ Applicable ☐ Not applicable

Unit: Hundred million Currency: RMB

Name of bond	Gross proceeds raised	Amount used	Amount unused	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
Sinotrans Limited First Tranche of Medium-term Notes in 2024	20.00	20.00	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



Chapter 8

Particulars of Bonds

5. Adjustment of Credit Rating Results

☐ Applicable ☒ Not applicable

Other explanations:

☐ Applicable ☒ Not applicable

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	Whether any changes have occurred	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 and 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



Chapter 8

Particulars of Bonds

(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

(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	2025	2024	Increase/decrease as compared with the corresponding period 2024 (%)
Net profit net of non-recurring gains or losses attributable to shareholders of the Company	1,678,334,863.38	3,163,405,325.07	-46.95
Current ratio	1.60	1.32	21.21
Quick ratio	1.59	1.32	20.45
Debt asset ratio (%)	43.78	45.54	Decreased by 1.76 percentage points
EBITDA to total debt ratio	0.72	0.70	2.86
Interest coverage ratio	15.91	13.34	19.27
Cash interest coverage ratio	26.19	17.86	46.64
EBITDA interest coverage ratio	23.80	19.65	21.12
Loan repayment ratio (%)	100.00	100.00	0.00
Interest payment ratio (%)	100.00	100.00	0.00

Chapter 8

Particulars of Bonds

Reasons for changes in net profit net of non-recurring gains or losses attributable to shareholders of the Company: which was primarily driven by three factors: firstly, the dual impact of U.S. tariff policies and declining market demand led to significant contraction in air freight and land freight businesses; secondly, recurring investment income from joint ventures and associates showed lower performance compared to the same period last year; thirdly, the Company recorded certain asset impairment losses during the Reporting Period..

Reasons for changes in interest coverage ratio, cash interest coverage ratio and EBITDA interest coverage ratio: mainly because the Group has continuously optimized its debt structure, resulting in a significant reduction in interest expenses during the year.

II. PARTICULARS OF CONVERTIBLE CORPORATE BONDS

☐Applicable ☒Not applicable



Chapter 9

Financial Report

	信永中和會計師事務所 ShineWing certified public accountants	北京市東城區朝陽門北大街 8號富華大廈A座9層 9/F, Block A, Fu Hua Mansion, No.8, Chaoyangmen Beidajie, Dongcheng District, Beijing, 100027, P.R.China	聯繫電話： +86 (010) 6554 2288 telephone: +86 (010) 6554 2288 傳真： +86 (010) 6554 7190 facsimile: +86 (010) 6554 7190

AUDITOR'S REPORT

XYZH/2026BJAA5B0285

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 2025, 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 2025, 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 2025, and the consolidated and the Company's financial performance and cash flows for the year 2025.

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. In accordance with the independence requirements applicable to the audit of financial statements of public interest entities under the Chinese Standards on Independence for Certified Public Accountants and the Code of Ethics for Chinese Certified Public Accountants, we are independent of Sinotrans and have fulfilled our other responsibilities concerning independence and ethical standards. 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 9

Financial Report

3. KEY AUDIT MATTERS (CONTINUED)

Goodwill Impairment

Key Audit Matters

As at 31 December 2025, the book value of goodwill in Sinotrans' consolidated financial statements was Chinese RMB1,572.27 million (Note IX. 18), it mainly arose from sinotrans' acquisition of equity in seven companies, including KLG EUROPE EERSEL B.V., on January 1, 2020, in a transaction not involving entities under common control. Sinotrans is required to test goodwill for impairment annually. In performing the goodwill impairment test, 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 sinotrans 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 sinotrans, we consider goodwill impairment as a key audit matter.

Response in Audit

The audit procedures we performed included, but were not limited to:

1. Understanding, assessing and testing sinotrans's key internal control relevant to goodwill impairment testing;
2. Evaluating the independence, professional competence, and objectivity of the external evaluators engaged by sinotrans;
3. Obtaining a valuation report from the external evaluator engaged by sinotrans for the purpose of goodwill impairment testing;
 - (1) Review the reasonableness of sinotrans'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 sinotrans 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 sinotrans's past forecasts and ask sinotrans 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 sinotrans, with reference to the understanding of the relevant industry and macroeconomic situation and the relevant business plans formulated by sinotrans;
 - (5) Evaluate the reasonableness of the key assumptions and judgments used by sinotrans 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 9

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 2025, 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 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 have no realistic alternative but to do so.

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



Chapter 9

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 9

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

Beijing, China

Chinese Certified Public Accountant: Wang Yang
(Engagement partner)

Chinese Certified Public Accountant: Xu You Bin

30 March 2026



Chapter 9

Consolidated Statement of Financial Position

31 December 2025

Unit: RMB

Item	Note	31 December 2025	31 December 2024
Current assets			
Cash and bank balances	IX.1	17,009,624,398.71	13,467,664,505.98
Including: Deposits with finance companies	IX.1	5,838,359,951.91	5,787,029,280.41
Financial assets held for trading	IX.2	1,031,653.86	574,374.32
Derivative financial assets			
Bills receivable	IX.3	145,998,568.41	164,294,636.42
Accounts receivable	IX.4	13,068,313,858.71	13,051,800,450.54
Receivables financing	IX.5	492,782,465.16	430,890,739.48
Prepayments	IX.6	4,976,092,603.77	5,198,591,002.95
Centralized management of receivables			
Other receivables	IX.7	2,716,117,194.20	2,799,184,855.60
Including: Interest receivable	IX.7	1,216,659.76	1,243,805.82
Dividends receivable	IX.7	25,933,308.50	9,080,009.80
Inventories	IX.8	59,990,700.73	56,259,409.64
Including: Raw materials	IX.8	33,288,259.52	31,233,482.82
Goods in stock (finished goods)	IX.8	9,061,218.41	7,559,958.00
Data resources			
Contract assets			
Assets held for sale			
Non-current assets due within one year			
Other current assets	IX.9	538,410,882.29	465,737,666.82
Total current assets		39,008,362,325.84	35,634,997,641.75

The notes form an integral part of the financial statements



Chapter 9

Consolidated Statement of Financial Position

31 December 2025

Unit: RMB

Item	Note	31 December 2025	31 December 2024
Non-current assets			
Debt investments			
Other debt investments			
Long-term receivables			
Long-term equity investments	IX.10	6,721,434,703.68	9,239,887,191.07
Other equity instrument investments	IX.11	1,351,795,493.97	416,867,662.27
Other non-current financial assets	IX.12	1,317,219,473.76	1,215,266,140.98
Investment properties	IX.13	2,592,913,504.53	2,793,232,058.42
Fixed assets	IX.14	14,943,686,990.86	15,492,824,879.87
Including: Original value of fixed assets	IX.14	27,417,590,076.64	27,299,921,882.91
Accumulated depreciation	IX.14	12,039,019,065.91	11,452,254,190.06
Provision for impairment of fixed assets	IX.14	434,889,413.51	354,844,086.59
Construction in progress	IX.15	974,087,781.92	656,542,638.70
Right-of-use assets	IX.16	2,483,239,638.76	2,560,132,246.21
Intangible assets	IX.17	6,226,604,696.51	6,262,438,876.05
Including: Data resources			
Development expenditure	IX.68	371,856,139.08	266,352,514.14
Including: Data resources			
Goodwill	IX.18	1,572,269,976.12	1,965,569,500.96
Long-term prepaid expense	IX.19	208,170,784.77	221,218,439.51
Deferred tax assets	IX.20	391,732,202.93	320,385,056.30
Other non-current assets	IX.21	184,495,740.76	149,785,291.62
Total non-current assets		39,339,507,127.65	41,560,502,496.10
Total assets		78,347,869,453.49	77,195,500,137.85

The notes form an integral part of the financial statements

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

Zhang Yi	Li Xiao Yan	Wang Xue Yan
Person-in-charge of the Company	Person-in-charge of accounting work	Person-in-charge of Accounting Department

Chapter 9

Consolidated Statement of Financial Position

31 December 2025

Unit: RMB

Item	Note	31 December 2025	31 December 2024
Current liabilities			
Short-term borrowings	IX.24	1,345,531,402.61	3,294,191,564.22
Financial liabilities held for trading			
Derivative financial liabilities			
Bills payable	IX.25	213,825,864.89	183,554,323.76
Accounts payable	IX.26	12,746,239,901.23	12,756,894,871.90
Advances from customers			
Contract liabilities	IX.27	4,494,710,741.23	4,585,965,980.09
Employee benefits payable	IX.28	2,059,497,358.98	2,296,944,005.93
Including: Wages payable	IX.28	1,913,206,164.19	2,122,559,108.60
Welfare payable	IX.28	81,438.06	229,429.43
Taxes and dues payable	IX.29	519,488,871.20	583,591,440.86
Including: Taxes payable	IX.29	513,996,641.17	578,114,070.11
Other payables	IX.30	1,795,853,447.26	1,996,258,400.91
Including: Interest payable			
Dividends payable	IX.30	12,950,281.88	73,788,729.28
Liabilities held for sale			
Non-current liabilities due within one year	IX.31	1,095,263,564.96	941,267,381.93
Other current liabilities	IX.32	177,621,130.11	288,628,327.10
Total current liabilities		24,448,032,282.47	26,927,296,296.70
Non-current liabilities			
Long-term borrowings	IX.33	2,523,539,379.01	3,268,291,437.12
Bonds payable	IX.34	3,999,104,347.06	2,018,912,428.80
Including: Preferred shares			
Perpetual bonds			
Lease liabilities	IX.35	2,469,442,381.37	2,084,448,674.98
Long-term payables	IX.36	24,715,030.29	20,000,000.00
Long-term employee benefits payable	IX.37	3,485,618.90	3,564,107.17
Estimated liabilities	IX.38	67,593,194.84	23,339,731.15
Deferred income	IX.39	431,588,952.20	525,236,135.58
Deferred tax liabilities	IX.20	335,919,666.00	283,733,107.86
Other non-current liabilities			
Total non-current liabilities		9,855,388,569.67	8,227,525,622.66
Total liabilities		34,303,420,852.14	35,154,821,919.36

The notes form an integral part of the financial statements

Chapter 9

Consolidated Statement of Financial Position

31 December 2025

Unit: RMB

Item	Note	31 December 2025	31 December 2024
Shareholders' equity			
Share capital	IX.40	7,173,751,227.00	7,294,216,875.00
Other equity instruments			
Including: Preferred shares			
Perpetual bonds			
Capital reserves	IX.41	6,136,339,715.04	6,633,448,432.77
Less: Treasury shares	IX.42		174,944,256.65
Other comprehensive income	IX.43	56,364,002.03	-124,006,478.09
Including: Translation difference of the financial statements in foreign currency	IX.43	-317,391,834.06	-211,520,552.91
Special reserves	IX.44	184,909,186.99	143,045,162.87
Surplus reserves	IX.45	2,624,104,346.20	2,371,553,765.05
Including: Statutory surplus reserves	IX.45	2,624,104,346.20	2,371,553,765.05
Discretionary surplus reserves			
Undistributed profits	IX.46	25,114,095,373.21	23,424,281,261.35
Total equity attributable to shareholders of the Company		41,289,563,850.47	39,567,594,762.30
Non-controlling interests		2,754,884,750.88	2,473,083,456.19
Total shareholders' equity		44,044,448,601.35	42,040,678,218.49
Total liabilities and shareholders' equity		78,347,869,453.49	77,195,500,137.85

The notes form an integral part of the financial statements

Chapter 9

Statement of Financial Position of the Company

31 December 2025

Unit: RMB

Item	Note	31 December 2025	31 December 2024
Current assets			
Cash and bank balances	XVII.1	7,148,809,833.25	5,511,666,937.58
Including: Deposits with finance companies	XVII.1	2,973,261,072.36	1,773,650,375.40
Financial assets held for trading			
Derivative financial assets			
Bills receivable	XVII.2	2,000,000.00	
Accounts receivable	XVII.3	760,328,196.13	970,447,124.41
Receivables financing	XVII.4	26,487,882.94	8,812,734.22
Prepayments		150,167,305.70	135,720,188.70
Centralized management of receivables		743,278.23	
Other receivables	XVII.5	13,370,358,386.71	14,194,714,562.24
Including: Interest receivable			
Dividends receivable	XVII.5	42,213,357.07	25,553,731.83
Inventories		53,857.15	124,161.41
Including: Raw materials			
Goods in stock (finished goods)			
Data resources			
Contract assets			
Assets held for sale			
Non-current assets due within one year		268,375,540.26	255,529,660.53
Other current assets		88,409,397.65	75,461,431.54
Total current assets		21,815,733,678.02	21,152,476,800.63

The notes form an integral part of the financial statements



Chapter 9

Statement of Financial Position of the Company

31 December 2025

Unit: RMB

Item	Note	31 December 2025	31 December 2024
Non-current assets			
Debt investments		2,458,901,797.54	2,239,631,254.91
Other debt investments			
Long-term receivables			
Long-term equity investments	XVII.6	20,113,761,356.57	19,717,302,059.82
Other equity instrument investments		930,716,320.08	
Other non-current financial assets		1,910,435,699.53	1,918,936,299.53
Investment properties		8,192,190.52	8,674,408.91
Fixed assets		11,892,813.14	18,187,612.90
Including: Original value of fixed assets		120,164,952.71	129,881,752.08
Accumulated depreciation		108,277,533.17	111,694,139.18
Provision for impairment of fixed assets			
Construction in progress		36,163,899.77	22,719,347.54
Right-of-use assets		401,590,478.75	427,275,810.84
Intangible assets		116,346,406.33	174,645,530.64
Including: Data resources			
Development expenditure		313,788,307.68	206,043,329.64
Including: Data resources			
Goodwill			
Long-term prepaid expense		3,393,030.69	4,332,582.74
Deferred tax assets			
Other non-current assets			
Total non-current assets		26,305,182,300.60	24,737,748,237.47
Total assets		48,120,915,978.62	45,890,225,038.10

The notes form an integral part of the financial statements



Chapter 9

Statement of Financial Position of the Company

31 December 2025

Unit: RMB

Item	Note	31 December 2025	31 December 2024
Current liabilities			
Short-term borrowings	XVII.7	375,846,936.26	1,981,557,305.56
Financial liabilities held for trading			
Derivative financial liabilities			
Bills payable			
Accounts payable		432,041,715.44	791,795,819.59
Advances from customers			
Contract liabilities		96,065,249.78	62,882,087.50
Employee benefits payable		132,959,279.02	134,866,935.74
Including: Wages payable		118,322,529.18	119,094,635.83
Welfare payable			
Taxes and dues payable		2,829,383.01	1,298,899.18
Including: Taxes payable		2,804,469.19	1,273,985.36
Other payables		14,696,622,542.52	12,911,672,741.26
Including: Interest payable			
Dividends payable			
Liabilities held for sale			
Non-current liabilities due within one year		85,489,893.25	31,666,287.67
Other current liabilities			
Total current liabilities		15,821,854,999.28	15,915,740,076.50
Non-current liabilities			
Long-term borrowings	XVII.8	67,000,000.00	67,000,000.00
Bonds payable	XVII.9	3,999,104,347.06	2,018,912,428.80
Including: Preferred shares			
Perpetual bonds			
Lease liabilities		461,792,337.40	482,189,902.91
Long-term payables			
Long-term employee benefits payable			
Estimated liabilities			1,731,676.33
Deferred income			9,000,000.00
Deferred tax liabilities		82,699,900.73	
Other non-current liabilities			
Total non-current liabilities		4,610,596,585.19	2,578,834,008.04
Total liabilities		20,432,451,584.47	18,494,574,084.54

The notes form an integral part of the financial statements

Chapter 9

Statement of Financial Position of the Company

31 December 2025

Unit: RMB

Item	Note	31 December 2025	31 December 2024
Shareholders' equity			
Share capital		7,173,751,227.00	7,294,216,875.00
Other equity instruments			
Including: Preferred shares			
Perpetual bonds			
Capital reserves	XVII.10	10,259,644,388.33	10,716,935,076.39
Less: Treasury shares			174,944,256.65
Other comprehensive income		192,475,374.13	-55,624,328.05
Including: Translation difference of the financial statements in foreign currency			
Special reserves		6,895,342.30	5,442,533.15
Surplus reserves		2,624,104,346.20	2,371,553,765.05
Including: Statutory surplus reserves		2,624,104,346.20	2,371,553,765.05
Discretionary surplus reserves			
Undistributed profits	XVII.11	7,431,593,716.19	7,238,071,288.67
Total shareholders' equity		27,688,464,394.15	27,395,650,953.56
Total liabilities and shareholders' equity		48,120,915,978.62	45,890,225,038.10

The notes form an integral part of the financial statements

Chapter 9

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2025

Unit: RMB

Item	Note	Year ended 31 December 2025	Year ended 31 December 2024
I. Total operating income	IX.47	96,808,663,837.20	105,620,773,355.43
Including: Operating income	IX.47	96,808,663,837.20	105,620,773,355.43
II. Total operating cost		96,242,992,109.72	105,104,119,142.05
Including: Operating costs	IX.47	91,304,872,884.98	100,077,475,111.46
Tax and surcharges	IX.48	337,714,334.94	329,597,143.82
Selling expenses	IX.49	1,006,187,522.88	1,000,310,718.12
Administrative expenses	IX.50	3,177,830,613.47	3,328,915,531.87
Research and development expenses	IX.51	178,977,991.16	120,658,190.73
Finance costs	IX.52	237,408,762.29	247,162,446.05
Including: Interest expenses	IX.52	330,856,180.02	400,003,767.71
Interest income	IX.52	158,463,510.85	141,358,846.67
Net exchange loss (net gains denoted by "-")	IX.52	19,840,991.63	-60,460,451.13
Add: Other income	IX.53	1,819,136,451.10	2,184,538,427.04
Investment income (loss denoted by "-")	IX.54	3,694,689,069.44	2,036,437,928.31
Including: Share of results of associates and joint ventures		3,178,572,679.91	1,878,846,814.41
Income from derecognition of financial assets measured at amortised cost		-5,897,705.22	-13,628,250.16
Hedging income (loss denoted by "-")			
Gain from changes in fair value (loss denoted by "-")	IX.55	107,504,920.61	244,560,022.30
Credit impairment loss (loss denoted by "-")	IX.56	-378,209,553.34	-85,141,884.39
Impairment of assets (loss denoted by "-")	IX.57	-676,466,301.16	-25,669,890.95
Income from disposal of assets (loss denoted by "-")	IX.58	25,281,017.20	68,434,678.00
III. Operating profit (loss denoted by "-")		5,157,607,331.33	4,939,813,493.69
Add: Non-operating income	IX.59	77,840,965.31	79,975,520.37
Including: Government grants	IX.60	13,068,587.52	5,948,218.75
Less: Non-operating expenses	IX.61	121,154,306.78	1,939,119.48
IV. Total profit (total loss denoted by "-")		5,114,293,989.86	5,017,849,894.58
Less: Income tax expenses	IX.62	831,041,188.90	838,203,294.38
V. Net profit (net loss denoted by "-")		4,283,252,800.96	4,179,646,600.20
(I) Classified by attribution of ownership			
1. Net profit attributable to shareholders of the Company (net loss denoted by "-")		4,021,797,495.79	3,917,651,361.38
2. Profit or loss attributable to non-controlling interests (net loss denoted by "-")		261,455,305.17	261,995,238.82
(II) Classified by the continuity of operations			
1. Net profit from continuing operations (net loss denoted by "-")		4,283,252,800.96	4,179,646,600.20
2. Net profit from discontinued operations (net loss denoted by "-")			

The notes form an integral part of the financial statements

Chapter 9

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2025

Unit: RMB

Item	Note	Year ended 31 December 2025	Year ended 31 December 2024
VI. Other comprehensive income, net of tax		197,893,279.14	-104,660,230.64
Other comprehensive income attributable to shareholders of the Company, net of tax	IX.43	180,370,480.12	-92,560,829.94
(I) Other comprehensive income not to be subsequently reclassified to profit or loss	IX.43	251,258,335.90	1,233,165.22
1. Change in amount arising from re-measurement of the defined benefit plan			
2. Other comprehensive income not to be reclassified to profit or loss under the equity method			
3. Changes in fair value of other equity instrument investments	IX.43	251,258,335.90	1,233,165.22
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.43	-70,887,855.78	-93,793,995.16
1. Other comprehensive income to be reclassified to profit or loss under the equity method	IX.43	34,983,425.37	-142,960,895.95
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.43	-105,871,281.15	49,166,900.79
7. Others			
Other comprehensive income attributable to non-controlling interests, net of tax	IX.43	17,522,799.02	-12,099,400.70
VII. Total comprehensive income		4,481,146,080.10	4,074,986,369.56
Total comprehensive income attributable to shareholders of the Company		4,202,167,975.91	3,825,090,531.44
Total comprehensive income attributable to non-controlling interests		278,978,104.19	249,895,838.12
VIII. Earnings per share:			
Basic earnings per share	IX.63	0.5598	0.5396
Diluted earnings per share	IX.63	0.5598	0.5386

The notes form an integral part of the financial statements

Chapter 9

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

For the year ended 31 December 2025

Unit: RMB

Item	Note	Year ended 31 December 2025	Year ended 31 December 2024
I. Operating income	XVII.12	4,704,492,987.83	5,814,417,821.22
Less: Operating costs	XVII.12	4,574,315,833.48	5,697,448,935.12
Tax and surcharges		775,125.48	1,046,413.29
Selling expenses		70,271,363.44	58,425,229.62
Administrative expenses		288,455,438.13	334,832,269.49
Research and development expenses		38,732,149.43	41,914,707.45
Finance costs	XVII.13	43,441,489.01	103,027,848.05
Including: Interest expenses	XVII.13	164,627,841.53	308,219,263.11
Interest income	XVII.13	140,259,391.83	219,342,662.31
Net exchange loss (net gains denoted by "-")	XVII.13	16,103,106.87	10,396,331.28
Add: Other income		663,126.14	769,125.72
Investment income (loss denoted by "-")	XVII.14	2,754,279,047.87	3,139,192,676.82
Including: Share of results of associates and joint ventures	XVII.14	1,180,841,405.30	1,399,708,966.07
Income from derecognition of financial assets measured at amortised cost			
Hedging income (loss denoted by "-")			
Gain from changes in fair value (loss denoted by "-")		119,149,400.00	224,854,011.86
Credit impairment loss (loss denoted by "-")		-33,752,204.68	10,335,601.12
Impairment of assets (loss denoted by "-")			
Income from disposal of assets (loss denoted by "-")		11,716.37	209,334.66
II. Operating profit (loss denoted by "-")		2,528,852,674.56	2,953,083,168.38
Add: Non-operating income		-1,512,442.16	1,049,032.44
Including: Government grants			
Less: Non-operating expenses		1,803,424.33	2,166,798.91
III. Total profit (total loss denoted by "-")		2,525,536,808.07	2,951,965,401.91
Less: Income tax expenses		30,996.62	1,382,506.80
IV. Net profit (net loss denoted by "-")		2,525,505,811.45	2,950,582,895.11
Net profit from continuing operations (net loss denoted by "-")		2,525,505,811.45	2,950,582,895.11
Net profit from discontinued operations (net loss denoted by "-")			

The notes form an integral part of the financial statements

Chapter 9

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

For the year ended 31 December 2025

Unit: RMB

Item	Note	Year ended 31 December 2025	Year ended 31 December 2024
V. Other comprehensive income, net of tax		248,099,702.18	-41,564,648.33
(I) Other comprehensive income not to be subsequently reclassified to profit or loss			
1. Change in amount arising from re-measurement of the defined benefit plan			
2. Other comprehensive income not to be reclassified to profit or loss under the equity method			
3. Changes in fair value of other equity instrument investments			
4. Changes in fair value attributable to changes in credit risk			
5. Others			
(II) Other comprehensive income to be subsequently reclassified to profit or loss		248,099,702.18	-41,564,648.33
1. Other comprehensive income to be reclassified to profit or loss under the equity method		248,099,702.18	-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		2,773,605,513.63	2,909,018,246.78

The notes form an integral part of the financial statements

Chapter 9

Consolidated Statement of Cash Flows

For the year ended 31 December 2025

Unit: RMB

Item	Note	Year ended 31 December 2025	Year ended 31 December 2024
I. Cash flows from operating activities:			
Cash received from sales of goods and provision of services		101,537,275,716.17	111,336,318,583.57
Tax rebate received		230,799,627.87	339,502,222.29
Cash received from other operating activities	IX.65	2,444,257,189.89	2,594,420,072.61
Sub-total of cash inflows from operating activities		104,212,332,533.93	114,270,240,878.47
Cash paid for goods and services		89,397,528,188.85	98,575,831,209.11
Cash paid to and on behalf of employees		7,871,437,556.54	7,813,679,525.52
Cash paid for taxes and dues		2,394,640,430.25	2,271,414,491.98
Cash paid for other operating activities	IX.65	1,463,220,215.01	1,498,055,837.16
Sub-total of cash outflows from operating activities		101,126,826,390.65	110,158,981,063.77
Net cash flows from operating activities	IX.65	3,085,506,143.28	4,111,259,814.70
II. Cash flows from investment activities:			
Cash received from disposal of investments	IX.65	3,445,521,230.58	3,908,191.25
Cash received from investment income	IX.65	2,552,357,880.92	1,773,417,776.09
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		110,566,609.34	152,809,149.49
Net cash received from disposal of subsidiaries and other operating units	IX.65	1,223,132,611.97	29,388,630.63
Cash received from other investment activities	IX.65	86,899,805.69	139,548,475.48
Sub-total of cash inflows from investment activities		7,418,478,138.50	2,099,072,222.94
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	IX.65	1,652,518,918.57	1,554,692,154.69
Cash paid for investments	IX.65	939,500,797.17	336,992,352.47
Net cash paid for acquisition of subsidiaries and other operating units			
Cash paid for other investment activities	IX.65		
Sub-total of cash outflows from investment activities		2,592,019,715.74	1,891,684,507.16
Net cash flows from investment activities		4,826,458,422.76	207,387,715.78

The notes form an integral part of the financial statements

Chapter 9

Consolidated Statement of Cash Flows

For the year ended 31 December 2025

Unit: RMB

Item	Note	Year ended 31 December 2025	Year ended 31 December 2024
III. Cash flows from financing activities:			
Cash received from capital contributions		26,825,000.00	27,850,000.00
Including: Cash received by subsidiaries from capital contributions of non-controlling interests		26,825,000.00	27,850,000.00
Cash received from borrowings		4,155,754,976.87	8,440,403,579.52
Cash received from other financing activities	IX.65	72,838,814.00	83,894,927.00
Sub-total of cash inflows from financing activities		4,255,418,790.87	8,552,148,506.52
Cash paid for repayment of debts		4,556,950,788.83	9,349,685,904.37
Cash paid for distribution of dividends, profits or settlement of interest	IX.65	2,517,648,717.07	2,726,819,481.09
Including: Dividends and profits paid by the subsidiaries to non-controlling interests	IX.65	277,410,216.48	323,830,187.89
Cash paid for other financing activities	IX.65	1,580,668,938.65	1,214,844,449.61
Sub-total of cash outflows from financing activities		8,655,268,444.55	13,291,349,835.07
Net cash flows from financing activities		-4,399,849,653.68	-4,739,201,328.55
IV. Effect of foreign exchange rate changes		-63,166,966.18	34,629,481.99
V. Net increase in cash and cash equivalents		3,448,947,946.18	-385,924,316.08
Add: Balance of cash and cash equivalents at the beginning of the year	IX.66	13,440,376,824.37	13,826,301,140.45
VI. Balance of cash and cash equivalents at the end of the year	IX.66	16,889,324,770.55	13,440,376,824.37

The notes form an integral part of the financial statements

Chapter 9

Statement of Cash Flows of the Company

For the year ended 31 December 2025

Unit: RMB

Item	Note	Year ended 31 December 2025	Year ended 31 December 2024
I. Cash flows from operating activities:			
Cash received from sales of goods and provision of services		4,863,983,130.24	5,662,145,326.47
Tax rebate received			
Cash received from other operating activities		205,112,721.86	555,555,927.70
Sub-total of cash inflows from operating activities		5,069,095,852.10	6,217,701,254.17
Cash paid for goods and services		4,914,869,939.77	5,510,691,123.27
Cash paid to and on behalf of employees		282,318,268.83	291,972,029.56
Cash paid for taxes and dues		2,885,428.70	3,504,812.77
Cash paid for other operating activities		417,769,989.61	566,228,192.37
Sub-total of cash outflows from operating activities		5,617,843,626.91	6,372,396,157.97
Net cash flows from operating activities	XVII.15	-548,747,774.81	-154,694,903.80
II. Cash flows from investment activities:			
Cash received from disposal of investments		261,174,149.29	
Cash received from investment income		2,792,582,755.82	3,358,514,468.65
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		4,608,690.59	188,115.76
Net cash received from disposal of subsidiaries and other operating units			
Cash received from other investment activities		1,026,871,540.12	1,017,215,068.48
Sub-total of cash inflows from investment activities		4,085,237,135.82	4,375,917,652.89
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets		128,445,771.22	142,260,495.64
Cash paid for investments		1,138,493,533.54	578,258,090.77
Net cash paid for acquisition of subsidiaries and other operating units			
Cash paid for other investment activities		304,374,796.29	2,418,083,779.13
Sub-total of cash outflows from investment activities		1,571,314,101.05	3,138,602,365.54
Net cash flows from investment activities		2,513,923,034.77	1,237,315,287.35

The notes form an integral part of the financial statements

Chapter 9

Statement of Cash Flows of the Company

For the year ended 31 December 2025

Unit: RMB

Item	Note	Year ended 31 December 2025	Year ended 31 December 2024
III. Cash flows from financing activities:			
Cash received from capital contributions			
Cash received from borrowings		2,374,620,000.00	5,979,900,000.00
Cash received from other financing activities		1,986,677,765.41	295,049,475.97
Sub-total of cash inflows from financing activities		4,361,297,765.41	6,274,949,475.97
Cash paid for repayment of debts		1,980,000,000.00	5,980,000,000.00
Cash paid for distribution of dividends, profits or settlement of interest		2,128,117,122.93	2,271,474,976.05
Cash paid for other financing activities		558,132,542.70	286,419,134.44
Sub-total of cash outflows from financing activities		4,666,249,665.63	8,537,894,110.49
Net cash flows from financing activities		-304,951,900.22	-2,262,944,634.52
IV. Effect of foreign exchange rate changes		-29,889,480.85	7,803,527.99
V. Net increase in cash and cash equivalents		1,630,333,878.89	-1,172,520,722.98
Add: Balance of cash and cash equivalents at the beginning of the year		5,506,139,347.79	6,678,660,070.77
VI. Balance of cash and cash equivalents at the end of the year		7,136,473,226.68	5,506,139,347.79

The notes form an integral part of the financial statements

Chapter 9

Consolidated Statement of Changes in Equity

For the year ended 31 December 2025

Unit: RMB

Item	Year ended 31 December 2025														
	Equity attributable to shareholders of the Company											Total shareholders' equity			
	Share capital	Preferred shares	Perpetual bonds	Other equity instruments	Others	Capital reserves	Less: Treasury shares	Other comprehensive income	Translation difference of the financial statements in foreign currency	Special reserves	Surplus reserves		Undistributed profits	Subtotal	Non-controlling interests
I. Closing balance of the prior 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	39,567,594,762.30	2,473,083,456.19	42,040,678,218.49
Add: Changes in accounting policies															
Correction of prior errors															
Others															
II. Balance at the beginning 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	39,567,594,762.30	2,473,083,456.19	42,040,678,218.49
III. Increases/decreases in current year (decreases denoted by "-")	-120,465,648.00					-497,108,717.73	-174,944,256.65	180,370,480.12	-105,871,281.15	41,864,024.12	252,550,381.15	1,688,814,111.86	1,721,969,088.17	281,801,294.69	2,003,770,382.86
(I) Total comprehensive income															
(II) Capital contributed and reduced by shareholders						-46,111,737.44	396,516,371.64	180,370,480.12	-105,871,281.15		4,021,797,495.79		4,202,167,975.91	278,976,104.19	4,481,146,080.10
1. Ordinary shares contributed by shareholders													-442,630,109.08	218,730,157.59	-223,899,951.49
2. Capital invested by holders of other equity instruments						16,707,466.94							16,707,466.94	78,947,355.00	95,654,821.94
3. Amount of share-based payments included in shareholders' equity						-45,719,033.94							-45,719,033.94	-134,451.71	-45,853,485.65
4. Others						-17,100,170.44	396,516,371.64						-413,618,542.08	139,917,254.30	-273,701,287.78
(III) Appropriation and use of special reserves										41,864,024.12			41,864,024.12	194,359.59	42,058,383.71
1. Appropriation of special reserves										129,961,686.26			129,961,686.26	4,318,376.13	134,280,072.39
2. Use of special reserves										-88,097,672.14			-88,097,672.14	-4,124,016.54	-92,221,688.68

The notes form an integral part of the financial statements

Chapter 9

Consolidated Statement of Changes in Equity

For the year ended 31 December 2025

Unit: RMB

Item	Year ended 31 December 2025											
	Equity attributable to shareholders of the Company											
	Other equity instruments		Less: Treasury shares	Capital reserves	Other comprehensive income	Including: Translation difference of the financial statements in foreign currency	Special reserves	Surplus reserves	Undistributed profits	Subtotal	Non-controlling interests	Total shareholders' equity
Preferred shares	Perpetual bonds											
(VI) Profit distribution												
1. Appropriation of surplus reserves												
Including: Statutory surplus reserves												
Discretionary surplus reserves												
2. Distribution to shareholders												
3. Others												
(VII) Internal transfers of shareholders' equity												
1. Share capital transferred from capital reserves				-450,996,980.29								
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				-120,465,648.00								

The notes form an integral part of the financial statements

Chapter 9

Consolidated Statement of Changes in Equity

For the year ended 31 December 2025

Unit: RMB

Item	Year ended 31 December 2024									
	Equity attributable to shareholders of the Company									
	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	Other	Special reserves	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	-280,132,731.36	123,860,229.97	20,764,495,475.54
Add: Changes in accounting policies										
Correction of prior errors										
Others					213,760.00		-554,722.34	-554,722.34		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	-280,687,453.70	123,860,229.97	20,764,495,475.54
III. Increases/decreases in current year					-4,556,368.29	-19,007,340.35	-92,560,823.94	49,166,900.79	13,184,932.90	235,058,289.51
(decreases denoted by "-")										
(I) Total comprehensive income										
(II) Capital contributed and reduced by shareholders					-4,556,368.29	-19,007,340.35	-92,560,823.94	49,166,900.79		3,917,651,361.38
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										
4. Others					-14,225,805.77					-14,225,805.77
(III) Appropriation and use of special reserves										
1. Appropriation of special reserves					-14,520,041.60	-19,007,340.35			13,184,932.90	201,249,897.69
2. Use of special reserves									105,481,667.59	796,774.34
									-92,296,734.69	5,024,511.29
										110,506,178.88
										-4,227,736.95
										-96,524,471.64

The notes form an integral part of the financial statements

Chapter 9

Consolidated Statement of Changes in Equity

For the year ended 31 December 2025

Unit: RMB

Year ended 31 December 2024

Equity attributable to shareholders of the Company

Including:

Translation

difference of

the financial

statements in

foreign currency

Other

comprehensive

income

Less: Treasury

shares

Capital reserves

Others

Other equity instruments

Preferred

bonds

Share

capital

Share capital

Transferred from capital

reserves

Share capital transferred from surplus

reserves

Recovery of losses

Transfer of changes in defined benefit

plans into retained earnings

Transfer of other comprehensive income

into retained earnings

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

2,371,653,765.05

23,424,281,261.35

39,567,594,782.30

2,473,083,456.19

42,040,678,218.49

Share capital

Preferred

bonds

Share capital

Transferred from capital

reserves

Share capital transferred from surplus

reserves

Recovery of losses

Transfer of changes in defined benefit

plans into retained earnings

Transfer of other comprehensive income

into retained earnings

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

2,371,653,765.05

23,424,281,261.35

39,567,594,782.30

2,473,083,456.19

42,040,678,218.49

Share capital

Preferred

bonds

Share capital

Transferred from capital

reserves

Share capital transferred from surplus

reserves

Recovery of losses

Transfer of changes in defined benefit

plans into retained earnings

Transfer of other comprehensive income

into retained earnings

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

2,371,653,765.05

23,424,281,261.35

39,567,594,782.30

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143,045,162.87

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23,424,281,261.35

39,567,594,782.30

2,473,083,456.19

42,040,678,218.49

The notes form an integral part of the financial statements

Chapter 9

Statement of Changes in Equity of the Company

For the year ended 31 December 2025

Unit: RMB

Item	Year ended 31 December 2025											
	Other equity instruments				Capital reserves	Less: Treasury shares	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				10,716,935,076.39	174,944,256.65	-55,624,326.05		5,442,533.15	2,371,553,765.05	7,238,071,268.67	27,395,650,953.56
Add: Changes in accounting policies												
Correction of prior errors												
Others												
II. Balance at the beginning of current year	7,294,216,875.00				10,716,935,076.39	174,944,256.65	-55,624,326.05		5,442,533.15	2,371,553,765.05	7,238,071,268.67	27,395,650,953.56
III. Increases/decreases in current year (decreases denoted by "-")	-120,465,648.00				-457,290,888.06	-174,944,256.65	248,099,702.18		1,432,809.15	252,550,561.15	193,522,427.32	292,613,440.59
(I) Total comprehensive income							248,099,702.18				2,525,505,811.45	2,773,605,513.63
(II) Capital contributed and reduced by shareholders					-8,283,707.77	396,518,371.64						-402,612,079.41
1. Ordinary shares contributed by shareholders					16,869,884.70							16,869,884.70
2. Capital invested by holders of other equity instruments												
3. Amount of share-based payments included in shareholders' equity					-45,853,485.66							-45,853,485.66
4. Others					22,699,893.19	396,518,371.64						-373,818,478.45
(III) Appropriation and use of special reserves									1,432,809.15			1,432,809.15
1. Appropriation of special reserves									9,509,754.53			9,509,754.53
2. Use of special reserves									-8,056,945.38			-8,056,945.38

The notes form an integral part of the financial statements

Chapter 9

Statement of Changes in Equity of the Company

For the year ended 31 December 2025

Unit: RMB

[illegible]

The notes form an integral part of the financial statements

Chapter 9

Statement of Changes in Equity of the Company

For the year ended 31 December 2025

Unit: RMB

Item	Share capital	Preferred shares	Other equity instruments	Capital reserves	Less: Treasury shares	Other comprehensive income	Including: Transition difference of the financial statements in foreign currency	Special reserves	Surplus reserves	Undistributed profits	Total shareholders' equity
I. Closing balance of the prior year	7,294,216,875.00			10,713,308,284.02	183,951,597.00	-14,059,679.72		6,336,078.00	2,076,495,475.54	6,886,280,777.84	26,568,626,193.68
Add: Changes in accounting policies											
Correction of prior errors											
Others											
II. Balance at the beginning of current year	7,294,216,875.00			10,713,308,284.02	183,951,597.00	-14,059,679.72		6,336,078.00	2,076,495,475.54	6,886,280,777.84	26,568,626,193.68
III. Increases/decreases in current year				3,626,812.37	-19,007,340.35	-41,564,648.33		-893,544.85	295,058,289.51	551,790,510.83	827,024,759.88
(decreases denoted by "-")											
(I) Total comprehensive income				3,626,812.37	-19,007,340.35	-41,564,648.33			2,909,018,246.78	2,909,018,246.78	22,634,162.72
(II) Capital contributed and reduced by shareholders				24,356,963.00							24,356,963.00
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				-14,310,163.49							-14,310,163.49
4. Others				-6,419,987.14	-19,007,340.35						12,587,363.21
(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

The notes form an integral part of the financial statements

Chapter 9

Statement of Changes in Equity of the Company

For the year ended 31 December 2025

Unit: RMB

Year ended 31 December 2024

Item	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	Surplus reserves	Undistributed profits	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			10,716,935,076.39	174,944,256.65	-55,624,328.05		5,442,533.15	2,371,553,765.05	7,239,071,288.67	27,995,650,953.56

The notes form an integral part of the financial statements

Chapter 9

Notes to the Financial Statements

For the year ended 31 December 2025

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

I. GENERAL INFORMATION OF THE COMPANY

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

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

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

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

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



Chapter 9

Notes to the Financial Statements

For the year ended 31 December 2025
(Unless indicated otherwise, all amounts are expressed in RMB)

I. GENERAL INFORMATION OF THE COMPANY (CONTINUED)

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

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

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

II. BASIS FOR THE PREPARATION

The Group has evaluated its ability to continue as a going concern for the 12 months from 31 December 2025 and has not identified any events or circumstances that may cast significant doubt over its ability to continue as a going concern. Therefore, the financial statements are prepared on a going concern basis according to the actual transactions and events that occurred, in accordance with the *Accounting Standards for Business Enterprises* and other relevant regulations issued by the Ministry of Finance (hereinafter referred to as “Accounting Standards for Business Enterprises”), the relevant disclosures required by the *Preparation Rules for Information Disclosure by Companies Offering Securities to the Public No. 15 – General Provisions on Financial Reports* (2023 Revision) of CSRC and relevant provisions, and the Hong Kong *Companies Ordinance* and the *Rules Governing the Listing of Securities* (the “Listing Rules”) on the Stock Exchange of Hong Kong, and based on the accounting policies and accounting estimates as described in “Note IV. Significant Accounting Policies and Accounting Estimates of the Company”.

III. STATEMENT OF COMPLIANCE WITH ACCOUNTING STANDARDS FOR BUSINESS ENTERPRISES

The financial statements prepared by the Company 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 2025, as well as the consolidated and the Company’s financial performance and cash flows for the year 2025.

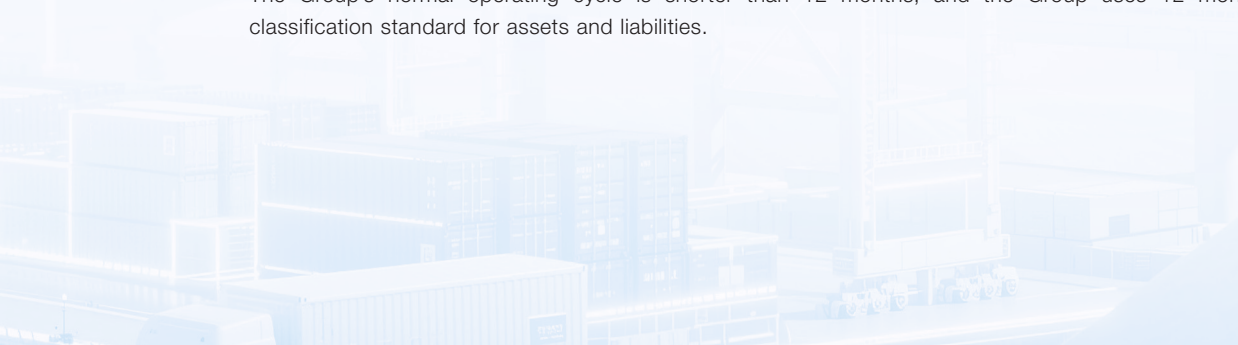
IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES OF THE COMPANY

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 9

Notes to the Financial Statements

For the year ended 31 December 2025

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

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

3. FUNCTIONAL CURRENCY

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

4. ACCOUNTING BASIS AND MEASUREMENT

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

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

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

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

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

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

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



Chapter 9

Notes to the Financial Statements

For the year ended 31 December 2025
(Unless indicated otherwise, all amounts are expressed in RMB)

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

5. METHODS FOR DETERMINING MATERIALITY CRITERIA AND BASIS FOR SELECTION

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

Item	Materiality Criteria
Material receivables with individual credit loss provisions	The Group gives a summary disclosure of accounts receivable and other receivables for which provision for credit losses has been made individually at the end of the 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 9

Notes to the Financial Statements

For the year ended 31 December 2025

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

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

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

Item	Materiality Criteria
Material 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 assets and asset groups with indications of impairment (or further impairment)	The Group discloses in detail the impairment testing process for assets and 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
Investees with more than half of the voting rights but not included in the scope of consolidation	At the end of the year, if the book value of investments in investees over which the Group has voting rights exceeding 50% but which are not consolidated is greater than RMB100 million, or the operating income of such investees exceeds RMB500 million, the Group discloses such investees as significant investees over which it holds more than 50% of voting rights but which are not included in the scope of consolidation.

Chapter 9

Notes to the Financial Statements

For the year ended 31 December 2025
(Unless indicated otherwise, all amounts are expressed in RMB)

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

6. BUSINESS COMBINATION

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

6.1 Business combination involving entities under common control

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

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

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

6.2 Business combination not involving entities under common control

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

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

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

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

Chapter 9

Notes to the Financial Statements

For the year ended 31 December 2025

(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 9

Notes to the Financial Statements

For the year ended 31 December 2025
(Unless indicated otherwise, all amounts are expressed in RMB)

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

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

8.2 The preparation of consolidated financial statements

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 9

Notes to the Financial Statements

For the year ended 31 December 2025

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

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

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

8.2 The preparation of consolidated financial statements (Continued)

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 for the equity disposal and the fair value of any retained interest and (2) the share of the former subsidiary's net assets accumulated from the acquisition date based on the original proportion of ownership interest shall be included in the investment income in the period when control is lost and relevant goodwill shall be written off at the same time. Other comprehensive income related to the equity investment of the former subsidiary shall be reclassified into profit or loss when the control is lost.

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

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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.

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.



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

11. FINANCIAL INSTRUMENTS (Continued)

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

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

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

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

11.1 Classification and measurement of financial assets

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

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

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



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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 bank acceptance bills held by the Group at fair value through other comprehensive income are mainly large commercial banks and listed commercial banks with high credit ratings, and such bank acceptance bills have similar credit risk characteristics	
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

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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
	Accrual by portfolio	Low-risk portfolio	The accounts receivable in the Group's low-risk portfolio are mainly accounts receivable from related parties, joint ventures, associates, and their subsidiaries within the scope of China Merchants' consolidated financial statements, etc., which have similar credit risk 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 accounts receivable other than low-risk portfolio items and items with credit losses accrued on an individual basis, the aging of which reflects their credit risk 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
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

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

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

11. FINANCIAL INSTRUMENTS (Continued)

11.2 Impairment of financial instruments (Continued)

11.2.5 Write-off of financial assets

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

11.3 Transfer of financial assets

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

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

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

If the overall transfer of financial assets meets the conditions for derecognition, the difference between the book value of the transferred financial assets on the date of derecognition and the sum of the consideration received due to the transfer and the 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 those arising from the transfer of financial assets that do not meet the conditions for derecognition or continuing involvement in the transferred financial assets, shall be classified as financial liabilities measured at amortised costs and shall be subsequently measured at amortised costs. The profits or losses generated by derecognition or amortisation shall be recorded 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 contain both a liability and a conversion option to convert the liability into its equity instrument are initially recognised separately by splitting them. Of these, conversion options that are settled by exchanging a fixed amount of cash or other financial assets for a fixed number of equity instruments are accounted for as equity instruments.



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

11. FINANCIAL INSTRUMENTS (Continued)

11.7 Compound instrument (Continued)

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

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

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

12. INVENTORIES

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

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

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

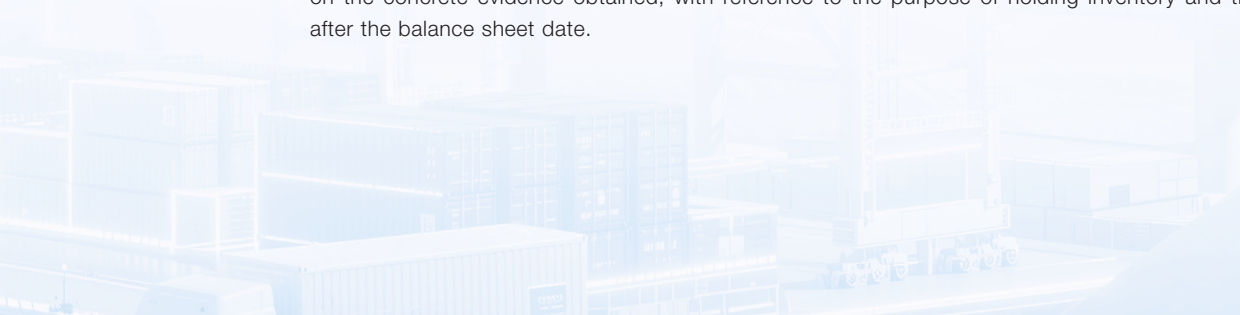
The Group adopts a perpetual inventory system as the inventory accounting system.

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 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 relationship, 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.

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



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Notes to the Financial Statements

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

18. LONG-TERM PREPAID EXPENSE

Long-term prepaid expenses represent expenditures incurred which should be recognised as expenses over one year and should be allocated in 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 (Continued)**

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 BENEFITS

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

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

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Notes to the Financial Statements

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

21. EMPLOYEE BENEFITS (Continued)

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

Short-term benefits refer to all the employee remunerations that the Group needs to pay to employees within 12 months after the end of the annual reporting period for the relevant services provided by employees, with the exception of post-employment benefits and termination benefits. Short-term benefits include employee wages, bonuses, allowances and subsidies, employee welfare benefits, social insurance premiums such as medical insurance, work-related injury insurance and maternity insurance, housing provident fund, trade union funds and staff education funds, short-term paid absences, short-term profit-sharing schemes, non-monetary benefits, and other short-term benefits. During the accounting period when employees provide services, the Group shall recognise the short-term benefits payable as a liability and record 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 the further payment obligation after the fixed fee is deposited into the independent fund. Defined benefit plans refer to post-employment benefit plans other than defined contribution plans. During the accounting period when the employee provides services for the Group, the amount due for deposit calculated according to the defined contribution plan shall be recognised as a liability and recorded 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.



Chapter 9**Notes to the Financial Statements**

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IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES OF THE COMPANY (CONTINUED)**21. EMPLOYEE BENEFITS (Continued)**

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

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

22. SHARE-BASED PAYMENT

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

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

23. BONDS PAYABLE

The initial recognition of the bonds payable by the Group shall be measured at the fair value, and the relevant transaction expenses shall be included in the initial recognition amount. Bonds payable 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 of 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 an expense in the period in which they are incurred.

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

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.

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

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

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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 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 RMB50,000 when the asset is brand new. The Group recognises the lease payments for short-term leases and low-value asset leases in the current profits and losses or the cost of the related assets in each period of the lease term on a straight-line basis or by other systematic and reasonable methods.

29.1.5 Lease modification

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

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

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

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

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 apportion 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 method. Initial direct costs incurred by the Group in connection with operating leases are capitalised as incurred and are amortised over the lease term on the same basis as rental income recognition and charged to profit or loss for the corresponding period.

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

29.2.4 The Group records finance lease business as a lessor

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

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

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

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

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

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Notes to the Financial Statements

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

29. LEASES (Continued)

29.2 The Group as lessor (Continued)

29.2.5 Sublease

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

29.2.6 Lease modification

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

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

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

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

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



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

29. LEASES (Continued)

29.3 Sale and leaseback transactions

29.3.1 The Group as seller and lessee

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

For transactions involving the transfer of control in subsidiaries that include assets subject to sale-and-leaseback arrangements, the Group accounts for the loss of control over the subsidiaries in accordance with *Accounting Standard for Business Enterprises No. 33 – Consolidated Financial Statements*. Concurrently, the transfer of assets constitutes a sale and is subject to the requirements for sale and leaseback transactions.

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.



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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

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 is deducted from the special reserve, and the same amount of accumulated depreciation is recognised. Such fixed assets are not depreciated in subsequent periods.

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

32. ASSET SECURITISATION BUSINESS

When a financial asset is transferred, it is judged on the basis of the transfer of substantially all the risks and rewards of ownership of the relevant financial asset. If substantially all the risks and rewards of ownership of the relevant financial asset have been transferred, the corresponding financial asset is derecognised. If substantially all the risks and rewards of ownership of the relevant financial asset have not been transferred but have been retained, the financial asset is not derecognised. If substantially all the risks and rewards of ownership of the relevant financial asset have been 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 meets 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.

Chapter 9**Notes to the Financial Statements**

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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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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 Group make judgments, estimates, and assumptions about the book value of statement items that cannot be measured accurately and the application of Accounting Standard for Business Enterprises in specific transactions. These judgments, estimates, and assumptions are based on the management's historical experience, their understanding of Accounting Standard for Business Enterprises, and other factors that are considered to be relevant. Actual results may differ from these estimates. Certain matters concerning the application of Accounting Standards for Business Enterprises that involve complex judgments may be subject to different interpretations.

The judgments, estimates, and assumptions are reviewed by the Group regularly (if applicable). 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

The significant judgments and accounting estimates made by the Group in preparing the financial statements for the current year are as follows:

1.1 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, and also significantly impact profit or loss at the point in time of the disposal in sale and leaseback transactions that constitute sales.

This year, the Group transferred 100% equity interests in 6 subsidiaries encompassing warehousing and logistics infrastructure to BOC Sinotrans Warehousing and Logistics Closed-end Infrastructure Securities Investment Fund (hereinafter referred to as "BOC Sinotrans Warehousing REIT") and leased back the warehousing and logistics infrastructure of 5 of these companies on a whole-lease basis. The details are described in Note VIII. 3 and Note IX. 64. In determining the lease term for a sale and leaseback transaction, the Group must consider all relevant facts and circumstances regarding the economic benefits arising from exercising or not exercising the option, all of which involve management judgment.



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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 Sale of assets to associates or joint ventures

For transactions involving the sale of assets to associates or joint ventures, the Group must determine whether the sale constitutes a business to assess whether unrealized profits or losses from internal transactions attributable to the Group's proportionate share should be offset. To constitute a business, the following three elements are typically required: (1) Inputs, referring to the contribution of raw materials, labor, intangible assets such as essential production technologies, and other long-term assets like machinery and equipment that form the capacity for output; (2) Processing procedures, referring to systems, standards, protocols, conventions, or rules with certain management capabilities and operational processes that organize inputs to form output capacity; (3) Output, encompassing products or services delivered to customers, investment returns such as dividends or interest provided to investors or creditors, and other revenues generated from the enterprise's daily operations. An asset constitutes a business only when it involves at least one input and one substantive processing activity, and the combination of these two significantly contributes to the output capacity. The identification of substantive processing and the significant contribution to production capacity lack clear quantitative standards and are not always evident. Management must exercise significant judgment and consider other factors comprehensively.

This year, the Group transferred 100% equity interests in 6 subsidiaries encompassing warehousing and logistics infrastructure to the associate, BOC Sinotrans Warehousing REIT. The Group determined that the aforementioned 6 companies, which include warehousing and logistics infrastructure, constituted a business at the disposal date and did not offset unrealized internal transaction profits or losses. The portion attributable to the Group was calculated based on its proportionate share. The basis for the Group's judgment and the relevant facts considered are detailed in Note VIII. 3.

1.3 Goodwill impairment

As at 31 December 2025, the book value of goodwill was RMB1,572,269,976.12. The Group conducts impairment tests on goodwill at least annually. When conducting impairment tests for goodwill, the recoverable amount of each asset group and combination of asset groups within the Group that generates goodwill is primarily determined based on the present value of projected future cash flows. Calculating the present value of future cash flows requires the use of management's forecasts regarding future operations and the application of an appropriate discount rate. These matters all involve management judgment. During the current year, the Group recorded goodwill impairment provisions totaling RMB561,213,003.03, primarily resulted from the Group's acquisition of equity in seven companies, including KLG EUROPE EERSEL B.V., in a business combination not under common control. The key forecast data and parameters used by the Group in conducting goodwill impairment tests, along with sensitivity analysis, are detailed in Notes IX. 18.

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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)

1.4 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. During the current year, the Group recognized impairment losses on fixed assets and investment properties totaling RMB104,591,898.13. Key parameters used in conducting related impairment tests on significant asset groups with impairment (or further impairment) indicators are detailed in Notes IX. 14.

1.5 Recognition of expected credit losses

The Group employs the expected credit loss model to assess impairment of financial instruments. The application of the expected credit loss model requires significant judgment and estimates, necessitating consideration of all reasonable and supported information, including forward-looking information. In making these judgments and estimates, the Group assesses expected changes in credit risk based on historical repayment data of debtors, credit systems that record and track credit facilities, litigation disputes, and public perceptions, while also considering factors such as economic policies, macroeconomic indicators, and industry risks. Different estimates may affect the provision for expected credit losses, and the provision for expected credit losses may not equal the actual future loss amount.

1.6 Recognition of deferred tax assets

The Group recognises deferred tax assets for 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. Estimating taxable income for future periods involves significant management estimates and judgments. It requires consideration of numerous factors, including historical operating results, internal business plans, market conditions, and industry trends, as well as the timing of the reversal of related taxable temporary differences based on management's estimates. When a taxable entity within the Group is already in a tax loss position, and market conditions and industry trends indicate significant uncertainty regarding its future ability to generate sufficient taxable income to offset deductible temporary differences and deductible losses, or where the Group estimates that the related taxable temporary differences will not reverse in the same period as the expected reversal of the deductible temporary differences, or within the period during which tax losses may be carried forward, the Group does not recognize deferred tax assets related to unused deductible temporary differences and deductible losses.

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Notes to the Financial Statements

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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 Fair value of financial instruments

For financial instruments which 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.

The Group applies valuation techniques to determine the fair value of significant unlisted equity investments. For details on the valuation model and key parameters used, please refer to Note XI. 3.

1.8 Taxes

In the course of its normal business operations, the Group faces uncertainties regarding the final tax treatment and calculation of certain transactions. The Group has handled the matter based on past tax experience, but may face adjustments due to changes in the regulatory stance of government authorities. If the final determination of these tax matters differs from the amounts initially recorded, the resulting difference and any potential late payment penalties will impact the period in which they are ultimately recognized.

1.9 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

For the year ended 31 December 2025

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

VI. SIGNIFICANT CHANGES IN ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES, AND CORRECTION OF ERRORS

1. CHANGES IN ACCOUNTING POLICIES AND EFFECTS

There are no material changes in the accounting policies of the Group during the year.

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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Notes to the Financial Statements

For the year ended 31 December 2025
(Unless indicated otherwise, all amounts are expressed in RMB)

VII. TAXES

1. MAIN TAX CATEGORIES AND RATES

Tax categories	Tax bases	Tax rates
Value-added tax	Taxable value-added amount (the balance of the output tax less deductible input tax)	0%, 3%, 5%, 6%, 9%, 13%
Urban maintenance & construction tax	Turnover tax payable	1%, 5%, 7%
Education surcharge and local education surcharge	Turnover tax payable	3%, 2%
Stamp duty	Registered capital, capital reserve, economic contract amount, etc.	0.05%, 0.03%, etc.
Property tax	Taxable residual value and rental income of properties	1.2%, 12%
Urban land use tax	The actual area of the land occupied	0.6-30 RMB/m ²
Enterprise income tax (<i>Note</i>)	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 mainly 25%, and the preferential tax rate is applicable to some subsidiaries. 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%

The Pillar Two rules under the two-pillar solution for Base Erosion and Profit Shifting (BEPS) released by the Organisation for Economic Co-operation and Development (OECD) require multinational enterprise groups to achieve an effective tax rate of 15% across all jurisdictions where they operate. Relevant rules have been implemented in some jurisdictions, and Hong Kong, China's minimum top-up tax rules will also take effect on 1 January 2025. As a multinational group meeting the EUR 750 million revenue threshold, the Group has assessed its tax position across all jurisdictions where it operates. As of 31 December 2025, the Group's effective tax rate in all major operating jurisdictions was no less than 15%. Certain subsidiaries incorporated in the British Virgin Islands, whose business scale is immaterial, did not recognize any income tax liabilities related to Pillar Two. The Group will continue to monitor the implementation and updates of Pillar Two-related legislation across jurisdictions, periodically reassess the relevant impacts, and make corresponding accounting treatments in accordance with applicable standards.

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Notes to the Financial Statements

For the year ended 31 December 2025

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

VII. TAXES (CONTINUED)

2. SIGNIFICANT TAX PREFERENCES AND APPROVALS

2.1 Enterprise income tax

- (1) According to the Announcement on the Continuation of Enterprise Income Tax Policy for Western Development (the Ministry of Finance, State Taxation Administration and the National Development and Reform Commission Announcement No. 23 of 2020), from 1 January 2021 to 31 December 2030, the enterprises established in Western China whose main business is the industrial projects specified in the Catalogue of Encouraging Industries in Western China and whose main business revenue accounts for more than 60% of the total revenue of the enterprises may pay their enterprise income tax at the reduced tax rate of 15%. During the reporting period, some branches and subsidiaries of the Group located in Western China enjoyed a preferential income tax rate of 15%.
- (2) According to the *Circular of the Ministry of Finance and the State Taxation Administration on the Preferential Policies on Enterprise Income Tax in Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone* (Cai Shui [2024] No. 13), for enterprises located in the Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone (as specified in the *Overall Development Plan for Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone* approved by State Council in December 2023), 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%. The implementation period is from 1 January 2023 to 31 December 2025. 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.
- (5) Pursuant to the *Circular of the Ministry of Finance and the State Taxation Administration on Improving the Corporate Income Tax Policy for Accelerated Depreciation of Fixed Assets* (Cai Shui [2014] No. 75), the *Circular of the Ministry of Finance and the State Taxation Administration on Further Improving the Corporate Income Tax Policy for Accelerated Depreciation of Fixed Assets* (Cai Shui [2015] No. 106), and the *Announcement of the Ministry of Finance and the State Taxation Administration on Corporate Income Tax Policies Concerning Deductions for Equipment and Appliances* (No. 37 of 2023, the Ministry of Finance and the State Taxation Administration), the Group calculates depreciation for fixed assets that meet the specified requirements using the shortened depreciation period method or recognizes them as one-time costs and expenses in the current period, deducting them when calculating taxable income.

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For the year ended 31 December 2025
(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)

- (6) 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.
- (7) 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.
- (8) Pursuant to the *Notice of the Ministry of Finance and the State Taxation Administration on Extending the Implementation of Corporate Income Tax Preferential Policies for the Hainan Free Trade Port* (Caishui [2025] No. 3), the policy of levying corporate income tax at a reduced rate of 15% on enterprises in encouraged industries that are registered in the Hainan Free Trade Port and conduct substantive operations has been extended until 31 December 2027. During the reporting period, certain subsidiaries of the Group registered in the Hainan Free Trade Port benefited from the aforementioned income tax preferential policies.

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. Subsidiaries of the Group engaged in the above business are entitled to this tax benefit.

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Notes to the Financial Statements

For the year ended 31 December 2025

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

VII. TAXES (CONTINUED)

2. SIGNIFICANT TAX PREFERENCES AND APPROVALS (Continued)

2.3 Other taxes

- (1) Pursuant to the *Announcement on Further Supporting the Development of Micro and Small Enterprises and Individual Businesses* (Announcement No. 12 of 2023 by the Ministry of Finance and the State Taxation Administration), from 1 January 2023 to 31 December 2027, small-scale VAT taxpayers, small low-profit enterprises and individual businesses are subject to half reduction in resource tax (excluding water resource tax), urban maintenance and construction tax, property tax, urban land use tax, stamp duty (excluding stamp duty on securities transactions), arable land occupation tax, education surcharge and local education surcharge. Certain subsidiaries of the Group were entitled to the above tax incentives during the reporting period.
- (2) According to the *Announcement on Continuing the Implementation of Preferential Policies on Urban Land Use Tax for Land for Bulk Commodity Warehousing Facilities of Logistics Enterprises* (the Ministry of Finance and the State Taxation Administration Announcement No. 5 of 2023), from 1 January 2023 to 31 December 2027, the urban land use tax for land for bulk commodity warehousing facilities owned (including self-use and leasing) or leased by logistics enterprises will be reduced by 50% of the applicable tax standard of the land class to which the land belongs. Certain subsidiaries of the Group were entitled to the above tax incentives during the reporting period.
- (3) According to the *Announcement on Continuing the Implementation of Preferential Policies on Property Tax and Urban Land Use Tax for Agricultural Products Wholesale Markets and Agricultural Trade Markets* (the Ministry of Finance and the State Taxation Administration Announcement No. 50 of 2023), the property tax and urban land use tax are provisionally exempted for the property and land (including those owned and leased, the same below) specifically used for the operations of agricultural products in the agricultural products wholesale markets and agricultural trade markets; the property and land used for the operations of agricultural products in the agricultural products wholesale markets and agricultural trade markets that also deal with other products shall be exempted from property tax and urban land use tax based on the ratio of the area of the trading site for other products to that of the agricultural products, and the preferential policy shall be effective until 31 December 2027. Certain subsidiaries of the Group were entitled to the above tax incentives during the reporting period.



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VIII. BUSINESS COMBINATION AND CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION OF MAIN SUBSIDIARIES INCLUDED IN THE SCOPE OF CONSOLIDATION FOR THE 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	1,357,000,272.00	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	1,125,351,942.12	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	5,857,687,626.31	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	1,005,055,831.24	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	1,012,201,545.72	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	223,439,062.43	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	142,440,174.06	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	121,293,756.85	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	134,970,549.35	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	152,454,479.67	1
14	China Marine Shipping Agency Co., Ltd.	2nd	1	Beijing	Beijing	Freight forwarding	30,000,000.00	100.00	100.00	100.00	30,826,351.49	1
15	Sinotrans Chongqing Co., Ltd.	2nd	1	Chongqing	Chongqing	Freight forwarding	60,869,000.00	100.00	100.00	100.00	82,970,583.09	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	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-Khier Company For General Trading And Marine Services	2nd	3	Iraq	Iraq	Integrated logistics	292,842.00	100.00	100.00	100.00	282,680.25	1
19	Sinotrans Logistics Co., Ltd.	2nd	1	Shenzhen, Guangdong Province	Shenzhen, Guangdong Province	Logistics	1,346,761,911.29	100.00	100.00	100.00	4,739,916,352.12	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	100,438,555.10	1
21	Sinotrans Cold Chain Logistics Co., Ltd.	2nd	1	Shenzhen, Guangdong Province	Shenzhen, Guangdong Province	Logistics	216,000,000.00	100.00	100.00	100.00	217,614,987.47	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	294,993,173.33	1
23	Sinotrans Logistics Investment Holdings Co., Ltd.	2nd	1	Beijing	Beijing	Logistics	433,110,000.00	100.00	100.00	100.00	747,599,486.54	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	3,980,986.34	1
26	Sinotrans Engineering Logistics Co., Ltd.	2nd	1	Nantong, Jiangsu Province	Nantong, Jiangsu Province	Logistics	280,000,000.00	100.00	100.00	100.00	280,000,000.00	1
27	Sinotrans Southwest (Chongqing) Logistics Development Co., Ltd.	2nd	1	Chongqing	Chongqing	Freight forwarding	100,000,000.00	100.00	100.00	100.00	100,036,504.04	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 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	Net profit of	Net cash flows
							the acquiree from the purchase date to the end of the year	the acquiree at the end of the year from the purchase date	from operating activities of the acquiree at the end of the year from the purchase date
Chengdu Bonded Logistics Investment Co., Ltd.	—	—	—	—	31 May 2025	Note 1	21,071,604.64	4,302,143.14	4,639,191.12
Ningbo Taiping International Trade Transportation Co., Ltd.	—	—	—	—	30 September 2025	Note 2	235,949,602.14	1,519,980.08	17,405,899.36

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VIII. BUSINESS COMBINATION AND CONSOLIDATED FINANCIAL STATEMENTS

(CONTINUED)

2. BUSINESS COMBINATIONS NOT UNDER COMMON CONTROL (Continued)

(1) Business combination not under common control that occurred during the year (Continued)

Note 1: Chengdu Bonded Logistics Investment Ltd. (hereinafter referred to as “Chengdu Bonded Logistics Company”) is a company jointly invested and established by the subsidiaries of the Group, namely, Sinoair and CDHTI Industrial and Urban Construction Group Co., Ltd. The Group holds 54.29% of the shares. Although the Group held a majority of the voting rights before the date of acquisition, the Group was not capable of dominating the relevant activities of Chengdu Bonded Logistics Company according to the arrangement of the Articles of Incorporation, and therefore the equity method of accounting was adopted (see Note IX.10 for details). On 27 May 2025, Chengdu Bonded Logistics Company held a shareholders’ meeting, making amendments to its Articles of Incorporation. In accordance with the newly amended Articles of Incorporation, the Group is able to dominate the relevant activities of Chengdu Bonded Logistics Company and enjoy variable returns from 31 May 2025 onwards, and therefore 31 May 2025 has been determined as the acquisition date.

Note 2: Ningbo Taiping International Trade Transportation Co., Ltd. (hereinafter referred to as “Ningbo Taiping Company”) is jointly held by the Group’s subsidiary, Sinotrans Eastern Company Limited (hereinafter referred to as “Sinotrans Eastern Company”), with a 55% equity interest, and Pacific International Lines Pte Ltd., holding the remaining 45%. 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 Ningbo Taiping Company according to the arrangement of the Articles of Incorporation, and therefore the equity method of accounting was adopted (see Note IX.10 for details). On 23 September 2025, Ningbo Taiping 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 Ningbo Taiping Company and enjoy variable returns from 30 September 2025 onwards, and therefore 30 September 2025 has been determined as the acquisition date.

(2) Consolidated costs and goodwill

	Chengdu Bonded Logistics Investment Co., Ltd.	Ningbo Taiping International Trade Transportation Co., Ltd.
Consolidated costs		
– Cash	–	–
– Fair value of bonds issued or assumed	–	–
– Fair value of contingent consideration	–	–
– Purchase-date fair value of equity interest held prior to the purchase date	148,878,559.96	69,497,439.91
Total consolidated costs	148,878,559.96	69,497,439.91
Less: Share of the fair value of identifiable net assets acquired	138,266,584.31	62,111,879.85
Amount by which goodwill/consolidated cost is less than the share of the fair value of identifiable net assets acquired	10,611,975.65	7,385,560.06

Method of determining the fair value of the consolidated costs: The method of determining the fair value of equity interests held prior to the date of acquisition at the date of acquisition is detailed in Note VIII.2.(4).

Completion of performance commitments: The aforementioned and previous business combination transactions of the Group do not involve performance commitments of related parties.

Major reasons for the formation of significant goodwill: The Group has fully identified the identifiable assets and liabilities of Chengdu Bonded Logistics Company and Ningbo Taiping Company at the purchase date. The goodwill arising from the acquisition of Chengdu Bonded Logistics Company and Ningbo Taiping Company mainly resulted from the deferred income tax effect recognised in the business combination, and relevant details were described in Note VIII. 2. (3).

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VIII. BUSINESS COMBINATION AND CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2. BUSINESS COMBINATIONS NOT UNDER COMMON CONTROL (Continued)

(3) Identifiable assets and liabilities of the acquiree at the purchase date

Item	Chengdu Bonded Logistics Investment Co., Ltd.		Ningbo Taiping International Trade Transportation 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:	290,303,846.65	212,116,514.53	217,981,969.34	164,268,805.28
Cash and bank balances	44,844,890.55	44,844,890.55	38,964,538.70	38,964,538.70
Accounts receivable	2,551,851.14	2,551,851.14	89,781,936.53	89,781,936.53
Prepayments	317,748.81	317,748.81	595,487.70	595,487.70
Other receivables	25,722.61	25,722.61	3,271,662.61	3,271,662.61
Inventories	—	—	43,391.83	43,391.83
Other current assets	—	—	216,614.66	216,614.66
Long-term equity investments	—	—	200,000.00	200,000.00
Investment properties	—	—	45,665,486.13	13,572,846.73
Fixed assets	145,256,816.09	133,998,072.91	16,495,369.87	12,299,103.17
Intangible assets	96,286,299.13	29,357,710.19	21,704,357.95	3,581,315.10
Long-term prepaid expense	1,020,518.32	1,020,518.32	158,152.09	856,936.98
Deferred tax assets	—	—	884,971.27	884,971.27
Liabilities:	35,622,350.40	16,075,517.37	105,051,278.71	91,622,987.69
Short-term borrowings	—	—	44,790,150.00	44,790,150.00
Accounts payable	569,640.84	569,640.84	38,929,934.54	38,929,934.54
Contract liabilities	973,197.63	973,197.63	1,149,890.82	1,149,890.82
Employee benefits payable	913,592.73	913,592.73	1,455,799.95	1,455,799.95
Taxes and dues payable	7,891,782.26	7,891,782.26	—	—
Other payables	5,727,303.91	5,727,303.91	582,182.09	582,182.09
Long-term payables	—	—	4,715,030.29	4,715,030.29
Deferred tax liabilities	19,546,833.03	—	13,428,291.02	—
Net assets:	254,681,496.25	196,040,997.16	112,930,690.63	72,645,817.59
Less: Non-controlling interests	—	—	—	—
Net assets acquired	254,681,496.25	196,040,997.16	112,930,690.63	72,645,817.59

Method for determining the fair value of identifiable assets and liabilities:

The fair value of the identifiable assets and liabilities of Chengdu Bonded Logistics Company at the date of purchase was determined based on the asset appraisal report (Tian Xing Appraisal Report [2024] No. 2670) issued by Pan-China Appraisal Co., Ltd., and by taking into account the changes in net assets from the valuation base date to the date of purchase.

The fair value of the identifiable assets and liabilities of Ningbo Taiping Company at the date of purchase was determined based on the asset appraisal report (Orient Appraisal Report [2025] No. 3209) 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.

The Group has not assumed any contingent liabilities of the acquiree in the above business combination.

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VIII. BUSINESS COMBINATION AND CONSOLIDATED FINANCIAL STATEMENTS

(CONTINUED)

2. BUSINESS COMBINATIONS NOT UNDER COMMON CONTROL (Continued)

(4) Gains or losses arising from the remeasurement of equity held prior to the date of purchase at fair value

Name of the acquiree	Point of acquisition of equity previously held prior to the date of purchase	Ratio of acquisition of equity previously held prior to the date of purchase (%)	Acquisition			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 and key assumptions
			cost of equity previously held prior to the date of purchase	Method of acquisition of equity previously held prior to the date of purchase						
Chengdu Bonded Logistics Investment Co., Ltd.	15 March 2005	54.29	95,000,000.00	Original capital contribution	106,430,657.36	148,878,559.96	42,447,902.60		<i>Note</i>	-
Ningbo Taiping International Trade Transportation Co., Ltd.	6 July 1992; March 1998; 17 September 2004	40.00; 10.00; 5.00	17,372,235.90	Original capital contribution; acquisition	41,953,296.22	69,497,439.91	27,544,143.69			-

Note: The Group engaged Pan-China Appraisal Co., Ltd. and Shanghai Orient Appraisal Co., Ltd. to appraise the value of 100% equity interests in Chengdu Bonded Logistics Company and Ningbo Taiping Company, respectively. The resulting asset appraisal reports are numbered Tian Xing Appraisal Report (2024) No. 2670 and Orient Appraisal Report (2025) No. 3209. As at the date of purchase, the assets of Chengdu Bonded Logistics Company and Ningbo Taiping Company mainly consisted of land, warehouses, and ancillary equipment. The final values of the aforesaid appraisal report are the appraisal results based on the asset-based approach, which is not included in 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 equity held by the Group in Chengdu Bonded Logistics Company and Ningbo Taiping Company prior to the purchase date is directly calculated and determined proportionally based on the aforementioned appraisal results.

- (5) The aforesaid business combinations of the Group do not involve any situation in which the consideration for the combinations or the fair value of the identifiable assets and liabilities of the acquiree cannot be reasonably determined at the purchase date or at the end of the year when the combinations took place.

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Notes to the Financial Statements

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

VIII. BUSINESS COMBINATION AND CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

3. DISPOSAL OF SUBSIDIARIES

Name of subsidiary	Point of loss of control	Disposal price at the point of loss of control	Disposal ratio at the point of loss of control (%)	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	Basis for determining the point of loss of control	Ratio of the remaining equity interest at the date of loss of control (%)	Book value of the remaining equity interest at the level of the consolidated financial statements at the date of loss of control	Fair value of the remaining equity interest at the level of the consolidated financial statements at the date of loss of control	Gain or loss from remeasurement of the remaining equity interest at fair value	Methodology and key assumptions for determining the fair value of the remaining equity interest at the level of the consolidated financial statements at the date of loss of control	Transfer of other comprehensive income/special reserves related to equity investment in original subsidiaries to investment profit or loss or retained earnings
Tianjin Sinotrans Jianhe Warehousing Limited	30 June 2025	233,351,550.43	100.00	Sale	Note	175,218,002.99	—	—	—	—	—
Sinotrans (Chengdu) Airport Logistics Co., Ltd.	30 June 2025	192,077,547.82	100.00	Sale		57,880,015.47	—	—	—	—	—
Ruida Zhihui Kunshan Storage Service Co., Ltd.	30 June 2025	148,814,401.08	100.00	Sale		122,793,144.30	—	—	—	—	—
Ruida (Jinhua) Warehousing Service Co., Ltd.	30 June 2025	223,824,149.29	100.00	Sale		175,268,177.09	—	—	—	—	—
Ruida Wuxi Storage Service Co., Ltd.	30 June 2025	179,850,564.88	100.00	Sale		133,784,093.34	—	—	—	—	—
Kunshan Sinotrans Supply Chain Co., Ltd.	30 June 2025	266,894,933.49	100.00	Sale		118,099,459.39	—	—	—	—	—
Ruiyundatong (Tianjin) Warehousing Service Co., Ltd.	30 June 2025	236.94	100.00	Sale		34.88	—	—	—	—	—
Ruiyundatong (Chengdu) Warehousing Services Co., Ltd.	30 June 2025	600.23	100.00	Sale		141.09	—	—	—	—	—
Ruiyundatong (Kunshan) Warehousing Service Co., Ltd.	30 June 2025	143.14	100.00	Sale		29.23	—	—	—	—	—
Ruiyundatong (Jinhua) Warehousing Service Co., Ltd.	30 June 2025	621.98	100.00	Sale		224.00	—	—	—	—	—
Ruiyundatong (Wuxi) Warehousing Service Co., Ltd.	30 June 2025	678.38	100.00	Sale		223.99	—	—	—	—	—
Ruiyundatong Qidong (Kunshan) Warehousing Service Co., Ltd.	30 June 2025	143.14	100.00	Sale		29.23	—	—	—	—	—

Note: In May 2025, the BOC Sinotrans Warehousing and Logistics "REIT", co-founded by the Company and Bank of China Investment Management Co., Ltd., obtained a letter of no objection from the Shanghai Stock Exchange and an approval for registration from the China Securities Regulatory Commission.

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VIII. BUSINESS COMBINATION AND CONSOLIDATED FINANCIAL STATEMENTS

(CONTINUED)

3. DISPOSAL OF SUBSIDIARIES (Continued)

On 24 June 2025, BOC Sinotrans Warehousing and Logistics REIT completed its offering, raising RMB1.3108 billion. The Group subscribed to a 20% stake in BOC Sinotrans Warehousing and Logistics REIT for an amount of RMB262,160,000. The Group exercises significant influence but not control over certain key activities determined by the holders' meeting of BOC Sinotrans Warehousing and Logistics REIT. This investment is accounted for using the equity method.

On 30 June 2025, the Group transferred six companies, including Tianjin Sinotrans Jianhe Warehousing Limited (which encompasses warehousing and logistics infrastructure) and six corresponding SPV companies, including Ruiyundatong (Tianjin) Warehousing Service Co., Ltd., to BOC Sinotrans Warehousing REIT, and completed the handover with Bank of China Investment Management Co., Ltd., the manager of BOC Sinotrans Warehousing REIT. Since the Group is no longer able to dominate the relevant activities of the aforesaid companies, they are no longer included in the scope of consolidation.

As previously mentioned, BOC Sinotrans Warehousing and Logistics REIT is an entity accounted for by the Group using the equity method in accordance with the Group's accounting policies (see Notes IV. 13 for details). 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. The Group believes that the asset group related to warehousing and logistics infrastructure included in the aforementioned transferred company equity constituted a business at the disposal date, and therefore there is no need to offset the portion attributable to the Group based on its proportionate share of unrealized gains or losses arising from internal transactions. The Group's judgment is based on the following rationale and factual grounds: (1) At the time of disposal, the warehousing and logistics infrastructure held by the aforementioned disposed company included lease agreements, asset group with ongoing operations, and normal collection of rent and payment of daily operating expenses; (2) Through long-term entrusted operation agreements, the Group acquired operational management processes and organized labor force to execute such processes. The disposed company was already entrusted to be operated by a professional operating company belonging to the Group prior to the disposal, and a long-term entrusted operation agreement had been signed; (3) General market participants could clearly combine the aforementioned warehousing and logistics infrastructure, leases, and operating agreements as a business operation to generate ongoing outputs;

Before the disposal, except for the warehousing and logistics infrastructure held by Sinotrans (Chengdu) Airport Logistics Co., Ltd., which was rented out to external parties, all the rest were fully rented and used at market prices by other subsidiaries of the Group (ultimately, all end customers are external clients.) Following the disposal, the Group continues to operate the aforementioned warehousing and logistics infrastructure on a trustee basis and receives compensation commensurate with market conditions, with the whole-lease arrangement remaining in effect. Based on the prudence principle, the Group determined that the transfer of warehousing and logistics infrastructure in the aforementioned equity disposal transaction constituted a sales and leaseback transaction and qualified as a sale. Accordingly, the gain of RMB343,717,243.68 related to the retained right-of-use asset under the leaseback arrangement was offset against the gain on equity disposal (see Notes IX. 64 for details).

The Group does not involve any situation in which investments in subsidiaries are disposed of in stages through multiple transactions and control is lost during the year.



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VIII. BUSINESS COMBINATION AND CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. CHANGES IN THE SCOPE OF CONSOLIDATION FOR OTHER REASONS

Compared to the previous year, the Group added 12 third level subsidiaries during the current year due to new establishment, including Ningde Sinotrans Raocheng Logistics Co., Ltd., Dongying Sinotrans Gangkun Supply Chain Co., Ltd., and Shandong Sinotrans Chemical International Logistics Co., Ltd., added 1 forth level subsidiaries named Camel International Logistics Limited Liability Company.

Due to cancellation, 2 fourth level subsidiaries were reduced during the year, including Lianyungang SINOTRANS Bonded Logistics Co., Ltd., and Guangdong Foreign Transport Shipping Company.

5. REASONS FOR INCLUDING COMPANIES WITH LESS THAN HALF OF THE VOTING RIGHTS IN THE SCOPE OF CONSOLIDATION OR NOT INCLUDING COMPANIES WITH MORE THAN HALF OF THE VOTING RIGHTS IN THE SCOPE OF CONSOLIDATION

(1) Investees with more than half of the voting rights but not included in the scope of consolidation

No.	Company name	Subscription shareholding ratio (%)	Voting ratio (%)	Registered capital	Investment amount	Grade (Note)	Reasons for not being included in the scope of consolidation
1	Sinotrans Suzhou Logistics Center Co., Ltd.	51.00	51.00	RMB 175 million	RMB 97,898,300	Directly held by the Company	As agreed in the Articles of Incorporation of Sinotrans Suzhou Logistics Center Co., Ltd., certain major operating and investment decisions of the company are subject to unanimous approval by all shareholders. As the Group cannot unilaterally control Sinotrans Suzhou Logistics Center Co., Ltd., it has not been included in the consolidation scope.
2	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.

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)

6. SIGNIFICANT NON-WHOLLY OWNED SUBSIDIARIES

(1) Non-controlling interests

FY 2025

No.	Company name	Shareholding ratio of non-controlling interests (%)	Profits and losses attributable to non-controlling interests in the year	Dividends paid to non-controlling interests in the year	Cumulative non-controlling interests at the end of the year
1	Sinotrans Changjiang Co., Ltd.	11.00	28,615,675.40	-	223,201,175.64

Note: On 1 July 2023, Sinotrans Changjiang Co., Ltd. (hereinafter referred to as "Sinotrans Changjiang Company") acquired 100% equity interest in China Yangtze River Shipping Co., Ltd. from another subsidiary of China Merchants in a business combination under common control through a capital increase and share enlargement. Upon the completion of the transaction, the Company's shareholding in Sinotrans Changjiang Company changed to 89%. Pursuant to the provisions of the capital increase agreement, the gains or losses, the related taxes and fees from the disposal of the 100% equity interests in Ruida Zhihui Kunshan Storage Service Co., Ltd. and Ruida Wuxi Storage Service Co., Ltd. held by Sinotrans Changjiang Company at the time of the capital increase and share expansion, which are intended for the issuance of publicly offered REITs, shall be solely entitled to the Company. Ruida Zhihui Kunshan Storage Service Co., Ltd. and Ruida Wuxi Storage Service Co., Ltd. have completed their disposal in the current period (see Note VIII. 3 for details). The difference between the amount of profits and losses attributable to non-controlling interests in the year and the amount calculated based on the shareholding ratio of non-controlling interests and the net profits attributable to owners of the parent company for the year disclosed in Note VIII. 6. (2) is due to the exclusion of the impact of the aforesaid disposal gain or loss and taxes.

FY 2024

No.	Company name	Shareholding ratio of non-controlling interests (%)	Profits and losses attributable to non-controlling interests in the year	Dividends paid to non-controlling interests in the year	Cumulative non-controlling interests at the end of the year
1	Sinotrans Changjiang Co., Ltd.	11.00	30,587,411.08	-22,670,704.29	194,358,407.99

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VIII. BUSINESS COMBINATION AND CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

6. 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	4,067,822,819.59	3,569,646,601.44
Non-current assets	714,582,799.88	661,423,985.81
Total assets	4,782,405,619.47	4,231,070,587.25
Current liabilities	2,208,715,978.07	2,296,590,841.65
Non-current liabilities	208,374,775.30	61,310,826.20
Total liabilities	2,417,090,753.37	2,357,901,667.85
Operating income	8,372,321,823.82	9,391,137,485.01
Net profits attributable to owners of the parent company	470,909,940.33	278,067,373.45
Profits and losses attributable to non-controlling interests	19,138,265.53	21,193,397.67
Total comprehensive income attributable to shareholders of the Company	470,939,955.39	278,154,354.88
Total comprehensive income attributable to non-controlling interests	19,138,265.53	21,193,397.67
Net cash flows from operating activities	326,216,623.93	446,618,388.17

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Notes to the Financial Statements

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VIII. BUSINESS COMBINATION AND CONSOLIDATED FINANCIAL STATEMENTS

(CONTINUED)

7. TRANSACTIONS RESULTING IN CHANGES IN THE COMPANY'S SHARE OF EQUITY INTERESTS IN SUBSIDIARIES AND THE CONTINUATION OF CONTROL OVER THE SUBSIDIARIES

(1) Changes in the Company's share of equity interests in subsidiaries

In the current year, Sinotrans Logistics Development Co., Ltd., a subsidiary of the Group, purchased a 20% equity interest in Sinotrans Waigaoqiao (Shanghai) International Logistics Co., Ltd. from Shanghai Waigaoqiao Port Comprehensive Bonded Zone Development Co., Ltd., with the purchase consideration being RMB39,804,543.77. Upon the completion of the above transaction, the Group's shareholding ratio in Sinotrans Waigaoqiao (Shanghai) International Logistics Co., Ltd. was changed to 100%.

In the current year, Sinotrans Central China Co., Ltd. (hereinafter referred to as "Sinotrans Central China"), a subsidiary of the Group, purchased a 25% equity interest in Sinotrans Shandong Hongzhi Logistics Co., Ltd. from LONG LINK LIMITED, with the purchase consideration being RMB975,100.00. Upon the completion of the above transaction, the Group's shareholding ratio in sinotrans Shandong Hongzhi Logistics Co., Ltd. was changed to 100%.

During this year, the capital reduction and withdrawal in the Group' a subsidiary, Xinxiang Land Port Development and Construction Co., Ltd., by its shareholder, Xinxiang Western Urban Investment and Development Co., Ltd., resulted in a corresponding increase in the equity stakes held by the Group and another shareholder, Xinxiang Economic Development Dongguang Industrial Co., Ltd. Upon the completion of the capital reduction, the Group's shareholding ratio in Xinxiang Land Port Development and Construction Co., Ltd. was changed to 56.67%.

(2) Effects of the transactions on non-controlling interests and the equity attributable to shareholders of the parent company

Item	Sinotrans Waigaoqiao (Shanghai) International Logistics Co., Ltd.	Sinotrans Shandong Hongzhi Logistics Co., Ltd.	Xinxiang Land Port Development and Construction Co., Ltd.
Purchase cost/disposal consideration	39,804,543.77	975,100.00	—
Including: Cash	39,804,543.77	975,100.00	—
Less: Share of net assets of subsidiaries in proportion to equity interests acquired/disposed of	24,471,525.94	251,043.57	146,382.31
Difference	15,333,017.83	724,056.43	-146,382.31
Including: Adjustment to capital reserves	15,333,017.83	724,056.43	-146,382.31

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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 2025; “Closing” refers to 31 December 2025; “Current year” refers to the year from 1 January to 31 December 2025, and “Prior year” refers to the year from 1 January to 31 December 2024.

1. CASH AND BANK BALANCES

Item	Closing balance	Opening balance
Cash on hand	3,953,365.50	2,716,190.61
Cash at banks	11,052,340,230.88	7,653,777,122.65
Other cash and bank balances	120,299,628.16	27,287,681.61
Including: Deposited in external financial institutions	114,970,850.42	24,141,912.31
Deposited in finance companies	5,328,777.74	3,145,769.30
Deposits with finance companies	5,833,031,174.17	5,783,883,511.11
Total	17,009,624,398.71	13,467,664,505.98
Including: Total amount deposited abroad	4,493,004,661.80	1,824,275,763.74

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.

(1) Restricted use of cash and bank balances at the end of the year

Item	Closing balance	Opening balance
Funds deposited subject to restrictions on the litigation	81,846,846.53	9,508,096.57
Interest receivable	15,259,031.87	5,387,499.31
Guarantee money	7,461,753.42	3,893,142.50
Others	15,731,996.34	8,498,943.23
Total	120,299,628.16	27,287,681.61

Note: The year-end funds deposited subject to restrictions on the litigation primarily involve a lawsuit concerning a freight transport dispute in which the Group’s subsidiary, Y2T Technology Co., Ltd. (hereinafter referred to as “Y2T”), was implicated due to the forgery of its official seal by a third party. As a result, the Guangzhou Railway Transport Court froze RMB45,239,255.44, and the Huangpu District People’s Court of Guangzhou froze RMB15,401,202.12. Since the cases have not yet been concluded, the relevant funds remain frozen; however, the Group does not anticipate being held liable.

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Notes to the Financial Statements

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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	— 1,031,653.86	— 574,374.32
Total	1,031,653.86	574,374.32

3. BILLS RECEIVABLE

(1) Classification of bills receivable

Category	Closing balance	Opening balance
Commercial acceptance bills	145,998,568.41	164,294,636.42
Total	145,998,568.41	164,294,636.42

(2) There were no pledged bills receivable 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)

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	—	138,602,609.18
Total	—	138,602,609.18

- (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 (%)	Book value	Amount	Proportion (%)	Amount	Expected credit loss ratio (%)	Book value
Credit loss provisions by portfolio	145,998,568.41	100.00	—	—	145,998,568.41	164,294,636.42	100.00	—	—	164,294,636.42
Total	145,998,568.41	100.00	—	—	145,998,568.41	164,294,636.42	100.00	—	—	164,294,636.42

- 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	145,998,568.41	—	—
Total	145,998,568.41	—	—

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 2025 and 31 December 2024, there were no commercial acceptance bills held by the Group subject to significant credit risk and resulted in significant losses due to default (bills receivable are expected to be collected in full), and the Group did not make provisions for credit losses based on materiality considerations.

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS

(CONTINUED)

3. BILLS RECEIVABLE (Continued)

(6) 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) 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	13,844,714,248.63	13,596,988,655.30
Less: Credit loss provision	776,400,389.92	545,188,204.76
Total	13,068,313,858.71	13,051,800,450.54

(2) Overall aging of accounts receivable

The aging analysis of accounts receivable based on the transaction date is as follows:

Item	Closing balance			Opening balance		
	Book balance	Proportion (%)	Credit loss provision	Book balance	Proportion (%)	Credit loss provision
Within 1 year (including 1 year)	13,111,232,476.07	94.70	213,144,900.63	13,204,048,190.88	97.11	237,522,256.08
1 to 2 years (including 2 years)	454,417,786.38	3.28	292,517,772.77	148,667,387.38	1.09	72,148,041.28
2 to 3 years (including 3 years)	60,351,631.19	0.44	56,737,490.77	89,899,189.07	0.66	81,912,146.28
Over 3 years	218,712,354.99	1.58	214,000,225.75	154,373,887.97	1.14	153,605,761.12
Total	13,844,714,248.63	100.00	776,400,389.92	13,596,988,655.30	100.00	545,188,204.76

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Notes to the Financial Statements

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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 balance		Credit loss provision		
	Amount	Proportion (%)	Amount	Expected credit loss ratio (%)	Book value	Amount	Proportion (%)	Amount	Expected credit loss ratio (%)	Book value
Credit loss provisions on an individual basis	391,871,423.43	2.83	372,677,876.90	95.10	19,193,546.53	321,323,472.57	2.36	249,598,412.23	77.68	71,725,060.34
Credit loss provisions by portfolio	13,452,842,825.20	97.17	403,722,513.02	3.00	13,049,120,312.18	13,275,665,182.73	97.64	295,589,792.53	2.23	12,980,075,390.20
Including:										
Low-risk portfolio	201,361,202.58	1.45	-	-	201,361,202.58	161,353,739.99	1.19	-	-	161,353,739.99
Aging portfolio	13,251,481,622.62	95.72	403,722,513.02	3.05	12,847,759,109.60	13,114,311,442.74	96.45	295,589,792.53	2.25	12,818,721,650.21
Total	13,844,714,248.63	100.00	776,400,389.92	—	13,068,313,858.71	13,596,988,655.30	100.00	545,188,204.76	—	13,051,800,450.54

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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	Closing balance			
	Book balance	Credit loss provision	Expected credit loss ratio (%)	Reasons for accrual
Entity 1	42,313,551.15	33,850,840.92	80.00	Involved in litigation and expected to be partially unrecoverable
Entity 2	39,964,263.07	39,964,263.07	100.00	Involved in litigation and not expected to be recovered
Entity 3	29,448,872.97	28,753,115.42	97.64	Involved in litigation and expected to be partially unrecoverable
Entity 4	28,492,345.17	28,492,345.17	100.00	Difficulty in fund flow and not expected to be recovered
Entity 5	25,467,016.33	25,467,016.33	100.00	Involved in litigation and not expected to be recovered
Entity 6	23,703,683.35	23,703,683.35	100.00	Business operating difficulties and not expected to be recovered
Entity 7	14,006,677.21	14,006,677.21	100.00	Business operating difficulties and not expected to be recovered
Entity 8	13,914,786.12	9,970,783.72	71.66	Involved in litigation and expected to be partially unrecoverable
Entity 9	10,311,525.37	10,311,525.37	100.00	Business operating difficulties and not expected to be recovered
Entity 10	9,577,095.80	9,577,095.80	100.00	Involved in litigation and not expected to be recovered
Entity 11	8,835,366.00	8,835,366.00	100.00	Involved in litigation and not expected to be recovered
Entity 12	7,509,254.60	7,509,254.60	100.00	No enforceable property after application for enforcement
Entity 13	7,494,356.91	7,494,356.91	100.00	Involved in disputes, and not expected to be recovered
Entity 14	7,362,241.46	7,362,241.46	100.00	Involved in litigation and not expected to be recovered
Entity 15	7,281,926.09	7,281,926.09	100.00	Involved in litigation and not expected to be recovered
Entity 16	6,805,207.54	6,805,207.54	100.00	Involved in litigation and not expected to be recovered
Entity 17	6,752,274.69	6,752,274.69	100.00	Involved in litigation and not expected to be recovered
Entity 18	6,706,283.62	6,706,283.62	100.00	No enforceable property after application for enforcement
Entity 19	6,204,569.75	6,204,569.75	100.00	Bankruptcy reorganization and not expected to be recovered
Entity 20	5,986,773.35	5,986,773.35	100.00	Bankruptcy reorganization and not expected to be recovered
Entity 21	5,714,343.08	5,714,343.08	100.00	Difficulty in fund flow and not expected to be recovered
Entity 22	5,598,547.35	5,598,547.35	100.00	Involved in litigation and not expected to be recovered
Entity 23	5,524,320.22	5,524,320.22	100.00	Involved in litigation and not expected to be recovered
Others	66,896,142.23	60,805,065.88	90.89	Involved in litigation, disputes and expected to be wholly or partially unrecoverable
Total	391,871,423.43	372,677,876.90	—	—

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Notes to the Financial Statements

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

IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. ACCOUNTS RECEIVABLE (Continued)

(4) Accounts receivable of low-risk portfolio

Item	Book balance	Closing balance Expected credit loss ratio (%)	Credit loss provision
Accounts receivable from related parties	201,361,202.58	—	—
Total	201,361,202.58	—	—

(5) Accounts receivable of aging portfolios

Item	Book balance	Closing balance Expected credit loss ratio (%)	Credit loss provision
Within 1 year (including 1 year)	12,879,640,266.23	1.45	186,754,783.87
1 to 2 years (including 2 years)	259,476,007.27	41.68	108,149,599.83
2 to 3 years (including 3 years)	30,214,819.38	88.26	26,667,599.58
Over 3 years	82,150,529.74	100.00	82,150,529.74
Total	13,251,481,622.62	—	403,722,513.02

(6) Changes in credit loss provision of accounts receivable

Item	Opening balance	Accrual	Amount of change during the year			Closing balance
			Recovery or reversal	Carry-forward or write-off	Other changes	
Current year	545,188,204.76	255,504,133.55	8,068,982.11	19,861,624.51	3,638,658.23	776,400,389.92
Prior year	548,601,373.99	68,033,571.27	22,556,607.91	48,477,521.65	-412,610.94	545,188,204.76

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	Reason for reversal	Method of recovery	Basis for determining the accrual ratio of original credit loss provisions and its reasonableness	Accumulated amount of credit loss provision recognized	Recovered or reversal amount
				before recovery or reversal	
Entity 1	—	Collection of payment	Business operating difficulties and not expected to be recovered	12,976,547.62	2,665,022.25
Entity 2	—	Collection of payment	Involved in litigation, not expected to be recovered	1,920,638.45	1,920,638.45
Entity 3	—	Collection of payment	Difficulty in fund flow and not expected to be recovered	30,292,345.17	1,800,000.00
Entity 4	—	Collection of payment	Involved in litigation, not expected to be recovered	3,027,309.59	1,407,635.30
Others	—	Collection of payment	Involved in litigation, business disputes, and not expected to be recovered	39,506,218.40	275,686.11
Total	—	—	—	87,723,059.23	8,068,982.11

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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	3,623,278.79	No enforceable property after application for enforcement	Approved by the General Manager's Office	No
Entity 2	Logistics business	2,067,598.73	The court dismissed the lawsuit due to insufficient evidence	Approved by the General Manager's Office	No
Entity 3	Logistics business	1,572,493.30	The court dismissed the lawsuit due to insufficient evidence	Approved by the General Manager's Office	No
Entity 4	Logistics business	1,396,778.37	No enforceable property after application for enforcement	Approved by the General Manager's Office	No
Entity 5	Logistics business	906,230.00	No enforceable property after application for enforcement	Approved by the General Manager's Office	No
Entity 6	Logistics business	885,834.00	No enforceable property after application for enforcement	Approved by the General Manager's Office	No
Entity 7	Logistics business	787,747.20	No enforceable property after application for enforcement	Approved by the General Manager's Office	No
Entity 8	Logistics business	720,499.16	No enforceable property after application for enforcement	Approved by the General Manager's Office	No
Entity 9	Logistics business	699,159.72	Bankruptcy liquidation completed	Approved by the General Manager's Office	No
Entity 10	Logistics business	670,045.75	The court dismissed the lawsuit due to insufficient evidence	Approved by the General Manager's Office	No
Entity 11	Logistics business	641,120.33	No enforceable property after application for enforcement	Approved by the General Manager's Office	No
Entity 12	Logistics business	503,400.00	No enforceable property after application for enforcement	Approved by the General Manager's Office	No
Others	Logistics business	5,387,439.16	Beyond the statute of limitations, No enforceable property after application for enforcement, etc.	Approved by the General Manager's Office	No
Total	—	19,861,624.51	—	—	—

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Notes to the Financial Statements

For the year ended 31 December 2025

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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	189,367,496.18	Within 1 year	2,745,828.69	1.37
Entity 2	Client	148,321,860.08	Within 1 year, 1 to 2 years, 2 to 3 years	4,293,493.64	1.07
Entity 3	Client	118,794,473.47	Within 1 year	1,722,519.84	0.86
Entity 4	Client	106,605,978.49	Within 1 year, 1 to 2 years	1,581,913.70	0.77
Entity 5	Client	104,703,529.16	Within 1 year	1,518,201.18	0.76
Total	—	667,793,337.38	—	11,861,957.05	4.83

(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	492,782,465.16	430,890,739.48
Total	492,782,465.16	430,890,739.48

(1) There were no bank acceptance bills due to defective endorsement, etc. at the end of year.

(2) There were no pledged receivables financing at the end of the year.



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For the year ended 31 December 2025
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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. RECEIVABLES FINANCING (Continued)

(3) Receivables financing that have been endorsed or discounted at 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	1,182,829,790.72	—
Total	1,182,829,790.72	—

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 (%)	Book value	Amount	Proportion (%)	Amount	Expected credit loss ratio (%)	Book value
Credit loss provisions by portfolio	492,782,465.16	100.00	—	—	492,782,465.16	430,890,739.48	100.00	—	—	430,890,739.48
Total	492,782,465.16	100.00	—	—	492,782,465.16	430,890,739.48	100.00	—	—	430,890,739.48

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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	492,782,465.16	-	-
Total	492,782,465.16	-	—

Note: As at 31 December 2025 and 31 December 2024, there were no bank acceptance bills held by the Group subject to significant credit risk and resulted in significant losses due to default of the banks (receivables financing are expected to be collected in full), and the Group did not make provisions for credit losses based on materiality considerations.

(6) 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.

(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 bank acceptance bills mentioned above is all within 360 days.

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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	Proportion	Impairment	Book balance	Proportion	Impairment
	Amount	(%)	provision	Amount	(%)	provision
Within 1 year (including 1 year)	4,815,229,758.79	96.76	-	4,998,060,598.55	96.14	-
1 to 2 years (including 2 years)	91,462,816.69	1.84	-	151,502,358.71	2.91	-
2 to 3 years (including 3 years)	35,656,762.12	0.72	-	23,894,344.56	0.46	-
Over 3 years	33,743,266.17	0.68	-	25,133,701.13	0.49	-
Total	4,976,092,603.77	100.00	-	5,198,591,002.95	100.00	-

(2) Significant prepayments aged over one year are as follows:

Company name	Closing balance	Aging	Reasons for non-settlement
Entity 1	18,049,050.00	1 to 2 years	Business not completed
Entity 2	8,661,799.88	2 to 3 years	Business not completed
Entity 3	6,206,122.56	1 to 2 years, 2 to 3 years	Business not completed
Total	32,916,972.44	—	—

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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 (Continued)

(3) Top five entities in terms of prepayments

Company name	Book balance	As a percentage of the total prepayments (%)	Impairment provision
Entity 1	331,399,760.87	6.67	—
Entity 2	323,623,930.27	6.50	—
Entity 3	155,322,529.23	3.12	—
Entity 4	151,908,938.44	3.05	—
Entity 5	142,045,905.97	2.85	—
Total	1,104,301,064.78	22.19	—

- (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.

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. OTHER RECEIVABLES

Item	Closing balance	Opening balance
Interest receivable	1,216,659.76	1,243,805.82
Dividends receivable	25,933,308.50	9,080,009.80
Other receivables	2,688,967,225.94	2,788,861,039.98
Total	2,716,117,194.20	2,799,184,855.60

(1) Interest receivable

1) Classification of interest receivable due for collection

Item	Closing balance	Opening balance
Entrusted loans	1,216,659.76	1,243,805.82
Subtotal	1,216,659.76	1,243,805.82
Less: Credit loss provision	—	—
Total	1,216,659.76	1,243,805.82

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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	Opening credit loss provision	Increase due to changes in the scope of consolidation	Increase in current year	Decrease in current year	Closing balance	Reason for non-recovery	Aging	Whether an impairment occurs and judgment basis	Closing balance of credit loss provision
Dividends receivable aged within 1 year	6,967,000.00	-	-	2,568,268,472.05	2,551,153,147.27	24,072,324.78	—	—	—	-
Including: New Land Bridge (Lianyungang) Terminal Co., Ltd.	-	-	-	12,722,278.70	-	12,722,278.70	Declared but not issued	—	No	-
Wuhan Port Container Co., Ltd.	6,000,000.00	-	-	6,112,000.00	6,000,000.00	6,112,000.00	Declared but not issued	—	No	-
Xinjiang New Railway Sinotrans Logistics Co., Ltd.	-	-	-	5,038,046.08	-	5,038,046.08	Declared but not issued	—	No	-
Shenzhen Ocean Shipping Tally Co., Ltd.	508,000.00	-	-	320,000.00	628,000.00	200,000.00	—	—	—	-
Sinotrans Suzhou Logistics Center Co., Ltd.	459,000.00	-	-	-	459,000.00	-	—	—	—	-
DHL-Sinotrans International Air Courier Ltd.	-	-	-	1,379,574,990.63	1,379,574,990.63	-	—	—	—	-
Loscam International Holdings Co., Limited	-	-	-	1,049,764,000.00	1,049,764,000.00	-	—	—	—	-
Weihai Weidong Shipping Co., Ltd.	-	-	-	32,253,300.00	32,253,300.00	-	—	—	—	-
Jiangsu Jiangyin Port Group Co., Ltd.	-	-	-	21,937,500.00	21,937,500.00	-	—	—	—	-
China Southern Airlines Logistics Co., Ltd.	-	-	-	10,115,415.29	10,115,415.29	-	—	—	—	-
SIPG Sinotrans Container Depot Co., Ltd.	-	-	-	7,929,834.39	7,929,834.39	-	—	—	—	-
Nissin-Sinotrans International Logistics Co., Ltd.	-	-	-	7,350,000.00	7,350,000.00	-	—	—	—	-
Ningbo Dagang Container Co., Ltd.	-	-	-	5,906,154.87	5,906,154.87	-	—	—	—	-

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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	Opening credit loss provision	Increase due to changes in the scope of consolidation	Increase in current year	Decrease in current year	Closing balance	Reason for non-recovery	Aging	Whether an impairment occurs and judgment basis	Closing balance of credit loss provision
Nanjing Port Longtan Container Co., Ltd.	-	-	-	5,707,772.52	5,707,772.52	-	—	—	—	-
Hangzhou Airport International Freight Station Co., Ltd.	-	-	-	4,451,275.00	4,451,275.00	-	—	—	—	-
Tangshan Port Sinotrans Shipping Agency Co., Ltd.	-	-	-	2,241,874.09	2,241,874.09	-	—	—	—	-
Beijing Medlink Supply Chain Management Co., Ltd.	-	-	-	2,100,000.00	2,100,000.00	-	—	—	—	-
Others	-	-	-	14,734,030.48	14,734,030.48	-	—	—	—	-
Dividends receivable aged over 1 year	2,113,009.80	-	-	-	252,026.08	1,860,983.72	—	—	—	-
Including: SINOTRANS ALMAJDOUIE MIDDLE EAST CO., LTD.	1,860,983.72	-	-	-	-	1,860,983.72	Support for the development of joint ventures	Over 5 years	No	-
Shenyang Henglu Logistics Co., Ltd.	252,026.08	-	-	-	252,026.08	-	—	—	—	-
Total	9,080,009.80	-	-	2,568,258,472.05	2,551,405,173.35	25,933,308.50	—	—	—	-

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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)	2,155,417,891.75	72.06	124,252,676.72	2,147,188,765.50	72.49	4,605,750.21
1 to 2 years (including 2 years)	244,929,744.63	8.19	10,176,630.47	393,777,026.66	13.29	40,025,630.93
2 to 3 years (including 3 years)	257,680,937.01	8.61	40,040,422.58	107,743,739.76	3.64	3,091,765.22
Over 3 years	333,190,766.06	11.14	127,782,383.74	313,327,963.14	10.58	125,453,308.72
Total	2,991,219,339.45	100.00	302,252,113.51	2,962,037,495.06	100.00	173,176,455.08

2) Classification of other receivables

Category	Closing balance					Opening balance				
	Book balance	Proportion (%)	Credit loss provision	Expected credit loss ratio (%)	Book value	Book balance	Proportion (%)	Credit loss provision	Expected credit loss ratio (%)	Book value
Credit loss provisions on an individual basis	383,619,769.33	12.82	220,074,340.14	57.37	163,545,429.19	132,320,006.84	4.47	87,873,975.34	66.41	44,446,031.50
Credit loss provisions by portfolio	2,607,599,570.12	87.18	82,177,773.37	3.15	2,525,421,796.75	2,829,717,488.22	95.53	85,302,479.74	3.01	2,744,415,008.48
Including:										
Low-risk portfolio	2,432,725,172.60	81.33	-	-	2,432,725,172.60	2,671,334,384.87	90.18	-	-	2,671,334,384.87
Aging portfolio within 1 year	88,233,473.45	2.95	3,441,105.46	3.90	84,792,367.99	66,814,108.06	2.26	2,605,750.21	3.90	64,208,357.85
Aging portfolio over 1 year	86,640,924.07	2.90	78,736,667.91	90.88	7,904,256.16	91,568,995.29	3.09	82,696,729.53	90.31	8,872,265.76
Total	2,991,219,339.45	100.00	302,252,113.51	—	2,688,967,225.94	2,962,037,495.06	100.00	173,176,455.08	—	2,788,861,039.98

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. OTHER RECEIVABLES (Continued)

(3) Other receivables (Continued)

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	233,430,000.00	116,715,000.00	50.00	See Note IX. 60. (1) for details
Entity 2	72,892,063.00	36,446,031.50	50.00	See Note IX. 60. (1) for details
Entity 3	16,660,000.00	16,660,000.00	100.00	Long-term arrears, not expected to be recovered
Entity 4	9,639,407.99	9,639,407.99	100.00	The party concerned is serving a prison sentence and has no ability to compensate
Entity 5	7,124,069.90	7,124,069.90	100.00	Involved in litigation and not expected to be recovered
Entity 6	7,000,000.00	7,000,000.00	100.00	Long-term arrears, not expected to be recovered
Entity 7	14,710,000.00	4,710,000.00	32.02	Long-term arrears, expected some cannot be recovered
Entity 8	3,878,519.15	3,878,519.15	100.00	Involved in litigation and not expected to be recovered
Guangxi Yunyu Port Co., Ltd.	2,680,000.00	2,680,000.00	100.00	Having been listed as a defaulter, and not expected to be recovered
Entity 9	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 10	1,385,250.00	1,385,250.00	100.00	Bankruptcy liquidation, not expected to be recovered
Entity 11	1,242,000.00	1,242,000.00	100.00	Historical issues, not expected to be recovered
Entity 12	1,000,000.00	1,000,000.00	100.00	Involved in litigation and not expected to be recovered
Entity 13	1,000,000.00	1,000,000.00	100.00	Involved in litigation and not expected to be recovered
Others	6,334,947.92	5,950,550.23	93.93	Involved in litigation, business disputes, etc., expected some or all cannot be recovered
Total	383,619,769.33	220,074,340.14	—	—

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Notes to the Financial Statements

For the year ended 31 December 2025

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

IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. OTHER RECEIVABLES (Continued)

(3) Other receivables (Continued)

3) Other receivables of low-risk portfolio

Item	Book balance	Expected credit loss ratio (%)	Credit loss provision
Deposits, collateral	1,097,996,443.30	—	—
Government grants	861,891,897.69	—	—
Advances	271,674,564.73	—	—
Related party payments	92,711,490.21	—	—
Others	108,450,776.67	—	—
Total	2,432,725,172.60	—	—

4) Other receivables of aging portfolio

Item	Book balance	Expected credit loss ratio (%)	Credit loss provision
Within 1 year (including 1 year)	88,233,473.45	3.90	3,441,105.46
1 to 2 years (including 2 years)	8,254,343.81	32.51	2,683,487.17
2 to 3 years (including 3 years)	5,477,463.67	57.40	3,144,064.15
Over 3 years	72,909,116.59	100.00	72,909,116.59
Total	174,874,397.52	—	82,177,773.37

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	1,193,759,190.44	92,755,409.89	1,101,003,780.55	1,456,381,194.53	78,128,944.56	1,378,252,249.97
Government grants	1,182,923,960.69	157,871,031.50	1,025,052,929.19	997,759,542.48	36,446,031.50	961,313,510.98
Advances	331,595,679.19	13,901,358.10	317,694,321.09	207,327,220.09	11,458,572.96	195,868,647.13
Related party payments	97,535,001.58	4,823,511.37	92,711,490.21	87,280,530.54	4,823,511.37	82,457,019.17
Payment for disposal of equity	—	—	—	95,230,000.00	—	95,230,000.00
Others	185,405,507.55	32,900,802.65	152,504,704.90	118,059,007.42	42,319,394.69	75,739,612.73
Total	2,991,219,339.45	302,252,113.51	2,688,967,225.94	2,962,037,495.06	173,176,455.08	2,788,861,039.98

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Notes to the Financial Statements

For the year ended 31 December 2025
(Unless indicated otherwise, all amounts are expressed in RMB)

IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. OTHER RECEIVABLES (Continued)

(3) Other receivables (Continued)

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	2,605,750.21	82,696,729.53	87,873,975.34	173,176,455.08
Opening balance in current year:	—	—	—	—
– Transfer to stage 2	-321,919.41	321,919.41	—	—
– Transfer to stage 3	—	-432,921.23	432,921.23	—
– Reverse to stage 2	—	—	—	—
– Reverse to stage 1	—	—	—	—
Accrual in current year	1,168,076.00	-3,051,912.16	132,720,638.06	130,836,801.90
Reversal in current year	—	—	-62,400.00	-62,400.00
Carry forward in current year	—	—	—	—
Write-off in current year	—	-550,000.00	-200,000.00	-750,000.00
Other changes	-10,801.34	-247,147.64	-690,794.49	-948,743.47
Closing balance	3,441,105.46	78,736,667.91	220,074,340.14	302,252,113.51

7) Credit loss provisions recovered or reversed during the year

Company name	Reason for reversal	Method of recovery	Basis for determining the accrual ratio of original credit loss provisions and its reasonableness	Accumulated amount of credit loss provision recognized before recovery or reversal	Recovered or reversal amount
Others	—	Collection of payment	Involved in litigation and not expected to be recovered	329,000.00	62,400.00
Total	—	—	—	329,000.00	62,400.00

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Notes to the Financial Statements

For the year ended 31 December 2025

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

IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. OTHER RECEIVABLES (Continued)

(3) Other receivables (Continued)

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
Others	Deposits, collateral	750,000.00	Beyond the statute of limitations, no enforceable property after application for enforcement, the revenue from payment collection failing to cover the costs incurred for payment collection, etc.	Approved by the General Manager's Office	No
Total	—	750,000.00	—	—	—

9) 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.	234,157.81	—	2,493.20	—
Total	234,157.81	—	2,493.20	—

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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 (Continued)

10) The top five of the closing balances in other receivables, grouped by party in arrears

Company name	Book balance	Aging	Percentage of total other receivables (%)	Credit loss provision	Nature or content
Hangzhou International Airport Co., Ltd.	306,397,980.00	Within 1 year	10.24	116,715,000.00	Government grants
Changsha Municipal People's Government Logistics and Ports office	255,015,826.78	Within 1 year	8.53	—	Government grants
Tianjin Hai-Tie Lianjie Group Co., Ltd.	188,723,862.26	Within 1 year	6.31	—	Government grants
Shenzhen Transportation Bureau (Shenzhen Port Authority)	120,583,191.26	Within 1 year	4.03	—	Government grants
Ningbo Airport Flying Eagle Development Co., Ltd.	94,915,000.00	Within 1 year	3.17	—	Government grants, deposit
Total	965,635,860.30	—	32.28	116,715,000.00	—

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For the year ended 31 December 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

Company name	Government grant items	Book balance	Aging	Expected time and amount to be received
Entity 1	Logistics industry subsidies	306,397,980.00	Within 1 year	The charter flight subsidies for certain flight routes under cooperation with third parties are expected to be recovered by the end of 2026, the recovery timing for subsidies for other routes remains uncertain and it is expected that some cannot be recovered, thus the Group has made corresponding credit loss provisions
Entity 2	Logistics industry subsidies	255,015,826.78	Within 1 year	RMB 47.90 million was recovered in February 2026, with the remaining amount expected to be recovered by the end of August 2026
Entity 3	Logistics industry subsidies	188,723,862.26	Within 1 year	RMB 36.85 million was recovered in February 2026, with the remaining amount expected to be recovered by the end of June 2026
Entity 4	Logistics industry subsidies	120,583,191.26	Within 1 year	Expected to recover RMB11.46 million by the end of April 2026 and RMB42.66 million by the end of June 2026, with the remaining amount expected to be recovered by the end of December 2026
Entity 5	Logistics industry subsidies	94,905,000.00	Within 1 year	Expected to be recovered by the end of September 2026

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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 6	Logistics industry subsidies	77,521,872.00	Within 1 year, 2 to 3 years	The provincial and municipal subsidies are expected to be recovered by the end of 2026. The timing of county-level subsidy recovery is uncertain and it is expected that some cannot be recovered, therefore the Group has made corresponding credit loss provisions
Entity 7	Logistics industry subsidies	27,660,675.01	Within 1 year	RMB 19.45 million was recovered in February 2026, with the remaining amount expected to be recovered by the end of May 2026
Others	Logistics industry subsidies	112,115,553.38	Within 1 year, 1 to 2 years, 2 to 3 years, over 3 years	—
Total	—	1,182,923,960.69	—	—

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

For the year ended 31 December 2025

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

IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS

(CONTINUED)

8. INVENTORIES

(1) Classification of inventories

Item	Closing balance			Opening balance		
	Book balance	Provision for value reduction/ Provision for impairment of contract performance costs	Book value	Book balance	Provision for value reduction/ Provision for impairment of contract performance costs	Book value
Raw materials	36,390,507.99	3,102,248.47	33,288,259.52	34,335,731.29	3,102,248.47	31,233,482.82
Goods in stock	9,937,198.65	875,980.24	9,061,218.41	8,435,938.24	875,980.24	7,559,958.00
Revolving materials (packaging, low-value consumables, etc.)	17,641,222.80	-	17,641,222.80	17,465,968.82	-	17,465,968.82
Total	63,968,929.44	3,978,228.71	59,990,700.73	60,237,638.35	3,978,228.71	56,259,409.64

(2) Provision for value reduction and provision for impairment of contract performance costs

Item	Opening balance	Increase in current year		Decrease in current year		Closing balance
		Accrual	Others	Reversal or carry-forward	Others	
Raw materials	3,102,248.47	-	-	-	-	3,102,248.47
Goods in stock	875,980.24	-	-	-	-	875,980.24
Total	3,978,228.71	-	-	-	-	3,978,228.71

Note: The Group's inventories mainly consist of fuel oil for vehicles and vessels, spare parts and packaging materials used in the provision of transportation and logistics services, which have low unit prices and small aggregate amounts and are of no significance to the Group. At the end of the 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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Notes to the Financial Statements

For the year ended 31 December 2025
(Unless indicated otherwise, all amounts are expressed in RMB)

IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

9. OTHER CURRENT ASSETS

Item	Closing balance	Opening balance
Input tax to be deducted and certified	369,326,645.01	322,821,726.49
Prepaid taxes	169,084,237.28	139,176,090.22
Others	–	3,739,850.11
Subtotal	538,410,882.29	465,737,666.82
Less: Impairment provision	–	–
Total	538,410,882.29	465,737,666.82

10. LONG-TERM EQUITY INVESTMENTS

(1) Classification of long-term equity investments

Item	Opening balance	Effects from changes in the scope of consolidation	Increase in investment	Decrease in investment	Other increases (Decrease denoted by "-")	Effects from translation in foreign currency statements	Closing balance
Investments in joint ventures	3,833,829,974.42	200,000.00	–	149,508,126.80	-221,945,995.53	-4,335,748.70	3,458,240,103.39
Investments in associates	5,418,970,813.15	–	337,134,080.00	1,695,976,868.91	-757,376,860.29	-16,200,721.45	3,286,550,442.50
Subtotal	9,252,800,787.57	200,000.00	337,134,080.00	1,845,484,995.71	-979,322,855.82	-20,536,470.15	6,744,790,545.89
Less: Impairment provision of long-term equity investments	12,913,596.50	–	–	–	10,661,400.00	-219,154.29	23,355,842.21
Total	9,239,887,191.07	200,000.00	337,134,080.00	1,845,484,995.71	-989,984,255.82	-20,317,315.86	6,721,434,703.68

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Notes to the Financial Statements

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

X. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

10. LONG-TERM EQUITY INVESTMENTS (Continued)

(2) Details of long-term equity investments

Investee	Investment costs	Opening balance	Effects from changes in the scope of consolidation	Changes in the current year						Effects from translation in foreign currency statements	Closing balance	Closing balance of impairment provision
				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			
Joint ventures												
DHL Ventures	1,346,907,657.94	3,633,882,974.42	200,000.00	-	148,508,126.80	1,207,376,385.94	-	-41,604.27	1,429,280,787.20	10,661,400.00	-4,335,748.70	3,483,240,103.39
DHL-Sinotrans International Air Courier Ltd.	69,144,555.07	1,693,470,760.02	-	-	-	1,169,335,149.88	-	-	1,379,574,960.63	-	-	1,483,247,282.27
Dongguan Port Container Terminals Co., Ltd.	376,633,335.00	334,371,053.65	-	-	-	5,576,015.16	-	-	-	-	-	328,741,038.49
New Land Bridge (Leiyungang) Terminal Co., Ltd.	132,586,575.46	220,753,743.38	-	-	-	12,924,680.76	-	-	12,722,276.70	-	-3,220,800.06	217,725,465.58
Zhejiang Airport International Logistics Supply Chain Co., Ltd.	147,000,000.00	147,005,899.62	-	-	-	154,002.13	-	-	-	-	-	147,159,712.75
Sinotrans Seares Logistics Co., Ltd.	82,570,000.00	138,734,251.88	-	-	-	6,175,901.44	-	-	-	-	-	144,910,153.32
Nasir-Sinotrans International Logistics Co., Ltd.	55,618,961.25	130,515,940.24	-	-	-	12,074,655.12	-	-	7,330,000.00	-	-	135,239,955.36
Sinotrans Szechu Logistics Center Co., Ltd.	97,898,300.00	110,555,639.02	-	-	-	2,642,211.89	-	-	-	-	-	113,197,850.91
TP Ease Energy Co., Ltd.	100,000,000.00	99,082,477.89	-	-	-	-1,839,991.01	-	-	-	-	-	97,182,486.88
Shenyang Jinjun Automobile Logistics Co., Ltd.	100,000,000.00	66,973,870.76	-	-	-	-2,559,303.17	-	-	-	-	-	63,420,567.59
Shenyang Jinjun Automobile Logistics Co., Ltd.	100,000,000.00	66,973,870.76	-	-	-	-2,559,303.17	-	-	5,906,154.87	-	-	61,425,918.99
Ningbo Dagang Container Co., Ltd.	49,855,251.00	61,186,898.48	-	-	-	6,145,177.38	-	-	306,000.00	-	-	54,612,106.56
Qingdao Port Dongkoku Sinotrans Logistics Co., Ltd.	51,000,000.00	54,614,261.27	-	-	-	303,845.29	-	-	-	-	-	54,612,106.56
Jiangsu Sinotrans Xiangjia Supply Chain Management Co., Ltd.	48,000,000.00	48,953,066.76	-	-	-	617,425.85	-	-	-	-	-	48,572,512.61
Jiangsu Sinotrans Lusi Port Heavy Logistics Development Co., Ltd.	40,000,000.00	42,316,570.26	-	-	-	2,381,654.48	-	-	-	-	-	44,698,224.74
Sinotrans FFS Cold Chain Logistics Co., Ltd.	90,000,000.00	44,691,801.42	-	-	-	-17,889.41	-	-	-	-	-	44,674,108.01
Shanghai Wa-Hong Yishida International Logistics Co., Ltd.	56,268,345.25	44,342,840.75	-	-	-	-1,177,797.29	-	-	-	-	-	43,165,043.46
SFG Sinotrans Container Depot Co., Ltd.	30,000,000.00	44,151,700.70	-	-	-	805,420.80	-	-	7,929,834.39	-	-	37,027,287.11
MAX LOGISTICS FZCO.	31,170,670.04	27,617,559.39	-	-	-	5,488,195.85	-	-	-	-	-798,277.50	32,308,477.74
Dalian Rihong Express Logistics Co., Ltd.	16,419,924.68	25,831,208.63	-	-	-	-	-	-	-	-	-	25,831,208.63
Ningbo Dagang New Century Container Co., Ltd.	19,815,780.28	23,596,714.11	-	-	-	2,218,719.41	-	-	1,712,687.80	-	-	24,104,745.72
Weihai Comprehensive Bonded Zone Hongxin Supply Chain Management Co., Ltd.	14,700,000.00	20,673,903.35	-	-	-	2,193,303.44	-	-	-	-	-	22,867,206.79
Sinotrans Avneer (Shanghai) International Aviation Express Delivery Co., Ltd.	19,911,240.00	30,911,645.99	-	-	-	-9,317,507.25	-	-	-	-	-	21,594,143.74
Jiangsu Wanhong Sinotrans Supply Chain Management Co., Ltd.	19,600,000.00	20,594,177.80	-	-	-	659,444.94	-	-	735,000.00	-	-	20,516,622.74
Sinotrans Senko International Cold Chain Logistics (Shanghai) Co., Ltd.	32,500,000.00	24,165,453.04	-	-	-	-4,136,612.08	-	-	-	10,661,400.00	-	19,958,620.96
Foshan Sanshou Yungang Freight Terminal Co., Ltd.	30,055,861.00	27,175,336.04	-	-	-	-8,150,874.59	-	-	-	-	-	19,024,461.45
Chengdu Bonded Logistics Investment Co., Ltd.	-	105,319,462.65	-	-	-	1,149,780.01	-	-	-	-	-	-
Ningbo Taiping International Trade Transportation Co., Ltd.	-	40,892,993.22	-	-	-	1,120,330.00	-	-	-	-	-	-
Others	135,259,909.91	186,445,939.90	200,000.00	-	1,124,173.22	19,866,615.23	-	-4,018.97	13,043,840.81	-	-308,671.14	186,037,859.99
												4,020,273.14

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

10. LONG-TERM EQUITY INVESTMENTS (Continued)

(2) Details of long-term equity investments (Continued)

Investee	Changes in the current year										Closing balance	Closing balance of impairment provision	
	Effects from changes in the scope of consolidation	Opening balance	Increase in investment	Decrease in investment	Investment profit or loss under equity method	Other comprehensive income adjustments	Other changes in equity	Cash dividends and profits declared	Impairment provision	Effects from transition in foreign currency statements			Others
Associates	3,120,496,057.21	5,418,970,813.15	-	337,134,080.00	1,655,976,888.91	331,271,541.46	34,983,425.37	-1,147,806.59	1,122,484,016.53	-	-16,200,721.45	3,286,550,442.50	8,674,163.07
Shenzhen Heqing Harbor Development Co., Ltd.			-									512,225,160.19	-
Jiangsu Jianglin Port Group Co., Ltd.			-						21,937,500.00			491,207,972.59	-
China Merchants Harbor Development Investment Co., Ltd.			-								-9,064,232.53	434,922,076.49	-
Weihai Weidong Shipping Co., Ltd.			-						32,253,300.00			351,925,082.34	-
Loscam International Holdings Co., Limited (Note 1)			-						1,049,784,000.00		-6,224,075.20	294,422,646.86	-
BOC SinoTrans Warehousing and Logistics Closed-end Infrastructure Securities Investment Fund (Note 2)			-	262,160,000.00		-14,634,733.53						247,525,266.47	-
Wuhan Port Container Co., Ltd.			-			6,624,998.65	216,257.21		6,112,000.00		-3,148,586.99	191,627,039.52	-
Ningbo Chuanshan International Logistics Co., Ltd.			-			34,338.95						80,116,405.78	-
Shanghai Pulan Storage Co., Ltd.			-			-5,565,730.09						76,716,303.60	-
SinoTrans Green Natural (Guangdong) International Supply Chain Co., Ltd.			-	35,180,000.00		-1,063,833.08						74,191,967.68	-
Zhejiang Seaport Changning Port Co., Ltd.			-			-84,880.04			150,000.00			58,259,247.27	-
China Merchants SinoTrans (Shenzhen) Industrial Innovation Private Equity Investment Fund Partnership (Limited Partnership)			-	13,000,000.00		2,635,638.90						52,393,259.13	-
Ma aristan Tianshun Port Co., Ltd.			-			1,381,722.12			700,000.00			33,620,768.69	-
Qingzhu Logistics Technology Co., Ltd.			-			-7,647,039.39						29,767,594.16	-
Shanghai Bulk Commodity Warehouse Receipt Registration Co., Ltd.			-			-837,603.48						28,761,066.45	-
Shandong Ports Shipping SinoTrans Supply Chain Development Co., Ltd.			-			2,202,154.29			1,973,960.46			27,277,660.49	-
EUROSPAN RAIL GATEWAY CLOSED JOINT-STOCK COMPANY			-			3,087,721.22					2,474,764.68	25,539,539.42	-
Shenyang Fuyun Cold Chain Logistics Co., Ltd.			-			1,150,465.76			920,855.07			20,842,259.55	-
Others			-	26,794,080.00	273,102.90	15,857,838.47	-1,364,065.80		8,672,553.00		-238,591.41	255,298,025.92	-
Total	4,987,403,715.15	9,252,800,787.57	200,000.00	337,134,080.00	1,845,684,985.71	1,538,647,937.40	34,983,425.37	-1,183,412.86	2,551,764,803.73	10,661,400.00	-20,536,470.15	6,744,790,545.89	23,555,842.21

Note 1: China Merchants Shipping Enterprise Co., Ltd., a subsidiary of the Group, transferred a 25% equity interest in Loscam International Holdings Co., Limited to MIC Industrial Investments 4 PSC LTD for a consideration of USD472 million during the year. As part of the overall transaction arrangement, the Group received a dividend of USD148 million upon completion of the equity transfer. After the aforementioned equity transfer, the Group retained a 20% equity interest in Loscam International Holdings Co., Limited and had the right to appoint one director, thereby maintaining significant influence and continuing to account for the investment using the equity method.

Note 2: For details on the new investment in BOC SinoTrans Warehousing and Logistics REIT during the year, please refer to Note VIII. 3.

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS

(CONTINUED)

10. LONG-TERM EQUITY INVESTMENTS (Continued)

(3) The changes in the impairment provision of long-term equity investments are as follows:

Item	Opening balance	Effects from changes in the scope of consolidation	Increase in current year	Decrease in current year Decrease	Reasons for decreases	Effects from translation in foreign currency statements	Closing balance
Sinotrans Senko International Cold Chain Logistics (Shanghai) Co., Ltd.	-	-	10,661,400.00	-	-	-	10,661,400.00
Beijing China Merchants Science City Real Estate Development Co., Ltd.	5,959,067.40	-	-	-	-	-146,846.70	5,812,220.70
Sinotrans Hongfeng (Shanghai) International Logistics Co., Ltd.	4,020,273.14	-	-	-	-	-	4,020,273.14
Beijing Sima Ling Clothing Co., Ltd.	1,516,853.52	-	-	-	-	-37,379.16	1,479,474.36
Beijing Shungang Clothing Accessories Co., Ltd.	1,417,402.44	-	-	-	-	-34,928.43	1,382,474.01
Total	12,913,596.50	-	10,661,400.00	-	-	-219,154.29	23,355,842.21

Note: As of 31 December 2025, the Group reviewed the operating conditions, asset status, and industry operating environment of its major joint ventures and associates, and found no obvious signs of impairment except for those long-term equity investments with impairment provisions described above.

(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

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

10. LONG-TERM EQUITY INVESTMENTS (Continued)

(5) Main financial information of material joint ventures

Item	Closing balance/ Current year amount DHL-Sinotrans International Air Courier Ltd.	Opening balance/ Prior year amount DHL-Sinotrans International Air Courier Ltd.
Current assets	4,098,137,830.85	5,302,267,271.61
Including: Cash and cash equivalents	2,237,293,627.20	3,094,523,323.30
Non-current assets	1,416,740,907.04	1,463,344,514.64
Total assets	5,514,878,737.89	6,765,611,786.25
Current liabilities	2,003,840,460.49	2,777,886,978.60
Non-current liabilities	544,543,752.86	600,783,287.62
Total liabilities	2,548,384,213.35	3,378,670,266.22
Net assets	2,966,494,524.54	3,386,941,520.03
Non-controlling interests	—	—
Net assets attributable to owners of the parent company	2,966,494,524.54	3,386,941,520.03
Share of net assets calculated at the shareholding ratio	1,483,247,262.27	1,693,470,760.02
Adjustments	—	—
– Goodwill	—	—
– Unrealised profits on internal transactions	—	—
– Others	—	—
Book value of equity investments in joint ventures	1,483,247,262.27	1,693,470,760.02
As a percentage of the Group's total consolidated assets	1.89%	2.19%
Fair value of equity investments with open market price	—	—
Operating income	17,364,787,900.15	21,044,658,061.73
Finance costs	27,642,515.90	8,682,387.04
Income tax expenses	783,024,804.74	934,629,867.11
Net profit	2,338,702,985.77	2,770,273,105.15
Net profits attributable to owners of the parent company	2,338,702,985.77	2,770,273,105.15
Net profit from discontinued operations	—	—
Other comprehensive income	—	—
Total comprehensive income	2,338,702,985.77	2,770,273,105.15
Dividends from joint ventures for the year	1,379,574,990.63	1,565,377,052.60

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

10. LONG-TERM EQUITY INVESTMENTS (Continued)

(6) 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	1,960,311,167.98	2,136,338,941.26
Total amount of the following items calculated at the shareholding ratio	—	—
Net profit	38,024,903.06	76,433,494.52
Other comprehensive income	—	-41,564,758.15
Total comprehensive income	38,024,903.06	34,868,736.37
Associates:	—	—
Total book value of investments	3,277,876,273.43	5,410,077,489.79
Total amount of the following items calculated at the shareholding ratio	—	—
Net profit	331,271,541.46	417,276,767.31
Other comprehensive income	34,983,425.37	-95,104,811.15
Total comprehensive income	366,254,966.83	322,171,956.16

- (7) As at 31 December 2025, the Group did not have any joint ventures or associates with significant restrictions on their ability to transfer funds to the Group.
- (8) The Group had no significant excess losses incurred in its joint ventures or associates during the year.
- (9) As at 31 December 2025, except for unpaid subscribed capital contributions to joint ventures (see Note XIII for details), the Group had no unrecognised commitments to provide funds or resources to joint ventures, or to purchase shares of interests in joint ventures.
- (10) As at 31 December 2025, 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)

11. OTHER EQUITY INSTRUMENT INVESTMENTS

Item	Changes in the current year					Others	Closing balance	Dividend income recognized during the year	Accumulated gains included in other comprehensive income	Accumulated losses included in other comprehensive income	Transfer of other comprehensive income to retained earnings	Reasons for transfer of other comprehensive income to retained earnings	Reasons for designation as at fair value through other comprehensive income
	Opening balance	Increase in investment	Decrease in investment	Gains included in other comprehensive income for the year	Losses included in other comprehensive income for the year								
Antong Holdings Co., Ltd.	-	599,916,717.17	-	330,799,602.91	-	-	930,716,320.08	-	330,799,602.91	-	-	-	Held for strategic purposes
CSC Cargo Co., Ltd.	394,050,500.00	-	-	-	-	-	394,050,500.00	-	-	-	-	-	Held for strategic purposes
Air China Limited	22,817,162.27	-	-	4,211,511.62	-	-	27,028,673.89	-	18,951,802.29	-	-	-	Held for strategic purposes
Total	416,867,662.27	599,916,717.17	-	335,011,114.53	-	-	1,351,795,493.97	-	349,751,405.20	-	-	-	—

Note: Gains and losses included in other comprehensive income do not deduct deferred income tax effects.

12. OTHER NON-CURRENT FINANCIAL ASSETS

Item	Closing balance	Opening balance
Financial assets classified as measured at fair value through profit or loss Including: Equity instrument investments	1,317,219,473.76	1,215,266,140.98
Total	1,317,219,473.76	1,215,266,140.98

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 2025, 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 RMB939,821,679.60, 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 RMB103,147,724.00, and the investment in Ouyeel Cloud Commerce Co., Ltd. (hereinafter referred to as "Ouyeel Cloud Commerce") of RMB93,373,963.62.

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

13. INVESTMENT PROPERTIES

(1) Investment properties using the cost measurement model

Item	Buildings	Land use rights	Total
I. Original value			
Opening balance	3,225,826,276.67	293,529,654.57	3,519,355,931.24
Effects from changes in the scope of consolidation	-75,092,806.71	16,723,735.86	-58,369,070.85
Acquisition for the year	3,079,300.73	—	3,079,300.73
Conversion of fixed assets to investment properties	38,362,828.70	—	38,362,828.70
Disposal for the year	7,204,553.00	—	7,204,553.00
Transfer from investment properties to fixed assets	36,862,320.90	—	36,862,320.90
Other transfers out	—	7,846,744.86	7,846,744.86
Effects from translation in foreign currency statements	-57,315,906.48	—	-57,315,906.48
Closing balance	3,090,792,819.01	302,406,645.57	3,393,199,464.58
II. Accumulated depreciation and accumulated amortisation			
Opening balance	654,599,004.42	68,327,231.09	722,926,235.51
Effects from changes in the scope of consolidation	-33,978,216.14	-6,912,833.90	-40,891,050.04
Accrual in current year	112,271,223.12	7,117,368.55	119,388,591.67
Conversion of fixed assets to investment properties	7,330,678.07	—	7,330,678.07
Disposal for the year	6,844,325.35	—	6,844,325.35
Transfer from investment properties to fixed assets	14,591,373.36	—	14,591,373.36
Other transfers out	—	1,855,499.70	1,855,499.70
Effects from translation in foreign currency statements	-10,559,307.11	—	-10,559,307.11
Closing balance	708,227,683.65	66,676,266.04	774,903,949.69
III. Impairment provision			
Opening balance	3,197,637.31	—	3,197,637.31
Accrual in current year	22,226,773.22	—	22,226,773.22
Effects from translation in foreign currency statements	-42,400.17	—	-42,400.17
Closing balance	25,382,010.36	—	25,382,010.36
IV. Net amount			
Opening balance	2,568,029,634.94	225,202,423.48	2,793,232,058.42
Closing balance	2,357,183,125.00	235,730,379.53	2,592,913,504.53

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

13. INVESTMENT PROPERTIES (Continued)

(2) Investment properties without the title certificate

Item	Book value	Reason for not obtaining the title certificate
Sichuan Observation Tower Film and Culture Plaza (Block C, Building 339, Chengdu) 10th Floor, Building 3	18,433,687.43	Processing cannot be carried out at this time due to incomplete developer documentation
Office building of Sinotrans (Changchun) Logistics Ltd.	3,606,162.73	Conditions for processing have not been met
Houses of Sinotrans Logistics on Munan Road No. 98	3,427,770.16	In progress
Total	25,467,620.32	—

- (3) The Group's investment properties are mainly rented warehouses, yards and other logistics facilities. As at 31 December 2025, the Group had evaluated the leases, rental levels and surrounding market prices involved in its major leased logistics facilities and found no obvious signs of impairment, except for the investment properties for which impairment provisions have been recognized as described above.

14. FIXED ASSETS

Item	Closing balance	Opening balance
Fixed assets	14,943,681,597.22	15,492,823,606.26
Disposal of fixed assets	5,393.64	1,273.61
Total	14,943,686,990.86	15,492,824,879.87

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS

(CONTINUED)

14. FIXED ASSETS (Continued)

(1) Fixed assets

1) Details of fixed assets classification

Item	Buildings	Port and terminal facilities	Motor vehicles and vessels	Machinery, equipment, furniture, appliances and other equipment	Total
I. Original value					
Opening balance	16,156,291,759.73	1,968,547,273.77	2,016,962,131.52	7,158,120,717.89	27,299,921,882.91
Effects from changes in the scope of consolidation	-423,357,724.42	-	838,750.83	-17,614,242.55	-440,133,216.14
Acquisition for the year	85,015,557.15	3,389,757.19	178,965,727.53	270,625,571.99	537,996,613.86
Transfer from construction in progress for the year	341,835,315.77	21,105,106.39	37,168.14	50,846,061.09	413,823,651.39
Transfer from investment properties for the year	36,862,320.90	-	-	-	36,862,320.90
Reclassification	207,391,452.79	8,123,012.72	-3,999,621.66	-211,514,843.85	-
Other increases	-8,610,139.84	-4,861,734.74	324,941.61	10,341,800.52	-2,805,132.45
Disposals, obsolescence for the year	18,990,910.99	97,195.43	218,355,943.61	208,244,703.13	445,688,753.16
Transfer to investment properties for the year	38,362,828.70	-	-	-	38,362,828.70
Effects from translation in foreign currency statements	25,963,337.78	-	27,036,999.49	2,975,200.76	55,975,538.03
Closing balance	16,364,038,140.17	1,996,206,219.90	2,001,810,153.85	7,055,535,562.72	27,417,590,076.64
II. Accumulated depreciation					
Opening balance	5,514,341,456.13	702,980,958.38	1,249,603,700.30	3,985,328,075.25	11,452,254,190.06
Effects from changes in the scope of consolidation	-273,242,822.48	-	-	-22,136,267.16	-295,379,089.64
Accrual in current year	592,935,009.21	56,309,080.65	150,777,214.55	436,890,542.65	1,236,911,847.06
Transfer from investment properties for the year	14,591,373.36	-	-	-	14,591,373.36
Reclassification	16,906,090.92	3,483,746.39	-1,361,331.50	-19,028,505.81	-
Other increases	-3,013,569.22	-	-	4,954,764.62	1,941,195.40
Disposals, obsolescence for the year	12,430,332.85	92,335.91	164,208,496.16	182,001,858.44	358,733,023.36
Transfer to investment properties for the year	7,330,678.07	-	-	-	7,330,678.07
Effects from translation in foreign currency statements	3,444,553.18	-	8,254,528.12	-16,935,830.20	-5,236,748.90
Closing balance	5,846,201,080.18	762,681,449.51	1,243,065,615.31	4,187,070,920.91	12,039,019,065.91

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

14. FIXED ASSETS (Continued)

(1) Fixed assets (Continued)

1) Details of fixed assets classification (Continued)

Item	Buildings	Port and terminal facilities	Motor vehicles and vessels	Machinery, equipment, furniture, appliances and other equipment	Total
III. Impairment provision	—	—	—	—	—
Opening balance	243,652,568.44	—	110,951,266.55	240,251.60	354,844,086.59
Accrual in current year	82,365,124.91	—	—	—	82,365,124.91
Transfer-out for the year due to sale	351,183.88	—	5,968,108.97	—	6,319,292.85
Effects from translation in foreign currency statements	3,999,494.86	—	—	—	3,999,494.86
Closing balance	329,666,004.33	—	104,983,157.58	240,251.60	434,889,413.51
IV. Net amount	—	—	—	—	—
Opening balance	10,398,297,735.16	1,265,566,315.39	656,407,164.67	3,172,552,391.04	15,492,823,606.26
Closing balance	10,188,171,055.66	1,233,524,770.39	653,761,380.96	2,868,224,390.21	14,943,681,597.22
Including: Net mortgaged assets at the end of the year	435,128,458.03	596,858.55	—	80,086,150.80	515,811,467.38

2) Temporary idle fixed assets

Item	Original book value	Accumulated depreciation	Impairment provision	Book value	Remark
Buildings	8,575,329.78	7,307,514.50	—	1,267,815.28	—
Motor vehicles and vessels	192,782,093.06	117,063,720.38	36,378,833.59	39,339,539.09	—
Machinery, equipment, furniture, appliances and other equipment	12,407,349.09	11,514,281.00	—	893,068.09	—
Total	213,764,771.93	135,885,515.88	36,378,833.59	41,500,422.46	—

3) Fixed assets rented through operating lease

Item	Book value
Motor vehicles and vessels	13,911,137.50
Machinery, equipment, furniture, appliances and other equipment	703,729,602.86
Total	717,640,740.36

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS

(CONTINUED)

14. FIXED ASSETS (Continued)

(1) Fixed assets (Continued)

4) Fixed assets without the title certificate

Item	Closing book value	Opening book value	Remark
Warehouse of Sinotrans Logistics Guangxi Co., Ltd.	190,102,781.54	197,376,735.32	In progress
Guiyang Comprehensive Bonded Zone Project	146,785,277.01	–	The final settlement procedures have not yet been completed
Wuhu Sanshan Port Sinotrans Wharf Project Phase I	129,502,944.20	133,902,861.70	In progress
Harbin Distribution Center Phase II	67,464,255.30	70,949,167.67	In progress
Northeast Regional Logistics Center Warehouse	66,553,071.00	70,136,575.96	Temporary suspension of demolition
Xinyun Science and Technology Building	48,242,347.61	–	Temporarily cannot be processed due to the building is not included in the plan
Caidian Logistics Base	38,717,663.34	43,451,306.12	Communication and negotiation with government departments for processing
Office building of Sinotrans (Zhengzhou) Airport Logistics Co., Ltd.	31,415,426.33	33,041,270.33	In progress
Changchun Distribution Center Warehouse No. 1	29,588,809.86	30,901,168.47	In progress
Office building 1, Tianzhu Airport Logistics Park	29,338,949.33	34,417,035.77	In progress
Rongcheng 7-11 warehouse and office building	27,424,456.71	28,955,917.30	In progress
Changchun Distribution Center Warehouse No. 7	27,145,753.89	28,344,829.42	In progress
Changchun Distribution Center Warehouse No. 3	25,209,527.78	26,276,488.09	In progress
Pudong International Airport Storage Project	26,119,475.01	26,913,239.31	In progress
11th Floor Project, Block C, Building 339, Chengdu	22,770,988.84	21,748,271.01	Processing cannot be carried out at this time due to incomplete developer documentation
Changchun Distribution Center Warehouse No. 5	22,048,309.55	23,010,223.37	In progress
Office building of Sinotrans (Changchun) Logistics Ltd.	21,825,783.69	22,265,451.84	Processing after the completion of the entire Phase III project

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

14. FIXED ASSETS (Continued)

(1) Fixed assets (Continued)

4) Fixed assets without the title certificate (Continued)

Item	Closing book value	Opening book value	Remark
China Merchants Logistics Group Changchun Warehouse Package 1	20,682,631.84	21,521,605.60	In progress
Sinotrans (Zhengzhou) Airport Logistics Co., Ltd. Warehouse No. 1	19,264,992.11	20,128,281.83	In progress
Sinotrans (Changchun) Logistics Co., Ltd. Warehouse No. 1	18,564,383.15	19,345,548.58	Processing after the completion of the entire Phase III project
Wuhu Sanshan Port Warehouse	16,708,301.43	17,507,479.91	In progress
Sinotrans (Changchun) Logistics Co., Ltd. Warehouse No. 3	14,134,736.22	14,902,055.78	Processing after the completion of the entire Phase III project
Wuhu Sanshan Port Joint Inspection Building and Dormitory Building	13,363,329.12	14,230,633.13	In progress
Sinotrans (Changchun) Logistics Co., Ltd. Warehouse No. 2	12,079,252.08	12,503,129.91	Processing after the completion of the entire Phase III project
Warehouse 2 of Tianzhu Logistics Park	11,893,758.18	13,765,798.40	In progress
Nanjing Sinotrans International Logistics Co., Ltd. Warehouse 02	11,015,826.18	11,899,828.86	Temporary suspension of demolition
Sinotrans (Zhengzhou) Airport Logistics Co., Ltd. Warehouse No. 2	10,922,173.80	11,384,795.28	In progress
Nanjing Sinotrans International Logistics Co., Ltd. Warehouse 01	10,860,061.71	11,732,737.83	Temporary suspension of demolition
Sinotrans (Zhengzhou) Airport Logistics Co., Ltd. Warehouse No. 3	10,123,793.22	10,552,598.34	In progress
Nanjing Sinotrans International Logistics Co., Ltd. Warehouse No. 4	8,964,687.11	9,877,979.63	Temporary suspension of demolition
Warehouse 1 of Tianzhu Logistics Park	8,073,211.34	9,340,805.33	In progress
Nanjing Sinotrans International Logistics Co., Ltd. Warehouse No. 3	7,564,908.28	8,335,595.96	Temporary suspension of demolition
China Merchants Logistics Group Changchun Phase I Complex	5,941,082.63	6,197,593.55	In progress
Wuhu Sanshan Port Waiting Building	5,938,877.03	6,330,814.63	In progress
Others	27,286,518.58	32,744,798.61	—
Total	1,183,638,345.00	1,043,992,622.84	—

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS

(CONTINUED)

14. FIXED ASSETS (Continued)

(1) Fixed assets (Continued)

5) 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 2025, 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 (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	Whether a valuation report for financial reporting purposes is obtained in the impairment test	Valuation agency and assessment report number	Book value (RMB10,000)	Recoverable amount (RMB10,000)	Impairment amount (RMB10,000)	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.	Yes	Zhongtonghua Consulting Report (2026) No. 020112	16,870.42	17,255.88	-	Fair value is determined using valuation techniques (income approach); disposal costs are determined by taxes and fees incurred in the disposal process	Rent: RMB0.65-0.66/㎡/day (tax included); Rental growth rate: 1%; Vacancy rate: 20%; 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 and adjusted according to local lease growth; 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)

14. FIXED ASSETS (Continued)

(1) Fixed assets (Continued)

5) 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	Whether a valuation report for financial reporting purposes is obtained in the impairment test	Valuation agency and assessment report number	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	Yes	Guozhonglian Appraisal Report No. 3-0003 (2026),	BYN 46.6265 million	BYN 29.9926 million	BYN 16.6339 million	5 years	Booth rent: indoor – BYN 18.59/m ² /day (tax included); long-term rent – BYN 5.21/m ² /day (tax included). Rent growth rate: 10%-0%; Asset utilization: exhibition area is 3,500 m ² with 15 exhibition days, and the number of exhibition days will increase by 2 days per year over the next four years; long-term leased area is 7,020 m ² , increasing by 6% annually over the next three years. Discount rate: 7.80%	Booth rent, long-term rent, rental growth rate and relevant 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.	Rent growth rate: 3%; Booth area: 3,500 m ² ; Exhibition days: 23 days; Long-term leased area: 8,843.18 m ² ; Discount rate: 7.80%	The growth rate of booth rents during the stable period is determined comprehensively by considering macroeconomic growth and inflation factors. The stabilization period booth utilization rate and long-term rent utilization rate are determined based on the relevant utilization rate in the last year of the projection period; The stabilization period discount rate is the same as the projection period

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

14. FIXED ASSETS (Continued)

(2) Disposal of fixed assets

Item	Closing balance	Opening balance
Machinery, equipment, furniture, appliances and other equipment	5,393.64	1,273.61
Total	5,393.64	1,273.61

15. CONSTRUCTION IN PROGRESS

(1) Listed by classification

Item	Closing balance	Opening balance
Construction in progress	974,087,781.92	656,542,638.70
Construction materials	—	—
Total	974,087,781.92	656,542,638.70



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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

15. CONSTRUCTION IN PROGRESS (Continued)

(2) Details of construction in progress

Item	Closing balance			Opening balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Sinotrans Lingang International Logistics Center Project	390,732,238.91	-	390,732,238.91	228,973,162.82	-	228,973,162.82
Chengdu Eastern New Area Project	192,432,877.55	-	192,432,877.55	50,160,910.64	-	50,160,910.64
Sinotrans Dubai Logistics Park Project	179,169,931.94	-	179,169,931.94	4,905,259.38	-	4,905,259.38
Weihai Sinotrans International Intelligent Logistics Center Project	65,451,685.86	-	65,451,685.86	8,959,578.70	-	8,959,578.70
Terminal Upgrading and Renovation Project of Huangpu Warehouse & Terminal	31,358,925.52	-	31,358,925.52	3,100,745.68	-	3,100,745.68
Lianyungang Shanghe Logistics Park Project	21,346,024.88	-	21,346,024.88	21,346,024.88	-	21,346,024.88
Emergency Command Center Project	21,149,066.85	-	21,149,066.85	21,149,066.85	-	21,149,066.85
Modern Intelligent Logistics Park Construction Project of Ningbo Company	12,924,262.59	-	12,924,262.59	-	-	-
Xinjiang Ganquanpu Distribution Center	12,574,749.89	-	12,574,749.89	12,574,749.89	-	12,574,749.89
Thailand Warehouse Phase II	863,219.86	-	863,219.86	47,522,088.66	-	47,522,088.66
Guiyang Comprehensive Bonded Zone Project	-	-	-	77,179,229.24	-	77,179,229.24
Jinxia Logistics Center	-	-	-	50,848,565.98	-	50,848,565.98
Sinotrans Logistics Development Hefei Supply and Marketing Logistics Park	-	-	-	31,730,310.91	-	31,730,310.91
Sinotrans Weifang International Logistics Centre Phase II Project	-	-	-	13,445,374.15	-	13,445,374.15
Gantry Crane Yard Project	-	-	-	12,389,016.08	-	12,389,016.08
Sinotrans Middle East Co., Ltd. SHEIN Project	-	-	-	10,716,636.77	-	10,716,636.77
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
Other projects	46,184,798.07	100,000.00	46,084,798.07	46,311,270.94	100,000.00	46,211,270.94
Total	974,187,781.92	100,000.00	974,087,781.92	656,642,638.70	100,000.00	656,542,638.70

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

15. CONSTRUCTION IN PROGRESS (Continued)

(3) Changes in significant construction in progress during the 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 Lingang International Logistics Center Project	757,205,300.00	228,973,162.82	161,759,076.09	-	-	-	390,732,238.91	51.60	51.60	5,114,163.10	3,847,290.50	2.21	Self-owned capital, bank borrowings
Chengdu Eastern New Area Project	374,070,897.31	50,160,910.64	142,271,966.91	-	-	-	182,432,877.55	51.44	51.44	1,689,806.85	1,695,254.63	2.31	Self-owned capital, bank borrowings
Sinotrans Dida Logistics Park Project	465,444,804.00	4,905,259.38	174,264,672.56	-	-	-	179,169,931.94	38.49	38.49	5,860,339.75	5,860,339.75	3.99	Self-owned capital, bank borrowings, lease liabilities
Gujiang Comprehensive Bonded Zone Project	189,940,000.00	77,179,229.24	69,603,047.77	-	146,785,277.01	-	-	77.28	100.00	-	-	-	Self-owned capital
Total	1,786,761,101.31	361,218,562.08	547,901,763.33	-	146,785,277.01	-	762,335,048.40	-	-	12,664,308.70	11,392,884.88	-	-

- (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 2025, 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)

16. RIGHT-OF-USE ASSETS

(1) Details of right-of-use assets classification

Item	Buildings	Land use rights	Port and terminal facilities	Motor vehicles and vessels	Machinery, equipment, furniture, appliances and other equipment	Others	Total
I. Original value	—	—	—	—	—	—	—
Opening balance	4,460,262,663.59	37,968,092.95	3,082,091.02	12,019,635.75	13,012,950.89	30,306,369.77	4,556,651,803.97
Effects from changes in the scope of consolidation	—	—	—	—	—	—	—
Increase in current year	778,071,596.25	143,394,795.78	—	4,575,646.60	10,656,919.48	11,482,151.61	948,181,109.72
Decrease in current year (Note)	804,199,491.03	18,247,942.84	—	9,703,231.51	8,680,754.54	21,817,064.41	862,648,484.33
Effects from translation in foreign currency statements	44,648,012.84	-2,280,212.47	—	—	—	—	42,367,800.37
Closing balance	4,478,782,781.65	160,834,733.42	3,082,091.02	6,892,050.84	14,989,115.83	19,971,456.97	4,684,552,229.73
II. Accumulated depreciation	—	—	—	—	—	—	—
Opening balance	1,961,025,815.36	11,280,190.61	1,946,863.31	2,377,519.29	7,306,839.62	12,582,329.57	1,996,519,557.76
Effects from changes in the scope of consolidation	—	—	—	—	—	—	—
Accrual in current year	893,719,662.89	19,977,650.80	1,027,363.66	1,672,958.25	4,359,821.32	10,046,702.15	930,804,159.07
Decrease in current year (Note)	706,386,166.89	9,193,021.70	—	4,131,180.07	7,143,205.05	12,525,883.26	739,379,456.97
Effects from translation in foreign currency statements	13,535,546.69	-167,215.58	—	—	—	—	13,368,331.11
Closing balance	2,161,894,858.05	21,897,604.13	2,974,226.97	-80,702.53	4,523,455.89	10,103,148.46	2,201,312,590.97
III. Impairment provision	—	—	—	—	—	—	—
Opening balance	—	—	—	—	—	—	—
Closing balance	—	—	—	—	—	—	—
IV. Net amount	—	—	—	—	—	—	—
Opening balance	2,499,236,848.23	26,687,902.34	1,135,227.71	9,642,116.46	5,706,111.27	17,724,040.20	2,560,132,246.21
Closing balance	2,316,887,923.60	138,937,129.29	107,864.05	6,972,753.37	10,465,659.94	9,868,308.51	2,483,239,638.76

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

For the year ended 31 December 2025

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

IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

16. RIGHT-OF-USE ASSETS (Continued)

(1) Details of right-of-use assets classification (Continued)

The Group leases a number of assets, including buildings, land use rights, port and terminal facilities, motor vehicles and vessels, machinery, equipment, furniture, appliances, and other equipment, 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 RMB783,905,958.74 (prior year: RMB731,137,726.40) and the lease expenses for low-value assets amounted to RMB21,855,970.77 (prior year: RMB25,635,185.20).

The total cash outflow in relation to leases for the year was RMB1,819,698,951.67 (prior year: RMB1,717,884,554.73).

- (2) As at 31 December 2025, the Group reviewed the rents agreed under its major lease agreements and found no indication of significant deviation from the market rental levels. Therefore, no provision for impairment of the right-of-use assets has been made for the current year.



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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

17. INTANGIBLE ASSETS

(1) Details of intangible assets

Item	Opening balance	Effects from changes in the scope of consolidation	Increase in current year	Decrease in current year	Reclassification	Effects from translation in foreign currency statements	Closing balance
I. Total original value	9,074,422,033.22	-12,380,447.92	276,871,093.67	26,058,890.48	-	20,022,561.65	9,332,876,350.14
Including: Land use rights	7,371,734,074.87	-12,386,615.51	225,698,225.02	6,313,213.11	-	-24,483,761.32	7,554,248,709.95
Trademark rights	5,007,651.46	-	-	-	-	-	5,007,651.46
Software	1,088,445,988.08	6,167.59	50,156,987.23	18,740,061.40	-	1,983,031.99	1,121,852,113.49
Customer relationship	526,693,346.37	-	-	-	-	42,536,252.74	569,229,599.11
Others	82,540,972.44	-	1,015,881.42	1,005,615.97	-	-12,961.76	82,538,276.13
II. Total accumulated amortisation	2,753,069,200.40	-35,777,613.11	329,368,896.85	21,433,735.15	-	22,130,947.87	3,047,357,696.86
Including: Land use rights	1,661,069,815.68	-35,777,613.11	159,529,518.51	2,731,123.83	-	-4,256,595.48	1,777,834,001.77
Trademark rights	7,651.46	-	-	-	-	-	7,651.46
Software	791,515,460.88	-	107,354,715.07	17,709,598.39	-	1,580,568.46	882,741,146.02
Customer relationship	271,369,358.97	-	61,224,726.56	-	-	24,813,147.03	357,407,232.56
Others	29,106,913.41	-	1,259,936.71	993,012.93	-	-6,172.14	29,367,665.05
III. Total impairment provision	58,913,956.77	-	-	-	-	-	58,913,956.77
Including: Land use rights	3,887,400.00	-	-	-	-	-	3,887,400.00
Trademark rights	5,000,000.00	-	-	-	-	-	5,000,000.00
Software	-	-	-	-	-	-	-
Customer relationship	-	-	-	-	-	-	-
Others	50,026,556.77	-	-	-	-	-	50,026,556.77
IV. Total book value	6,262,438,876.05	—	—	—	—	—	6,226,604,696.51
Including: Land use rights	5,706,776,859.19	—	—	—	—	—	5,772,527,308.18
Trademark rights	-	—	—	—	—	—	-
Software	296,930,527.20	—	—	—	—	—	239,110,967.47
Customer relationship	255,323,987.40	—	—	—	—	—	211,822,366.55
Others	3,407,502.26	—	—	—	—	—	3,144,054.31

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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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS

(CONTINUED)

17. INTANGIBLE ASSETS (Continued)

(2) Land use rights without the title certificate

Item	Book value	Reason for not obtaining the title certificate
Land use rights of Rongcheng Pulin Shandong Project	19,384,835.26	In negotiation with the government for the issuance of title certificate
Land use rights of Dayaowan Kaisan District Container Yard Phase II	5,416,382.18	In progress
Total	24,801,217.44	—

(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 2025, 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.14 and IX.18



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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

18. GOODWILL

(1) Details of goodwill

Investee	Formation	Opening balance	Increase in current year Business combination	Other increases	Decrease in current year Disposal	Other decreases	Effects from translation in foreign currency statements	Closing balance
7 companies including KLG EUROPE EERSEL B.V.	Business combinations not under common control	2,025,363,645.40	—	—	—	—	191,025,833.54	2,216,389,478.94
Sinotrans Cold Chain Logistics (Tianjin) Co., Ltd.	Business combinations not under common control	215,048,533.68	—	—	—	—	—	215,048,533.68
China Merchants Logistics Group Nanjing Co., Ltd.	Business combinations not under common control	170,927,814.49	—	—	—	—	—	170,927,814.49
Shenzhen Henglu Logistics Co., Ltd.	Business combinations not under common control	134,843,091.03	—	—	—	—	—	134,843,091.03
OCEAN LORD INVESTMENT LIMITED	Business combinations not under common control	44,442,093.80	—	—	—	—	—	44,442,093.80
Sinotrans Cold Chain Logistics Harbin Co., Ltd.	Business combinations not under common control	29,621,440.67	—	—	—	—	—	29,621,440.67
Sinotrans High-Tech Logistics (Suzhou) Co., Ltd.	Business combinations not under common control	24,297,900.54	—	—	—	—	—	24,297,900.54
Chengdu Bonded Logistics Investment Co., Ltd.	Business combinations not under common control	—	10,611,975.65	—	—	—	—	10,611,975.65
Ningbo Taiping International Trade Transportation Co., Ltd.	Business combinations not under common control	—	7,385,560.06	—	—	—	—	7,385,560.06
SUNNY STEP INVESTMENT LIMITED	Business combinations not under common control	7,166,615.77	—	—	—	—	—	7,166,615.77
Others	Business combinations not under common control	42,196,922.13	—	—	—	—	—	42,196,922.13
Subtotal	—	2,693,908,057.51	17,997,535.71	—	—	—	191,025,833.54	2,902,931,426.76
Impairment provision for goodwill	—	728,338,556.55	—	—	—	—	—	1,330,661,450.64
Total	—	1,965,569,500.96	—	—	—	—	—	1,572,269,976.12

Note: 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.

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS

(CONTINUED)

18. GOODWILL (Continued)

(2) Details of goodwill impairment provision

Investee	Opening balance	Effects from changes in the scope of consolidation	Accrual in current year	Effects from translation in foreign currency statements	Decrease in current year	Closing balance
7 companies including KLG EUROPE EERSEL B.V.	321,256,218.93	–	490,744,930.00	41,109,891.06	–	853,111,039.99
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
China Merchants Logistics Group Nanjing Co., Ltd.	25,332,524.09	–	70,468,073.03	–	–	95,800,597.12
Sinotrans Cold Chain Logistics Harbin Co., Ltd.	29,621,440.67	–	–	–	–	29,621,440.67
China Merchants International Cold Chain (Shenzhen) Co., Ltd.	2,236,748.15	–	–	–	–	2,236,748.15
Total	728,338,556.55	–	561,213,003.03	41,109,891.06	–	1,330,661,450.64



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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

18. GOODWILL (Continued)

(3) Information about the asset group or portfolio of asset groups in which material 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 2025, the book value of the aforementioned portfolio of asset groups without goodwill was EUR 95,641,000.	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)

18. 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 a 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)	The recoverable amount of an asset group or portfolio 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.	Yes	Yes	Jones Lang LaSalle: CON102565123-BV	Expected present value of future net cash flows	EUR 364,767,300	EUR 261,177,900	EUR 42,687,900	EUR 60,901,600

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	5.50%-2.50%	7.48%-7.76%	2031 and beyond	2.56%	7.72%	12.92%
	Previous	7.00%-3.50%	9.76%-10.41%	2031 and beyond	2.54%	10.41%	13.00%

Note: As indicated in the "Actual operating data for 2025 and forecast data from the previous goodwill impairment test", the profitability and EBIT indicators of the seven companies fell significantly short of expectations. The Group anticipates that the primary factors resulting in the profitability decline are difficult to improve in the short term and will increase uncertainty regarding revenue growth, and on this basis, reduced the forecast period profitability by 2.38 to 2.69 percentage points (compared to the corresponding forecast year in the previous goodwill impairment test) and reduced the forecast period revenue growth rate by 0.00 to 1.00 percentage points (compared to the forecast year in the previous goodwill impairment test).

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

18. 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: Duff&Phelps)	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)

18. GOODWILL (Continued)

(4) Material goodwill impairment testing process, key parameters and methods of recognising goodwill impairment losses (Continued)

Actual operating data for 2025 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.	7.00%	7.18%	9.76%	7.67%	EUR 29,634,000	EUR 23,322,100

Note: The fact that the actual profitability and EBIT indicators of the seven companies this year fell short of expectations was primarily due to the combined impact of weak European macroeconomic conditions and sluggish industrial and consumer demand, plus a sustained decline in European road freight rates, rising labor costs driven by a shortage of drivers, and the inelastic rise in operating expenses such as energy costs, all of which led to a significant decline in profitability.

(5) Sensitivity analysis of goodwill impairment testing

Under the simple assumption that other parameters remain unchanged, the effect of a single parameter change on the results of goodwill impairment testing:

Scenario	Revenue growth rate	Scenario	Profitability	Scenario	Discount rate	Effect on the results of goodwill impairment testing
	Effect on the results of goodwill impairment testing		Effect on the results of goodwill impairment testing		Effect on the results of goodwill impairment testing	
The revenue growth rate for the first year of the forecast period is reduced by one percentage point	EUR -3,792,300	The forecast period profitability is reduced by one percentage point	EUR -46,527,300	The pre-tax discount rate is increased by one percentage point	EUR -29,588,600	

(6) The M&A transactions that resulted in the formation of the Group's goodwill do not involve performance commitments of related parties.

19. LONG-TERM PREPAID EXPENSE

Item	Opening balance	Effects from changes in the scope of consolidation	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	217,537,010.41	-1,290,710.93	73,605,124.85	84,501,335.20	-817,647.90	-	204,532,441.23	—
Others	3,681,429.10	-	966,109.67	1,009,195.23	-	-	3,638,343.54	—
Total	221,218,439.51	-1,290,710.93	74,571,234.52	85,510,530.43	-817,647.90	-	208,170,784.77	—

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

20. DEFERRED INCOME TAX

(1) Deferred tax assets not offset

Item	Closing balance		Opening balance	
	Deferred tax assets	Deductible temporary differences and deductible losses	Deferred tax assets	Deductible temporary differences and deductible losses
Lease liabilities	688,221,360.99	2,996,140,755.58	652,394,178.80	2,712,393,289.38
Deductible losses	199,203,316.43	800,315,206.99	152,266,176.80	612,434,237.57
Unpaid wages	129,793,991.57	521,079,097.90	114,550,366.15	458,304,202.83
Impairment provision unapproved by tax authorities	107,978,840.48	445,055,894.68	77,916,692.74	320,981,329.54
Changes in fair value of other non-current financial assets	12,280,102.94	74,424,866.33	10,481,768.66	63,525,870.66
Depreciation of fixed assets	3,769,213.19	15,101,427.49	3,374,000.24	13,496,000.60
Provision for pending litigation	7,685,045.37	30,740,181.46	2,398,820.47	9,595,281.87
Provision for one-time housing subsidy	638,601.63	2,554,406.50	638,601.63	2,554,406.50
Other deductible temporary differences	60,719,816.32	258,371,749.43	64,728,896.18	273,787,333.28
Total	1,210,290,288.92	5,143,783,586.36	1,078,749,501.67	4,467,071,952.23

1) Details of unrecognised deferred tax assets

Item	Closing balance	Opening balance
Deductible temporary differences	1,615,107,677.66	1,235,124,903.79
Deductible losses	2,425,311,990.87	2,533,598,777.95
Total	4,040,419,668.53	3,768,723,681.74

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS

(CONTINUED)

20. DEFERRED INCOME TAX (Continued)

(1) Deferred tax assets not offset (Continued)

2) The deductible losses of unrecognized deferred tax assets will mature in the following year:

Year	Closing balance	Opening balance	Remark
2025	—	204,695,169.99	—
2026	59,580,367.16	145,066,961.67	—
2027	218,242,598.62	560,957,722.60	—
2028	458,811,587.33	612,875,531.69	—
2029	714,169,921.02	768,638,863.31	—
2030	734,610,362.03	—	—
2031	—	—	—
2032	—	—	—
2033	—	—	—
2034	—	—	—
2035	—	—	—
Deductible losses without maturity date	239,897,154.71	241,364,528.69	—
Total	2,425,311,990.87	2,533,598,777.95	—

(2) Deferred tax liabilities not offset

Item	Closing balance		Opening balance	
	Deferred tax liabilities	Taxable temporary difference	Deferred tax liabilities	Taxable temporary difference
Right-of-use assets	598,699,872.41	2,483,239,638.76	615,797,491.48	2,560,132,246.21
Adjustment of the fair value of assets acquired by business combination	253,303,588.08	1,091,842,799.55	239,944,274.06	1,048,548,109.02
Valuation of financial assets and liabilities held for trading	179,046,328.53	716,185,314.10	143,434,553.53	573,738,214.10
Changes in fair value of other equity instrument investments	87,437,851.30	349,751,405.20	3,685,072.67	14,740,290.67
Depreciation and amortisation	34,194,500.28	137,552,326.33	36,789,191.18	147,887,907.62
Other taxable temporary differences	1,795,611.39	8,600,276.41	2,446,970.31	10,863,192.98
Total	1,154,477,751.99	4,787,171,760.35	1,042,097,553.23	4,355,909,960.60

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

20. DEFERRED INCOME TAX (Continued)

(3) Deferred tax assets or liabilities shown in the net amount after offset

Item	Offset amount of deferred tax assets against deferred tax liabilities at the end of the year	Closing balance of deferred tax assets or deferred tax liabilities after offset	Offset amount of deferred 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	-818,558,085.99	391,732,202.93	-758,364,445.37	320,385,056.30
Deferred tax liabilities	-818,558,085.99	335,919,666.00	-758,364,445.37	283,733,107.86

21. OTHER NON-CURRENT ASSETS

Item	Closing balance			Opening balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Deductible VAT taxation expenses	127,125,660.47	-	127,125,660.47	85,821,373.17	-	85,821,373.17
Prepayment for engineering equipment	36,211,345.02	-	36,211,345.02	50,698,868.18	-	50,698,868.18
Prepayment for land use rights	21,158,735.27	-	21,158,735.27	13,265,050.27	-	13,265,050.27
Total	184,495,740.76	-	184,495,740.76	149,785,291.62	-	149,785,291.62

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS

(CONTINUED)

22. ASSETS UNDER RESTRICTED OWNERSHIP OR USE RIGHTS

Item	Closing balance				Opening balance			
	Book balance	Book value	Type of restriction	Details of restriction	Book balance	Book value	Type of restriction	Details of restriction
Cash and bank balances	120,299,628.16	120,299,628.16	Freeze, others	Note 1	27,287,681.61	27,287,681.61	Freeze, others	Note 1
Investment properties	14,573,563.65	13,189,075.17	Collateral	Note 2	14,573,563.65	13,480,546.44	Collateral	Note 2
Fixed assets	603,250,331.80	515,811,467.38	Collateral	Note 3	533,756,941.31	478,374,584.88	Collateral	Note 3
Intangible assets	696,712,348.18	634,277,755.06	Collateral	Note 4	652,384,823.19	612,158,813.58	Collateral	Note 4
Construction in progress	192,432,877.55	192,432,877.55	Collateral	Note 5	31,730,310.91	31,730,310.91	Collateral	Note 5
Total	1,627,268,749.34	1,476,010,803.32	—	—	1,259,733,320.67	1,163,031,937.42	—	—

Note 1: For details of the cash and bank balances under restricted use right at the end of the 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 RMB13,189,075.17 (beginning of the year: RMB13,480,546.44), of the land of JIANGMEN HIGH TECH PORT DEVELOPMENT CO., LTD. (hereinafter referred to as "JIANGMEN PORT Company"), a subsidiary of the Group, pledged as collateral for long-term borrowings.

Note 3: Fixed assets with restricted ownership or use right at the end of the 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 RMB243,362,057.33 (beginning of the year: RMB200,222,309.63); the book value of warehouses, plants, machinery and equipment, port and terminal facilities used as collaterals for long-term borrowings by JIANGMEN PORT Company, a subsidiary of the Group, was RMB147,601,268.86 (beginning of the year: RMB157,920,050.76); the book value of warehouses used as collaterals for long-term borrowings by Hunan Zhongnan International Land Port Co., Ltd., a subsidiary of the Group, was RMB114,077,244.74 (beginning of the year: RMB118,713,357.30); 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 RMB1,436,334.52 (beginning of the year: RMB1,518,867.19); and the book value of warehouses used as collaterals for short-term borrowings by Ningbo Taiping Company, a subsidiary of the Group, was RMB9,334,561.93.

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 RMB200,439,578.41 (beginning of the year: 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 RMB186,101,346.18 (beginning of the year: RMB190,214,083.10); the book value of land used as collaterals for long-term borrowings by Chengdu Eastern New Area Sinotrans International Logistics Co., Ltd. (hereinafter referred to as "Chengdu Eastern New Area Company"), a subsidiary of the Group, was RMB103,293,630.61 (beginning of the year: 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 RMB49,942,930.95 (beginning of the year: RMB51,028,646.84); the book value of land used as collaterals for long-term borrowings by Sinotrans Hefei Company, a subsidiary of the Group, was RMB31,609,428.80 (beginning of the year: RMB32,327,824.90); the book value of land used as collaterals for long-term borrowings by Sinotrans Dongguan Company, a subsidiary of the Group, was RMB27,698,830.32 (beginning of the year: RMB28,482,759.48); and the book value of land used as collaterals for short-term borrowings by Ningbo Taiping Company, a subsidiary of the Group, was RMB35,192,009.79.

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 for the Chengdu Eastern New Area Project, used as collaterals for long-term borrowings by Chengdu Eastern New Area Company, a subsidiary of the Group, was RMB192,432,877.55.

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

23. ASSET IMPAIRMENT PROVISION AND CREDIT LOSS PROVISION

Item	Opening balance	Effects from changes in the scope of consolidation	Accrual in current 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	545,188,204.76	-265.01	255,504,133.55	8,068,982.11	19,861,624.51	-	2,331,828.78	-	1,307,094.46	776,400,389.92
Credit loss provision for other receivables	173,176,455.08	-383.11	130,836,801.90	62,400.00	750,000.00	-	129,864.88	-	-1,078,225.24	302,252,113.51
Provision for value reduction of inventories	3,978,228.71	-	-	-	-	-	-	-	-	3,978,228.71
Impairment provision for long-term equity investments	12,913,596.50	-	10,661,400.00	-	-	-	-	-	-219,154.29	23,355,842.21
Impairment provision for investment properties	3,197,637.31	-	22,226,773.22	-	-	-	-	-	-42,400.17	25,382,010.36
Provision for impairment of fixed assets	354,844,086.59	-	82,365,124.91	-	-	6,319,292.85	-	-	3,999,494.86	434,889,413.51
Impairment provision for construction in progress	100,000.00	-	-	-	-	-	-	-	-	100,000.00
Impairment provision for intangible assets	58,913,956.77	-	-	-	-	-	-	-	-	58,913,956.77
Impairment provision for goodwill	728,338,556.55	-	561,213,003.03	-	-	-	-	-	41,109,891.06	1,330,661,450.64
Total	1,880,650,722.27	-648.12	1,062,807,236.61	8,131,382.11	20,611,624.51	6,319,292.85	2,461,633.66	-	45,076,700.68	2,955,933,405.63

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS

(CONTINUED)

24. SHORT-TERM BORROWINGS

(1) Classification of short-term borrowings

Category	Closing balance	Opening balance
Fiduciary loans	1,312,665,927.80	3,194,097,147.55
Guaranteed loans	–	100,094,416.67
Mortgage loans (Note)	32,865,474.81	–
Total	1,345,531,402.61	3,294,191,564.22

Note: Ningbo Taiping Company, a subsidiary of the Group, obtained a mortgage loan of USD3,500,000 from the Bank of Ningbo Keji Branch, with warehouses and land held by the company as collaterals.

(2) There were no short-term borrowings outstanding at the end of the year.

25. BILLS PAYABLE

Category	Closing balance	Opening balance
Bank acceptance bills	213,825,864.89	183,554,323.76
Total	213,825,864.89	183,554,323.76

Note: The Group had no overdue outstanding bills payable at the end of the year.

26. ACCOUNTS PAYABLE

(1) Details of accounts payable

Aging	Closing balance		Opening balance	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year (including 1 year)	12,471,578,947.93	97.84	12,534,281,476.56	98.25
1 to 2 years (including 2 years)	199,021,755.03	1.56	147,329,084.59	1.15
2 to 3 years (including 3 years)	32,790,762.48	0.26	36,028,801.73	0.28
Over 3 years	42,848,435.79	0.34	39,255,509.02	0.32
Total	12,746,239,901.23	100.00	12,756,894,871.90	100.00

Note: The above aging analysis of accounts payable is based on the time of purchasing goods or receiving services.

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

26. ACCOUNTS PAYABLE (Continued)

(2) Significant accounts payable aged over one year

Company name	Amount	Reasons for non-repayment or non-carryover
Entity 1	14,107,068.48	Unsettled
Entity 2	9,854,906.94	Unsettled
Entity 3	9,323,074.23	Unsettled
Entity 4	8,794,438.06	Unsettled
Zhengzhou Merchants Logistics Co., Ltd.	7,717,333.62	Unsettled
Entity 5	6,524,280.50	Unsettled
Entity 6	6,194,006.87	Unsettled
Entity 7	5,489,509.54	Unsettled
CSC Cargo (Hainan) Co., Ltd.	5,375,290.85	Unsettled
Entity 8	5,081,396.34	Unsettled
Total	78,461,305.43	—

- (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.

27. CONTRACT LIABILITIES

(1) Details of contract liabilities

Item	Closing balance	Opening balance
Advance receipts for agency and related business	3,637,285,315.04	3,605,801,389.22
Advance receipts for logistics business	738,708,777.89	682,547,510.90
Advance receipts for E-commerce business	118,716,648.30	297,617,079.97
Subtotal	4,494,710,741.23	4,585,965,980.09
Less: Contract liabilities included in other non-current liabilities	—	—
Total	4,494,710,741.23	4,585,965,980.09

Note: The Group's payments are received in advance for logistics services related to a large number of customers and logistics and transportation service contracts (agreements, orders, etc.) associated with those customers. Logistics and transportation service contracts of the same business type are similar in terms of service content, mode, performance cycle, and payment arrangement. Therefore, the Group's obligation to provide services to customers based on the consideration received or receivable from customers under logistics and transportation service contracts is presented in summary by business type (the same as the classification of revenue).

- (2) The revenue included the opening balance of contract liabilities recognised in the current year was RMB4,585,965,980.09 (ignoring the effect of translation of financial statements in foreign currencies), including contract liabilities arising from advance receipts for agency and related business of RMB3,605,801,389.22, contract liabilities arising from advance receipts for logistics business of RMB682,547,510.90, and contract liabilities arising from advance receipts for e-commerce business of RMB297,617,079.97.

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS

(CONTINUED)

27. CONTRACT LIABILITIES (Continued)

(3) Qualitative and quantitative analysis of contract liabilities

Based on the consideration of business risks, the Group's transactions with certain types of customers are based on the advance payment mode, and the Group recognises contract liabilities when it has not yet fulfilled its performance obligations but has received or is due to receive the customer's consideration in accordance with the payment arrangements agreed in the logistics and transportation service contracts (agreements, orders, etc.) entered into with the customers. As of 31 December 2025, the transaction price received or receivable, net of estimated output tax, apportioned by the Group to the outstanding logistics and transportation service contracts was RMB4,494,710,741.23 (1 January 2025: RMB4,585,965,980.09). This amount represents the amount of revenue that the Group expects to recognize when the customer obtains control of the services in the future. The Group expects that RMB4,494,710,741.23 (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.

28. EMPLOYEE BENEFITS PAYABLE

(1) Classification of employee benefits payable

Item	Opening balance	Increase in current year	Decrease in current year	Closing balance
I. Short-term benefits	2,198,119,907.32	6,624,570,350.63	6,833,495,477.54	1,989,194,780.41
II. Post-employment benefits – defined contribution plans	81,519,912.18	959,031,503.25	990,956,912.00	49,594,503.43
III. Termination benefits	13,374,048.01	44,346,961.68	40,221,278.82	17,499,730.87
IV. Other benefits due within one year	–	–	–	–
V. Others	3,930,138.42	810,210.55	1,532,004.70	3,208,344.27
Total	2,296,944,005.93	7,628,759,026.11	7,866,205,673.06	2,059,497,358.98

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

28. EMPLOYEE BENEFITS PAYABLE (Continued)

(2) Short-term benefits

Item	Opening balance	Increase in current year	Decrease in current year	Closing balance
I. Wages, bonuses, allowances and subsidies	2,122,559,108.60	5,062,798,787.77	5,272,151,732.18	1,913,206,164.19
II. Employee welfare benefits	229,429.43	231,144,560.70	231,292,552.07	81,438.06
III. Social insurance premiums	8,166,595.15	387,884,398.01	388,470,902.15	7,580,091.01
Including: Medical insurance	7,088,782.99	335,441,767.84	335,991,342.75	6,539,208.08
Work-related injury insurance	508,894.88	31,646,970.21	31,655,113.06	500,752.03
Maternity insurance	420,395.61	20,705,379.70	20,730,696.99	395,078.32
Others	148,521.67	90,280.26	93,749.35	145,052.58
IV. Housing provident fund	5,446,940.21	452,417,454.94	452,282,807.81	5,581,587.34
V. Trade union funds and staff education funds	36,972,720.75	98,164,327.31	97,783,611.75	37,353,436.31
VI. Short-term paid absences	—	—	—	—
VII. Short-term profit-sharing scheme	—	—	—	—
VIII. Other short-term benefits	24,745,113.18	392,160,821.90	391,513,871.58	25,392,063.50
Total	2,198,119,907.32	6,624,570,350.63	6,833,495,477.54	1,989,194,780.41

(3) Defined contribution plan

Item	Opening balance	Increase in current year	Decrease in current year	Closing balance
I. Basic pension insurance premiums	18,959,260.20	689,239,740.72	695,241,358.52	12,957,642.40
II. Unemployment insurance premiums	1,397,244.93	29,396,250.06	29,522,851.33	1,270,643.66
III. Enterprise annuity contributions	61,163,407.05	240,395,512.47	266,192,702.15	35,366,217.37
Total	81,519,912.18	959,031,503.25	990,956,912.00	49,594,503.43

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS

(CONTINUED)

28. EMPLOYEE BENEFITS PAYABLE (Continued)

(3) Defined contribution plan (Continued)

According to the pension and unemployment insurance plan set up by the government agencies, the Group pays to such plans a contribution on the basis of 12% to 24% and 0.48% to 2% of the employees' basic wages on a monthly basis. Apart from the above monthly payment, the Group bears no 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 RMB929,415,253.19 and RMB29,396,250.06 (prior year: RMB912,231,834.27 and RMB28,806,579.37) to the pension insurance and unemployment insurance plan for the current year. As of 31 December 2025, the Group had RMB48,103,859.77 and RMB1,270,643.66 (1 January 2025: RMB80,122,667.25 and RMB1,397,244.93) of contributions payable to the pension and unemployment insurance plan which are due and unpaid during the reporting period. The contributions payable was paid after the reporting period.

29. TAXES AND DUES PAYABLE

Item	Closing balance	Opening balance
Enterprise income tax	252,893,858.26	309,349,414.28
Value-added tax	149,514,970.16	167,822,098.30
Individual income tax	36,580,697.19	41,734,092.40
Property tax	32,818,199.33	28,681,319.88
Urban land use tax	18,539,117.41	10,697,889.56
Stamp duty	2,975,687.54	4,174,337.20
Urban maintenance & construction tax	2,403,311.95	4,383,312.47
Education surcharge and local education surcharge	2,308,093.90	4,135,438.50
Other taxes	21,454,935.46	12,613,538.27
Total	519,488,871.20	583,591,440.86

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

30. OTHER PAYABLES

Item	Closing balance	Opening balance
Interest payable	–	–
Dividends payable	12,950,281.88	73,788,729.28
Other payables	1,782,903,165.38	1,922,469,671.63
Total	1,795,853,447.26	1,996,258,400.91

(1) Dividends payable

Item	Closing balance	Opening balance
Ordinary share dividend	12,950,281.88	73,788,729.28
Total	12,950,281.88	73,788,729.28

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)

30. OTHER PAYABLES (Continued)

(2) Other payables

1) Other payables by nature of payment

Item	Closing balance	Opening balance
Deposits and guarantees collected	790,792,721.55	711,208,348.51
Current transactions with non-related parties	415,959,184.65	425,607,867.36
Payment for project, equipment and land	159,730,816.36	224,412,509.52
Current transactions with related parties	231,458,567.74	192,140,911.64
Amounts to be transferred for factoring and securitization of accounts receivable	37,808,230.44	150,372,007.54
Others	147,153,644.64	218,728,027.06
Total	1,782,903,165.38	1,922,469,671.63

2) Aging analysis of other payables

Aging	Closing balance		Opening balance	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year (including 1 year)	1,106,255,953.30	62.05	1,211,034,951.08	62.99
1 to 2 years (including 2 years)	239,933,090.80	13.46	308,417,847.92	16.05
2 to 3 years (including 3 years)	135,180,976.34	7.58	90,041,743.28	4.68
Over 3 years	301,533,144.94	16.91	312,975,129.35	16.28
Total	1,782,903,165.38	100.00	1,922,469,671.63	100.00

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

30. OTHER PAYABLES (Continued)

(2) Other payables (Continued)

3) Significant other payables aged over one year

Company name	Amount owed	Reasons for non-repayment or non-carryover
Entity 1	39,905,978.23	Not yet due for settlement
Entity 2	20,168,547.32	No agreed term
SINOTRANS & CSC HOLDINGS Co., Ltd.	15,500,000.00	Not yet due for settlement
Entity 3	13,028,220.70	Not yet due for settlement
Entity 4	12,469,150.83	Not yet due for settlement
Entity 5	9,653,383.99	Not yet due for settlement
Entity 6	9,352,060.50	Not yet due for settlement
China United Tally (Shenzhen) Co., Ltd.	9,000,000.00	Not yet due for settlement
Entity 7	7,446,241.97	Not yet due for settlement
Entity 8	6,800,000.00	Not yet due for settlement
Entity 9	6,619,731.41	Not yet due for settlement
Entity 10	6,482,462.71	Not yet due for settlement
Shanghai Sinotrans Qiantang Co., Ltd.	6,397,949.02	Not yet due for settlement
Entity 11	5,966,089.71	Not yet due for settlement
Entity 12	5,377,743.74	Not yet due for settlement
CSC Cargo (Dazhou) Co., Ltd.	5,351,077.47	Not yet due for settlement
Entity 13	5,000,000.00	Not yet due for settlement
Total	184,518,637.60	—

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

30. OTHER PAYABLES (Continued)

(2) Other payables (Continued)

4) 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.	16,124,890.79	24,051,000.00
Total	16,124,890.79	24,051,000.00

31. NON-CURRENT LIABILITIES DUE WITHIN ONE YEAR

Item	Closing balance	Opening balance
Long-term borrowings due within one year	461,363,307.29	229,462,538.87
Including: Guaranteed loans	273,167,952.56	59,196,990.63
Mortgage loans	146,045,097.48	121,735,930.93
Fiduciary loans	42,150,257.25	48,529,617.31
Secured borrowings	–	–
Lease liabilities due within one year	560,371,361.38	647,299,805.36
Bonds payable due within one year	64,932,788.22	11,495,307.76
Long-term payables due within one year	–	46,162,020.00
Estimated liabilities due within one year	8,596,108.07	6,847,709.94
Total	1,095,263,564.96	941,267,381.93

32. OTHER CURRENT LIABILITIES

Item	Closing balance	Opening balance
Pending output VAT	166,927,789.37	284,650,650.10
Others	10,693,340.74	3,977,677.00
Total	177,621,130.11	288,628,327.10



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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

33. LONG-TERM BORROWINGS

Type of loan	Closing balance	Opening balance	Interest rate range at the end of the year (%)
Guaranteed loans (Note)	1,237,791,631.07	1,380,733,232.78	1.27, 2.776
Mortgage loans	978,367,342.07	950,744,247.66	2.21-2.85
Fiduciary loans	307,380,405.87	936,813,956.68	1.00-3.989
Total	2,523,539,379.01	3,268,291,437.12	—

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	91,969,077.00	757,411,333.63	96,835,055.00	728,751,573.41
Export-Import Bank of China	2020-12-08	2027-12-07	EUR	2.776	91,500,000.00	753,548,250.00	94,500,000.00	711,178,650.00
Bank of China	2019-01-02	2029-01-02	RMB	2.75	-	275,354,605.89	-	352,029,758.49
Bank of China	2024-05-27	2034-04-18	RMB	2.21, 2.31	-	200,111,396.83	-	-
Agricultural Bank of China	2023-07-13	2038-07-13	RMB	2.85	-	163,088,511.84	-	161,814,680.92

- (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)

33. 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)	1,460,049,531.65	1,098,784,776.92
2 to 5 years (including 5 years)	530,144,274.64	1,764,981,599.41
Over 5 years	533,345,572.72	404,525,060.79
Total	2,523,539,379.01	3,268,291,437.12

34. BONDS PAYABLE

(1) Details of bonds payable

Item	Closing balance	Opening balance
2024 medium-term notes (phase I)	2,010,733,607.30	2,010,133,607.30
25 Sinotrans K1	2,033,026,995.43	–
2021 corporate bonds (phase I)	20,276,532.55	20,274,129.26
Less: Bonds payable due within one year	64,932,788.22	11,495,307.76
Total	3,999,104,347.06	2,018,912,428.80

Note: The Group's bonds payable include:

On 26 July 2021, approved by CSRC, the Company was permitted to issue unsecured corporate bonds with a nominal value of RMB100 and a total amount of RMB2 billion (2021 corporate bonds phase I). The bonds were issued with a term of 5 years and a fixed coupon rate of 3.15%. The principal was repaid in lump sum and interest payments were made in installments.

Pursuant to the relevant provisions of the issuer's option to adjust the coupon rate in the *Prospectus of Sinotrans Limited's 2021 Public Offering of Corporate Bonds (Phase I) for Professional Investors* (hereinafter referred to as "the Prospectus"), the Company issued the *2024 Announcement on Adjusting the Coupon Rate of Sinotrans Limited's 2021 Public Offering of Corporate Bonds (Phase I) for Professional Investors* on 28 June 2024, which adjusted the coupon rate of the next two years for the 2021 corporate bonds (phase I) from 3.15% to 2.15% (with the adjusted interest start date on 26 July 2024). The adjustment triggered the investor's resale option clause set out in the Prospectus. The accumulated amount declared for resale by investors was RMB1,980 million (excluding interest), which was paid by the Company on 26 July 2024. As of 31 December 2025, the outstanding principal and interest of the 2021 corporate bonds (phase I) totaled RMB20,276,532.55.

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.

According to the *Approval for the Registration of the Public Offering of Corporate Bonds by Sinotrans Limited to Professional Investors* (ZJXK [2024] No. 1509) issued by the China Securities Regulatory Commission, the Company was authorized to publicly issue corporate bonds with a total nominal value of no more than RMB4 billion (inclusive) to professional investors, which may be issued in tranches during the registration validity period. The Company completed the issuance of "Sinotrans Limited Public Offering of Science and Technology Innovation Corporate Bonds for Professional Investors in 2025 (Phase I) (25 Sinotrans K1)" 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.

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

34. 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)	1,999,470,958.95	19,998,638.85
2 to 5 years (including 5 years)	1,999,633,388.11	1,998,913,789.95
Total	3,999,104,347.06	2,018,912,428.80

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

34. BONDS PAYABLE (Continued)

(3) Specifics of bonds payable

Bond name	Face value	Coupon rate (%)	Issue date	Bond term	Issue amount	Opening balance	Effects from changes in the scope of consolidation	Issued in current 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	2,010,133,607.30	-	-	41,600,000.00	600,000.00	41,600,000.00	-	2,010,733,607.30	No
25 Sinotrans K1	2,000,000,000.00	1.79	2025-01-21	3 years	2,000,000,000.00	-	-	1,998,960,000.00	33,740,273.99	326,721.44	-	-	2,033,026,985.43	No
2021 corporate bonds (phase I)	2,000,000,000.00	2.15	2021-07-26	5 years	2,000,000,000.00	20,274,129.26	-	-	430,000.00	2,403.29	430,000.00	-	20,276,532.55	No
Total	6,000,000,000.00	-	-	-	6,000,000,000.00	2,030,407,736.56	-	1,998,960,000.00	75,770,273.99	929,124.73	42,030,000.00	-	4,064,037,135.28	-
Less: Bonds payable due within one year	-	-	-	-	-	11,495,307.76	-	-	-	-	-	-	64,932,788.22	-
Bonds payable due after one year	-	-	-	-	-	2,018,912,428.80	-	-	-	-	-	-	3,999,104,347.06	-

Note: The Group's bonds payable have a coupon rate that approximates the effective interest rate, and the amount of premium and discount is small. The Group uses the simplified method to amortise the premium and discount amounts evenly over the term of the bonds.

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

35. LEASE LIABILITIES

(1) Lease liabilities

Item	Closing balance	Opening balance
Lease payments	3,892,034,059.07	3,537,938,150.30
Less: Unrecognised financing expenses	862,220,316.32	806,189,669.96
Total	3,029,813,742.75	2,731,748,480.34
Less: Lease liabilities due within one year	560,371,361.38	647,299,805.36
Net lease liabilities	2,469,442,381.37	2,084,448,674.98

Note: The discount rates for the above lease liabilities range from 3.04%-4.90%.

(2) Maturity of lease payments

Item	Closing balance
Year 1 after balance sheet date	678,932,604.80
Year 2 after balance sheet date	446,126,102.58
Year 3 after balance sheet date	349,797,292.73
Future years	2,417,178,058.96
Total	3,892,034,059.07

Note: The Group is not exposed to significant liquidity risk in relation to lease liabilities.

36. LONG-TERM PAYABLES

Item	Closing balance	Opening balance
Related party loans	20,000,000.00	20,000,000.00
Loans from subsidiaries to non-controlling interests	4,715,030.29	46,162,020.00
Total	24,715,030.29	66,162,020.00
Less: Long-term payables due within one year	–	46,162,020.00
Long-term payables due after one year	24,715,030.29	20,000,000.00

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

36. LONG-TERM PAYABLES (Continued)

(1) Top five long-term payables in the closing balance (including long-term payables due within one year)

Item	Closing balance	Opening balance
SINOTRANS & CSC HOLDINGS Co., Ltd. <i>(Note)</i>	20,000,000.00	20,000,000.00
Entity 1	4,715,030.29	–
Shenzhen International Holdings (Shenzhen) Co., Ltd.	–	46,162,020.00
Total	24,715,030.29	66,162,020.00

Note: Sinotrans Logistics Investment Holdings Co., Ltd., a subsidiary of the Group, borrowed RMB20 million from SINOTRANS & CSC in 2016 with a loan term of 18 years and an interest rate of 1.20%.

(2) The maturity date of long-term payables is analyzed as follows

Item	Closing balance	Opening balance
1 to 2 years (including 2 years)	–	–
2 to 5 years (including 5 years)	–	–
Over 5 years	24,715,030.29	20,000,000.00
Total	24,715,030.29	20,000,000.00



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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

37. LONG-TERM EMPLOYEE BENEFITS PAYABLE

Item	Opening balance	Increase in current year	Decrease in current year	Closing balance
I. Net liability for post-employment benefits – defined benefit plans	1,414,921.19	–	78,488.27	1,336,432.92
II. Termination benefits	834,280.22	–	–	834,280.22
III. Other long-term benefits	1,314,905.76	–	–	1,314,905.76
Total	3,564,107.17	–	78,488.27	3,485,618.90

(1) Changes of the defined benefit plan

Present value of defined benefit plan obligations:

Item	Current year amount	Prior year amount
I. Opening balance	1,414,921.19	2,227,916.98
II. Defined benefit costs included in profit or loss	–	19,867.30
Including: Net interest	–	19,867.30
III. Actuarial gains or losses included in other comprehensive income	–	–
IV. Other changes	-78,488.27	-832,863.09
Including: Benefits paid	-78,488.27	-79,402.09
V. Closing balance	1,336,432.92	1,414,921.19

Note: The Group's post-employment benefits – defined benefit plans mainly represent the extra-universal costs for socialized transferred retirees accrued by China Yangtze River Shipping Co., Ltd., Sinotrans Jiuling Transport & Storage Co., Ltd., Zhoushan Customs Sinotrans Limited and so on. The benefit plans constitute a long-term defined benefit obligation and have no any plan assets. The number of beneficiaries involved in the plans as at 31 December 2025 was 135, and the scope of the impact and the amount were not material to the Group.

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS

(CONTINUED)

38. ESTIMATED LIABILITIES

Item	Opening balance	Effects from changes in the scope of consolidation	Increase in current year	Decrease in current year	Effects from translation in foreign currency statements	Closing balance	Reasons for occurrence and changes
Pending litigation, arbitration	25,826,958.20	—	47,241,095.96	15,240,828.08	—	57,827,226.08	—
Mainly including:							
A contract dispute case involving the Hefei High-tech Industrial Development Zone Investment Promotion Bureau	14,500,000.00	—	—	—	—	14,500,000.00	The details are described in Note XII.
A dispute case on the creditor's right determination involving Shenzhen Micro Connection Information Technology Service Co., Ltd.	—	—	13,531,288.14	—	—	13,531,288.14	
A dispute case on cargo damage involving Yantai Taihai Material Technology Co., Ltd.	—	—	10,794,928.18	800,000.00	—	9,994,928.18	
Cargo damage disputes	—	—	14,141,833.10	—	—	14,141,833.10	
One-time housing subsidy	2,554,406.50	—	—	—	—	2,554,406.50	—
Estimated expenditure on restoration of leased assets	1,658,444.32	—	—	—	—	1,658,444.32	—
Others	147,632.07	—	—	136,601.13	-3,638.03	7,392.91	—
Subtotal	30,187,441.09	—	61,382,929.06	15,377,429.21	-3,638.03	76,189,302.91	—
Less: Estimated liabilities due within one year	6,847,709.94	—	—	—	—	8,596,108.07	—
Estimated liabilities due after one year	23,339,731.15	—	—	—	—	67,593,194.84	—

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

39. 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	525,236,135.58	-2,866,737.18	68,921,994.38	159,702,440.58	431,588,952.20	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	525,236,135.58	-2,866,737.18	68,921,994.38	159,702,440.58	431,588,952.20	—

Note: In accordance with the requirements for the classification of state-allocated funds, the Group has reclassified the nature of such funds. Specifically, the RMB137 million in project construction subsidy funds received in previous years, which were transferred via China Merchants Group for the Sinotrans Lingang International Logistics Center Project and the National Logistics Hub Alliance Integrated Information Service Platform Project, have been adjusted to Other Payables.

40. SHARE CAPITAL

Item	Opening balance		Change during the year (+, -)				Closing balance	
	Investment amount	Proportion (%)	Issue of new shares	Bonus issue	Conversion of reserves into share capital	Others	Investment amount	Proportion (%)
Domestic listing (A shares)	5,255,916,875.00	72.06	-	-	-	-98,446,648.00	5,157,470,227.00	71.89
Listing (H shares) in Hong Kong, China	2,038,300,000.00	27.94	-	-	-	-22,019,000.00	2,016,281,000.00	28.11
Total	7,294,216,875.00	100.00	-	-	-	-120,465,648.00	7,173,751,227.00	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. Note: For other changes, see Note IX. 42.

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS

(CONTINUED)

41. CAPITAL RESERVES

FY 2025

Item	Opening balance	Increase in current year	Decrease in current year	Closing balance
I. Share capital premium	6,573,228,337.67	26,633,614.02	476,833,819.32	6,123,028,132.37
1. Capital invested by investors (Note 1)	3,011,377,649.65	26,633,614.02	460,923,127.37	2,577,088,136.30
2. Differences arising from the acquisition and disposal of non-controlling interests (Note 2)	2,156,035,950.96	—	15,910,691.95	2,140,125,259.01
3. Others	1,405,814,737.06	—	—	1,405,814,737.06
II. Other capital reserves	60,220,095.10	-19,085,419.92	27,823,092.51	13,311,582.67
1. Other changes in the owner's equity of the investees other than net profit or loss, other comprehensive income and profit distributions	14,501,061.16	—	1,189,478.49	13,311,582.67
2. Share-based payment for unexercised rights (Note 1)	45,719,033.94	-19,085,419.92	26,633,614.02	—
3. Others	—	—	—	—
Total	6,633,448,432.77	7,548,194.10	504,656,911.83	6,136,339,715.04
Including: Exclusively state-owned capital reserves	—	—	—	—

Note 1: During the second exercise period of the Company's Stock Option Incentive Plan (Phase I), 21,008,957 options were actually exercised during the year. The difference of RMB9,926,147.08 between the proceeds from the exercise and the corresponding repurchase cost of treasury shares was deducted from capital reserves. Other capital reserves transferred to share capital premium corresponding to the number of shares exercised amounted to RMB26,005,834.60. During the year, the Company cancelled 504,200 share options granted during the second exercise period of the Company's Stock Option Incentive Plan (Phase I) that had not been exercised. The corresponding amount of RMB627,779.42 previously recognized in other capital reserves was reclassified to share capital premium. As the vesting conditions for the third tranche of the Company's Stock Option Incentive Plan (Phase I) were not met, the share-based payment expense of RMB19,085,419.92 recognized in prior years has been reversed. The cancellation of repurchased shares this year resulted in a decrease of RMB450,996,980.29 in capital reserves. For further details, please refer to Note IX.42 and IX.69.

Note 2: See Note VIII. 7. for details.

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

41. CAPITAL RESERVES (Continued)

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	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	2,155,101,433.75	934,517.21	—	2,156,035,950.96
3. Others	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	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	—	—	—	—

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

42. 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	38,272,657.00	165,708,249.16	81,182,948.00	414,632,948.35	119,455,605.00	580,341,197.51	-	-
Including: For equity incentive (Note 1, Note 2)	26,891,535.00	105,837,178.55	-5,882,578.00	-23,072,217.47	21,008,957.00	82,764,961.08	-	-
Change of use for cancellation purposes (Note 2, Note 3)	-	-	5,882,578.00	23,072,217.47	5,882,578.00	23,072,217.47	-	-
For cancellation (Note 3)	11,381,122.00	59,871,070.61	81,182,948.00	414,632,948.35	92,564,070.00	474,504,018.96	-	-
Treasury shares (H-share) listed in Hong Kong, China (for cancellation) (Note 4)	3,055,000.00	9,236,007.49	18,964,000.00	64,650,384.37	22,019,000.00	73,886,391.86	-	-
Total	41,327,657.00	174,944,256.65	100,146,948.00	479,283,332.72	141,474,605.00	654,227,589.37	-	-

Note 1: The exercise conditions of the second exercise period of the Company's Stock Option Incentive Plan (Phase I) were fulfilled on 24 January 2025, and 21,008,957 options were exercised by the incentive recipients during the year (for details, please refer to Note IX.69), corresponding to a repurchase cost of RMB82,764,961.08.

Note 2: On 5 December 2025, the Company convened the Nineteenth meeting of its Fourth Session of the Board of Directors, and on 29 December 2025, held the 2025 Fourth Extraordinary General Meeting of Shareholders, the 2025 Second Meeting of H-share Class Shareholders, and the 2025 Second Meeting of A-share Class Shareholders. These meetings reviewed and approved the *Proposal on the Proposed Cancellation of Certain Repurchased Shares*, agreeing to change the purpose of 5,882,578 A-shares repurchased but not yet utilized in the Company's dedicated repurchase securities account from "for implementation of share incentive scheme" to "for cancellation and corresponding reduction of the Company's registered capital." The aforementioned repurchased A shares were canceled on 31 December 2025.

Note 3: 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 repurchased an additional 81,182,948 A shares during the year, and the total amount paid was RMB414,632,948.35 (excluding transaction fees). The aforementioned newly added shares, together with the A shares repurchased at the beginning of the year, were completed for cancellation on 18 November 2025.

Note 4: 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 repurchased an additional 18,964,000 H shares during the year, and the total amount paid was HKD69,915,390.60 (excluding transaction fees). The aforementioned newly added shares, together with the H shares repurchased at the beginning of the year, were completed for cancellation on 29 July 2025.

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

43. OTHER COMPREHENSIVE INCOME

Item	Opening balance	Incurred during the 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	18,936,390.64	335,011,114.53	-	-	83,752,778.63	251,258,335.90	-	270,194,726.54
1. Other comprehensive income not to be reclassified to profit or loss under the equity method	1,790,169.90	-	-	-	-	-	-	1,790,169.90
2. Changes in fair value of other equity instrument investments	17,146,220.74	335,011,114.53	-	-	83,752,778.63	251,258,335.90	-	268,404,556.64
II. Other comprehensive income to be subsequently reclassified to profit or loss	-142,942,868.73	-53,365,056.76	-	-	-	-70,887,855.78	17,522,799.02	-213,830,724.51
1. Other comprehensive income to be reclassified to profit or loss under the equity method	68,577,684.18	34,983,425.37	-	-	-	34,983,425.37	-	103,561,109.55
2. Translation difference of the financial statements in foreign currency	-211,520,552.91	-88,348,482.13	-	-	-	-105,871,281.15	17,522,799.02	-317,391,834.06
Total	-124,006,478.09	281,646,057.77	-	-	83,752,778.63	180,370,480.12	17,522,799.02	56,364,002.03

44. SPECIAL RESERVES

Item	Opening balance	Increase in current year	Decrease in current year	Closing balance
Safety production costs	143,045,162.87	129,961,696.26	88,097,672.14	184,909,186.99
Total	143,045,162.87	129,961,696.26	88,097,672.14	184,909,186.99

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.

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS

(CONTINUED)

45. SURPLUS RESERVES

FY 2025

Item	Opening balance	Increase in current year	Decrease in current year	Closing balance
Statutory surplus reserves	2,371,553,765.05	252,550,581.15	–	2,624,104,346.20
Total	2,371,553,765.05	252,550,581.15	–	2,624,104,346.20

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

Note: According to the provisions of the Articles of Association of the Company, the statutory surplus reserves shall be withdrawn at the rate of 10% of the net profit. If the accumulated statutory surplus reserves of the Company reach 50% or more of the Company's registered capital, it may not be withdrawn.



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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

46. UNDISTRIBUTED PROFITS

Item	Current year amount	Prior year amount
Closing balance of the prior year	23,424,281,261.35	21,888,204,114.36
Add: Adjustments to opening undistributed profits	–	2,421,719.89
Including: Changes in accounting policies	–	–
Changes in the scope of consolidation under common control	–	2,421,719.89
Opening balance of the current year	23,424,281,261.35	21,890,625,834.25
Increase in current year	4,021,797,495.79	3,932,447,811.38
Including: Net profit attributable to shareholders of the Company for the year	4,021,797,495.79	3,917,651,361.38
Others	–	14,796,450.00
Decrease in current year	2,331,983,383.93	2,398,792,384.28
Including: Appropriation to statutory surplus reserves for the year	252,550,581.15	295,058,289.51
Dividends distribution (Note)	2,079,432,802.78	2,103,734,094.77
Others	–	–
Closing balance of the current year	25,114,095,373.21	23,424,281,261.35

Note: At the 2024 Annual General Meeting of Shareholders held by the Company on 5 June 2025, the *Proposal on the 2024 Profit Distribution Plan* and the *Proposal on Applying for Authorisation of the 2025 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 2024 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 2025 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 2025, capital requirements, and previous dividend payout ratios. In accordance with the resolution and authorisation mentioned above, the Company has distributed a final dividend of RMB1,038,392,561.89 for 2024 and an interim dividend of RMB1,041,040,240.89 for 2025 (RMB0.145 per share, inclusive of tax).

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS

(CONTINUED)

47. OPERATING INCOME, COSTS

Item	Current year		Prior year	
	Income	Costs	Income	Costs
Agency and related business	57,009,837,078.46	53,750,913,513.47	67,170,242,886.86	63,646,189,305.52
Logistics	29,370,187,737.42	27,264,729,304.67	27,950,844,234.42	25,831,014,404.50
E-commerce	10,428,639,021.32	10,289,230,066.84	10,499,686,234.15	10,600,271,401.44
Total	96,808,663,837.20	91,304,872,884.98	105,620,773,355.43	100,077,475,111.46

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 2025

Item	Agency and related business	Logistics	E-commerce
Operating income	—	—	—
Including: Recognition at a certain point	57,009,837,078.46	29,370,187,737.42	10,155,081,974.96
Recognition within a certain period	—	—	—
Lease income	—	—	273,557,046.36
Total	57,009,837,078.46	29,370,187,737.42	10,428,639,021.32



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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

47. OPERATING INCOME, COSTS (Continued)

(1) Information related to performance obligations (Continued)

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

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 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 of 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.

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS

(CONTINUED)

47. OPERATING INCOME, COSTS (Continued)

(1) Information related to performance obligations (Continued)

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

The Group determines whether its identity at the time of performing a transaction is that of a principal or an agent based on whether it has control over the goods or services prior to transferring the goods or services to the customer. In the case of agency and related businesses, the Group's status as a principal or agent is determined primarily by considering whether it has assumed the corresponding risks and liabilities.

The logistics services provided by the Group to its customers are immediate consumable services, which usually do not involve warranty, refund, or other arrangements. The Group accrues estimated liabilities, as appropriate, when it is required by customers to pay compensation for damage to goods in the course of providing services.

(2) Statement of apportionment to remaining performance obligations

Details of the timing of recognition as revenue of the portion of the transaction price that has been received or receivable from the customer for which the Group has entered into contracts (agreements, orders, etc.) with the customer at the end of the period but has not yet performed, or has not yet fully performed, its performance obligations are set out in Note IX.27. The remaining transaction prices are not presented due to the expected term of these contracts being less than one year and the dispersed nature of the customers involved and a large number of contracts, which simplifies the treatment. The above contracts of the Group do not have variable consideration clauses.

- (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.

48. TAX AND SURCHARGES

Item	Current year	Prior year
Property tax	147,371,668.44	141,874,900.07
Urban land use tax	56,025,043.80	47,432,462.40
Urban maintenance & construction tax	45,330,117.47	47,742,142.15
Stamp duty	39,854,819.92	41,012,411.88
Education surcharge and local education surcharge	38,317,156.53	41,986,805.25
Others	10,815,528.78	9,548,422.07
Total	337,714,334.94	329,597,143.82

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

49. SELLING EXPENSES

Item	Current year	Prior year
Employee benefits	816,613,874.55	807,952,994.91
Depreciation and amortisation expenses	45,426,327.92	40,611,772.24
Business entertainment expenses	32,924,579.92	38,949,106.48
Travel expenses	26,724,725.01	28,434,894.61
Short-term, low-value lease expenses	19,498,769.09	15,751,060.28
Office expenses	15,326,978.23	14,078,155.96
Property and utilities (water, electricity, gas) fees	10,707,482.74	10,854,601.06
Vehicle expenses	9,900,486.03	13,280,386.06
Insurance premium	7,174,204.75	10,319,391.05
Others	21,890,094.64	20,078,355.47
Total	1,006,187,522.88	1,000,310,718.12

50. ADMINISTRATIVE EXPENSES

Item	Current year	Prior year
Employee benefits	2,354,542,143.15	2,428,286,490.32
Depreciation and amortisation expenses	318,298,706.56	336,874,075.96
Technical service fee for communication network	102,176,237.19	85,347,828.41
Property and utilities (water, electricity, gas) fees	72,844,372.25	70,712,838.67
Intermediary service fee	69,719,306.62	80,503,026.20
Travel expenses	39,688,250.46	41,752,500.10
Short-term, low-value lease expenses	38,997,514.05	41,086,801.81
Insurance premium, disability insurance	38,299,756.71	40,461,464.53
Business entertainment expenses	28,840,591.73	42,284,094.54
Office expenses	26,841,738.67	31,424,168.17
Decoration and repair costs	25,933,692.56	25,674,106.48
Vehicle expenses	22,936,616.77	29,513,184.83
Equity incentive (Note)	-19,085,419.92	14,266,290.96
Advertising expenses	11,692,997.71	12,185,861.24
Others	46,104,108.96	48,542,799.65
Total	3,177,830,613.47	3,328,915,531.87

Note: For details of the amount of the equity incentive item in administrative expenses, please refer to Note IX. 69.

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

51. RESEARCH AND DEVELOPMENT EXPENSES

Item	Current year	Prior year
Employee benefits	118,228,901.83	58,054,698.77
Technical service fee	58,133,569.80	60,951,191.54
Depreciation and amortisation	626,222.64	277,823.09
Others	1,989,296.89	1,374,477.33
Total	178,977,991.16	120,658,190.73

52. FINANCE COSTS

Item	Current year	Prior year
Interest expenses	342,322,250.33	406,198,794.37
Including: Bank and other borrowings	118,142,970.80	169,517,375.66
Bond interest	76,699,398.72	79,775,900.91
Interest expenses on lease liabilities	144,102,866.28	140,646,927.24
Others	3,377,014.53	16,258,590.56
Less: Capitalized interest expenses	11,466,070.31	6,195,026.66
Less: Interest income	158,463,510.85	141,358,846.67
Net exchange loss (net gains denoted by "-")	19,840,991.63	-60,460,451.13
Others	45,175,101.49	48,977,976.14
Total	237,408,762.29	247,162,446.05

53. OTHER INCOME

Item	Current year	Prior year	Whether government grants
Financial subsidy for logistics industry	1,620,897,788.14	1,902,256,168.06	Yes
Smart Network Cargo Platform and Tax Subsidies for Headquarters Economy Projects	180,930,598.37	266,210,858.21	Yes
Others	17,308,064.59	16,071,400.77	—
Total	1,819,136,451.10	2,184,538,427.04	—
Including: Government grants	1,814,700,945.85	2,176,768,551.38	—

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

54. INVESTMENT INCOME

Item	Current year	Prior year
Investment income from the disposal of long-term equity investments	1,639,924,742.51	53,218,672.60
Income from long-term equity investments under the equity method	1,538,647,937.40	1,878,846,814.41
Investment income from disposal of subsidiaries (Note)	439,326,330.32	–
Gain on remeasurement of equity at fair value upon acquisition or loss of control	69,992,046.29	113,415,073.53
Investment income from holding other non-current financial assets	15,885,149.67	10,001,447.58
Investment income from holding held-for-trading financial assets	608,516.65	134.79
Investment income from the disposal of held for trading financial assets	-465,495.67	2,000.62
Investment income from debt restructuring	-520,057.07	–
Investment income from the disposal of receivables financing	-2,812,395.44	-5,417,965.06
Income from derecognition of financial assets measured at amortised cost	-5,897,705.22	-13,628,250.16
Total	3,694,689,069.44	2,036,437,928.31

Note: For details on investment income from the disposal of subsidiaries, please refer to Note VIII.3.

The Group has no significant restrictions on the repatriation of investment income.

55. GAIN FROM CHANGES IN FAIR VALUE

Item	Current year	Prior year
Financial assets held for trading	458,499.83	72,440.77
Other non-current financial assets (Note)	107,046,420.78	244,487,581.53
Total	107,504,920.61	244,560,022.30

Note: Gain from changes in fair value during the year was mainly attributable to the increase in fair value of equity investment in China Southern Airlines Logistics by RMB142,447,100, the decrease in fair value of equity investment in Ouyeel Cloud by RMB23,297,700.

56. CREDIT IMPAIRMENT LOSS

Item	Current year	Prior year
Credit impairment losses on accounts receivable	-247,435,151.44	-45,476,963.36
Credit impairment losses on other receivables	-130,774,401.90	-39,664,921.03
Total	-378,209,553.34	-85,141,884.39

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS

(CONTINUED)

57. IMPAIRMENT OF ASSETS

Item	Current year	Prior year
Impairment loss on goodwill (<i>Note</i>)	-561,213,003.03	-25,332,524.09
Impairment loss on fixed assets	-82,365,124.91	—
Impairment loss on investment properties	-22,226,773.22	—
Impairment loss on long-term equity investments	-10,661,400.00	—
Loss on decline in the value of inventories	—	-337,366.86
Total	-676,466,301.16	-25,669,890.95

Note: Impairment loss on goodwill please refer to Note IX.18.

58. 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	25,281,017.20	68,434,678.00	25,281,017.20
Including: Gain on disposal of fixed assets	19,681,666.43	35,962,352.62	19,681,666.43
Gain on disposal of intangible assets	322,532.47	17,071,279.03	322,532.47
Others	5,276,818.30	15,401,046.35	5,276,818.30
Total	25,281,017.20	68,434,678.00	25,281,017.20

59. NON-OPERATING INCOME

Item	Current year	Prior year	Amount included in non-recurring profit or loss for the year
Liquidated damages, compensation	20,106,998.81	14,557,113.95	20,106,998.81
Unpayable payments	15,895,577.46	24,430,570.08	15,895,577.46
Government grants not related to the daily activities of the enterprise	13,068,587.52	5,948,218.75	13,068,587.52
Gains from damage and scrapping of non-current assets	10,051,979.30	8,301,539.29	10,051,979.30
Others	18,717,822.22	26,738,078.30	18,717,822.22
Total	77,840,965.31	79,975,520.37	77,840,965.31

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

60. GOVERNMENT GRANTS

(1) Government grants recognized at year-end based on the amount receivable

As at 31 December 2025, the balance of government grants receivable for the Group amounted to RMB1,182,923,960.69 (1 January 2025: RMB997,759,542.48). For details of the expected timing of collection of the aforementioned government grants receivable, please refer to Note IX. 7.

Reasons for significant government grants that are not received in the expected amount at the expected point in time:

Sinotrans Cross-border E-commerce Supply Chain (Hunan) Co., Ltd., a subsidiary of the Group, had a receivable of RMB72,892,063 due from Airport Sub-area of China (Hunan) Pilot Free Trade Zone Changsha Area Management Committee for county-level charter flight subsidies at the beginning of the 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. Based on risk assessment, the Group has provided for expected credit losses of RMB36,446,031.50 for the year 2024.

The Group's subsidiary, Sinotrans Air Transport Co., Ltd., is owed RMB233,430,000 in charter flight subsidies by Hangzhou International Airport Co., Ltd., which was originally expected to be fully recovered by the end of 2026. This year, the Group was informed that due to tight local fiscal funds, the amount of previously unpaid subsidies is likely to be reduced by 50%. The Group has provided for expected credit losses of RMB116,715,000 based on risk assessments.

(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	378,616,956.38	63,101,994.38	1,686,411.72	14,524,098.67	-137,000,000.00	288,508,440.37	Asset-related/revenue-related
Land restitution	64,708,749.43	—	145,734.96	962,435.40	—	63,600,579.07	Asset-related
Relocation compensation	48,605,386.44	—	—	2,079,493.56	—	46,525,892.88	Asset-related
Others	33,305,043.33	5,820,000.00	267,333.32	3,036,932.95	-2,866,737.18	32,954,039.88	Asset-related/revenue-related
Total	525,236,135.58	68,921,994.38	2,099,480.00	20,602,960.58	-139,866,737.18	431,588,952.20	—

Note: For other changes, see Note IX.39.

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS

(CONTINUED)

60. GOVERNMENT GRANTS (Continued)

(3) Details of government grants

Item	Current year	Prior year
Government grants obtained related to assets:	—	—
Financial subsidy for logistics industry	62,782,460.41	145,450,901.58
Others	5,820,000.00	—
Subtotal	68,602,460.41	145,450,901.58
Government grants obtained related to revenue:	—	—
Financial subsidy for logistics industry	1,606,693,223.44	1,886,520,997.84
Smart Network Cargo Platform and Tax Subsidies for Headquarters Economy Projects	180,930,598.37	266,210,858.21
Other government grants (Note)	17,762,804.95	3,583,115.82
Subtotal	1,805,386,626.76	2,156,314,971.87
Total	1,873,989,087.17	2,301,765,873.45
Less: Government grants included in deferred income	68,921,994.38	146,040,801.58
Add: Government grants transferred from deferred income to current profit or loss	22,702,440.58	26,991,698.26
Less: Government grants to offset related costs	—	—
Government grants included in current profit or loss	1,827,769,533.37	2,182,716,770.13
Including: Government grants included in other income	1,814,700,945.85	2,176,768,551.38
Government grants included in non-operating income	13,068,587.52	5,948,218.75

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)

61. NON-OPERATING EXPENSES

Item	Current year	Prior year	Amount included in non-recurring profit or loss for the year
Litigation and arbitration losses (Note)	54,552,873.99	-4,373,764.72	54,552,873.99
Compensation, liquidated damages and penalty expenses (Note)	41,526,304.39	-15,299,566.93	41,526,304.39
Expenditure on public welfare donations	10,000,000.00	9,042,224.67	10,000,000.00
Losses from damage and scrapping of non-current assets	6,941,887.53	3,789,315.95	6,941,887.53
Others	8,133,240.87	8,780,910.51	8,133,240.87
Total	121,154,306.78	1,939,119.48	121,154,306.78

Note: Litigation, arbitration losses and the compensation, liquidated damages, penalty expenses mainly consist of provisions, payments, or reimbursements made by the Group in relation to disputes arising from logistics transportation service contracts in its daily operations.

62. INCOME TAX EXPENSES

(1) Income tax expenses table

Item	Current year	Prior year
Current income tax expenses	970,564,279.99	881,620,198.94
Adjustments in deferred income taxes	-139,523,091.09	-43,416,904.56
Total	831,041,188.90	838,203,294.38

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS

(CONTINUED)

62. INCOME TAX EXPENSES (Continued)

(2) Process of adjusting accounting profit and income tax expense

Item	Current year
Accounting profit	5,114,293,989.86
Income tax expense at the rate of 25% (prior year: 25%)	1,278,573,497.47
Tax implications of non-deductible expenses	52,188,953.82
Income not subject to tax	-4,123,416.58
Tax effect of unrecognised deductible losses and deductible temporary differences for the current year	278,281,440.48
Tax effect of utilising unrecognised deductible losses and deductible temporary differences from prior years	-72,896,428.16
Effect of different tax rates applicable to subsidiaries in other regions	-48,215,314.31
Withholding tax based on the expected current earnings of subsidiaries, joint ventures and associates established outside the parent company's domicile	2,303,738.47
Impact of the subsidiary tax credit	-9,643,209.05
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)	-384,661,984.35
Retroactive payment (refund) of prior year' taxes	6,169,232.81
Effect of goodwill impairment	140,303,250.76
Tax effect of disposal of long-term equity investments	-397,437,299.82
Tax effect arising from disposal of subsidiaries	7,696,738.93
Tax effect of gain on remeasurement of equity at fair value upon acquisition or loss of control	-17,498,011.57
Income tax expenses	831,041,188.90

Note: Deferred income tax has not been recognized on investment income recognized for the Group's long-term equity investments accounted for under the equity method because the related long-term equity investments will not be sold in the foreseeable future.

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

63. EARNINGS PER SHARE

Basic earnings per share 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	4,021,797,495.79	3,917,651,361.38
Including: Net profit from continuing operations	4,021,797,495.79	3,917,651,361.38
Shares	—	—
Weighted average of the Company's outstanding ordinary shares (Note)	7,184,647,377.54	7,260,473,118.96
Basic earnings per share (RMB/share)	0.5598	0.5396
Diluted earnings per share (RMB/share)	0.5598	0.5386

Note: Changes in the number of ordinary shares outstanding that occurred during the month are weighted on a mid-month basis.

64. LEASES

(1) The Group as lessor

Item	Current year amount	Prior year amount
I. Income status	—	—
Lease income	273,557,046.36	308,306,681.91
Including: Income related to variable lease payments not included in lease receipts	—	—
II. Undiscounted lease payments to be received after the balance sheet date	488,330,813.55	603,853,639.28
Year 1	174,599,778.39	215,462,921.04
Year 2	103,661,967.59	124,327,224.66
Year 3	82,664,737.07	88,300,308.56
Year 4	54,192,930.17	72,090,763.81
Year 5	46,818,854.00	56,007,672.81
Over 5 years	26,392,546.33	47,664,748.40

- 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.
- 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)

64. 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	144,102,866.28	140,646,927.24
Short-term lease payments with simplified treatment included in the cost of the related assets or in current profit or loss	783,905,958.74	731,137,726.40
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	21,855,970.77	25,635,185.20
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	2,505,002.80	3,570,364.03
Total cash outflows related to leases	1,819,698,951.67	1,717,884,554.73
Gains or losses arising from sale and leaseback transactions	226,486,499.66	—
Cash inflow from sale and leaseback transactions	958,000,000.00	—
Cash outflow from sale and leaseback transactions	47,616,951.51	—

Note: As described in Notes VIII.3 and IX.64(4), the Group's sale and leaseback transactions involving warehousing and logistics infrastructure during the year are included in transactions involving the disposal of equity interests in subsidiaries and the loss of control over such subsidiaries. The cash inflow from sale and leaseback transactions in the above table represents the portion of the equity disposal consideration allocated to the fair value of the warehousing and logistics infrastructure at the disposal date (the total consideration for the disposal of equity was RMB1,304,815,570.80). The cash outflow from sale and leaseback transactions represents the actual lease payments made during the year for the leased warehousing and logistics infrastructure. The related gain or loss arising from the sale and leaseback transaction is calculated as the difference between (i) the portion of the equity disposal consideration allocated to the warehousing and logistics infrastructure at the disposal date and (ii) the book value of the warehousing and logistics infrastructure at that date, less the portion attributable to the right-of-use retained by the Group.

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

64. LEASES (Continued)

(4) Sale and leaseback transactions and basis for determination

As described in Note VIII. 3, the Group disposed of certain subsidiaries containing warehousing and logistics infrastructure to BOC Sinotrans Warehousing and Logistics REIT, and continued to execute the whole-lease arrangements for warehousing and logistics infrastructure between other subsidiaries of the Group and the disposed subsidiaries. As the Group has no control over certain important activities determined by the holders' meeting of BOC Sinotrans Warehousing and Logistics REIT, the Group has lost control over the aforementioned subsidiaries and warehousing and logistics infrastructure. Based on the principle of prudence, the Group has determined that the transfer and leaseback of the warehousing and logistics infrastructure in the aforementioned equity disposal transactions constitute sale and leaseback transactions and are classified as sales. The Group measures the right-of-use assets arising from the sale and leaseback only for the portion of the original book value of the warehousing and logistics infrastructure related to the right of use obtained from the leaseback (i.e., the remaining lease term), and recognizes the related gains only for the rights transferred to the lessor (BOC Sinotrans Warehousing and Logistics REIT).

Under the aforementioned whole-lease arrangements, the Group holds the option to terminate the leases at the end of the 7-8 year period (with slight variations across different warehouse and logistics infrastructure leases). At the same time, the Group commits that in the future, when leasing storage infrastructure for business operations, it will treat fairly any competing projects invested in or managed within China that are directly or indirectly held by the Group, infrastructure projects held by BOC Sinotrans Warehousing and Logistics REIT, and competing projects held by third parties within the same county-level administrative division (including municipal districts, county-level cities, counties, autonomous regions, etc.) as the direct holder of the infrastructure project. The Group commits to prioritizing the leasing of infrastructure projects held by BOC Sinotrans Warehousing and Logistics REIT under reasonable and fair terms and on equal terms (hereinafter referred to as the "priority leasing commitment under equal terms"). Based on its strategic development plan, future business outlook, anticipated demand, industry trends, and the aforementioned whole-lease arrangements, the Group has reasonably determined that it will exercise the termination option at the end of the 7-8 year period after comprehensively considering the following factors: the terms and conditions during the option period relative to prevailing market rates; planned asset improvements; costs associated with lease termination; the importance of the leased assets to the Group's operations; and the conditions stipulated in the "priority leasing commitment under equal terms" as well as the likelihood of satisfying those conditions. Accordingly, the lease term for the sale and leaseback transactions is determined to be 7-8 years.

The Group determines the proportion of the original book value of the warehousing and logistics infrastructure related to the Group's retained right-of-use based on the ratio of the present value of lease payments during the sale and leaseback period to the fair value of the warehousing and logistics infrastructure at the time of disposal and sale and leaseback.

The lease payments are estimated based on the rental amounts and adjustment mechanisms stipulated in the lease agreements, net of value-added tax. A discount rate of 4.90% is applied, and no variable lease payments are involved. The fair value of the warehousing and logistics infrastructure at the time of sale and leaseback is determined according to the corresponding appraisal reports issued by Shenzhen Daide Lianghang Real Estate Evaluation Co., Ltd.

As the disposal of the aforementioned warehousing and logistics infrastructure is included in the equity disposal transactions, the Group will offset the gain of RMB343,717,243.68 related to the retained right-of-use against the equity disposal gain.

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS

(CONTINUED)

65. ITEMS IN THE CONSOLIDATED CASH FLOW STATEMENT

(1) Cash related to operating activities

1) Cash received from other operating activities

Item	Current year	Prior year
Government grants	1,459,066,812.16	1,706,887,247.16
Deposit, security deposit, and collection and advance payment, etc.	519,939,275.28	281,143,773.99
Income from leasing assets	273,557,046.36	308,306,681.91
Interest income	148,591,978.29	147,227,509.66
Funds deposited subject to restrictions on the litigation	–	84,996,389.39
Others	43,102,077.80	65,858,470.50
Total	2,444,257,189.89	2,594,420,072.61

2) Cash paid for other operating activities

Item	Current year	Prior year
Deposit, security deposit, and collection and advance payment, etc.	495,942,758.41	603,172,494.49
Technical services fees expensed	168,199,494.93	154,393,667.60
Compensation and liquidated damages	92,483,329.47	51,112,118.56
Property and utilities (water, electricity, gas) fees	83,551,854.99	81,567,439.73
Funds deposited subject to restrictions on the litigation	72,338,749.96	–
Intermediary service fee	69,731,908.90	80,503,026.20
Travel expenses	66,412,975.47	70,187,394.71
Business entertainment expenses	61,765,171.65	81,233,201.02
Short-term, low-value lease costs	58,496,283.14	56,837,862.09
Insurance premium, disability insurance	45,473,961.46	50,780,855.58
Handling charge	45,175,101.49	48,977,976.14
Office expenses	42,168,716.90	45,502,324.13
Vehicle expenses	32,837,102.80	42,793,570.89
Decoration and repair costs	29,723,403.96	29,174,606.06
Others	98,919,401.48	101,819,299.96
Total	1,463,220,215.01	1,498,055,837.16

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

65. ITEMS IN THE CONSOLIDATED CASH FLOW STATEMENT (Continued)

(2) Cash related to investing activities

1) Significant cash received related to investing activities

Item	Current year	Prior year
Disposal of 25% equity interest in Loscam International Holdings Co., Limited	3,338,964,312.50	–
Dividends from DHL-Sinotrans International Air Courier Ltd.	1,379,574,990.63	1,565,377,052.60
Dividends from Loscam International Holdings Co., Limited	1,050,758,604.46	–
Total	5,769,297,907.59	1,565,377,052.60

2) Significant cash paid for investing activities

Item	Current year	Prior year
Investment payment to Antong Holdings Co., Ltd.	599,916,717.17	–
Investment in the BOC Sinotrans Warehousing and Logistics Closed-end Infrastructure Securities Investment Fund	262,160,000.00	–
Construction payment for Sinotrans Dubai Logistics Park Project	170,062,918.62	–
Sinotrans Lingang International Logistics Center Project construction, land payments	150,782,878.13	231,310,207.85
Chengdu Eastern New Area Project construction, land payments	148,737,323.27	–
Payments for construction and land to Sinotrans (Zhengzhou) Storage Service Co., Ltd.	113,955,971.51	–
Jiaxing Haiyan Logistics Centre Project construction, land payments	–	153,657,901.53
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
Total	1,445,615,808.70	656,562,796.18

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

65. ITEMS IN THE CONSOLIDATED CASH FLOW STATEMENT (Continued)

(2) Cash related to investing activities (Continued)

3) Cash received from other investing activities

Item	Current year	Prior year
Negative reclassification of net cash paid to acquire subsidiaries	83,809,429.25	117,950,326.19
Repayment from MAXX LOGISTICS FZCO.	3,090,376.44	4,443,348.98
Proceeds from the assignment of receivables from Shanghai Pu'an Storage Co., Ltd.	–	11,120,000.00
Repayment from Shanghai Pu'an Storage Co., Ltd.	–	4,000,000.00
Collections of funds from SILVER EXPRESS INTERNATIONAL LIMITED	–	2,034,800.31
Total	86,899,805.69	139,548,475.48

(3) Cash related to financing activities

1) Cash received from other financing activities

Item	Current year	Prior year
Cash received from stock option exercises	72,838,814.00	83,894,927.00
Total	72,838,814.00	83,894,927.00



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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

65. ITEMS IN THE CONSOLIDATED CASH FLOW STATEMENT (Continued)

(3) Cash related to financing activities (Continued)

2) Cash paid for other financing activities

Item	Current year	Prior year
Lease payments	1,013,937,022.16	961,111,643.13
Share repurchase	479,283,332.72	69,107,078.10
Repayment of interest to Shenzhen International Holdings (Shenzhen) Co., Ltd.	46,668,940.00	2,016,660.00
Payment for the acquisition of minority shareholders' equity	40,779,643.77	–
Repayment of loan to RED BRAVES FINANCE LIMITED	–	120,286,240.55
Repayment of borrowings and interest to Sinotrans Guangdong Co., Ltd.	–	47,552,398.38
Repayment of the principal and interests 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 principal and interest to OCEAN LIFTER I LIMITED	–	3,385,620.62
Payment of consideration for business combination under common control	–	1,924,692.22
Total	1,580,668,938.65	1,214,844,449.61

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)	2,919,951,042.25	1,960,478,531.17	48,764,664.87	3,782,733,047.45	-29,537,208.47	1,175,998,399.31
Dividends payable	73,788,729.28	–	2,295,534,129.46	2,352,910,062.99	3,462,513.87	12,950,281.88
Long-term borrowings (including those due within one year)	3,497,753,975.99	195,276,445.70	69,378,305.93	896,926,395.46	-119,420,354.14	2,984,902,686.30
Bonds payable (including those due within one year)	2,030,407,736.56	2,000,000,000.00	76,699,398.72	42,030,000.00	1,040,000.00	4,064,037,135.28
Lease liabilities (including those due within one year) and rentals payable transferred to other payables	2,760,753,520.54	–	1,436,001,219.68	1,013,937,022.16	137,019,996.83	3,045,797,721.23
Long-term accounts payable (including those due within one year)	66,162,020.00	–	506,920.00	46,668,940.00	-4,715,030.29	24,715,030.29
Total	11,348,817,024.62	4,155,754,976.87	3,926,884,638.66	8,135,205,468.06	-12,150,082.20	11,308,401,254.29

Note: Short-term borrowings do not include short-term borrowings resulting from the Group's participation in supplier financing arrangements, as detailed in Note IX.65.(6).

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

65. ITEMS IN THE CONSOLIDATED CASH FLOW STATEMENT (Continued)

(4) Notes to the presentation of cash flows on a net basis

Item	Relevant facts	Basis for net presentation	Financial impact
Collections and advance payments	When the Group acts as an agent in agency and related businesses, it involves the receipt or payment of money on behalf of customers.	The aforesaid amounts received or paid on behalf of customers are usually explicitly agreed in the contracts entered into between the Group and the customers and the intervals between receipt and payment are relatively short. In order to maintain the matching with the recognition of income, so as to enable investors to better understand the correspondence between the Group's cash flows and income and costs, the Group presents the amounts received or paid on behalf of customers in net amount in accordance with the principle of consistency.	The presentation of amounts received or paid on behalf of customers on a net basis has no material impact on the Group's net cash flows from operating activities.

(5) Significant activities and financial impacts that do not involve cash receipts or payments during the 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. The Group requires ongoing leases of warehouses, storage yards, containers, and other facilities for its daily operations. However, there is no cash outflow at the time of initial recognition of the right-of-use assets and lease liabilities. Apart from operating receivables and payables and new lease liabilities, 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)

65. ITEMS IN THE CONSOLIDATED CASH FLOW STATEMENT (Continued)

(6) Supplier financing arrangements

1) Terms and conditions of supplier financing arrangements

Some of the Group's subsidiaries participate in financing arrangements between suppliers and financial institutions. The main economic consideration for participating in the financing arrangements is to provide assistance to small and medium-sized suppliers in terms of cash flow, thereby stabilizing or attracting capacity resources, and is not for the purpose of improving the Group's working capital. In such arrangements, the Group's payment schedule remains unchanged and the Group is not liable for interest on the supplier financing arrangement, but the Group makes unconditional (waiver of defenses as a buyer, including, but not limited to, commercial disputes) payments to the bank when due in accordance with the agreement. At the economic level, there is no material change in the Group's cash flows. However, at the legal level, the Group's liabilities to suppliers are replaced with liabilities to financial institutions, and as a result, the Group derecognizes accounts payable in such arrangements and recognizes an equivalent amount of short-term borrowings from financial institutions (which have a short maturity and are not discounted at the time of the Group's initial recognition).

As mentioned above, the Group does not bear interest in the supplier financing arrangement and does not change the timing of the Group's payment (the same as the due date of accounts payable). The Group still reports the cash flows from the repayment of the aforesaid short-term borrowings as operating activities based on the principle of substance over form and for the sake of the users of the statements to better understand the statements.

2) Items presented in the consolidated statement of financial position and related information

Items presented	Closing balance	Opening balance
SHORT-TERM BORROWINGS	169,533,003.30	374,240,521.97
Including: Amounts received by suppliers	169,533,003.30	374,240,521.97

3) Range of payment due dates

As previously stated, the timing of the Group's payments under supplier financing arrangements remains unchanged (the same as the due date of accounts payable). There is no significant difference in payment due dates between liabilities that are under supplier financing arrangements and comparable accounts payable that are not under supplier financing arrangements.

4) Current year changes not involving cash receipts and disbursements

The Group derecognized accounts payable and recognized short-term borrowings amounting to RMB1,732,019,660.08 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)

65. 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	4,283,252,800.96	4,179,646,600.20
Add: Impairment of assets	676,466,301.16	25,669,890.95
Credit impairment loss	378,209,553.34	85,141,884.39
Depreciation of fixed assets and investment properties	1,356,300,438.73	1,304,778,847.91
Depreciation of right-of-use assets	930,804,159.07	844,467,542.62
Amortisation of intangible assets	329,368,896.85	325,216,797.78
Amortisation of long-term prepaid expenses	85,510,530.43	87,756,570.46
Losses from disposal of assets (gains denoted by "-")	-25,281,017.20	-68,434,678.00
Losses from damage and scrapping of non-current assets (gains denoted by "-")	-3,110,091.77	-4,512,223.34
Losses from changes in fair value (gains denoted by "-")	-107,504,920.61	-244,560,022.30
Finance costs (income denoted by "-")	394,023,146.20	365,374,285.72
Investment losses (income denoted by "-")	-3,694,689,069.44	-2,036,437,928.31
Decrease in deferred tax assets (increase denoted by "-")	-71,347,146.63	-48,234,787.66
Increase in deferred tax liabilities (decrease denoted by "-")	-68,175,944.46	4,817,883.10
Decrease in inventories (increase denoted by "-")	-3,731,291.09	2,085,417.67
Decrease in operating receivables (increase denoted by "-")	-289,493,674.48	-1,506,286,304.57
Increase in operating payables (decrease denoted by "-")	-1,085,096,527.78	794,770,038.08
Others	-	-
Net cash flows from operating activities	3,085,506,143.28	4,111,259,814.70
2. Major investing and financing activities not involving cash receipts and payments:		
Conversion of debts into capital	-	-
Convertible corporate bonds due within one year	-	-
Newly added right-of-use assets	-	-
3. Net changes in cash and cash equivalents:		
Closing balance of cash and cash equivalents	16,889,324,770.55	13,440,376,824.37
Less: Opening balance of cash and cash equivalents	13,440,376,824.37	13,826,301,140.45
Net increase in cash and cash equivalents	3,448,947,946.18	-385,924,316.08

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

65. ITEMS IN THE CONSOLIDATED CASH FLOW STATEMENT (Continued)

(8) Net cash from acquisition and disposal of subsidiaries for the current year

Item	Year ended 31 December 2025
I. Information on the acquisition of subsidiaries	—
1. Price of acquisition of subsidiaries	218,375,999.87
2. Cash or cash equivalents paid in the current year for business combinations occurred in the current year	—
Less: Cash and cash equivalents held by subsidiaries on the date of purchase	83,809,429.25
Add: Cash or cash equivalents paid in the current year for business combinations that occurred in prior periods	—
3. Net cash paid for acquisition of subsidiaries	-83,809,429.25
4. Acquisition of net assets of subsidiaries	367,612,186.88
Current assets	180,613,845.14
Non-current assets	327,671,970.85
Current liabilities	102,983,474.77
Non-current liabilities	37,690,154.34
II. Information about the disposal of subsidiaries	—
1. Price of disposal of subsidiaries	1,304,815,570.80
2. Cash or cash equivalents received in the current year from the disposal of subsidiaries in the current year	1,304,815,570.80
Less: Cash and cash equivalents held by subsidiaries at the time of loss of control	81,682,958.83
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	1,223,132,611.97
4. Disposal of net assets of subsidiaries	521,771,996.80
Current assets	82,045,909.20
Non-current assets	539,212,692.62
Current liabilities	24,119,867.84
Non-current liabilities	75,366,737.18

Note: The price for the acquisition and disposal of subsidiaries includes the non-cash consideration portion; the net assets of subsidiaries acquired and disposed of are presented at the amounts of assets and liabilities of the subsidiaries at the dates of purchase and disposal, and have not been discounted according to the Group's proportionate share of purchases and disposals.

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

65. ITEMS IN THE CONSOLIDATED CASH FLOW STATEMENT (Continued)

(9) Cash paid for distribution of dividends, profits or settlement of interest

Item	Current year	Prior year
Payment of dividends on ordinary shares	2,075,499,846.51	2,105,440,176.05
Dividends and profits paid by subsidiaries to minority shareholders	277,410,216.48	323,830,187.89
Cash paid for the settlement of interest	164,738,654.08	297,549,117.15
Total	2,517,648,717.07	2,726,819,481.09

66. CASH AND CASH EQUIVALENTS

Item	Closing balance	Opening balance
I. Cash	16,889,324,770.55	13,440,376,824.37
Including: Cash on hand	3,953,365.50	2,716,190.61
Cash at bank readily available for payment	16,885,371,405.05	13,437,660,633.76
Other cash and bank balances readily available for payment	—	—
II. Cash equivalents	—	—
III. Closing balance of cash and cash equivalents	16,889,324,770.55	13,440,376,824.37
Including: Restricted used 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)

67. 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	—	—	7,291,676,906.88
Including: USD	879,583,331.97	7.0288	6,182,415,323.75
HKD	514,876,645.49	0.9032	465,036,586.21
EUR	29,818,645.17	8.2355	245,571,452.30
JPY	1,622,584,769.00	0.0448	72,691,797.65
Others	—	—	325,961,746.97
Accounts receivable	—	—	5,433,781,643.82
Including: USD	533,639,384.50	7.0288	3,750,844,505.77
HKD	570,225,222.69	0.9032	515,027,421.13
EUR	47,371,635.64	8.2355	390,129,105.31
JPY	1,995,179,967.00	0.0448	89,384,062.52
Others	—	—	688,396,549.09
Accounts payable	—	—	4,511,759,198.30
Including: USD	453,500,923.18	7.0288	3,187,567,288.85
HKD	440,203,787.61	0.9032	397,592,060.97
EUR	30,670,272.28	8.2355	252,585,027.36
JPY	3,231,387,879.51	0.0448	144,766,177.00
Others	—	—	529,248,644.12
Non-current liabilities due within one year	—	—	446,293,653.18
Including: USD	5,892,451.97	7.0288	41,416,866.41
HKD	40,047,312.57	0.9032	36,170,732.71
EUR	41,626,838.15	8.2355	342,817,825.58
Others	—	—	25,888,228.48
Long-term borrowings	—	—	1,413,500,116.74
Including: USD	20,115,366.16	7.0288	141,386,885.67
HKD	38,000,000.00	0.9032	34,321,600.00
EUR	150,299,512.00	8.2355	1,237,791,631.07
Lease liabilities	—	—	471,362,480.51
Including: HKD	2,612,848.91	0.9032	2,359,925.14
EUR	41,394,238.58	8.2355	340,902,251.83
Others	—	—	128,100,303.54

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS

(CONTINUED)

67. FOREIGN CURRENCY MONETARY ITEMS (Continued)

(2) Description of material overseas operating entities

Name of overseas operating entity	Main business location	Functional currency	Basis for selection of functional currency	Whether there was a change in the functional currency in the current 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

68. RESEARCH AND DEVELOPMENT EXPENDITURE

(1) Presentation by nature of costs

Item	Current year	Prior year
Technical service fee	201,517,674.17	221,489,994.33
Employee benefits	120,748,203.47	65,627,742.24
Depreciation and amortisation	626,222.64	277,823.09
Others	7,536,701.74	2,534,745.36
Total	330,428,802.02	289,930,305.02
Including: Expensed research and development expenditure	178,977,991.16	120,658,190.73
Capitalised research and development expenditure	151,450,810.86	169,272,114.29

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

68. RESEARCH AND DEVELOPMENT EXPENDITURE (Continued)

(2) Development expenditure on research and development projects eligible for capitalisation

Item	Opening balance	Increase in current year		Decrease in current year		Others	Closing balance
		Internal development expenditure	Others	Recognised as intangible assets	Transfer to current profit or loss		
Sinotrans Sailing	32,130,608.59	597,168.48	-	-	-	-	32,727,777.07
Digital Operations Management System Product Management and Quotation Management Construction Project	10,254,716.83	-	7,169,811.32	-	-	-	17,424,528.15
Development and Upgrade of GTS System Equipment	3,658,373.70	10,770,344.21	-	3,577,358.50	-	-	10,851,359.41
i-SCP Smart Supply Chain Platform Project	4,075,471.70	4,335,132.09	2,176,320.75	-	-	-	10,586,924.54
Unified Information System Project	4,488,906.60	-	5,229,056.60	-	-	-	9,717,963.20
Warehouse Automation Innovation Center Project	-	-	9,433,962.28	-	-	-	9,433,962.28
Network Cargo Platform Project	15,008,577.08	3,373,082.37	-	9,395,035.91	-	-	8,986,623.54
Land Transportation Information System Development	8,379,583.94	-	-	-	-	-	8,379,583.94
IoT Application Service Component Upgrade and Development Project	8,227,572.14	-	-	-	-	-	8,227,572.14
Customs Management System Integration, Optimization, and Digital Foundation Enhancement Project	-	-	7,437,641.51	-	-	-	7,437,641.51
Data Autonomous Driving Technology Application Project	6,933,691.66	-	-	-	-	-	6,933,691.66
Water freight rate management platform	4,273,584.91	-	2,547,169.82	-	-	-	6,820,754.73
Customs Sharing Project	6,486,839.55	-	-	-	-	-	6,486,839.55
Pan AI Application - General Q&A and Business Solution Large Model	5,207,547.16	-	547,169.81	-	-	-	5,754,716.97
Construction of Sinotrans CRM System Phase II	5,599,999.98	-	-	-	-	-	5,599,999.98
Identity and Access Management System - External Authentication Project	4,358,490.56	-	679,245.28	-	-	-	5,037,735.84
Convergence Logistics Digitalization Innovation Project	2,196,226.40	-	2,522,641.51	-	-	-	4,718,867.91
Smart Supply Chain Project	3,396,226.42	-	1,018,867.92	-	-	-	4,415,094.34
Technical R&D and Service Enhancement of Business Operating Systems	-	-	4,387,169.81	-	-	-	4,387,169.81
Pilot Project on Digital Green Logistics Solutions and Preliminary Research & Application of Enabling Technologies	1,228,415.09	-	3,066,037.73	-	-	-	4,292,452.82
Carbon Management System Construction Project #2	1,188,679.25	-	2,858,490.58	-	-	-	4,047,169.83
Technology R&D - Business Management Project	3,973,990.14	-	-	-	-	-	3,973,990.14
Digital Requirements Transformation Project for BMS System Docking Finance	3,890,452.60	-	-	-	-	-	3,890,452.60
Construction of Human Resources System	3,845,628.04	-	-	-	-	-	3,845,628.04
Intelligent Forklift-based Warehouse Storage and Pickup Business Human-Machine Collaboration Automation Solution Application Pilot Project	3,396,226.41	-	377,358.49	-	-	-	3,773,584.90
Operation Management Platform	3,676,735.87	-	-	-	-	-	3,676,735.87
Project on Optimization and Enhancement of Business Operations Analytics (2023)	1,641,509.43	-	2,465,566.04	785,094.33	-	-	3,321,961.14
Functional Iteration and Implementation of the Customer Management Platform	-	-	3,320,754.71	-	-	-	3,320,754.71
Self-controlled Automobile Transportation Capacity Digital Intelligence Operation Management System	1,582,075.47	-	1,635,849.06	-	-	-	3,217,924.53
Joint Innovation Project of Strategic Customers	3,192,452.82	-	-	-	-	-	3,192,452.82
Headquarters Business Function System Development Project	3,001,198.03	-	-	-	-	-	3,001,198.03
Overseas Financial Shared Kingdee System Implementation Project	1,875,471.70	-	1,125,283.02	-	-	-	3,000,754.72
Automation and Intelligent Application Implementation Project for Sub-units of Sinotrans Logistics	4,361,700.00	-	-	-	-	4,361,700.00	-
Sinotrans New Generation Warehouse System Construction Project	3,782,240.00	2,616,084.91	-	6,398,324.91	-	-	-
Others	101,041,322.07	6,975,008.41	64,785,594.15	16,148,021.84	-	5,281,650.43	151,372,252.36
Total	266,352,514.14	28,666,820.47	122,783,990.39	36,303,835.49	-	9,643,350.43	371,856,139.08

Note: The increase of development expenditure in others for the year are 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 45.83%.

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS

(CONTINUED)

68. RESEARCH AND DEVELOPMENT EXPENDITURE (Continued)

- (3) The Group has no material capitalized research and development projects that require disclosure.
- (4) As of 31 December 2025, the Group was assessed and concluded that no impairment provision was necessary for the development expenditure.
- (5) As of 31 December 2025, the Group had no significant outsourced projects under development.

69. SHARE-BASED PAYMENTS

(1) Share-based payment in general

Item	Each director of the issuer Xiang Gao	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	688,800.00	1,496,866.00	41,403,244.00	43,588,910.00
Total amount of each equity instrument granted by the Company during the year	—	—	—	—
Total amount of each equity instrument exercised during the year	299,600.00	714,001.00	19,995,356.00	21,008,957.00
Total amount of each equity instrument written off by the Company during the year	89,600.00	68,867.00	908,400.00	1,066,867.00
Total amount of each equity instrument lapsed during the year	299,600.00	713,998.00	20,499,488.00	21,513,086.00
Total amount of each equity instrument granted and not exercised at the end of the year	—	—	—	—
Including: Total amount of each equity instrument exercisable at the end of the year	—	—	—	—
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 at the end of the year (exclusive of treasury shares)	—	—	—	—
Range of exercise prices of stock options issued and outstanding at the end of the year and the remaining term of the contract	See note for details	See note for details	See note for details	See note 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	-265,791.33	-633,426.17	-18,186,202.42	-19,085,419.92

Note: On 6 June 2025, Mr. Song Rong resigned from his position as a director of the Company due to a work adjustment. Mr. Gao Xiang was appointed as a director of the Company. The Company has adjusted the amounts reported at the beginning of the year for each category accordingly based on the aforementioned changes.

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

69. SHARE-BASED PAYMENTS (Continued)

(1) Share-based payment in general (Continued)

Details of equity instruments granted in prior years:

In order to further enhance shareholder value, support the realization of the Company's strategy and long-term sustainable development, closely connect the interests of core employees with those of shareholders and the Company, further attract, motivate and retain core talents, and optimize corporate governance, the Company has formulated the *Sinotrans Limited Stock Option Incentive Plan (Phase I) (Draft)*. The Company's First Extraordinary General Meeting of Shareholders in 2022 considered and approved the *Proposal on the Company's Stock Option Incentive Plan (Draft) and its Summary*, the *Proposal on the Implementation and Assessment Measures of the Company's Stock Option Incentive Plan* and the *Proposal on the Authorisation of the Board of Directors to Handle Matters Relating to the Company's Stock Option Incentive Plan*.

According to the 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)

69. SHARE-BASED PAYMENTS (Continued)

(1) Share-based payment in general (Continued)

The company performance conditions are as follows:

Performance indicators	Effective from the first period	Effective from the second period	Effective from the third period
Return on equity attributable to the parent company	The Company's return on equity attributable to the parent company for the financial year prior to the effective point is not less than 10.25% and not less than the average value of the same industry (or the 75th percentile level of the benchmark companies)	The Company's return on equity attributable to the parent company for the financial year prior to the effective point is not less than 10.5% and not less than the average value of the same industry (or the 75th percentile level of the benchmark companies)	The Company's return on equity attributable to the parent company for the financial year prior to the effective point is not less than 10.75% and not less than the average value of the same industry (or the 75th percentile level of the benchmark companies)
CAGR of net profit attributable to owners of the parent company (based on 2020)	In the financial year prior to the effective point, the CAGR of net profit attributable to the parent company is not less than 11% and not less than the average value of the same industry (or the 75th percentile level of the benchmark companies)	In the financial year prior to the effective point, the CAGR of net profit attributable to the parent company is not less than 11.25% and not less than the average value of the same industry (or the 75th percentile level of the benchmark companies)	In the financial year prior to the effective point, the CAGR of net profit attributable to the parent company is not less than 11.5% and not less than the average value of the same industry (or the 75th percentile level of the benchmark companies)
Economic Value Added (EVA)	The EVA value of the Company in the financial year before the effective point is not less than RMB1.50 billion.	The EVA value of the Company in the financial year before the effective point is not less than RMB1.60 billion.	The EVA value of the Company in the financial year before the effective point is not less than RMB1.70 billion.

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

69. SHARE-BASED PAYMENTS (Continued)

(1) Share-based payment in general (Continued)

The individual performance conditions are as follows:

Individual annual performance achievement/appraisal	Percentage of stock options actually available to individuals
Good and above	100%
Qualified	80%
Unqualified	0

The exercise price is determined based on the higher of the average trading price of the Company's A shares (RMB4.18 per share) one trading day prior to the announcement of the draft stock option plan and the summary, the average trading price of the Company's A shares (RMB4.29 per share) 20 trading days prior to the announcement, and the par value of the Company's A shares (RMB1 per share), which is RMB4.29 per share (subject to adjustment by the authorized Board of Directors based on dividend payments, increase by transferring, share reductions, rights issue, etc.). The closing price of the Company's A shares on the trading day prior to the grant date of this stock option plan was RMB4.03 per share.

As approved at the *Resolution on the Adjustment of the Company's Stock Option Exercise Price* considered and approved at the Fifteenth Meeting of the Third Session of the Board of Directors, the Nineteenth Meeting of the Third Session of the Board of Directors, the Twenty-seventh Meeting of the Third Session of the Board of Directors, the Second Meeting of the Fourth Session of the Board of Directors, the Fourth Meeting of the Fourth Session of the Board of Directors, and the Eighteenth 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 RMB3.185 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. The remaining 562,667 unexercised stock options were canceled on 24 January 2025. In 2024, the weighted average exercise price of the foregoing stock options exercised was RMB3.747 per share, and the weighted average closing price of the Company's shares immediately prior to the exercise date was RMB5.87 per share.

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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS

(CONTINUED)

69. SHARE-BASED PAYMENTS (Continued)

(1) Share-based payment in general (Continued)

Pursuant to the *Resolution on the Reaching of the Exercise Conditions for the Second Exercise Period of the Company's Stock Option Incentive Plan (Phase I)* considered and approved at the Sixth Meeting of the Fourth Session of the Board of Directors of the Company, the conditions for the exercise of the second exercise period of the aforesaid stock option plan have been fulfilled, and 167 incentive recipients are eligible to exercise the second exercise period, with a feasible exercise number of 21,513,157 shares. The Company organized the first and second centralized exercise of the second exercise period for the incentive targets from 4 March to 11 March 2025 and from 17 November to 19 November 2025, respectively, with the exercise price of RMB3.475 per share and RMB3.185 per share, respectively, and the actual number of exercised options totaled 21,008,957 shares. The remaining 504,200 unexercised stock options were canceled on 5 December 2025. During the year, the weighted average exercise price of the foregoing stock options exercised was RMB3.47 per share, and the weighted average closing price of the Company's shares immediately prior to the exercise date was RMB5.08 per share.

Pursuant to the *Resolution Regarding the Failure to Meet the Exercise Conditions for the Third Exercise Period of the Company's Stock Option Incentive Plan (Phase I)* considered and approved at the Nineteenth Meeting of the Fourth Session of the Board of Directors of the Company, the exercise conditions for the aforementioned stock option plan's third exercise period have not been satisfied due to the return on equity attributable to the parent company and the CAGR of net profit attributable to owners of the parent company falling below the performance targets. The 21,513,086 stock options granted to incentive recipients during the third exercise period have not become effective.

As of 31 December 2025, the cumulative number of stock options exercised under this plan was 43,397,422. Incentive recipients forfeited 1,066,867 options, while 29,461,511 options remained unexercised due to the departure of incentive recipients or failure to meet individual or company performance conditions.



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

IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

69. SHARE-BASED PAYMENTS (Continued)

(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</i> and <i>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) <i>Guidelines on the Implementation of 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 (if applicable), and that the future performance conditions for the Company and the individual will be met (if applicable).
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	55,042,584.55
Total expense recognized for equity-settled share-based payments in the current year (Note)	-19,085,419.92

Note: As the vesting conditions for the third tranche of the Company's Stock Option Incentive Plan (Phase I) were not met, the share-based payment expense of RMB19,085,419.92 recognized in prior years has been reversed 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)

IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS

(CONTINUED)

69. SHARE-BASED PAYMENTS (Continued)

- (3) The Group had no cash-settled share-based payments.
- (4) The Group had no modification or termination of share-based payment during the year.

70. SEGMENT REPORTING

In accordance with the Group's internal organisational structure, management requirements and internal reporting system, the Group's operations are divided into three operating segments whose operating results are regularly evaluated by the Group's management to determine the allocation of resources to them and evaluate their performance. Based on operating segments, the Group determined three reporting segments: agency and related business, professional logistics and e-commerce. These reporting segments are based on the income type of the Group.

The operating segments and reporting segments of the Group are analysed as follows:

Agency and related business: mainly includes arranging the delivery of goods to designated consignees in other locations within a specified time frame in accordance with customer instructions; including shipping agency services related to freight agency to shipping companies, providing storage, storage yards, container loading and unloading stations and terminal services.

Professional logistics: mainly includes any provision of customised and professional entire logistics services to customers.

E-commerce: mainly includes providing professional logistics solutions for import and export e-commerce customers, providing customers with various public services through a unified online logistics e-commerce platform and providing customers with tracking and monitoring services for logistics equipment through a logistics equipment sharing platform.

Any information on segment reporting is disclosed in accordance with the accounting policies and measurement standards used by the segments when reporting to 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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For the year ended 31 December 2025
(Unless indicated otherwise, all amounts are expressed in RMB)

IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

70. SEGMENT REPORTING (Continued)

FY 2025

Item	Agency and related business	Logistics	E-commerce	Undistributed items	Inter-segment elimination	Total
Operating income:	—	—	—	—	—	—
Income from external transaction	57,009,837,078.46	29,370,187,737.42	10,428,639,021.32	-	-	96,808,663,837.20
Income from inter-segment transaction	9,536,434,206.29	1,374,658,017.63	2,183,082,739.13	-	-13,094,174,963.05	-
Total operating income from segments	66,546,271,284.75	30,744,845,755.05	12,611,721,760.45	-	-13,094,174,963.05	96,808,663,837.20
Total operating costs	56,576,752,458.15	28,714,999,367.88	10,522,430,760.78	428,809,522.91	-	96,242,992,109.72
Impairment of assets (loss denoted by "-")	-	-	-	-676,466,301.16	-	-676,466,301.16
Credit impairment loss (loss denoted by "-")	-114,208,958.65	-117,642,669.45	-144,417,935.53	-1,939,989.71	-	-378,209,553.34
Gain from changes in fair value (loss denoted by "-")	-	-	-	107,504,920.61	-	107,504,920.61
Investment income (loss denoted by "-")	38,705,330.81	6,352,179.03	1,162,318,886.10	2,487,312,673.50	-	3,694,689,069.44
Including: Income from investments in associates and joint ventures accounted for under the equity method	38,705,330.81	6,352,179.03	1,162,318,886.10	331,271,541.46	-	1,538,647,937.40
Income from disposal of assets (loss denoted by "-")	-	-	-	25,281,017.20	-	25,281,017.20
Other income	1,539,546,002.94	21,700,961.06	257,889,487.10	-	-	1,819,136,451.10
Operating profit	1,897,126,995.41	565,598,840.18	1,181,998,698.21	1,512,882,797.53	-	5,157,607,331.33
Non-operating income	54,681,684.48	23,964,867.79	1,095,570.45	-1,901,157.41	-	77,840,965.31
Non-operating expenses	89,141,037.93	25,074,094.48	5,562,391.77	1,376,782.60	-	121,154,306.78
Total profit	1,862,667,641.96	564,489,613.49	1,177,531,876.89	1,509,604,857.52	-	5,114,293,989.86
Income taxes	537,579,840.07	239,658,981.54	97,843,229.27	-44,040,861.98	-	831,041,188.90
Net profit	1,325,087,801.89	324,830,631.95	1,079,688,647.62	1,553,645,719.50	-	4,283,252,800.96
Total assets	39,076,277,259.72	26,474,830,939.50	4,324,355,198.85	8,472,406,055.42	-	78,347,869,453.49
Total liabilities	14,924,441,365.39	6,649,123,028.58	852,311,591.26	11,877,544,866.91	-	34,303,420,852.14
Supplementary information:	—	—	—	—	—	—
Depreciation and amortisation expenses	1,374,407,414.52	1,081,710,543.74	144,378,641.30	101,487,425.52	-	2,701,984,025.08
Capital expenditures	1,698,448,463.62	624,314,359.59	94,725,939.93	248,967,177.59	-	2,666,455,940.73
Non-cash expenses other than depreciation and amortisation	114,208,958.65	117,642,669.45	144,417,935.53	678,406,290.87	-	1,054,675,854.50
Increase in long-term equity investments in associates and joint ventures accounted for under the equity method	-164,290,270.15	-5,656,463.01	-225,535,938.93	-2,122,969,815.30	-	-2,518,452,487.39

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For the year ended 31 December 2025

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

IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS

(CONTINUED)

70. SEGMENT REPORTING (Continued)

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 accounted for under the equity method	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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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.	RMB 16,900 million	—	—

2. RELATED INFORMATIONS ON SUBSIDIARIES IS PROVIDED IN NOTE VIII.

3. THE MAIN RELATED PARTIES THAT HAVE TRANSACTIONS WITH THE GROUP BUT DO NOT HAVE A CONTROL RELATIONSHIP ARE AS FOLLOWS

Name of related party	Nature
CHINA MERCHANTS HOLDINGS (DJIBOUTI) FZE	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
MING WAH (SINGAPORE) AGENCY PTE LTD.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
YANGTZE NAVIGATION (SINGAPORE) PTE. LTD.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Sinotrans Anhui Direct Storage and Transportation Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Beijing Aocheng Wuhe Real Estate Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Beijing Sinotrans Land Transportation Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Sinotrans Beijing Sanjianfang Warehouse Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Beijing Sinotrans Logistics Center Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Beijing China Merchants Property Management Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Chiwan Container Terminal Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Dalian Port Container Logistics Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Dalian Port Oil Terminal Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Dalian Container Terminal Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Dalian United King Port Auto Trade Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Dandong Port Group Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Dongguan Shenchowan Port Affairs Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Dongguan Chiwan Wharf Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
China Freight Forwarding Fujian Hexi Storage & Transportation Company	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Fujian Sinotrans Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Sinotrans Guangdong Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Guangdong Yide Port Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
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

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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
Guangxi Sinotrans Automobile Transportation Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Guangxi Sinotrans Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Associated Maritime Company (Hong Kong) Limited	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Hailong No. 12 (Tianjin) Leasing Co., Ltd.	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
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 Storage and Transportation Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Inner Mongolia Sinotrans Logistics Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Panjin Port Group Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Xiamen Sinotrans Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Shandong Sinotrans Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Shantou CMPort Group Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Shanghai Foreign Trade Warehouse Jiefangdao Storage and Transportation Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Shanghai Foreign Trade Warehouse Pudong Company	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Shanghai Foreign Trade Yangxing Storage & Transportation Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
SCSC International Merchant&Shipping (Hong Kong) Company Limited	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Shanghai Changhang Shipping Development Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party

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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 Changjiang International Shipping Agency Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Shanghai Changjiang Shipping Corporation	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Shanghai Investment Promotion Bureau Property Management Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Shanghai China Merchants Ming Wah Shipping Company Limited	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Shanghai Zhaotong Container Transportation Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Shanghai Sinotrans Qiantang Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
SINOTRANS Shanghai Zhang HUA BANG Storage and Transportation Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Shekou Container Terminal Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Shenzhen Chiwan Port Development Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Shenzhen Chiwan 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 Property 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
Suizhong Port Group Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Tianjin Sinotrans Binhai Logistics Management Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Tianjin Sinotrans Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Wuhan Changjiang Steamship Company	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Hong Kong Ming Wah Shipping Company Limited	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Sinotrans Yinchuan Inland Port Logistics 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

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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 (Group) Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Zhanjiang Port International Container Terminal Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
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
CSC Cargo (Dazhou) Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
CSC Cargo (Hainan) 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
Merchants Home Technology (Zhejiang) 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 Port Group Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
China Merchants Industry Weihai Shipyard Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
China Merchants Industry Yangzhou Dingheng Shipyard Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
China Merchants Group Shared Services Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
China Merchants International Finance Company Limited	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
China Merchants International 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 Group Finance Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
CM-CT Changjiang Planning and Design 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

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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 Renhe Life Insurance Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
China Merchants Finance Leasing 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
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 Smart Security Services (Shenzhen) 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
China Communications Import & Export 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 Lianyungang Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Sinotrans Nantong Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Sinotrans Inner Mongolia Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
SINOTRANS & CSC HOLDINGS Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
AVIC Property Management Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Sinotrans (Jiaxing) International Freight Forwarding Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Sinotrans Container Lines (Hainan) Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Sinotrans Container Lines (Hong Kong) Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Sinotrans Container Lines Overseas Company Limited	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Sinotrans Container Lines Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party

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

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

3. THE MAIN RELATED PARTIES THAT HAVE TRANSACTIONS WITH THE GROUP BUT DO NOT HAVE A CONTROL RELATIONSHIP ARE AS FOLLOWS (Continued)

Name of related party	Nature
Sinotrans Shanghai (Group) Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Sinotrans Shanghai (Group) Property Development Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
MAXX LOGISTICS FZCO.	Joint ventures of the Group
SINOTRANS ALMAJDOUIE MIDDLE EAST CO., LTD.	Joint ventures of the Group
Beijing Medlink Supply Chain Management Co., Ltd.	Joint ventures of the Group
Beijing Sinotrans Huali Logistics Co., Ltd.	Joint ventures of the Group
Dongguan Port Container Terminals Co., Ltd.	Joint ventures of the Group
Jiangsu Nantong Sinotrans Supply Chain Management Co., Ltd.	Joint ventures of the Group
Jiangsu Sinotrans Lvsu Port Heavy Logistics Development Co., Ltd.	Joint ventures of the Group
Jiangsu Sinotrans Xiangtai Supply Chain Management Co., Ltd.	Joint ventures of the Group
Jiangsu Sinotrans Yangkou Port Logistics Development Co., Ltd.	Joint ventures of the Group
Jingjiang Sinotrans Bonded Logistics Co., Ltd.	Joint ventures of the Group
Nantong Comprehensive Bonded Zone Sinotrans Logistics Co., Ltd.	Joint ventures of the Group
Ningbo 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 Qintie Waiyun Logistics Co., Ltd.	Joint ventures of the Group
Nippon Express (Shanghai) Co., Ltd.	Joint ventures of the Group
Shanghai Wai-Hong Yishida International Logistics Co., Ltd.	Joint ventures of the Group
Shanghai Sinhan Shipping Agency 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

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For the year ended 31 December 2025
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X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

3. THE MAIN RELATED PARTIES THAT HAVE TRANSACTIONS WITH THE GROUP BUT DO NOT HAVE A CONTROL RELATIONSHIP ARE AS FOLLOWS (Continued)

Name of related party	Nature
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
Sinotrans India Limited	Joint ventures of the Group
DHL-Sinotrans Bonded Storage (Beijing) Co., Ltd.	A subsidiary of the Group's joint venture
Sinotrans PFS Yida (Shanghai) Logistics Co., Ltd.	A subsidiary of the Group's joint venture
Beijing Chentong Freight Service Co., Ltd.	An associate of the Group
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
Shandong Port&Shipping Sinotrans Supply Chain Development Co., Ltd.	An associate of the Group

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

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

3. THE MAIN RELATED PARTIES THAT HAVE TRANSACTIONS WITH THE GROUP BUT DO NOT HAVE A CONTROL RELATIONSHIP ARE AS FOLLOWS (Continued)

Name of related party	Nature
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
Zhejiang Seaport Changxing Port Co., Ltd.	An associate of the Group
China International Exhibition Transportation Co., Ltd.	An associate of the Group
China-Europe Railway Express (Shenyang) Assembly Center Construction and Operation Co., Ltd.	An associate of the Group
Sinotrans Huajie International Logistics (Beijing) Co., Ltd.	An associate of the Group
Sinotrans Medical Technology (Chengdu) Co., Ltd.	An associate of the Group
BOC Sinotrans Warehousing and Logistics Closed-end Infrastructure Securities Investment Fund	An associate of the Group
Tianjin Sinotrans Jianhe Warehousing Limited	A subsidiary of an associate of the Group
Sinotrans (Chengdu) Airport Logistics Co., Ltd.	A subsidiary of an associate of the Group
Ruida Zhihui Kunshan Storage Service Co., Ltd.	A subsidiary of an associate of the Group
Ruida (Jinhua) Warehousing Service Co., Ltd.	A subsidiary of an associate of the Group
Ruida Wuxi Storage Service Co., Ltd.	A subsidiary of an associate of the Group
Kunshan Sinotrans Supply Chain Co., Ltd.	A subsidiary of an associate of the Group
Loscam Packaging Equipment Leasing (Shanghai) Co., Ltd.	A subsidiary of an associate of the Group
Loscam Supply Chain Management (Jiaxing) Co., Ltd.	A subsidiary of an associate of the Group
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
Qingdao China Changjiang Bunker (Sinopec) Co., Ltd.	A subsidiary of a joint venture of the ultimate controlling party
Shenzhen China Changjiang Bunker (Sinopec) Co., Ltd.	A subsidiary of a joint venture of the ultimate controlling party
China Merchants Bank Co., Ltd.	An associate of the ultimate controlling party

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

X. RELATED-PARTY RELATIONSHIP AND TRANSACTIONS (CONTINUED)

4. THE GROUP HAD THE FOLLOWING SIGNIFICANT RELATED TRANSACTIONS WITH THE ABOVE RELATED PARTIES DURING THE YEAR

(1) Pricing policy, basis, and approved transaction quota

- 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.

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.



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X. RELATED-PARTY RELATIONSHIP AND TRANSACTIONS (CONTINUED)

4. THE GROUP HAD THE FOLLOWING SIGNIFICANT RELATED TRANSACTIONS WITH THE ABOVE RELATED PARTIES DURING THE YEAR (Continued)

(1) Pricing policy, basis, and approved transaction quota (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.
- 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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(Unless indicated otherwise, all amounts are expressed in RMB)

X. RELATED-PARTY RELATIONSHIP AND TRANSACTIONS (CONTINUED)

4. THE GROUP HAD THE FOLLOWING SIGNIFICANT RELATED TRANSACTIONS WITH THE ABOVE RELATED PARTIES DURING THE YEAR (Continued)

(1) Pricing policy, basis, and approved transaction quota (Continued)

- 6) On 18 May 2023, the Company entered into the *Sinotrans Changjiang Company Integrated Service Agreement* with Sinotrans Changjiang Co., Ltd. (hereinafter referred to as “Sinotrans Changjiang Company”, collectively referred to as “Sinotrans Changjiang Group” when including its subsidiaries), a connected subsidiary as defined under Rule 14A.16 of the *Listing Rules of The Stock Exchange of Hong Kong Limited*. The agreement is effective from 1 January 2023 to 31 December 2025. Pursuant to the agreement, the pricing for services provided between the parties shall be based on the price at which an independent third party would provide or procure the same or similar services in the same region under normal commercial terms during the course of ordinary business. The Group’s procurement limit for logistics services from Sinotrans Changjiang Group shall not exceed RMB600 million in 2023, RMB660 million in 2024, and RMB726 million in 2025. The Group’s limit for providing logistics services to Sinotrans Changjiang Group shall not exceed RMB900 million in 2023, RMB990 million in 2024, and RMB1.089 billion in 2025.
- 7) On 18 May 2023, the Company entered into the *Shipping Agency Jiangsu Integrated Service Agreement* with China Marine Shipping Agency Jiangsu Co., Ltd. (hereinafter referred to as “Shipping Agency Jiangsu”, collectively referred to as “Shipping Agency Jiangsu Group” when including its subsidiaries), a connected subsidiary as defined under Rule 14A.16 of the *Listing Rules of The Stock Exchange of Hong Kong Limited*. The agreement is effective from 1 January 2023 to 31 December 2025. Pursuant to the agreement, the pricing for services provided between the parties shall be based on the price at which an independent third party would provide or procure the same or similar services in the same region under normal commercial terms during the course of ordinary business. The Group’s procurement limit for logistics services from Shipping Agency Jiangsu Group shall not exceed RMB80 million in 2023, RMB88 million in 2024, and RMB96.8 million in 2025. The Group’s limit for providing logistics services to Shipping Agency Jiangsu Group shall not exceed RMB50 million in 2023, RMB55 million in 2024, and RMB60.5 million in 2025.
- 8) On 18 May 2023, the Company entered into the *Lease Agreement*, which is valid from 1 January 2023 to 31 December 2025, with Sinotrans Changjiang Company. Pursuant to the agreement, the pricing for the Group’s leasing of properties, including real estate, warehouses, and related facilities, to Sinotrans Changjiang Group shall be based on the price at which an independent third party would provide or acquire (where applicable) identical or similar leased assets in the same region under normal commercial terms during the ordinary course of business. The transaction limits are set at no more than RMB40 million for 2023, no more than RMB50 million for 2024, and no more than RMB62.5 million for 2025.

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For the year ended 31 December 2025

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

X. RELATED-PARTY RELATIONSHIP AND TRANSACTIONS (CONTINUED)

4. THE GROUP HAD THE FOLLOWING SIGNIFICANT RELATED TRANSACTIONS WITH THE ABOVE RELATED PARTIES DURING THE YEAR (Continued)

(1) Pricing policy, basis, and approved transaction quota (Continued)

- 9) On 26 October 2023, the Company entered into the *Framework Agreement for Procurement and Sales* with Y2T (collectively referred to as “Y2T Group” when including its subsidiaries), a connected subsidiary as defined under Rule 14A.16 of the *Listing Rules of The Stock Exchange of Hong Kong Limited*. The agreement is effective from 1 January 2024 to 31 December 2026. On 29 August 2024, the Company entered into the *Supplementary Agreement to the Framework Agreement for Procurement and Sales* with Y2T. Pursuant to the aforementioned agreements, products and services provided between the parties shall be charged at market rates applicable to independent third parties under general commercial terms. The Group’s procurement of system development and operational maintenance services from Y2T Group shall not exceed RMB20 million in 2024, RMB40 million in 2025, and RMB60 million in 2026. The Group’s procurement of logistics and related services from Y2T Group shall not exceed RMB2.1 billion in 2024, RMB2.7 billion in 2025, and RMB3.5 billion in 2026. The Group’s provision of logistics and related services to Y2T Group shall not exceed RMB2.4 billion in 2024, RMB2.9 billion in 2025, and RMB3.4 billion in 2026.
- 10) On 26 October 2023, the Company entered into the *Integrated Service Agreement* with Sinotrans Shandong Hongzhi Logistics Co., Ltd. (hereinafter referred to as “SINOTRANS Shandong HONGZHI”, a connected subsidiary as defined under Rule 14A.16 of the *Listing Rules of The Stock Exchange of Hong Kong Limited*, which was converted into a wholly-owned subsidiary of the Group on 7 November 2025). The agreement is effective from 1 January 2024 to 31 December 2026. Pursuant to the agreement, services provided by either party shall be charged at market rates applicable to independent third parties for identical or similar products or services. The Group’s procurement limit for transportation and logistics services from SINOTRANS Shandong HONGZHI shall not exceed RMB300 million in 2024 and RMB345 million in 2025. The Group’s limit for providing transportation and logistics services to SINOTRANS Shandong HONGZHI shall not exceed RMB300 million in 2024 and RMB345 million in 2025.
- 11) On 25 March 2025, the Company entered into the *Integrated Service Agreement*, which is valid from 1 January 2025 to 31 December 2027, with Qingdao Golden Express International Transportation Service Co., Ltd. (hereinafter referred to as “Qingdao Golden Express Company”, a connected subsidiary as defined under Rule 14A.16 of the *Listing Rules of The Stock Exchange of Hong Kong Limited*). Pursuant to the agreement, such daily related transactions are priced on the basis of market prices. The Group shall provide transportation and logistics services to Qingdao Golden Express Company up to a limit of RMB45 million in 2025, RMB50 million in 2026, and RMB55 million in 2027. The Group shall accept transportation and logistics services from Qingdao Golden Express Company up to a limit of RMB30 million in 2025, RMB35 million in 2026, and RMB40 million in 2027.

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X. RELATED-PARTY RELATIONSHIP 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	—	657,920,181.47	1,009,747,958.37
Sinotrans Container Lines Co., Ltd.	Transportation and related services	183,206,278.87	176,821,944.33
Associated Maritime Company (Hong Kong) Limited	Transportation and related services	79,387,912.95	80,912,765.69
China Merchants Group Finance Co., Ltd.	Interest income	68,728,996.19	55,101,837.96
Sinotrans Container Lines (Hainan) Co., Ltd.	Transportation and related services	47,795,846.93	79,932,474.22
China Merchants Viking Cruise Co., Ltd.	Transportation and related services	46,645,059.92	37,938,042.47
China Merchants Heavy Industry (Jiangsu) Co., Ltd.	Transportation and related services	36,868,198.88	24,220,234.51
Sinotrans Container Lines Overseas Company Limited	Transportation and related services	32,479,881.15	349,791,086.35
Zhaotong Supply Chain Management Co., Ltd.	Transportation and related services	28,462,949.82	29,807,048.32
Shanghai Zhaotong Container Transportation Co., Ltd.	Transportation and related services	10,644,951.63	4,961,525.65
Hong Kong Ming Wah Shipping Company Limited	Transportation and related services	10,514,011.84	8,260,167.32
Inner Mongolia Sinotrans Logistics Co., Ltd.	Transportation and related services	10,138,013.27	7,509,859.95
Shenzhen China Merchants Ro-Ro Transportation Co., Ltd.	Transportation and related services	7,207,469.94	6,891,460.03
China Merchants Industry Weihai Shipyard Co., Ltd.	Transportation and related services	6,992,490.95	—
China Merchants Jinling SHIPYARD (Jiangsu) Co., Ltd.	Transportation and related services	6,777,534.07	4,649,835.39
China Merchants Qianhai Bay (Shenzhen) Supply Chain Management Co., Ltd.	Transportation and related services	6,386,827.97	5,905,092.56
Nanjing Tanker Corporation	Transportation and related services	5,852,599.31	12,501,233.31
China Merchants Jinling Shipyard (Nanjing) Co., Ltd.	Transportation and related services	5,311,979.93	4,576,795.11
China Merchants Automobile Trading Co., Ltd.	Transportation and related services	5,292,670.91	8,132,523.93
YANGTZE NAVIGATION (SINGAPORE) PTE. LTD.	Transportation and related services	5,003,587.51	14,039,687.20
Yiu Lian Dockyards (Shekou) Limited	Transportation and related services	4,069,950.66	3,185,125.66
SINOTRANS Henan, Jiuling Transport & Storage Co., Ltd.	Property management fees	3,905,660.36	3,905,660.36

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X. RELATED-PARTY RELATIONSHIP 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
Shanghai Changjiang International Shipping Agency Co., Ltd.	Transportation and related services	3,455,893.20	3,615,944.40
CSC Cargo (Dazhou) Co., Ltd.	Transportation and related services	3,372,740.42	7,474,031.92
SINOTRANS Shanghai Zhang HUA BANG Storage and Transportation Co., Ltd.	Property management fees	2,853,817.68	4,210,900.03
China Merchants Sinotrans (Shenzhen) Industrial Innovation Private Equity Investment Fund Partnership (Limited Partnership)	Partnership management fees	2,831,132.08	2,831,132.08
Nanjing Yangyang Chemicals Transport & Trade Co., Ltd.	Transportation and related services	2,766,482.74	2,387,976.54
CHINA MERCHANTS HOLDINGS (DJIBOUTI) FZE	Transportation and related services	2,496,145.15	829,936.14
Shanghai Foreign Trade Warehouse Pudong Company	Property management fees	2,410,377.36	2,603,773.67
Shenzhen Merchants Home Technology Co., Ltd.	Others	2,305,755.00	1,333,505.88
China Merchants Industry Yangzhou Dingheng Shipyard Co., Ltd.	Transportation and related services	2,008,694.47	–
Inner Mongolia Sinotrans Storage and Transportation Co., Ltd.	Transportation and related services	1,844,388.30	–
Shenzhen Chiwan International Freight Forwarding Co., Ltd.	Transportation and related services	1,451,711.20	1,526,646.50
Shanghai China Merchants Ming Wah Shipping Company Limited	Transportation and related services	1,237,163.00	6,223,554.83
Shekou Container Terminal Co., Ltd.	Transportation and related services	1,106,172.55	5,219,661.93
China Merchants Food (China) Co., Limited	Transportation and related services	1,077,312.88	236,280.11
Chiwan Container Terminal Co., Ltd.	Transportation and related services	1,066,825.43	2,690,593.08
China Freight Forwarding Fujian Hexi Storage & Transportation Company	Property management fees	1,000,000.00	–
Shenzhen Magang Cangma Co., Ltd.	Transportation and related services	502,539.74	1,463,922.02
Sinotrans Nantong Co., Ltd.	Transportation and related services	375,943.40	1,405,660.35
Shenzhen Haixing Harbor Development Co., Ltd.	Transportation and related services	333,170.74	1,091,120.96
China Merchants Investment Development Company Limited	Others	328,301.89	1,969,811.32

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

X. RELATED-PARTY RELATIONSHIP 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
Dalian Port Container Logistics Co., Ltd.	Transportation and related services	158,246.12	3,886,983.95
China Merchants New Materials Technology (Chongqing) Co., Ltd.	Transportation and related services	91.74	2,599,776.42
China Merchants Jinling SHIPYARD (Weihai) Co., Ltd.	Transportation and related services	—	6,425,435.40
Beijing Sinotrans Land Transportation Co., Ltd.	Property management fees	—	4,047,169.81
Beijing Sinotrans Logistics Center Co., Ltd.	Property management fees	—	4,047,169.81
China Merchants Jinling Dingheng Shipping (Yangzhou) Co., Ltd.	Transportation and related services	—	3,572,964.96
Shanghai Foreign Trade Warehouse Jiefangdao Storage and Transportation Co., Ltd.	Property management fees	—	1,440,490.58
Shanghai Foreign Trade Yangxing Storage & Transportation Co., Ltd.	Property management fees	—	1,435,700.01
Sinotrans Beijing Sanjianfang Warehouse Ltd.	Property management fees	—	1,339,622.64
Sinotrans Inner Mongolia Co., Ltd.	Transportation and related services	—	1,311,014.52
Shanghai Sinotrans Qiantang Co., Ltd.	Property management fees	—	1,219,680.59
Others	Transport and related services, etc.	11,264,403.32	12,263,097.60
Joint ventures and their subsidiaries	—	610,367,148.96	902,360,573.81
Xinjiang New Railway Sinotrans Logistics Co., Ltd.	Transportation and related services	189,119,017.90	185,310,164.59
Nissin-Sinotrans International Logistics Co., Ltd.	Transportation and related services	99,083,752.83	119,952,370.67
Shaanxi Qintie Waiyun Logistics Co., Ltd.	Transportation and related services	60,768,748.90	201,864,264.50
DHL-Sinotrans International Air Courier Ltd.	Transportation and related services	44,383,915.06	48,449,611.54
Ningbo Taiping International Trade Transportation Co., Ltd. (Note)	Transportation and related services	27,264,616.15	102,211,958.60
Jiangsu Nantong Sinotrans Supply Chain Management Co., Ltd.	Transportation and related services	26,059,234.95	34,055,887.69
Sinotrans Aramex (Shanghai) International Aviation Express Delivery Co., Ltd.	Transportation and related services	25,815,014.58	49,637,513.00
SINOTRANS ALMAJDOUIE MIDDLE EAST CO., LTD.	Transportation and related services	22,764,479.71	3,160,588.21
Beijing Medlink Supply Chain Management Co., Ltd.	Transportation and related services	15,215,614.03	48,293,479.33
Nippon Express (Shanghai) Co., Ltd.	Transportation and related services	12,869,004.39	21,827,074.75

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For the year ended 31 December 2025

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

X. RELATED-PARTY RELATIONSHIP 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-Vietnam Sinotrans Logistics Co., Ltd.	Transportation and related services	12,796,821.14	11,655,828.06
Sinotrans PFS Cold Chain Logistics Co., Ltd.	Transportation and related services	11,118,548.77	10,059,681.96
Jiangsu Sinotrans Xiangtai Supply Chain Management Co., Ltd.	Transportation and related services	8,308,076.46	—
MAXX LOGISTICS FZCO.	Transportation and related services	8,093,590.05	64,957.25
Sinotrans PFS Yida (Shanghai) Logistics Co., Ltd.	Transportation and related services	6,698,047.67	5,871,951.23
Jiangsu Sinotrans Yangkou Port Logistics Development Co., Ltd.	Transportation and related services	5,572,931.26	289,409.33
Zhangjiagang Bonded Port Area Sinotrans Changjiang International Logistics Co., Ltd.	Transportation and related services	5,260,281.67	3,808,447.39
Sinotrans Sarens Logistics Co., Ltd.	Transportation and related services	5,129,867.96	7,779,012.79
Weihai Comprehensive Bonded Zone Hongxin Supply Chain Management Co., Ltd.	Transportation and related services	4,682,778.10	22,513,959.55
Rushan Sinotrans Port Logistics Development Co., Ltd.	Transportation and related services	2,458,768.15	8,577,235.15
Sinotrans Philippines Inc.	Transportation and related services	2,440,222.71	467,839.52
Beijing Sinotrans Huali Logistics Co., Ltd.	Transportation and related services	2,376,665.58	5,019,830.75
Sinotrans Suzhou Logistics Center Co., Ltd.	Transportation and related services	2,236,559.43	—
Jiangsu Sinotrans Lvsu Port Heavy Logistics Development Co., Ltd.	Transportation and related services	2,187,639.10	2,096,436.32
DHL-Sinotrans Bonded Storage (Beijing) Co., Ltd.	Transportation and related services	1,522,453.81	1,475,363.75
Yantai Comprehensive Bonded Zone Baoyuntong Supply Chain Management Co., Ltd.	Transportation and related services	1,325,205.81	1,207,794.11
Suzhou Sinotrans Zhongli International Freight Co., Ltd.	Transportation and related services	901,270.30	1,492,181.24
Dongguan Port Container Terminals Co., Ltd.	Transportation and related services	66,298.00	1,084,891.84
Tangshan Port Sinotrans Shipping Agency Co., Ltd.	Transportation and related services	41,731.31	1,766,330.97
Others	Transport and related services, etc.	3,805,993.18	2,366,509.72
Associates and their subsidiaries	—	209,836,777.21	126,789,116.85
Sinotrans Pulse Technology (Chengdu) Co., Ltd.	Transportation and related services	72,776,860.54	3,463,352.64
Sinotrans Medical Technology (Chengdu) Co., Ltd.	Transportation and related services	35,555,147.77	2,219,965.68

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For the year ended 31 December 2025
(Unless indicated otherwise, all amounts are expressed in RMB)

X. RELATED-PARTY RELATIONSHIP 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
Weihai Weidong Shipping Co., Ltd.	Transportation and related services	25,746,705.31	28,054,323.08
Loscam Packaging Equipment Leasing (Shanghai) Co., Ltd.	Transportation and related services	17,547,198.14	20,829,756.62
Qingdao Yujiachang Container Storage And Transportation Co. Ltd.	Transportation and related services	15,302,441.23	13,224,691.04
Loscam Supply Chain Management (Jiaxing) Co., Ltd.	Transportation and related services	12,241,491.42	12,710,340.63
Shenyang Fuyun Cold Chain Logistics Co., Ltd.	Transportation and related services	8,095,238.12	8,095,238.12
Sinotrans Huajie International Logistics (Beijing) Co., Ltd.	Transportation and related services	5,545,188.15	3,635,779.03
Tianjin Runfeng Logistics Co., Ltd.	Transportation and related services	5,478,427.59	4,449,384.18
Wuhan Port Container Co., Ltd.	Transportation and related services	2,122,128.45	1,310,263.25
Yangzhou Comprehensive Bonded Zone Supply Chain Management Co., Ltd.	Transportation and related services	1,918,617.69	—
Nantong Sinotrans Dongzaogang Logistics Development Co., Ltd.	Transportation and related services	1,763,595.85	18,204,033.41
China International Exhibition Transportation Co., Ltd.	Transportation and related services	1,273,415.80	734,523.62
Liaoning Sinotrans Hengjiu Transportation Service Co., Ltd.	Transportation and related services	819,960.56	2,127,584.35
Land and Sea New Channel Operation Co. Ltd.	Transportation and related services	535,940.31	3,713,709.91
Shanghai Pu'an Storage Co., Ltd.	Interest income	—	1,471,278.83
Others	Transport and related services, etc.	3,114,420.28	2,544,892.46
Joint ventures and subsidiaries of the ultimate controlling party	—	503,858.50	875,530.10
Jiangsu China Changjiang Bunker (Sinopec) Co., Ltd.	Transportation and related services	378,004.73	484,702.83
China Changjiang Bunker (Sinopec) Co., Ltd.	Transportation and related services	125,853.77	372,902.74
Shenzhen China Changjiang Bunker (Sinopec) Co., Ltd.	Transportation and related services	—	17,924.53
An associate of the ultimate controlling party	—	5,738,344.83	5,664,636.99
China Merchants Bank Co., Ltd.	Interest income	5,738,344.83	5,664,636.99
Total rendering of services	—	1,484,366,310.97	2,045,437,816.12

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For the year ended 31 December 2025

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

X. RELATED-PARTY RELATIONSHIP 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

Name of related party	Content of related transactions	Current year	Prior year
Other enterprises controlled by the same controlling shareholder and ultimate controlling party	—	1,718,489,600.90	2,007,209,021.20
Sinotrans Container Lines Co., Ltd.	Transportation and related services	250,205,175.71	232,596,820.05
Sinotrans Container Lines (Hainan) Co., Ltd.	Transportation and related services	240,295,894.44	309,769,068.97
Shanghai Zhaotong Container Transportation Co., Ltd.	Transportation and related services	235,006,608.96	124,511,386.88
Sinotrans Container Lines Overseas Company Limited	Transportation and related services	106,334,636.99	353,429,169.73
Nanjing Tanker Corporation	Transportation and related services	73,323,953.12	73,287,873.05
Dalian Port Oil Terminal Co., Ltd.	Transportation and related services	60,328,351.62	—
Liaoning Port Co., Ltd.	Transportation and related services	58,792,504.32	43,822,674.44
China Merchants Property Management Co., Ltd.	Property management fees, others	46,580,676.42	30,658,631.32
Liaoning Port Holding (Yingkou) Co., Ltd.	Transportation and related services	41,448,506.79	56,212,641.10
YANGTZE NAVIGATION (SINGAPORE) PTE. LTD.	Transportation and related services	35,232,356.47	28,076,065.97
Merchants Home Technology (Zhejiang) Co., Ltd.	Purchase of goods	29,374,244.29	—
Zhaotong Supply Chain Management Co., Ltd.	Transportation and related services	29,207,287.72	6,696,001.17
Dalian Container Terminal Co., Ltd.	Transportation and related services	28,070,055.25	19,628,034.91
Zhanjiang Port (Group) Co., Ltd.	Transportation and related services	27,807,853.21	25,748,710.44
China Merchants International Terminal (Qingdao) Limited	Transportation and related services	23,129,969.44	19,411,963.20
Hailong No. 15 (Tianjin) Leasing Co., Ltd.	Transportation and related services	18,954,769.90	—
Shenzhen China Merchants Ro-Ro Transportation Co., Ltd.	Transportation and related services	16,575,802.83	5,529,414.71
China Communications Import & Export Co., Ltd.	Transportation and related services	15,759,958.68	282,715.90
Beijing Aocheng Wuhe Real Estate Co., Ltd.	Property management fees, others	15,730,276.82	19,249,525.54
Shanghai Foreign Trade Warehouse Pudong Company	Transportation and related services	15,354,438.22	15,295,749.42
China Merchants Bonded Logistics Co., Ltd.	Transportation and related services	15,334,915.20	18,380,061.59
China Merchants Jiayu Property Management Co., Ltd.	Transportation and related services	15,215,200.10	7,918,868.76
Sinotrans Shanghai (Group) Co., Ltd.	Property management fees, others	14,573,564.14	7,890,096.10

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For the year ended 31 December 2025
(Unless indicated otherwise, all amounts are expressed in RMB)

X. RELATED-PARTY RELATIONSHIP 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
Yingkou Xingang Ore Terminal Co., Ltd.	Transportation and related services	14,365,322.17	15,242,514.13
Shenzhen Merchants Home Technology Co., Ltd.	Purchase of goods	13,072,985.56	55,742,733.87
Yiu Lian Dockyards (Shekou) Limited	Transportation and related services	12,412,396.70	13,271,014.23
China Merchants Group Shared Services Co., Ltd.	Technical service fee	12,235,917.27	1,866,099.20
Zhengzhou Merchants Logistics Co., Ltd.	Transportation and related services	12,044,304.04	11,253,298.07
Sinotrans Nantong Co., Ltd.	Transportation and related services	10,447,578.41	11,367,011.44
Shenzhen Merchants Shekou International Cruise Home Port Co., Ltd.	Transportation and related services	9,798,490.36	9,911,064.64
Shenzhen Lianda Tug Co., Ltd.	Transportation and related services	8,337,163.99	9,730,105.25
SINOTRANS Henan, Jiuling Transport & Storage Co., Ltd.	Transportation and related services	7,824,016.09	7,968,539.18
China Merchants Investment Development Company Limited	Others	7,773,253.11	6,012,074.23
Liaoning Sinotrans Co., Ltd.	Transportation and related services	7,555,361.79	2,751,977.66
China Freight Forwarding Fujian Hexi Storage & Transportation Company	Transportation and related services	7,522,051.68	7,612,627.16
Panjin Port Group Co., Ltd.	Transportation and related services	7,237,272.94	8,768,472.07
Zhanjiang Port International Container Terminal Co., Ltd.	Transportation and related services	6,457,382.47	8,343,959.13
SINOTRANS & CSC HOLDINGS Co., Ltd.	Technical service fee	5,878,268.67	5,968,125.44
Sinotrans Guangdong Co., Ltd.	Property management fees, others	5,654,675.63	5,057,884.72
CSC Cargo Co., Ltd.	Transportation and related services	5,634,583.32	2,765,313.16
China Changjiang National Shipping (Group) Corporation	Transportation and related services	5,622,571.79	5,971,804.58
Shenzhen Chiwan Tug Co., Ltd.	Transportation and related services	5,398,661.86	6,789,169.57
China Merchants Heavy Industry (Jiangsu) Co., Ltd.	Transportation and related services	5,139,921.69	–
China Merchants Qianhai Bay (Shenzhen) Supply Chain Management Co., Ltd.	Transportation and related services	5,073,207.63	1,076,981.63
Dandong Port Group Co., Ltd.	Transportation and related services	4,960,507.33	41,254,849.27
Nanjing Merchants Bureau Real Estate Management Co., Ltd.	Property management fees	4,782,339.76	4,918,347.27
CM-CT Changjiang Planning and Design Co., Ltd.	Expenditure on construction in progress	4,508,505.46	1,723,732.46
Zhangzhou China Merchants Port Co., Ltd.	Transportation and related services	4,494,097.83	4,163,957.28

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

X. RELATED-PARTY RELATIONSHIP 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
China Merchants Investment Company Limited	Interest expenses	4,489,174.44	2,680,564.91
Sinotrans Lianyungang Co., Ltd.	Transportation and related services	4,280,887.87	265,345.59
Guangdong Yide Port Co., Ltd.	Transportation and related services	4,166,641.39	3,613,772.45
Zhangzhou China Merchants Tugboat Company Limited	Transportation and related services	4,050,660.09	4,725,471.32
Dongguan Shenchuan Port Affairs Co., Ltd.	Transportation and related services	3,610,088.68	5,279,153.79
Shanghai Changjiang International Shipping Agency Co., Ltd.	Transportation and related services	3,475,914.44	5,019,947.34
Shenzhen Investment Promotion Meilun Hotel Management Co., Ltd. Meilun Chamber	Transportation and related services	3,424,414.46	1,267,388.63
Yiu Lian Dockyards Limited	Transportation and related services	3,337,699.54	2,794,902.85
Guangxi Sinotrans Nanning Storage and Transportation Co., Ltd.	Transportation and related services	3,274,905.53	3,428,259.28
Wuhan Changjiang Steamship Company	Transportation and related services	3,063,456.75	3,026,504.86
Tianjin Sinotrans Binhai Logistics Management Co., Ltd.	Property management fees, others	2,828,163.09	2,268,583.81
Sinotrans (Jiaxing) International Freight Forwarding Co., Ltd.	Transportation and related services	2,696,076.05	2,895,338.45
Shandong Sinotrans Co., Ltd.	Transportation and related services	2,549,755.17	5,794,508.46
Beijing China Merchants Property Management Co., Ltd.	Property management fees	2,535,994.81	3,049,459.44
Sinotrans Hebei Company Yuanshi Warehouse	Transportation and related services	2,483,816.30	2,518,150.79
MING WAH (SINGAPORE) AGENCY PTE LTD.	Transportation and related services	2,423,052.90	1,038,967.93
Guangxi Sinotrans Automobile Transportation Co., Ltd.	Transportation and related services	2,331,576.81	3,832,050.66
Dalian Port Container Logistics Co., Ltd.	Transportation and related services	2,220,452.18	43,807,653.65
Guangxi Sinotrans Fangchenggang Co., Ltd.	Transportation and related services	2,051,513.27	1,981,901.18
Dongguan Chiwan Wharf Co., Ltd.	Transportation and related services	1,902,063.02	3,383,534.90
CSC Cargo (Dazhou) Co., Ltd.	Transportation and related services	1,880,677.49	3,013,093.14
Zhangzhou China Ocean Shipping Tally Co., Ltd.	Transportation and related services	1,851,710.87	1,300,748.29
China Merchants International Technology Co., Ltd.	Transportation and related services	1,740,748.69	1,910,286.11

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Notes to the Financial Statements

For the year ended 31 December 2025
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X. RELATED-PARTY RELATIONSHIP 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
Sinotrans (Shenzhen) Co., Ltd.	Transportation and related services	1,693,183.81	1,242,388.83
Guangdong Zhanjiang Port Longteng Shipping Co., Ltd.	Transportation and related services	1,631,037.72	1,905,377.38
Shantou CMPort Group Co., Ltd.	Transportation and related services	1,610,198.84	779,462.33
Shanghai Changhang Shipping Development Co., Ltd.	Transportation and related services	1,596,368.44	240,033.82
Hebei Shijiazhuang Zhengding Sinotrans Warehousing and Logistics Co., Ltd.	Transportation and related services	1,499,701.22	1,499,701.20
Fujian Sinotrans Co., Ltd.	Transportation and related services	1,471,495.17	1,404,957.04
Inner Mongolia Inland Bonded Logistics Park Co., Ltd.	Transportation and related services	1,437,808.15	3,947,903.05
Hailong No. 12 (Tianjin) Leasing Co., Ltd.	Transportation and related services	1,391,938.05	—
China Merchants Port (Shenzhen) Co., Ltd.	Transportation and related services	1,377,301.11	3,485,955.11
China Merchants Smart Security Services (Shenzhen) Co., Ltd.	Property management fees, others	1,348,794.98	862,993.43
China Merchants Finance Leasing Co., Ltd.	Property management fees, others	1,345,007.06	—
Tianjin Sinotrans Co., Ltd.	Transportation and related services	1,308,986.62	1,308,357.94
China Merchants Landmark (Shenzhen) Co., Ltd.	Transportation and related services	1,288,826.47	1,288,826.52
Xiamen Sinotrans Co., Ltd.	Others	1,259,555.46	1,780,969.10
Shenzhen Nanyou (Holdings) Corp. Ltd.	Transportation and related services	1,250,271.25	—
Suizhong Port Group Co., Ltd.	Transportation and related services	1,146,591.15	—
Shenzhen Merchants Property Management Co., Ltd.	Property management fees, others	1,055,747.84	412,425.46
China Merchants Group Finance Co., Ltd.	Interest expense, handling charge	1,044,667.78	7,286,545.04
Sinotrans Erlian Co., Ltd.	Transportation and related services	1,038,341.52	1,255,663.10
Shanghai Investment Promotion Bureau Property Management Co., Ltd.	Property management fees, others	1,024,138.66	3,787,671.33
Zhanjiang Port Petrochemical Terminal Co., Ltd.	Transportation and related services	978,018.54	1,435,135.51
Shekou Container Terminal Co., Ltd.	Transportation and related services	830,112.69	1,144,166.98
Nanjing Changjiang Oil Transportation Longtan Shipping Engineering Co., Ltd.	Transportation and related services	563,614.60	2,332,429.20
Changhang Freight (Zhoushan) Co., Ltd.	Transportation and related services	488,724.51	1,661,194.95
Dalian United King Port Auto Trade Co., Ltd.	Transportation and related services, others	414,318.19	1,733,214.14
Sinotrans Suzhou Storage Co., Ltd.	Transportation and related services	360,469.17	1,123,204.42

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X. RELATED-PARTY RELATIONSHIP 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
Inner Mongolia Sinotrans Logistics Co., Ltd.	Transportation and related services	322,223.22	1,835,110.47
Shenzhen Chiwan Port Development Co., Ltd.	Transportation and related services	320,220.67	3,555,821.83
CSC (Wuhan) Green Shipping Technology Services Co., Ltd.	Transportation and related services	47,196.93	39,368,213.42
CSC Fenghai MOTOR Logistics Co., Ltd.	Transportation and related services	24,591.73	2,091,228.85
Sinotrans Alashankou Company	Transportation and related services	-	78,584,538.82
CSC Cargo (Hainan) Co., Ltd.	Transportation and related services	-	38,545,965.15
SCSC International Merchant&Shipping (Hong Kong) Company Limited	Transportation and related services	-	19,231,138.20
Sinotrans Shanghai (Group) Property Development Co., Ltd.	Property management fees, others	-	3,348,072.31
AVIC Property Management Co., Ltd.	Property management fees	-	1,081,432.94
Others	Transport and related services, etc.	13,782,867.32	20,826,206.61
Joint ventures and their subsidiaries	—	893,607,961.69	1,197,247,934.65
Xinjiang New Railway Sinotrans Logistics Co., Ltd.	Transportation and related services	322,781,876.56	356,353,265.20
China-Vietnam Sinotrans Logistics Co., Ltd.	Transportation and related services	67,461,075.36	72,828,252.15
Jiangsu Nantong Sinotrans Supply Chain Management Co., Ltd.	Transportation and related services	64,151,310.21	47,175,584.75
DHL-Sinotrans International Air Courier Ltd.	Transportation and related services	48,525,983.16	58,988,167.11
SINOTRANS ALMAJDOUIE MIDDLE EAST CO., LTD.	Transportation and related services	48,307,934.98	8,371,822.25
Beijing Sinotrans Huali Logistics Co., Ltd.	Transportation and related services	47,653,111.93	82,792,992.79
Nissin-Sinotrans International Logistics Co., Ltd.	Transportation and related services	38,924,236.45	25,194,922.58
Jiangsu Sinotrans Lvsu Port Heavy Logistics Development Co., Ltd.	Transportation and related services	33,321,427.17	27,109,219.95
Sinotrans Suzhou Logistics Center Co., Ltd.	Transportation and related services	29,743,488.42	29,062,802.87
Dongguan Port Container Terminals Co., Ltd.	Transportation and related services	27,128,221.97	35,554,659.67
Sinotrans Philippines Inc.	Transportation and related services	25,387,959.01	17,861,193.03
New Land Bridge (Lianyungang) Terminal Co., Ltd.	Transportation and related services	24,286,821.16	43,436,094.53
Weihai Comprehensive Bonded Zone Hongxin Supply Chain Management Co., Ltd.	Transportation and related services	23,514,476.03	12,079,216.57

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X. RELATED-PARTY RELATIONSHIP 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
Rushan Sinotrans Port Logistics Development Co., Ltd.	Transportation and related services	13,708,830.07	12,041,334.38
MAXX LOGISTICS FZCO.	Transportation and related services	10,615,874.01	–
Sinotrans Aramex (Shanghai) International Aviation Express Delivery Co., Ltd.	Transportation and related services	9,769,815.33	6,189,449.88
Jiangsu Sinotrans Xiangtai Supply Chain Management Co., Ltd.	Transportation and related services	9,452,909.71	364,292.45
Sinotrans Turkey Limited	Transportation and related services	6,952,212.43	130,099,237.33
Shaanxi Qintie Waiyun Logistics Co., Ltd.	Transportation and related services	5,889,192.76	176,447,491.31
Sinotrans Sarens Logistics Co., Ltd.	Transportation and related services	5,517,125.98	3,650,889.63
Yantai Comprehensive Bonded Zone Baoyuntong Supply Chain Management Co., Ltd.	Transportation and related services	4,811,076.57	11,611,860.53
Jiangsu Sinotrans Yangkou Port Logistics Development Co., Ltd.	Transportation and related services	4,510,928.83	3,026,878.59
Tangshan Port Sinotrans Shipping Agency Co., Ltd.	Transportation and related services	3,432,716.82	–
Shenyang Jinyun Automobile Logistics Co., Ltd.	Transportation and related services	2,637,298.19	1,205,317.47
Sinotrans Logistics (Pakistan) Limited	Transportation and related services	2,470,255.37	4,534,626.25
Sinotrans Senko International Cold Chain Logistics (Shanghai) Co., Ltd.	Transportation and related services	2,104,150.80	943,964.39
Nantong Comprehensive Bonded Zone Sinotrans Logistics Co., Ltd.	Transportation and related services	2,083,052.14	1,795,098.31
Jingjiang Sinotrans Bonded Logistics Co., Ltd.	Transportation and related services	1,724,737.53	3,125,376.01
Ningbo Dagang New Century Container Co., Ltd.	Transportation and related services	1,694,648.15	1,281,272.25
Shanghai Wai-Hong Yishida International Logistics Co., Ltd.	Transportation and related services	1,623,111.26	1,531,448.39
Wuhan Eastlake Comprehensive Bonded Area Bonded Logistics Co., Ltd.	Transportation and related services	1,046,875.71	6,847,982.20
Ningbo Taiping International Trade Transportation Co., Ltd. (Note)	Transportation and related services	258,164.30	7,847,118.53
Nippon Express (Shanghai) Co., Ltd.	Transportation and related services	32,788.74	2,525,111.23
Sinotrans High-Tech Logistics (Suzhou) Co., Ltd. (Note)	Transportation and related services	–	3,292,377.60
Others	Transport and related services, etc.	2,084,274.58	2,078,614.47

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For the year ended 31 December 2025

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

X. RELATED-PARTY RELATIONSHIP 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
Associates and their subsidiaries	—	904,323,001.30	634,183,364.52
Sinotrans Medical Technology (Chengdu) Co., Ltd.	Transportation and related services	237,826,897.70	82,329,397.01
Weihai Weidong Shipping Co., Ltd.	Transportation and related services	128,125,970.97	130,303,039.93
Sinotrans Pulse Technology (Chengdu) Co., Ltd.	Transportation and related services	94,328,024.74	—
Liaoning Sinotrans Hengjiu Transportation Service Co., Ltd.	Transportation and related services	93,815,952.41	112,499,198.97
Jiangsu Jiangyin Port Group Co., Ltd.	Transportation and related services	85,416,854.47	40,523,972.30
Shandong Port&Shipping Sinotrans Supply Chain Development Co., Ltd.	Transportation and related services	83,969,481.30	70,650,716.87
Loscam Packaging Equipment Leasing (Shanghai) Co., Ltd.	Transportation and related services	46,682,192.54	45,043,295.74
Sinotrans Huajie International Logistics (Beijing) Co., Ltd.	Transportation and related services	30,591,890.43	30,554,334.49
Qingdao Yujiachang Container Storage And Transportation Co. Ltd.	Transportation and related services	18,301,016.35	13,393,590.63
Wuhan Port Container Co., Ltd.	Transportation and related services	14,487,065.74	18,497,849.43
Ma'anshan Tianshun Port Co., Ltd.	Transportation and related services	13,415,913.22	13,137,044.08
Nanjing Huaxing Loading and Unloading Service Co., Ltd.	Transportation and related services	11,282,105.37	24,636,042.85
Nantong Sinotrans Dongzaogang Logistics Development Co., Ltd.	Transportation and related services	10,281,647.89	17,305,999.63
Yangzhou Comprehensive Bonded Zone Supply Chain Management Co., Ltd.	Transportation and related services	10,167,608.07	11,439,085.59
Shenyang Henglu Logistics Co., Ltd.	Transportation and related services	6,649,031.50	6,966,225.03
China-Europe Railway Express (Shenyang) Assembly Center Construction and Operation Co., Ltd.	Transportation and related services	4,894,672.22	5,718,750.13

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For the year ended 31 December 2025
(Unless indicated otherwise, all amounts are expressed in RMB)

X. RELATED-PARTY RELATIONSHIP 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
China International Exhibition Transportation Co., Ltd.	Transportation and related services	4,000,696.43	1,193,126.58
Zhejiang Seaport Changxing Port Co., Ltd.	Transportation and related services	2,213,796.98	334,853.27
Ningbo Beilun Donghua Container Transportation Service Co., Ltd.	Transportation and related services	2,080,086.80	1,128,016.99
Beijing Chentong Freightling Service Co., Ltd.	Transportation and related services	2,014,317.47	3,193,214.68
Jiangmen Gaosha Outside Freight Agency Co., Ltd.	Transportation and related services	1,913,862.38	2,202,535.09
Tianjin Runfeng Logistics Co., Ltd.	Transportation and related services	640,495.01	1,407,677.78
Others	Transport and related services, etc.	1,223,421.31	1,725,397.45
Joint ventures and subsidiaries of the ultimate controlling party	—	12,801,044.27	22,085,571.16
China Changjiang Bunker (Sinopec) Co., Ltd.	Transportation and related services	9,037,144.55	20,887,169.98
Jiangsu China Changjiang Bunker (Sinopec) Co., Ltd.	Transportation and related services	3,763,899.72	1,198,401.18
An associate of the ultimate controlling party	—	14,232,747.30	13,809,493.27
China Merchants Bank Co., Ltd.	Interest expense, handling charge	14,232,747.30	13,809,493.27
Total services accepted	—	3,543,454,355.46	3,874,535,384.80

Note: Sinotrans High-Tech Logistics (Suzhou) Co., Ltd., Chengdu Bonded Logistics Company, and Ningbo Taiping Company were changed from joint ventures to subsidiaries of the Group on 30 November 2024, 31 May 2025, and 30 September 2025, respectively. Related transactions between the Group and these companies prior to the changes are still classified and presented as related transactions with "joint ventures and their subsidiaries".

During the year, there were no transactions between the Group and related parties for the purchase or sale of goods and services that exceeded the approved transaction limits as set out in Note X. 4. (1).

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Notes to the Financial Statements

For the year ended 31 December 2025

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

X. RELATED-PARTY RELATIONSHIP 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	5,838,359,951.91	5,787,029,280.41
	China Merchants Group Finance Co., Ltd.	5,838,359,951.91	5,787,029,280.41
	Associates of the ultimate controlling party	1,295,366,236.98	537,861,794.00
	China Merchants Bank Co., Ltd.	1,295,366,236.98	537,861,794.00
	Total cash and bank balances	7,133,726,188.89	6,324,891,074.41
Accounts receivable	Other enterprises controlled by the same controlling shareholder and ultimate controlling party	74,113,380.01	71,330,306.65
	Sinotrans Container Lines (Hainan) Co., Ltd.	22,459,438.00	12,105,994.86
	Sinotrans Container Lines Co., Ltd.	18,861,629.86	23,233,902.89
	Sinotrans Container Lines Overseas Company Limited	4,572,062.87	9,278,389.57
	China Merchants Viking Cruise Co., Ltd.	4,496,374.91	432,610.65
	Shanghai Zhaotong Container Transportation Co., Ltd.	3,771,791.67	1,796,182.04
	Nanjing Tanker Corporation	2,088,587.49	641,424.90
	Associated Maritime Company (Hong Kong) Limited	1,960,204.41	2,883,040.43
	Shenzhen China Merchants Ro-Ro Transportation Co., Ltd.	1,497,602.57	440,432.80
	CSC Cargo (Dazhou) Co., Ltd.	1,411,383.89	953,859.91
	Hong Kong Ming Wah Shipping Company Limited	1,365,539.54	182,113.62
	CHINA MERCHANTS HOLDINGS (DJIBOUTI) FZE	1,251,907.30	–
	Nanjing Yangyang Chemicals Transport & Trade Co., Ltd.	1,162,710.41	1,335,272.33
	Zhaotong Supply Chain Management Co., Ltd.	1,006,266.67	1,464,096.10
	China Freight Forwarding Fujian Hexi Storage & Transportation Company	1,000,000.00	–
	Sinotrans Container Lines (Hong Kong) Co., Ltd.	841,508.32	3,105,991.36
	Shekou Container Terminal Co., Ltd.	218,964.03	3,595,190.69
	Chiwan Container Terminal Co., Ltd.	183,149.67	1,982,769.64
	SINOTRANS Henan, Jiuling Transport & Storage Co., Ltd.	–	1,034,999.99
	Others	5,964,258.40	6,864,034.87
	Joint ventures and associates and their subsidiaries	127,202,412.57	90,023,433.34
	SINOTRANS ALMAJDOUIE MIDDLE EAST CO., LTD.	21,706,150.25	2,779,954.30
	Nissin-Sinotrans International Logistics Co., Ltd.	19,157,064.28	17,320,497.57
	Xinjiang New Railway Sinotrans Logistics Co., Ltd.	15,551,914.21	102,000.00
	Jiangsu Nantong Sinotrans Supply Chain Management Co., Ltd.	14,075,457.84	4,784,305.58
	DHL-Sinotrans International Air Courier Ltd.	8,710,438.45	6,896,947.62
	Jiangsu Sinotrans Xiangtai Supply Chain Management Co., Ltd.	8,253,782.17	–
	Sinotrans Medical Technology (Chengdu) Co., Ltd.	6,356,787.41	1,206,917.89
	China-Vietnam Sinotrans Logistics Co., Ltd.	4,248,754.10	4,425,131.65
	Sinotrans Senko International Cold Chain Logistics (Shanghai) Co., Ltd.	3,870,559.63	1,312,445.16

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For the year ended 31 December 2025
(Unless indicated otherwise, all amounts are expressed in RMB)

X. RELATED-PARTY RELATIONSHIP 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.	3,018,200.41	7,649,273.07
	Loscam Packaging Equipment Leasing (Shanghai) Co., Ltd.	2,652,867.82	3,272,568.85
	Loscam Supply Chain Management (Jiaxing) Co., Ltd.	2,410,707.88	1,650,791.05
	Weihai Weidong Shipping Co., Ltd.	2,378,407.35	1,367,737.40
	Beijing Sinotrans Huali Logistics Co., Ltd.	2,010,639.54	716,261.34
	Wuhan Port Container Co., Ltd.	1,596,636.33	1,338,049.54
	Sinotrans PFS Cold Chain Logistics Co., Ltd.	1,429,681.42	33,680.96
	Sinotrans Pulse Technology (Chengdu) Co., Ltd.	1,252,907.84	1,651,241.76
	Yangzhou Comprehensive Bonded Zone Supply Chain Management Co., Ltd.	1,133,506.32	–
	Beijing Medlink Supply Chain Management Co., Ltd.	841,136.79	9,471,440.48
	Shaanxi Qintie Waiyun Logistics Co., Ltd.	–	10,698,735.08
	Others	6,546,812.53	13,345,454.04
	A subsidiary of a joint venture of the ultimate controlling party	45,410.00	–
	Jiangsu China Changjiang Bunker (Sinopec) Co., Ltd.	45,410.00	–
	Total accounts receivable	201,361,202.58	161,353,739.99
Other receivables	Other enterprises controlled by the same controlling shareholder and ultimate controlling party	41,354,330.94	35,216,045.95
	China Merchants Sinotrans (Shenzhen) Industrial Innovation Private Equity Investment Fund Partnership (Limited Partnership)	9,570,312.33	6,569,312.33
	China Merchants Investment Development Company Limited	5,545,859.00	3,773,584.85
	Beijing Aocheng Wuhe Real Estate Co., Ltd.	3,228,478.92	3,140,072.40
	China Merchants Renhe Life Insurance Co., Ltd.	3,107,082.06	1,457,250.00
	SINOTRANS Shanghai Zhang HUA BANG Storage and Transportation Co., Ltd.	3,025,046.74	1,115,895.00
	Zhengzhou Merchants Logistics Co., Ltd.	2,902,568.24	3,509,095.48
	China Merchants Bonded Logistics Co., Ltd.	2,040,416.54	2,564,741.30
	China Merchants International Terminal (Qingdao) Limited	1,220,000.00	1,490,000.00
	Sinotrans Container Lines Co., Ltd.	1,120,363.51	1,513,929.57
	Sinotrans Container Lines (Hainan) Co., Ltd.	–	1,204,790.20
	Others	9,594,203.60	8,877,374.82
	Joint ventures and associates and their subsidiaries	56,180,670.64	52,064,484.59
	Shenyang Jinyun Automobile Logistics Co., Ltd.	20,228,749.68	20,249,247.88
	Qingdao Qingzhui Logistics Technology Co., Ltd.	8,304,375.83	5,609,779.66
	MAXX LOGISTICS FZCO.	5,333,787.73	8,307,926.02

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For the year ended 31 December 2025

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

X. RELATED-PARTY RELATIONSHIP 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
	DHL-Sinotrans International Air Courier Ltd.	3,685,000.00	3,458,000.00
	Sinotrans Turkey Limited	3,134,986.95	—
	Guangxi Yunyu Port Co., Ltd.	2,680,000.00	2,680,000.00
	Sinotrans Hongfeng (Shanghai) International Logistics Co., Ltd.	2,473,120.65	2,143,511.37
	Sinotrans Sarens Logistics Co., Ltd.	1,754,517.01	1,506,339.03
	Sinotrans India Limited	1,080,670.89	—
	Sinotrans Logistics (Pakistan) Limited	1,078,646.67	1,103,139.06
	China-Vietnam Sinotrans Logistics Co., Ltd.	997,437.54	1,188,827.69
	Beijing Honglian Technology Co., Ltd.	3,600.00	1,591,300.00
	Others	5,425,777.69	4,226,413.88
	Total other receivables	97,535,001.58	87,280,530.54
Dividends receivable	Joint ventures and associates	25,933,308.50	9,080,009.80
	New Land Bridge (Lianyungang) Terminal Co., Ltd.	12,722,278.70	—
	Wuhan Port Container Co., Ltd.	6,112,000.00	6,000,000.00
	Xinjiang New Railway Sinotrans Logistics Co., Ltd.	5,038,046.08	—
	SINOTRANS ALMAJDOUIE MIDDLE EAST CO., LTD.	1,860,983.72	1,860,983.72
	Others	200,000.00	1,219,026.08
Interest receivable	Joint ventures	1,216,659.76	1,243,805.82
	MAXX LOGISTICS FZCO.	1,216,659.76	1,243,805.82
Prepayments	Other enterprises controlled by the same controlling shareholder and ultimate controlling party	10,804,054.57	19,143,919.46
	Liaoning Port Holding (Yingkou) Co., Ltd.	2,526,837.95	6,318,992.97
	Sinotrans Container Lines Co., Ltd.	1,955,825.92	776,054.52
	Yingkou Xingang Ore Terminal Co., Ltd.	1,407,060.00	330,789.63
	Shenzhen China Merchants Ro-Ro Transportation Co., Ltd.	1,369,395.96	—
	Liaoning Port Co., Ltd.	—	5,905,615.96
	Dalian United King Port Auto Trade Co., Ltd.	—	2,013,500.00
	Others	3,544,934.74	3,798,966.38
	Joint ventures and associates and their subsidiaries	47,213,873.81	177,518,629.28
	Sinotrans Pulse Technology (Chengdu) Co., Ltd.	28,453,559.73	—
	Sinotrans Medical Technology (Chengdu) Co., Ltd.	4,650,744.55	2,050,000.00
	Jiangsu Jiangyin Port Group Co., Ltd.	3,955,039.00	77,926,763.84
	SINOTRANS ALMAJDOUIE MIDDLE EAST CO., LTD.	3,770,292.58	1,874,824.02
	Liaoning Sinotrans Hengjiu Transportation Service Co., Ltd.	2,325,201.51	15,915,271.89
	Qingdao Yujiachang Container Storage And Transportation Co. Ltd.	1,945,213.81	40,800.00
	Sinotrans Philippines Inc.	205,832.76	1,428,295.27
	Shaanxi Qintie Waiyun Logistics Co., Ltd.	—	65,000,000.00

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X. RELATED-PARTY RELATIONSHIP 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	New Land Bridge (Lianyungang) Terminal Co., Ltd.	-	10,400,000.00
	Tangshan Port Sinotrans Shipping Agency Co., Ltd.	-	1,065,000.00
	Others	1,907,989.87	1,817,674.26
	A joint venture of the ultimate controlling party	-	1,226,440.00
	China Changjiang Bunker (Sinopec) Co., Ltd.	-	1,226,440.00
	Total prepayments	58,017,928.38	197,888,988.74
	Other enterprises controlled by the same controlling shareholder and ultimate controlling party	305,938,441.83	446,192,616.30
	Sinotrans Container Lines Overseas Company Limited	108,464,518.19	196,722,103.76
	Sinotrans Container Lines (Hainan) Co., Ltd.	61,651,013.94	119,235,318.42
	Sinotrans Container Lines Co., Ltd.	32,281,851.22	30,077,698.43
	Zhengzhou Merchants Logistics Co., Ltd.	21,704,056.43	21,522,963.38
	Hailong No. 15 (Tianjin) Leasing Co., Ltd.	13,332,300.89	4,241,150.44
	YANGTZE NAVIGATION (SINGAPORE) PTE. LTD.	12,990,747.38	1,162,157.33
	Shenzhen Merchants Shekou International Cruise Home Port Co., Ltd.	7,274,279.65	1,662,579.34
	CSC Cargo (Hainan) Co., Ltd.	5,382,802.68	10,828,768.06
	Hailong No. 12 (Tianjin) Leasing Co., Ltd.	5,158,147.78	3,766,209.73
	CSC Cargo Co., Ltd.	4,686,508.64	811,277.20
	Dalian Container Terminal Co., Ltd.	2,451,716.00	2,539,759.00
	Shenzhen Lianda Tug Co., Ltd.	2,145,917.50	3,132,022.50
	Zhaotong Supply Chain Management Co., Ltd.	2,074,042.13	765,410.40
	Liaoning Port Co., Ltd.	2,002,168.00	149,178.00
	China Merchants Heavy Industry (Jiangsu) Co., Ltd.	1,703,426.50	-
	CSC (Wuhan) Green Shipping Technology Services Co., Ltd.	1,652,505.23	4,786,486.73
	China Merchants International Terminal (Qingdao) Limited	1,301,398.33	187,664.14
	MING WAH (SINGAPORE) AGENCY PTE LTD.	1,258,949.34	1,273,822.04
	Shanghai Zhaotong Container Transportation Co., Ltd.	1,256,049.72	4,466,452.10
	China Changjiang National Shipping (Group) Corporation	1,236,300.00	590,490.00
	Nanjing Tanker Corporation	1,101,526.72	10,559,639.69
	China Merchants Property Management Co., Ltd.	1,097,547.58	1,051,138.53
	Yiu Lian Dockyards (Shekou) Limited	809,592.00	2,262,294.86
	Shenzhen Chiwan Tug Co., Ltd.	732,138.00	1,726,373.50
	Zhanjiang Port (Group) Co., Ltd.	548,585.30	4,581,658.18
	Sinotrans Alashankou Company	90,035.89	4,036,257.42
	SCSC International Merchant&Shipping (Hong Kong) Company Limited	-	3,000,002.50
	Others	11,550,316.79	11,053,740.62

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X. RELATED-PARTY RELATIONSHIP 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 associates and their subsidiaries	319,706,546.55	326,983,131.90
	Sinotrans Medical Technology (Chengdu) Co., Ltd.	84,554,604.26	56,045,142.94
	Shandong Port&Shipping Sinotrans Supply Chain Development Co., Ltd.	21,040,236.72	16,523,614.49
	Jiangsu Nantong Sinotrans Supply Chain Management Co., Ltd.	19,969,484.56	10,489,267.67
	Sinotrans Pulse Technology (Chengdu) Co., Ltd.	19,860,422.64	—
	Beijing Sinotrans Huali Logistics Co., Ltd.	18,745,333.82	23,489,283.90
	Jiangsu Sinotrans Lvsì Port Heavy Logistics Development Co., Ltd.	14,888,047.90	26,759,611.08
	China-Vietnam Sinotrans Logistics Co., Ltd.	13,240,830.89	10,467,716.95
	Liaoning Sinotrans Hengjiu Transportation Service Co., Ltd.	13,030,096.01	21,601,940.64
	Loscam Packaging Equipment Leasing (Shanghai) Co., Ltd.	12,605,897.08	16,873,998.99
	SINOTRANS ALMAJDOUIE MIDDLE EAST CO., LTD.	12,025,973.77	1,680,658.56
	Weihai Weidong Shipping Co., Ltd.	11,448,237.93	21,660,311.64
	Jiangsu Sinotrans Xiangtai Supply Chain Management Co., Ltd.	7,698,439.55	76,685.00
	Yantai Comprehensive Bonded Zone Baoyuntong Supply Chain Management Co., Ltd.	7,020,270.52	6,651,523.49
	Sinotrans Suzhou Logistics Center Co., Ltd.	6,322,736.60	7,462,966.43
	Sinotrans Huajie International Logistics (Beijing) Co., Ltd.	5,878,169.06	9,205,029.75
	Sinotrans Philippines Inc.	5,819,451.22	4,444,306.12
	Yangzhou Comprehensive Bonded Zone Supply Chain Management Co., Ltd.	5,182,927.36	1,652,313.53
	New Land Bridge (Lianyungang) Terminal Co., Ltd.	4,162,821.02	2,220,494.50
	China-Europe Railway Express (Shenyang) Assembly Center Construction and Operation Co., Ltd.	3,835,612.55	5,132,287.98
	Sinotrans Sarens Logistics Co., Ltd.	3,575,471.70	2,582,147.63
	Wuhan Port Container Co., Ltd.	3,217,545.37	6,346,761.19
	Dongguan Port Container Terminals Co., Ltd.	2,758,432.72	7,548,128.65
	Rushan Sinotrans Port Logistics Development Co., Ltd.	2,008,817.43	2,209,877.09
	Jingjiang Sinotrans Bonded Logistics Co., Ltd.	1,690,698.81	865,743.50
	Sinotrans Aramex (Shanghai) International Aviation Express Delivery Co., Ltd.	1,642,733.21	777,716.02
	Shenyang Jinyun Automobile Logistics Co., Ltd.	1,545,835.14	312,449.33
	Shenyang Henglu Logistics Co., Ltd.	1,398,410.69	1,652,659.47
	Ma'an Shan Tianshun Port Co., Ltd.	1,320,506.44	2,745,258.09
	Beijing Chentong Freight Service Co., Ltd.	1,258,972.38	554,049.24
	Nanjing Huaxing Loading and Unloading Service Co., Ltd.	1,219,280.86	2,127,386.53
	Sinotrans Turkey Limited	1,177,590.92	223,966.80

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X. RELATED-PARTY RELATIONSHIP 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 Comprehensive Bonded Zone Hongxin Supply Chain Management Co., Ltd.	1,132,869.84	168,215.76
	DHL-Sinotrans International Air Courier Ltd.	1,041,695.67	1,563,020.14
	Shaanxi Qintie Waiyun Logistics Co., Ltd.	618,490.49	6,817,300.78
	Nantong Sinotrans Dongzaogang Logistics Development Co., Ltd.	262,083.62	1,733,806.61
	Jiangsu Jiangyin Port Group Co., Ltd.	147,977.92	1,702,368.52
	Nissin-Sinotrans International Logistics Co., Ltd.	71,226.01	2,914,581.35
	Xinjiang New Railway Sinotrans Logistics Co., Ltd.	—	31,530,279.57
	China International Exhibition Transportation Co., Ltd.	—	1,103,174.32
	Others	6,288,313.87	9,067,087.65
	Joint ventures and subsidiaries of the ultimate controlling party	2,467,503.22	3,795,748.33
	China Changjiang Bunker (Sinopec) Co., Ltd.	1,596,000.00	2,597,347.15
	Jiangsu China Changjiang Bunker (Sinopec) Co., Ltd.	871,503.22	1,198,401.18
	Total accounts payable	628,112,491.60	776,971,496.53
Other payables	Controlling shareholders and the ultimate controlling party	137,000,000.00	—
	China Merchants Group Co., Ltd.	137,000,000.00	—
	Other enterprises controlled by the same controlling shareholder and ultimate controlling party	63,619,873.51	166,476,916.17
	SINOTRANS & CSC HOLDINGS Co., Ltd.	16,124,890.79	24,051,000.00
	China Merchants Investment Development Company Limited	8,910,429.27	3,251,439.05
	Shanghai Sinotrans Qiantang Co., Ltd.	6,397,949.04	8,630,107.01
	CSC Cargo (Hainan) Co., Ltd.	5,873,356.53	7,909,161.58
	CSC Cargo (Dazhou) Co., Ltd.	5,351,077.47	5,351,077.47
	Shanghai Foreign Trade Warehouse Pudong Company	4,593,750.00	6,290,279.22
	SINOTRANS Shanghai Zhang HUA BANG Storage and Transportation Co., Ltd.	3,930,499.93	5,295,822.22
	Shanghai Foreign Trade Warehouse Jiefangdao Storage and Transportation Co., Ltd.	1,559,594.92	2,499,297.02
	China Merchants Group Shared Services Co., Ltd.	1,526,300.09	—
	Beijing Aocheng Wuhe Real Estate Co., Ltd.	1,433,264.87	1,006,836.03
	Sinotrans Nantong Co., Ltd.	901,214.56	2,775,238.69
	Sinotrans Shanghai (Group) Co., Ltd.	772,630.64	1,428,750.55
	Sinotrans Container Lines Co., Ltd.	501,872.70	1,543,209.27
	Shanghai Changjiang Shipping Corporation	—	82,048,121.66
	Sinotrans Container Lines (Hainan) Co., Ltd.	—	5,368,914.37
	SINOTRANS Henan, Jiuling Transport & Storage Co., Ltd.	—	1,981,651.36
	Sinotrans Anhui Direct Storage and Transportation Co., Ltd.	—	1,846,000.00
	Others	5,743,042.70	5,200,010.67
	Joint ventures and associates and their subsidiaries	30,835,194.23	25,663,995.47
	China United Tally (Shenzhen) Co., Ltd.	10,500,000.00	9,000,000.00
	Sinotrans Turkey Limited	4,748,008.83	1,687,959.41

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Notes to the Financial Statements

For the year ended 31 December 2025

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

X. RELATED-PARTY RELATIONSHIP 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 Honglian Technology Co., Ltd.	3,044,882.94	2,041,550.00
	Shanghai Sinhan Shipping Agency Co., Ltd.	2,854,479.15	—
	Shenyang Fuyun Cold Chain Logistics Co., Ltd.	2,029,460.21	2,079,460.21
	Weihai Weidong Shipping Co., Ltd.	1,096,615.23	635,056.83
	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
	Loscam Packaging Equipment Leasing (Shanghai) Co., Ltd.	670,540.31	1,156,791.36
	Yangzhou Comprehensive Bonded Zone Supply Chain Management Co., Ltd.	—	2,450,000.00
	Others	3,814,445.76	4,536,415.86
	A subsidiary of a joint venture of the ultimate controlling party	3,500.00	—
	Qingdao China Changjiang Bunker (Sinopec) Co., Ltd.	3,500.00	—
	Total other payables	231,458,567.74	192,140,911.64
Dividends payable	Other enterprises controlled by the same controlling shareholder and ultimate controlling party	—	23,216,588.92
	Shenzhen Nanyou (Holdings) Corp. Ltd.	—	10,575,000.00
	China Merchants Port Group Co., Ltd.	—	10,575,000.00
	Long Distance Transportation Co., Ltd.	—	2,045,981.32
	SINOTRANS & CSC HOLDINGS Co., Ltd.	—	20,607.60
Contract liabilities	Other enterprises controlled by the same controlling shareholder and ultimate controlling party	36,878,394.83	32,596,838.46
	Associated Maritime Company (Hong Kong) Limited	14,732,247.91	21,608,604.54
	China Merchants Investment Development Company Limited	10,370,754.71	5,599,056.60
	Hong Kong Ming Wah Shipping Company Limited	7,508,827.09	2,556,006.73
	YANGTZE NAVIGATION (SINGAPORE) PTE. LTD.	2,280,996.25	—
	Sinotrans Container Lines Co., Ltd.	35,795.53	1,459,117.77
	Others	1,949,773.34	1,374,052.82
	Joint ventures and associates and their subsidiaries	16,377,818.07	23,620,622.16
	Tianjin Runfeng Logistics Co., Ltd.	5,034,051.05	3,497,051.05
	Shenyang Fuyun Cold Chain Logistics Co., Ltd.	4,250,000.00	4,250,000.00
	Nippon Express (Shanghai) Co., Ltd.	1,583,059.51	4,190,740.34
	Weihai Weidong Shipping Co., Ltd.	1,574,617.70	1,056,628.48
	Qingdao Yujiachang Container Storage And Transportation Co. Ltd.	1,276,907.61	761,172.15
	DHL-Sinotrans International Air Courier Ltd.	1,138,512.24	624,507.90
	Shaanxi Qintie Waiyun Logistics Co., Ltd.	—	3,854,338.78

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Notes to the Financial Statements

For the year ended 31 December 2025
(Unless indicated otherwise, all amounts are expressed in RMB)

X. RELATED-PARTY RELATIONSHIP 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
	Xinjiang New Railway Sinotrans Logistics Co., Ltd.	-	2,378,243.80
	Sinotrans PFS Cold Chain Logistics Co., Ltd.	-	1,608,844.05
	Tangshan Port Sinotrans Shipping Agency Co., Ltd.	-	1,180,000.00
	Others	1,520,669.96	219,095.61
	Total contract liabilities	53,256,212.90	56,217,460.62
Long-term payables	Other enterprises controlled by the same controlling shareholder and ultimate controlling party	20,000,000.00	20,000,000.00
	SINOTRANS & CSC HOLDINGS Co., Ltd.	20,000,000.00	20,000,000.00
Short-term borrowings	Other enterprises controlled by the same controlling shareholder and ultimate controlling party	2,500,000.00	150,137,284.74
	China Merchants Group Finance Co., Ltd.	2,500,000.00	150,137,284.74
	An associate of the ultimate controlling party	164,033,611.10	322,055,335.24
	China Merchants Bank Co., Ltd.	164,033,611.10	322,055,335.24
	Total short-term borrowings	166,533,611.10	472,192,619.98
Long-term borrowings	Other enterprises controlled by the same controlling shareholder and ultimate controlling party	206,058,045.87	221,585,956.68
	CHINA MERCHANTS INVESTMENTS LIMITED	184,058,045.87	197,585,956.68
	China Merchants Group Finance Co., Ltd.	22,000,000.00	24,000,000.00
	An associate of the ultimate controlling party	120,520,231.19	133,959,537.54
	China Merchants Bank Co., Ltd.	120,520,231.19	133,959,537.54
	Total long-term borrowings	326,578,277.06	355,545,494.22
Non-current liabilities due within one year	Other enterprises controlled by the same controlling shareholder and ultimate controlling party	42,150,257.25	48,101,457.20
	CHINA MERCHANTS INVESTMENTS LIMITED	41,131,985.03	46,075,637.76
	China Merchants Group Finance Co., Ltd.	1,018,272.22	2,025,819.44
	An associate of the ultimate controlling party	13,551,869.56	10,975,669.34
	China Merchants Bank Co., Ltd.	13,551,869.56	10,975,669.34
	Total non-current liabilities due within one year	55,702,126.81	59,077,126.54

- (4) The Group had no related trustee management/contracting and entrusted management/outsourcing during the year.

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Notes to the Financial Statements

For the year ended 31 December 2025

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

X. RELATED-PARTY RELATIONSHIP AND TRANSACTIONS (CONTINUED)

4. THE GROUP HAD THE FOLLOWING SIGNIFICANT RELATED TRANSACTIONS WITH THE ABOVE RELATED PARTIES DURING THE YEAR (Continued)

(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 Overseas Company Limited	Transportation equipment	27,439,505.98	9,609,081.32
Sinotrans Container Lines (Hong Kong) Co., Ltd.	Transportation equipment	19,864,334.67	41,163,592.07
Shenyang Fuyun Cold Chain Logistics Co., Ltd.	Buildings	8,095,238.12	8,095,238.12
Sinotrans Container Lines Co., Ltd.	Transportation equipment	5,319,693.83	7,895,287.21
Sinotrans Senko International Cold Chain Logistics (Shanghai) Co., Ltd.	Buildings	4,773,795.94	4,849,644.98
Others	Buildings and transportation equipment	848,684.00	998,569.32
Total	—	66,341,252.54	72,611,413.02

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Notes to the Financial Statements

For the year ended 31 December 2025
(Unless indicated otherwise, all amounts are expressed in RMB)

X. RELATED-PARTY RELATIONSHIP 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	643,264.51	3,969,734.40	60,477,861.08	55,461,283.71	25,445,414.36	26,170,293.66	421,469,686.22	444,492,910.24	501,750,760.24	518,434,069.36
Sinotrans Shanghai (Group) Co., Ltd.	Buildings	61,089.05	453,690.48	21,559,829.84	17,949,455.51	401,526.61	1,197,908.60	-	20,631,635.23	-	21,043,450.37
Shanghai Foreign Trade Warehouse Pudong Company	Buildings	-	-	17,499,999.96	16,041,666.65	295,666.14	1,054,021.51	-	16,825,156.14	-	15,746,000.49
SINOTRANS Shanghai Zhang HUA BANG Storage and Transportation Co., Ltd.	Buildings	-	-	16,383,866.69	15,149,723.80	277,357.35	1,100,495.78	-	15,679,418.34	-	14,741,187.05
Shanghai Sinotrans Qiantang Co., Ltd.	Buildings	3,186,533.69	3,499,948.00	11,710,065.60	7,826,157.80	234,467.09	613,284.04	4,736,974.13	9,362,655.37	5,050,013.12	9,346,745.22
Sinotrans Nantong Co., Ltd.	Buildings and others	-	1,416,048.75	11,640,916.26	8,411,761.85	179,227.16	599,630.33	-	10,113,870.92	-	9,984,609.44
Ruida (Jinhua) Warehousing Service Co., Ltd.	Buildings	-	-	10,725,315.70	-	2,690,950.81	-	47,584,024.05	-	103,712,811.32	-
Ruida Wuxi Storage Service Co., Ltd.	Buildings	-	-	10,671,203.20	-	2,472,450.84	-	26,062,440.37	-	95,824,181.55	-
SINOTRANS Henan, Juling Transport & Storage Co., Ltd.	Buildings	-	-	9,908,256.87	5,944,954.14	129,385.66	441,104.15	-	7,509,797.39	-	7,797,219.85
Tianjin Sinotrans Jienhe Warehousing Limited	Buildings	-	-	9,620,898.07	-	4,324,462.75	-	91,439,898.29	-	168,301,894.90	-
Kunshan Sinotrans Supply Chain Co., Ltd.	Buildings	-	-	8,935,508.20	-	2,864,047.47	-	45,109,575.28	-	104,862,152.72	-
Shanghai Foreign Trade Warehouse Jiefangdao Storage and Transportation Co., Ltd.	Buildings	-	-	8,761,635.91	9,165,061.68	60,642.07	681,556.62	-	9,438,135.57	-	8,873,669.47
Shandong Sinotrans Co., Ltd.	Buildings and others	190,476.20	200,000.00	8,632,684.56	12,047,548.82	367,380.25	1,066,123.27	3,670,020.18	13,167,206.76	4,076,055.50	14,782,684.42
Ruida Zhihui Kunshan Storage Service Co., Ltd.	Buildings	-	-	7,664,026.34	-	2,055,177.56	-	24,016,431.11	-	79,651,811.12	-
China Freight Forwarding Fujian Hexi Storage & Transportation Company	Buildings	-	-	7,623,853.20	7,623,853.20	150,225.08	448,845.91	-	7,179,220.68	-	7,473,628.16
China Merchants Bonded Logistics Co., Ltd.	Buildings	5,697,643.36	6,644,514.60	7,027,776.00	7,027,776.00	382,992.75	199,644.80	7,858,772.51	1,122,740.81	7,993,549.96	1,166,151.80
Sinotrans Guangdong Co., Ltd.	Buildings	1,041,188.53	1,235,360.69	4,709,698.80	5,542,014.85	504,970.55	691,070.55	6,820,235.66	11,688,948.13	7,660,973.18	12,681,562.13
China Merchants International Terminal (Qingdao) Limited	Buildings	5,060,028.04	11,005,808.12	3,741,063.75	4,750,557.12	1,211,688.41	1,563,226.77	22,167,789.88	26,452,876.38	25,479,711.31	28,674,447.60
Guangxi Sinotrans Nanning Storage and Transportation Co., Ltd.	Buildings	-	344,289.38	3,638,828.83	3,461,957.55	72,852.61	212,167.68	-	3,274,905.53	-	3,286,066.31
Sinotrans Hebei Company Yuanishi Warehouse	Buildings	-	135,979.79	3,267,789.48	2,801,042.52	64,309.34	183,293.14	-	2,425,446.30	-	3,203,480.14
Sinotrans Beijing Co., Ltd.	Buildings	-	-	3,133,684.68	4,943,753.85	-8,286.88	232,843.62	-	3,711,031.02	-	3,877,000.92
Liaoning Sinotrans Co., Ltd.	Buildings	-	15,000.00	2,752,869.56	2,805,369.12	69,176.73	55,203.99	388,007.80	79,690.36	404,172.49	77,767.79

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Notes to the Financial Statements

For the year ended 31 December 2025

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

X. RELATED-PARTY RELATIONSHIP 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 (Continued)

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
Guangxi Sinotrans Automobile Transportation Co., Ltd.	Buildings	-	329,754.08	2,587,489.45	4,440,770.40	52,981.50	209,895.23	-	2,469,477.86	-	2,477,893.76
Guangxi Sinotrans Fangchenggang Co., Ltd.	Buildings	2,400.00	-	2,311,371.12	2,311,371.12	45,544.69	136,079.42	-	2,176,569.02	-	2,265,826.43
Hebei Shijiazhuang Zhengding Sinotrans Warehousing and Logistics Co., Ltd.	Buildings	-	-	1,686,857.16	1,440,000.00	32,942.62	94,512.12	-	1,499,701.22	-	1,653,914.54
Dalian Container Terminal Co., Ltd.	Buildings	-	-	1,626,984.14	2,051,379.62	27,891.68	29,576.06	-	640,189.03	-	485,857.43
Tianjin Sinotrans Co., Ltd.	Buildings	-	-	1,560,808.44	1,560,808.44	32,048.88	92,987.86	-	1,476,531.20	-	1,528,759.56
Xiamen Sinotrans Co., Ltd.	Buildings	-	-	1,455,612.44	2,375,589.84	18,083.49	103,851.22	-	1,357,435.83	-	1,125,924.85
Guangxi Sinotrans Co., Ltd.	Buildings	-	-	1,380,103.68	1,384,624.76	29,913.95	83,248.93	-	1,325,821.20	-	1,350,189.73
China Merchants Chongqing Communications Technology Research & Design Institute Co., Ltd.	Buildings	-	-	1,366,128.68	796,613.36	151,592.66	131,509.40	2,707,997.27	1,996,595.10	3,102,895.59	2,410,907.77
China Merchants Landmark (Shenzhen) Co., Ltd.	Buildings	-	-	1,333,164.68	1,333,164.68	17,957.96	-	-	1,288,826.47	-	1,315,206.72
Fujian Sinotrans Co., Ltd.	Buildings	-	-	1,272,085.77	1,333,583.86	54,301.50	93,547.86	772,672.15	1,972,475.81	801,772.80	1,893,985.69
SINOTRANS Hainan Co., Ltd.	Buildings	-	-	1,165,752.31	873,337.13	277,946.28	323,101.97	4,823,625.08	6,018,854.45	5,083,099.74	6,100,181.02
Sinotrans Yinchuan Inland Port Logistics Co., Ltd.	Buildings and others	-	-	1,020,702.42	1,157,099.64	45,356.25	121,851.37	-	2,758,635.57	-	2,954,643.83
Beijing Sinotrans Land Transportation Co., Ltd.	Buildings and equipment	40,086,318.87	32,241,295.58	-	-	-	-	-	-	-	-
Beijing Sinotrans Logistics Center Co., Ltd.	Buildings	33,057,774.34	29,649,837.09	-	-	-	-	-	-	-	-
Sinotrans Beijing Sanjianfang Warehouse Ltd.	Buildings	14,561,783.35	14,724,738.09	-	-	-	-	-	-	-	-
Zhengzhou Merchants Logistics Co., Ltd.	Buildings	9,813,190.44	11,253,298.07	-	-	-	-	-	-	-	-
Sinotrans (Jiaxing) International Freight Forwarding Co., Ltd.	Buildings	2,657,142.96	2,895,338.45	-	-	-	-	-	-	-	-
Loscam Packaging Equipment Leasing (Shanghai) Co., Ltd.	Others	1,332,065.73	-	-	-	-	-	-	-	-	-
Tianjin Sinotrans Binhai Logistics Management Co., Ltd.	Buildings	1,072,081.18	298,206.24	-	-	-	-	-	-	-	-
Others	Buildings, equipment and others	5,525,042.29	11,336,233.43	8,103,325.58	13,704,614.95	485,389.07	790,296.62	8,724,873.94	6,036,487.23	9,942,412.01	8,117,900.99
Total		123,988,022.54	131,648,975.24	276,958,038.45	221,736,895.97	45,518,035.24	38,721,172.48	718,563,023.92	634,173,245.16	1,123,698,267.55	714,870,952.84

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

X. RELATED-PARTY RELATIONSHIP 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.	753,548,250.00	728,751,573.41	2020-12-08	2027-12-07	No
SE LOGISTICS HOLDING B.V.	757,411,333.63	711,178,650.00	2020-12-08	2027-12-08	No
Shenzhen Haixing Harbor Development Co., Ltd.	409,522,640.59	437,765,581.31	2019-07-01	2037-07-01	No
China Merchants Logistics Shenzhen Co., Ltd	-	100,094,416.67	2024-03-11	2025-01-19	Yes

Credit guarantees:

The Company provides a guarantee for its subsidiaries to apply for credit lines from China Merchants Bank. The credit lines are valid for a period of 1 to 3 years and the credit lines can be used in a rolling cycle during the validity period. As of 31 December 2025, the Company provided a guarantee for credit lines to its subsidiaries amounting to RMB550,000,000 (1 January 2025: RMB700,000,000).

In order to meet the ordinary operation and business development requirements of the Group's subsidiaries, pursuant to the *Credit Limit Agreement* signed between the Company and Bank of China Limited (hereinafter referred to as the Bank of China), the Company issued an updated *Confirmation Letter* to Bank of China on 26 December 2025. It was confirmed to split the credit limit to 75 subsidiaries of the Group with an aggregate amount of RMB3,283,000,000, and it was confirmed that the debts incurred by the subsidiaries as a result of the use of the aforesaid credit limit were all included in the *Maximum Amount Guarantee Contract*, *Application for Arrangement and Split of Credit Limit*, or other guarantee contracts/clauses signed or to be signed between the Company and the Bank of China, which are guaranteed by the Company. The term of use (i.e. the guarantee term) of the credit limit provided by Bank of China to its subsidiaries is from the effective date of the new annual credit limit to 15 December 2026. Among them, the guarantees provided by the Company to five non-wholly owned subsidiaries and 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.

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Notes to the Financial Statements

For the year ended 31 December 2025

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

X. RELATED-PARTY RELATIONSHIP 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). As of 31 December 2025, Sinotrans Logistics Ltd. and its subsidiaries have settled all accounts payable, and the above guarantees have expired and been released.

Operating guarantees:

The Group provided operating-type guarantees to its subsidiaries, 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 2025, the balance of the aforementioned operating-type guarantees was USD2,565,800 (1 January 2025: RMB350,000,000).

Qualification guarantees:

The Group guarantees the group delivery business and futures delivery warehouse business of subsidiaries of the Group, such as Sinotrans Central China, Sinotrans Eastern Company, Sinotrans South China Co., Ltd. (hereinafter referred to as "Sinotrans South China"), Sinotrans North China Co., Ltd., Sinotrans Northeast Co. Ltd., Qingdao Sinotrans Supply Chain Management Co., Ltd., Qingdao Sinotrans Smart Logistics Co., Ltd., Sinotrans Logistics Guangxi Co., Ltd., and Sinotrans Logistics Yunnan Co., Ltd. on the Shanghai Futures Exchange and its subsidiaries (including but not limited to Shanghai International Energy Exchange Co., Ltd.), Zhengzhou Commodity Exchange, Dalian Commodity Exchange, Guangzhou Futures Exchange and other futures exchanges, including the irrevocable and floating joint and several guarantees for the full amount of all liabilities for all the operations of the guaranteed parties in respect of the warehousing, storage, discharging, and delivery or group delivery of futures commodities. The guarantee period shall be for the duration of the corresponding group delivery business or futures delivery warehouse business agreement between the guaranteed party and the above-mentioned futures exchange (including the period of automatic renewal without objection by both parties) and for a period of two or three years from the expiry of the duration (to be determined according to the requirements of the futures exchange).

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X. RELATED-PARTY RELATIONSHIP 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 balance at the beginning of the year	Principal added in current year	Interest accrued in current year	Repayments during the year	Exchange rate changes	Loan balance at the end of the year	Loan interest rate (annualized%)	Accounts presented at year-end
Borrowed								
CHINA MERCHANTS INVESTMENTS LIMITED	243,661,594.44	-	4,489,174.44	5,797,272.96	-17,163,465.02	225,190,030.90	1.00, 2.70	Long-term borrowings, non-current liabilities due within one year
China Merchants Group Finance Co., Ltd.	150,137,284.74	80,000,000.00	289,687.46	230,426,972.20	-	-	2.08	Short-term borrowings
China Merchants Group Finance Co., Ltd.	-	2,500,000.00	4,633.33	4,633.33	-	2,500,000.00	2.40	Short-term borrowings
China Merchants Group Finance Co., Ltd.	26,025,819.44	-	690,880.56	3,698,427.78	-	23,018,272.22	2.60	Long-term borrowings, non-current liabilities due within one year
China Merchants Bank Co., Ltd.	22,055,335.24	115,000,000.00	1,041,093.95	88,062,818.09	-	50,033,611.10	2.20	Short-term borrowings
China Merchants Bank Co., Ltd.	-	114,000,000.00	1,861,050.01	1,861,050.01	-	114,000,000.00	2.20	Short-term borrowings
China Merchants Bank Co., Ltd.	300,000,000.00	-	3,823,333.35	303,823,333.35	-	-	2.60	Short-term borrowings
China Merchants Bank Co., Ltd.	-	82,168,200.00	798,842.10	82,716,842.10	-250,200.00	-	2.70	Short-term borrowings
China Merchants Bank Co., Ltd.	144,935,206.88	-	4,033,136.32	14,896,242.45	-	134,072,100.75	2.75	Long-term borrowings, non-current liabilities due within one year
SINOTRANS & CSC HOLDINGS Co., Ltd.	20,000,000.00	-	-	-	-	20,000,000.00	1.20	Long-term payables
Lent								
Shenyang Jinyun Automobile Logistics Co., Ltd.	20,000,000.00	-	-	-	-	20,000,000.00	-	Other receivables
MAXX LOGISTICS FZCO.	9,551,731.84	-	-	3,090,376.44	89,092.09	6,550,447.49	-	Other receivables, interest receivable
Guangxi Yunyu Port Co., Ltd.	2,500,000.00	-	-	-	-	2,500,000.00	-	Other receivables

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X. RELATED-PARTY RELATIONSHIP 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
BOC Sinotrans Warehousing and Logistics Closed-end Infrastructure Securities Investment Fund	<i>Note</i>	1,304,815,570.80	—
LONG LINK LIMITED	Purchase of 25% equity interest in Sinotrans Shandong Hongzhi Logistics Co., Ltd.	975,100.00	—
Shenzhen Merchants Ping'an Asset Management Co., Ltd.	Assignment of debt investment	—	11,120,000.00
Total		1,305,790,670.80	11,120,000.00

Note: The details are described in Note VIII. 3 and Note IX. 64.

(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 (<i>Note</i>)	664,800.00	664,800.00
Other remuneration		
– Wages and allowances	1,349,673.71	933,800.70
– Discretionary bonuses	923,060.33	470,601.00
– Contributions to the pension plan	364,348.59	234,407.04
– Share-based payments	-646,320.95	329,731.67
Supervisors:		
Fee		172,518.97
Other remuneration		
– Wages and allowances		1,380,477.40
– Discretionary bonuses		312,365.00
– Contributions to the pension plan		320,615.52
– Share-based payments		—

Note: The directors' fees disclosed above represent the payment of RMB664,800.00 (previous year: RMB664,800) to independent non-executive directors.

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X. RELATED-PARTY RELATIONSHIP 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:							
- Yi Zhang	-	491,190.36	336,700.00	130,807.79	958,698.15	-	958,698.15
- Rong Song	-	126,701.42	87,020.55	39,290.56	253,012.53	-380,529.62	-127,517.09
- Xiang Gao	-	731,781.93	499,339.78	194,250.24	1,425,371.95	-265,791.33	1,159,580.62
- Guofeng Yang	-	-	-	-	-	-	-
- Li Luo	-	-	-	-	-	-	-
- Zhiliang Yu	-	-	-	-	-	-	-
- Chuanjing Huang	-	-	-	-	-	-	-
- Jerry Hsu	-	-	-	-	-	-	-
- Weiguo Gong	-	-	-	-	-	-	-
- Xiaoli Wang	166,200.00	-	-	-	166,200.00	-	166,200.00
- Yaping Ning	166,200.00	-	-	-	166,200.00	-	166,200.00
- Xinjian Cui	166,200.00	-	-	-	166,200.00	-	166,200.00
- Fan Cui	166,200.00	-	-	-	166,200.00	-	166,200.00
Supervisors:							
Prior 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	-	-	-	-	-	-	-
- Taiwen 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

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For the year ended 31 December 2025
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X. RELATED-PARTY RELATIONSHIP 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), 0 of them is a supervisor (prior year: 1), and details of his remuneration are set out above. The details of the remuneration of the remaining 4 (prior year: 3) highest paid individuals who are not directors or supervisors for the current year are as follows:

Item	Current year	Prior year
Wages and allowances	2,553,807.76	1,978,023.88
Discretionary bonuses	1,703,625.00	999,060.97
Contributions to the pension plan	838,537.84	520,934.40
Share-based payments	-633,426.17	633,787.92

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 HKD1,000,000	—	—
HKD 1,000,001 to HKD1,500,000	4	3
HKD 1,500,001 to HKD2,000,000	—	—
HKD 2,000,001 to HKD2,500,000	—	—

- 4) None of the directors of the Company has waived or agreed to waive any remuneration during the year, except for the directors Guofeng Yang, Li Luo, Zhiliang Yu, Chuanjing Huang, Jerry Hsu, and Weiguo Gong, 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.

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For the year ended 31 December 2025
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X. RELATED-PARTY RELATIONSHIP 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)

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	4,821,358.42	7,264,278.32
Discretionary bonuses	2,924,008.42	2,750,553.56
Contributions to the pension plan	1,502,499.32	1,791,703.02
Share-based payments	-1,526,910.88	1,520,076.30
Total	7,720,955.28	13,326,611.20

(10) Related party deposits

The difference between deposits placed and withdrawals by the Group with China Merchants Bank in 2025 was a net deposit of RMB757,504,442.98 (deposit of RMB341,484,889.68 in 2024) and interest income from deposits of RMB5,738,344.83 in 2025 (RMB5,664,636.99 in 2024). The difference between deposits and withdrawals with the Finance Company in 2025 was a net deposit of RMB51,330,671.50 (net deposit of RMB1,563,632,175.23 in 2024). Interest income from deposits of RMB68,728,996.19 in 2025 (RMB55,101,837.96 in 2024).

(11) Trademark licensing

The Company signed a *Trademark License Agreement* with SINOTRANS & CSC in March 2015 and renewed it in November 2023, authorizing the Group to use ten trademarks, such as "SINOTRANS" of SINOTRANS & CSC with registration number 779072 from 1 March 2015 to 14 November 2026 without compensation.

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For the year ended 31 December 2025

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X. RELATED-PARTY RELATIONSHIP AND TRANSACTIONS (CONTINUED)

4. THE GROUP HAD THE FOLLOWING SIGNIFICANT RELATED TRANSACTIONS WITH THE ABOVE RELATED PARTIES DURING THE YEAR (Continued)

(12) Transactions with connected subsidiaries as defined in Rule 14A.16 of the Listing Rules of The Stock Exchange of Hong Kong Limited

Continuing related transactions:

Related party	Content of related transactions	Current year	Prior year
Sinotrans Changjiang Co., Ltd. and its subsidiaries	Procurement of logistics services from them	692,189,704.32	626,021,469.76
	Provision of logistics services to them	647,392,469.28	698,550,357.19
	Leasing properties such as real estate and warehouses (including facilities) to them	17,520,113.29	12,268,581.53
China Marine Shipping Agency Jiangsu Co., Ltd. and its subsidiaries	Procurement of logistics services from them	37,142,817.74	52,158,253.16
	Provision of logistics services to them	11,011,770.69	25,018,828.00
Y2T Technology Co., Ltd. and its subsidiaries	Procurement of system development, operation and maintenance services from them	21,832.08	2,940,849.07
	Procurement of logistics and related services from them	1,008,293,408.52	1,331,003,304.52
	Provision of logistics and related services to them	1,377,613,173.66	1,364,972,177.25
Sinotrans Shandong Hongzhi Logistics Co., Ltd.	Procurement of transportation and logistics services from it	141,014,664.23	157,166,698.66
	Provision of transportation and logistics services to it	67,220,684.00	91,579,418.79
Qingdao Golden Express International Transportation Service Co., Ltd.	Procurement of transportation and logistics services from it	15,339,372.84	9,180,815.74
	Provision of transportation and logistics services to it	11,496,776.27	17,656,244.08
Total	—	4,026,256,786.92	4,388,516,997.75

Note: None of the transactions between the Group and the above-mentioned connected subsidiaries, as defined in Rule 14A.16 of the *Listing Rules* of The Stock Exchange of Hong Kong Limited, exceeded the approved transaction limits as set out in Note X. 4. (1).

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Notes to the Financial Statements

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X. RELATED-PARTY RELATIONSHIP AND TRANSACTIONS (CONTINUED)

4. THE GROUP HAD THE FOLLOWING SIGNIFICANT RELATED TRANSACTIONS WITH THE ABOVE RELATED PARTIES DURING THE YEAR (Continued)

(12) Transactions with connected subsidiaries as defined in Rule 14A.16 of the Listing Rules of The Stock Exchange of Hong Kong Limited (Continued)

Other transactions:

On 15 June 2022, the Twelfth Meeting of the Third Board of Directors of the Company reviewed and approved the *Proposal on the Provision of Loans to a Holding Subsidiary*, agreeing that the Company would provide a loan of USD12.6 million to China Merchants CHN-BLR Commerce through its wholly-owned subsidiary SINOTRANS (HK) HOLDINGS. The loan shall be disbursed in three tranches (with annual drawdowns from 2022 to 2024), each with a term not exceeding three years and bearing an annual interest rate of 1%. Other shareholders of China Merchants CHN-BLR Commerce shall provide loans with the same terms in proportion to their shareholdings. As of 31 December 2025, the outstanding balance of this loan was RMB60,134,923.12 (which was converted into a RMB loan and extended for five years following approval by the Company's 2024 Annual General Meeting of Shareholders).

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 approved the provision of a loan to China Merchants CHN-BLR Commerce, through its wholly-owned subsidiary SINOTRANS (HK) HOLDINGS, in an amount equivalent to USD14,553,000 (calculated at the USD spot selling rate of Bank of China on the date of execution of the loan agreement), for a term of 5 years at an annual interest rate of 2.7%. Other shareholders of China Merchants CHN-BLR Commerce shall provide loans with the same terms in proportion to their shareholdings. As of 31 December 2025, the outstanding balance of this loan was RMB102,933,719.93.

On 5 June 2025, the Company's 2024 Annual General Meeting of Shareholders reviewed and approved the *Proposal on the Provision of Loans and Loan Extensions to a Holding Subsidiary*. It was agreed to convert the aforementioned USD8.4 million loan to China Merchants CHN-BLR Commerce into RMB loans (converted at the midpoint exchange rate of the People's Bank of China) through the signing of a supplementary agreement, with a five-year extension of the loan term, and the annual interest rate of 1% remaining unchanged. Meanwhile, SINOTRANS (HK) HOLDINGS planned to provide an additional loan of RMB34.86 million to China Merchants CHN-BLR Commerce in proportion to its shareholding, with a term of five years and an annual interest rate of 2%. Other shareholders of China Merchants CHN-BLR Commerce provided loan currency conversions, extensions with the same terms, and additional loans in proportion to their shareholdings. As of 31 December 2025, the Group has not yet provided the loan to China Merchants CHN-BLR Commerce.



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X. RELATED-PARTY RELATIONSHIP AND TRANSACTIONS (CONTINUED)

4. THE GROUP HAD THE FOLLOWING SIGNIFICANT RELATED TRANSACTIONS WITH THE ABOVE RELATED PARTIES DURING THE YEAR (Continued)

(13) Related joint investment

On 23 December 2024, the Fifth Meeting of the Fourth Session of the Board of Directors of the Company approved the *Proposal on the Joint Investment with Related Parties to Establish a Joint Venture Company and Purchase Assets, and Related Party Transactions*. The subsidiaries of the Group, Sinotrans Chemical International Logistics Co., Ltd. (hereinafter referred to as “Sinotrans Chemical Logistics Company”), Sinotrans South China, and Zhanjiang Port (Group) Co., Ltd. (hereinafter referred to as “Zhanjiang Port Company”) jointly established Zhanjiang Chemical Logistics Company. On 6 January 2025, Zhanjiang Chemical Logistics Co., Ltd. was established with a registered capital of RMB207.20 million, of which Sinotrans Chemical Company contributed RMB104.2447 million in cash (shareholding: 50%), Zhanjiang Port Company invested with the land use rights covering an area of 95,950.74 square meters, located on the south side of Jinxiu Avenue, the west side of Baojiang Road, and the north side of Haigang Road in the Lingang Industrial Park of Xiashan District, Zhanjiang City, valued at RMB52.1224 million (shareholding: 25%), and Sinotrans South China contributed 52.1224 million in cash (shareholding: 25%). Meanwhile, Zhanjiang Chemical Logistics Co., Ltd. acquired the land use rights of another plot of 79,869.16 square meters owned by Zhanjiang Port Company at the same aforementioned address at a consideration of RMB43.9727 million. The aforementioned land is exclusively used for the construction of the China Merchants Zhanjiang Chemical Logistics Hub Project.

On 31 July 2025, the Fifteenth Meeting of the Fourth Board of Directors of the Company reviewed and approved the *Proposal on External Investment and Related Party Transactions*. The Company agreed to, within 12 months from the date of approval by the Board of Directors, use its own funds to increase its holdings in Antong Holdings Co., Ltd. (hereinafter referred to as “Antong Holdings”; China Merchants Group and its subsidiaries hold an aggregate of approximately 15% of the shares in Antong Holdings). The scale of the shareholding increase shall be not less than RMB300 million (inclusive) and not more than RMB600 million (inclusive). The methods of shareholding increase include, but are not limited to, agreement transfers, block trading, and centralized competitive bidding. As of 31 December 2025, the Company has cumulatively increased its holdings in Antong Holdings by 168,608,000 shares (accounting for 3.98%), with a total capital payment of RMB599,916,717.17.



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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 2025, changes in the fair value or future cash flows arising from changes in exchange rates of assets and liabilities in respect of the USD, HKD, and EUR balances as described in the table below may have an impact on the Group's results of operations.

Item	Assets		Liabilities	
	Closing balance	Opening balance	Closing balance	Opening balance
USD	9,933,259,829.52	6,878,006,990.30	3,370,371,040.93	3,646,120,693.32
HKD	980,064,007.34	1,168,853,093.21	470,444,318.82	1,155,924,292.45
EUR	635,700,557.61	319,325,447.01	2,174,096,735.84	1,939,247,749.88
Total	11,549,024,394.47	8,366,185,530.52	6,014,912,095.59	6,741,292,735.65

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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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	328,144,439.43	328,144,439.43	161,594,314.85	161,594,314.85
USD devaluation by 5% against RMB	-328,144,439.43	-328,144,439.43	-161,594,314.85	-161,594,314.85
HKD appreciation by 5% against RMB	25,480,984.43	25,480,984.43	646,440.04	646,440.04
HKD devaluation by 5% against RMB	-25,480,984.43	-25,480,984.43	-646,440.04	-646,440.04
EUR appreciation by 5% against RMB	-76,919,808.91	-76,919,808.91	-80,996,115.14	-80,996,115.14
EUR devaluation by 5% against RMB	76,919,808.91	76,919,808.91	80,996,115.14	80,996,115.14

2) Interest rate change risk

The Group's foreign currency borrowings were mainly floating rate borrowings in HKD, EUR and USD, 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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XI. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

1. RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(1) Market risk (Continued)

2) Interest rate change risk (Continued)

Sensitivity analysis of interest rate 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%	-9,500,417.84	-9,500,417.84	-12,720,040.61	-12,720,040.61
Interest rate is lowered by 0.5%	9,500,417.84	9,500,417.84	12,720,040.61	12,720,040.61

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%	103,165.39	-	103,165.39	57,437.43	-	57,437.43
OTHER NON-CURRENT FINANCIAL ASSETS		10,314,772.40	-	10,314,772.40	11,853,312.00	-	11,853,312.00
OTHER EQUITY INSTRUMENT INVESTMENTS		-	95,774,499.40	95,774,499.40	-	2,281,716.23	2,281,716.23
Financial assets held for trading	Stock price falls by 10%	-103,165.39	-	-103,165.39	-57,437.43	-	-57,437.43
OTHER NON-CURRENT FINANCIAL ASSETS		-10,314,772.40	-	-10,314,772.40	-11,853,312.00	-	-11,853,312.00
OTHER EQUITY INSTRUMENT INVESTMENTS		-	-95,774,499.40	-95,774,499.40	-	-2,281,716.23	-2,281,716.23

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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 2025, the maximum credit risk exposure that is likely to cause financial losses to the Group was due primarily to the losses on the Group's financial assets arising from the failure of the other party to the contract to fulfill its obligations, including the book balance of the recognised financial assets in the consolidated statement of financial position; for financial instruments measured at fair value, the book value reflects its risk exposure that is not the maximum, and its maximum risk exposure will change with future changes in fair value. In addition, it also includes losses to be paid for the performance of contingent obligations and financial guarantees, see the amount of financial guarantee contracts disclosed in Note IX. 38 and 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 2025, the credit risk and expected credit losses for the accounts receivable and contract assets of this type of customer are as follows:

Item	Expected credit loss rate over the entire life (%)	Book balance	Credit loss provision
Within 1 year (including 1 year)	1.45	12,879,640,266.23	186,754,783.87
1 to 2 years (including 2 years)	41.68	259,476,007.27	108,149,599.83
2 to 3 years (including 3 years)	88.26	30,214,819.38	26,667,599.58
Over 3 years	100.00	82,150,529.74	82,150,529.74
Total	—	13,251,481,622.62	403,722,513.02

The above expected credit loss rates throughout the holding period are based on historical actual credit loss rates and take into account current conditions and projections of future economic conditions. During the period from 1 January 2025 to 31 December 2025, there have been no significant changes to the Group's valuation approach and material assumptions.

As at 31 December 2025, the maximum amount of financial guarantees provided by the Group for joint ventures and associates was RMB409,522,640.59. Details of the financial guarantee contracts are set out in Note X. 4. (6). As at 31 December 2025, the management of the Group assessed the overdue status of the relevant borrowings under the guarantees, the financial position of the relevant borrowers, and the economic situation of the industry in which the debtors operate, and concluded that there was no significant increase in the relevant credit risk since the initial recognition of this part of the financial guarantee contract. Accordingly, the Group has no financial guarantee contracts classified as requiring a loss allowance to be measured at the expected credit losses over the entire life of the contract, and the above financial guarantee contracts are measured at the amount of their loss allowance for expected credit losses over the next 12 months. During the period from 1 January 2025 to 31 December 2025, 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 RMB22.653 billion (1 January 2025: RMB18.894 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	1,345,531,402.61	1,355,042,253.93	—	—	1,355,042,253.93
LONG-TERM BORROWINGS	2,523,539,379.01	50,480,142.73	2,089,228,536.02	614,350,646.78	2,754,059,325.53
Accounts payable	12,746,239,901.23	12,746,239,901.23	—	—	12,746,239,901.23
BILLS PAYABLE	213,825,864.89	213,825,864.89	—	—	213,825,864.89
Other payables	1,795,853,447.26	1,795,853,447.26	—	—	1,795,853,447.26
Non-current liabilities due within one year	1,095,263,564.96	1,221,226,661.60	—	—	1,221,226,661.60
Bonds payable	3,999,104,347.06	32,743,744.33	4,112,262,831.01	—	4,145,006,575.34
Lease liabilities	2,469,442,381.37	—	1,591,846,790.62	1,621,254,663.65	3,213,101,454.27
Estimated liabilities	67,593,194.84	—	63,380,344.02	4,212,850.82	67,593,194.84
Long-term payables	24,715,030.29	—	—	24,715,030.29	24,715,030.29

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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 transfer of accounts receivable	Accounts receivable	641,496,062.28	Note 1	Note 1
Bill endorsement or discounting	Bank acceptance bills	3,628,573,202.96	Note 2	Note 2
Bill endorsement or discounting	Commercial acceptance bills	306,174,783.54	Note 3	Note 3
Total	—	4,576,244,048.78	—	—

Note 1: Certain subsidiaries of the Group engage in accounts receivable factoring and transfer business with banks and non-bank financial institutions. In such transactions, although the Group retains the right to receive cash flows following the transfer of accounts receivable, it assumes the obligation to pay the received cash flows to banks or non-bank financial institutions without material delay. The Group has no advance payment or guarantee obligations, no right to resell or pledge the aforementioned accounts receivable, and no longer bears the credit risk associated with the transferred accounts receivable, and therefore derecognises the accounts receivable.

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: The Group's commercial acceptance bills are not derecognized upon endorsement or discounting. Details of commercial acceptance bills endorsed or discounted at the end of the year and outstanding at the balance sheet date are shown in Note IX.3.

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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 transfer of accounts receivable	641,496,062.28	-5,897,705.22
Bank acceptance bills	Bill endorsement or discounting	3,628,573,202.96	-2,812,395.44
Total	—	4,270,069,265.24	-8,710,100.66

- (3) As at 31 December 2025, there were no financial assets transferred, such as securitisation and factoring with accounts receivable, that continued to be involved in assets and liabilities recognised.

3. FAIR VALUE

The fair value of financial assets and financial liabilities is determined in accordance with the following methods:

The fair value of financial assets and financial liabilities with standard terms and conditions and for which there is an active market is determined by reference to the corresponding active market prevailing bid price and prevailing asking price, respectively.

The fair value of other financial assets and financial liabilities (excluding derivatives) is determined in accordance with the common pricing model based on the discounted future cash flow method or recognized using observable current market prices.

The fair value of derivative instruments is determined using publicly quoted prices in active markets.

The Group's management believes that the book value of financial assets and financial liabilities measured at amortized cost in the financial statements approximate the fair values of those assets and liabilities.

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XI. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

3. FAIR VALUE (Continued)

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	1,031,653.86	—	—	1,031,653.86
1. Financial assets at fair value through profit or loss	1,031,653.86	—	—	1,031,653.86
Including: Equity instrument investments	1,031,653.86	—	—	1,031,653.86
(II) Receivables financing		492,782,465.16	—	492,782,465.16
(III) Other equity instrument investments	957,744,993.97	—	394,050,500.00	1,351,795,493.97
(IV) Other non-current financial assets	103,147,724.00	—	1,214,071,749.76	1,317,219,473.76
1. Financial assets at fair value through profit or loss	103,147,724.00	—	1,214,071,749.76	1,317,219,473.76
Including: Equity instrument investments	103,147,724.00	—	1,214,071,749.76	1,317,219,473.76
Total assets measured at fair value on a continuous basis	1,061,924,371.83	492,782,465.16	1,608,122,249.76	3,162,829,086.75

(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 China Southern Airlines Logistics and Ouyeel Cloud, and the appraisal report No. Vocation Gu Bao Zi No. 0086 (2026) 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.	939,821,679.60	Market multiplier approach	China Eastern Air Logistics (601156), Yunda Holdings (002120), YTO Express (600233), Zhongguo Logistics (603565)	PE multiple	29.90%
Equity investment in Ouyeel Cloud Commerce Co., Ltd.	93,373,963.62	Market multiplier approach	Shanghai Ganglian (300226), Guolian Co. (603613), 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	Transfer		Included in profit or loss	Charge to other comprehensive income	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
		to Level III	from Level III			Purchase	Issuance	Sale	Settlement	Others			
Financial assets held for trading	-	-	-	-	-	-	-	-	-	-	-	-	-
OTHER EQUITY INSTRUMENT INVESTMENTS	394,050,500.00	-	-	-	-	-	-	-	-	-	-	394,050,500.00	-
OTHER NON-CURRENT FINANCIAL ASSETS	1,096,733,020.98	-	-	117,378,728.78	-	-	-	-	-	-	-40,000.00	1,214,071,749.76	117,378,728.78
1. Financial assets at fair value through profit or loss	1,096,733,020.98	-	-	117,378,728.78	-	-	-	-	-	-	-40,000.00	1,214,071,749.76	117,378,728.78
Including: Equity instrument investments	1,096,733,020.98	-	-	117,378,728.78	-	-	-	-	-	-	-40,000.00	1,214,071,749.76	117,378,728.78
Total	1,490,783,520.98	-	-	117,378,728.78	-	-	-	-	-	-	-40,000.00	1,608,122,249.76	117,378,728.78

Note: Dividend gains totaling RMB15,885,149.67 (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%.	-80,406,112.49	-80,406,112.49
Decrease the discount parameter for lacking market liquidity by 5%.	80,406,112.49	80,406,112.49

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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 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 2025.

4. CAPITAL MANAGEMENT

The Group's capital management objectives are to safeguard the Group's continuing operations in order to provide returns to shareholders and other equity holders while maintaining an optimal capital structure to reduce the cost of capital. The Group manages capital using a leverage ratio, which is defined as the ratio of net liabilities to adjusted capital and net liabilities. There are no significant changes to the Group's capital management objectives, policies, or procedures in 2025 and 2024. The Group's leverage ratio at the date of the statement of financial position is as follows:

Item	31 December 2025	31 December 2024
Short-term borrowings	1,345,531,402.61	3,294,191,564.22
Non-current liabilities due within one year	1,095,263,564.96	941,267,381.93
LONG-TERM BORROWINGS	2,523,539,379.01	3,268,291,437.12
Bonds payable	3,999,104,347.06	2,018,912,428.80
Long-term payables	24,715,030.29	20,000,000.00
Lease liabilities	2,469,442,381.37	2,084,448,674.98
Less: Cash and cash equivalents	16,889,324,770.55	13,440,376,824.37
Net liability	-5,431,728,665.25	-1,813,265,337.32
Shareholders' equity	44,044,448,601.35	42,040,678,218.49
Shareholders' equity and net liabilities	38,612,719,936.10	40,227,412,881.17
Leverage ratio	-14%	-5%

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XII. CONTINGENCIES

(1) Contingent liabilities arising from external guarantees

Item	Closing balance	Opening balance
Contingent liabilities arising from external guarantees	—	—
Including: Loan guarantee for fellow subsidiaries	1,510,959,583.63	1,540,024,640.08
Loan guarantee for associates	409,522,640.59	437,765,581.31
Total	1,920,482,224.22	1,977,790,221.39

(2) As at 31 December 2025, the Group's significant pending litigations, arbitrations, and cargo damage disputes were as follows:

Parties involved	Litigation/dispute content	Amounts involved (RMB10,000)	Recognised estimated liabilities (RMB10,000)	Litigation/ dispute status
Significant pending litigations and arbitrations:	—	30,981.59	3,802.62	—
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
Nanning Supply Chain Group Co., Ltd.	The Group provides warehousing and storage services to Nanning Supply Chain Group Co., Ltd., and a dispute has arisen over the quantity of goods stored.	5,685.70	—	First trial in progress
Chuangang Tongyi (Shanghai) Supply Chain Management Co., Ltd. (Note)	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	—	Second trial in progress
Yantai Taihai Material Technology Co., Ltd.	The Group provides transportation services to Yantai Taihai Material Technology Co., Ltd., and a dispute has arisen over damage to the goods during transit.	2,882.70	999.49	Second trial in progress
Jiangsu Sailboat Petrochemical Co., Ltd.	In the course of the Group's provision of transportation services for large equipment, the transportation vehicles and equipment were in danger due to ground subsidence and Jiangsu Sailboat Petrochemical Co., Ltd. was required to bear the rescue and relief expenses.	1,632.38	—	Second trial in progress
Shenzhen Micro Connection Information Technology Service Co., Ltd.	The Group purchased transportation services from Anhui Anyu Supply Chain Management Co., Ltd. Having failed to fulfil its performance obligations to the Group, Anhui Anyu Supply Chain Management Co., Ltd. fabricated debt claims against the Group and ultimately transferred such claims to Shenzhen Micro Connection Information Technology Service Co., Ltd. by way of accounts receivable factoring. The Group is involved in a dispute with Shenzhen Micro Connection Information Technology Service Co., Ltd. over the confirmation of debt claims.	1,353.13	1,353.13	First trial in progress
Major cargo damage disputes (not yet sued):	—	—	—	—

Note: On 30 January 2026, the Intermediate People's Court of Jinzhou City, Liaoning Province, issued a second-instance judgment in the litigation involving the Group and Chuangang Tongyi (Shanghai) Supply Chain Management Co., Ltd. The Group is not liable for any losses arising from discrepancies in the quantity of stored goods.

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XII. CONTINGENCIES (CONTINUED)

(3) Contingent liabilities arising from other matters of the Group as at 31 December 2025

The details of capital commitments are described in Note XIII.

(4) As at 31 December 2025, there were no material contingent assets resulting from the contingent events.

XIII. CAPITAL COMMITMENT

Item	Closing balance	Opening balance
Capital expenditures contracted but not recognised in the financial statements	—	—
Including: Purchase and construction of assets (Note 1)	937,008,554.32	1,053,630,434.36
Investments in associates, joint ventures and other investees (Note 2)	243,243,161.79	252,517,036.51
Port investment projects	46,605,626.57	57,909,470.44
Total	1,226,857,342.68	1,364,056,941.31

Note 1: As at 31 December 2025, the Group's capital expenditure contracted for but not recognised in the financial statements related to the acquisition and construction of assets mainly represented unrecognised capital expenditure related to contracts for engineering construction and general contracting, and land use rights purchases entered into by the Group with CHINA HARBOUR ENGINEERING L.L.C, China Construction Eighth Engineering Division Corp., Ltd., China Construction Eighth Engineering Bureau Development and Construction Co., Ltd., BANDAR RIMBAYU SDN. BHD. and others regarding the Sinotrans Dubai Logistics Park Project, Sinotrans Lingang International Logistics Center Project, Weihai Sinotrans International Intelligent Logistics Center Project, and the Logistics Center Project in Selangor, Malaysia.

Note 2: As at 31 December 2025, the Group's unpaid subscribed capital contribution to the associates China Merchants Sinotrans (Shenzhen) Industrial Innovation Private Equity Investment Fund Partnership (Limited Partnership), Guangzhou Air Cargo Co., Ltd. and Nantong Yanglu Railway Logistics Co., Ltd. amounted to RMB175.1036 million; the unpaid subscribed capital contribution to the joint venture Foshan Sanshui Yinggang Freight Terminal Co., Ltd. amounted to RMB29.654 million; the unpaid subscribed capital contribution to SINO-BLR INDUSTRIAL INVESTMENT FUND, L.P. (other non-current financial assets) amounted to RMB38.4855 million.

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XIV. NON-ADJUSTMENT EVENTS AFTER THE DATE OF THE BALANCE SHEET

As approved at the twenty-third meeting of the Forth session of the Board of Directors of the Company held on 30 March 2026, the Company proposed to distribute a cash dividend of RMB0.155 (including tax) per share for the year 2025 based on the total share capital of 7,173,751,227 shares registered on the date of registration of shareholdings for the implementation of the equity distribution, and it is expected to distribute RMB1,111,931,440.19. The profit distribution plan is to be approved by the shareholders' meeting of the Company.

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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XVII. NOTES TO THE MAIN ITEMS IN THE FINANCIAL STATEMENTS OF THE PARENT COMPANY

1. CASH AND BANK BALANCES

Item	Closing balance	Opening balance
Cash on hand	10,948.62	10,533.36
Cash at banks	4,166,429,594.56	3,735,521,605.70
Other cash and bank balances	12,336,606.57	5,527,589.79
Including: Deposited in external financial institutions	9,108,217.71	2,484,423.12
Deposited in finance companies	3,228,388.86	3,043,166.67
Deposits with finance companies	2,970,032,683.50	1,770,607,208.73
Total	7,148,809,833.25	5,511,666,937.58
Including: Total amount deposited abroad	105,920.90	–

(1) Restricted use of cash and bank balances at the end of the year

Item	Closing balance	Opening balance
Interest receivable	12,201,809.07	5,284,896.68
Credit card deposits	134,797.50	134,797.50
Security margin	–	107,895.61
Total	12,336,606.57	5,527,589.79

2. BILLS RECEIVABLE

(1) Classification of bills receivable

Category	Closing balance	Opening balance
Commercial acceptance bills	2,000,000.00	–
Total	2,000,000.00	–

(2) There were no pledged bills receivable at the end of the year.

(3) There were no bills receivable endorsed or discounted at the end of the year and not yet due at the balance sheet date.

(4) There were no bills transferred to accounts receivable due to non-performance by the drawer 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)

2. BILLS RECEIVABLE (Continued)

(5) Credit loss provision for bills receivable

Category	Book balance		Closing balance			Book balance		Opening balance		
	Amount	Proportion (%)	Amount	Expected credit loss ratio (%)	Book value	Amount	Proportion (%)	Amount	Expected credit loss ratio (%)	Book value
Credit loss provisions by portfolio	2,000,000.00	100.00	-	-	2,000,000.00	-	-	-	-	-
Total	2,000,000.00	100.00	-	—	2,000,000.00	-	-	-	—	-

1) Bills receivable with credit loss provision on a portfolio basis

Portfolio name	Closing balance		
	Book balance	Credit loss provision	Expected credit loss ratio (%)
Commercial acceptance bills portfolio	2,000,000.00	-	-
Total	2,000,000.00	-	—

Note: The commercial acceptances bills held by the Company are mainly from customers with good credit and have maintained long-term and stable co-operation with the Group. As at 31 December 2025, there were no commercial acceptance bills held by the Group subject to significant credit risk, resulting in significant losses due to default (bills receivable are expected to be collected in full). The Company had no provision for credit losses based on materiality considerations.

- (6) There were no outstanding amounts due from shareholders holding 5% (including 5%) voting shares of the Company at the end of the year.
- (7) The maturity date of the bill receivables mentioned above is all within 360 days.

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XVII. NOTES TO THE MAIN ITEMS IN THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (CONTINUED)

3. ACCOUNTS RECEIVABLE

(1) Overall status of accounts receivable

Item	Closing balance	Opening balance
Accounts receivable	819,738,788.33	996,957,595.92
Less: Credit loss provision	59,410,592.20	26,510,471.51
Total	760,328,196.13	970,447,124.41

(2) Overall aging of accounts receivable

The aging analysis of accounts receivable based on the transaction date is as follows:

Item	Closing balance			Opening balance		
	Book balance	Proportion (%)	Credit loss provision	Book balance	Proportion (%)	Credit loss provision
Within 1 year (including 1 year)	690,570,671.37	84.24	9,530,196.50	946,097,928.73	94.90	10,555,474.44
1 to 2 years (including 2 years)	112,071,417.00	13.67	45,302,174.79	37,726,262.05	3.78	14,323,067.74
2 to 3 years (including 3 years)	4,662,736.51	0.57	1,188,104.85	6,645,873.55	0.67	608,036.06
Over 3 years	12,433,963.45	1.52	3,390,116.06	6,487,531.59	0.65	1,023,893.27
Total	819,738,788.33	100.00	59,410,592.20	996,957,595.92	100.00	26,510,471.51

(3) Classification of accounts receivable

Category	Closing balance					Opening balance				
	Book balance		Credit loss provision			Book balance		Credit loss provision		
	Amount	Proportion (%)	Amount	Expected credit loss ratio (%)	Book value	Amount	Proportion (%)	Amount	Expected credit loss ratio (%)	Book value
Credit loss provisions on an individual basis	175,000.00	0.02	175,000.00	100.00	-	216,700.12	0.02	216,700.12	100.00	-
Credit loss provisions by portfolio	819,563,788.33	99.98	59,235,592.20	7.23	760,328,196.13	996,740,895.80	99.98	26,293,771.39	2.64	970,447,124.41
Including:										
Low-risk portfolio	49,057,160.59	5.98	-	-	49,057,160.59	233,329,021.69	23.40	-	-	233,329,021.69
Aging portfolio	770,506,627.74	94.00	59,235,592.20	7.69	711,271,035.54	763,411,874.11	76.58	26,293,771.39	3.44	737,118,102.72
Total	819,738,788.33	100	59,410,592.20	—	760,328,196.13	996,957,595.92	100.00	26,510,471.51	—	970,447,124.41

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XVII. NOTES TO THE MAIN ITEMS IN THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (CONTINUED)

3. 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	Closing balance	
			Expected credit loss ratio (%)	Reasons for accrual
Others	175,000.00	175,000.00	100.00	Involved in litigation and not expected to be recovered
Total	175,000.00	175,000.00	—	—

(4) Accounts receivable of low-risk portfolio

Item	Book balance	Closing balance	
		Expected credit loss ratio (%)	Credit loss provision
Accounts receivable from related parties	49,057,160.59	—	—
Total	49,057,160.59	—	—

(5) Accounts receivable of aging portfolios

Item	Book balance	Closing balance	
		Expected credit loss ratio (%)	Credit loss provision
Within 1 year (including 1 year)	656,769,578.10	1.45	9,523,158.89
1 to 2 years (including 2 years)	109,175,791.68	41.68	45,504,469.97
2 to 3 years (including 3 years)	3,009,323.81	88.26	2,656,029.19
Over 3 years	1,551,934.15	100.00	1,551,934.15
Total	770,506,627.74	—	59,235,592.20

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XVII. NOTES TO THE MAIN ITEMS IN THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (CONTINUED)

3. ACCOUNTS RECEIVABLE (Continued)

(6) Changes in credit loss provision of accounts receivable

Item	Opening balance	Accrual	Amount of change during the year			Closing balance
			Recovery or reversal	Carry-forward or write-off	Other changes	
Current year	26,510,471.51	33,171,345.94	41,700.12	229,525.13	—	59,410,592.20
Prior year	42,723,391.03	-10,275,816.24	59,784.88	5,877,318.40	—	26,510,471.51

(7) Credit loss provisions recovered or reversed during the year

Company name	Reason for reversal	Method of recovery	Basis for determining the accrual ratio of original credit loss provisions and its reasonableness	Accumulated amount of credit loss provision recognized before recovery or reversal	Recovered or reversal amount
Others	—	Collection of payment	Involved in litigation and not expected to be recovered	41,700.12	41,700.12
Total	—	—	—	41,700.12	41,700.12

(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
Others	Logistics business	229,525.13	No enforceable property after application for enforcement	Approved by the General Manager's Office	No
Total	—	229,525.13	—	—	—

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XVII. NOTES TO THE MAIN ITEMS IN THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (CONTINUED)

3. 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	As a percentage
				provision	of total accounts receivable (%)
Entity 1	Client	84,708,362.47	Within 1 year	1,228,271.26	10.33
Entity 2	Client	50,698,528.73	Within 1 year	735,128.66	6.18
Entity 3	Client	38,979,342.90	Within 1 year, 1 to 2 years	615,495.43	4.76
Entity 4	Client	23,055,986.29	Within 1 year, 1 to 2 years	3,020,522.80	2.81
Entity 5	Client	20,642,111.49	Within 1 year, 1 to 2 years	343,055.26	2.52
Total	—	218,084,331.88	—	5,942,473.41	26.60

(11) The Group had no accounts receivable involving government grants at the end of the year.

4. RECEIVABLES FINANCING

Category	Closing balance	Opening balance
Bank acceptance bills	26,487,882.94	8,812,734.22
Total	26,487,882.94	8,812,734.22

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XVII. NOTES TO THE MAIN ITEMS IN THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (CONTINUED)

4. RECEIVABLES FINANCING (Continued)

- (1) There were no bank acceptance bills due to defective endorsement, etc. at the end of year.
- (2) There were no pledged receivable financing at the end of the year.
- (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	39,879,080.14	—
Total	39,879,080.14	—

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, and other bank acceptance bills do not account for a significant proportion, 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	26,487,882.94	—	—	—	8,812,734.22	—	—	—
Total	26,487,882.94	—	—	—	8,812,734.22	—	—	—

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XVII. NOTES TO THE MAIN ITEMS IN THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (CONTINUED)

4. 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		Expected credit loss ratio (%)
	Book balance	Credit loss provision	
Bank acceptance bills portfolio	26,487,882.94	—	—
Total	26,487,882.94	—	—

Note: As at 31 December 2025 and 31 December 2024, there were no bank acceptance bills held by the Group subject to significant credit risk and resulted in significant losses due to bank default (bills receivable are expected to be collected in full). The Company had no provision for credit losses based on materiality considerations.

(6) Changes in receivables financing and fair value movements during the year

Note: Bank acceptance bills held by the Company at fair value through other comprehensive income are mainly accepted by large commercial banks with high credit ratings and listed share-holding commercial banks, with maturities of less than 6 months and very low credit risk. At the balance sheet date, the book value of the bank acceptance bills receivable approximates the fair value.

(7) 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.

(8) The maturity date of the bank acceptance bills mentioned above is all within 360 days.

5. OTHER RECEIVABLES

Item	Closing balance	Opening balance
Interest receivable	—	—
Dividends receivable	42,213,357.07	25,553,731.83
Other receivables	13,328,145,029.64	14,169,160,830.41
Total	13,370,358,386.71	14,194,714,562.24

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XVII. NOTES TO THE MAIN ITEMS IN THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (CONTINUED)

5. OTHER RECEIVABLES (Continued)

(1) Dividends receivable

Investee	Opening balance	loss provision	Increase due to changes in the scope of consolidation	Increase in current year	Decrease in current year	Closing balance	Reason for non-recovery	Aging	Whether an impairment occurs and judgment basis	Closing balance of credit loss provision
Dividends receivable aged within 1 year	459,000.00	-	-	2,810,136,060.10	2,793,476,434.86	17,118,625.24	—	—	—	-
Sinotrans Korea Shipping Co., Ltd.	-	-	-	8,932,810.28	-	8,932,810.28	Declared but not yet issued	—	No	-
Sinotrans (Japan) Co., Ltd.	-	-	-	9,079,494.00	893,679.04	8,185,814.96	Declared but not yet issued	—	No	-
Sinotrans Suzhou Logistics Center Co., Ltd.	459,000.00	-	-	-	459,000.00	-	—	—	—	-
DHL-Sinotrans International Air Courier Ltd.	-	-	-	1,379,574,990.63	1,379,574,990.63	-	—	—	—	-
Sinotrans South China Co., Ltd.	-	-	-	373,946,008.40	373,946,008.40	-	—	—	—	-
Sinotrans Central China Co., Ltd.	-	-	-	352,744,555.08	352,744,555.08	-	—	—	—	-
Sinotrans Air Transport Development Co., Ltd.	-	-	-	296,859,790.04	296,859,790.04	-	—	—	—	-
Sinotrans Eastern Company Limited	-	-	-	268,618,564.57	268,618,564.57	-	—	—	—	-
Sinotrans Northeast Co. Ltd	-	-	-	57,866,112.92	57,866,112.92	-	—	—	—	-
Sinotrans Fujian Co., Ltd.	-	-	-	27,718,999.49	27,718,999.49	-	—	—	—	-
China Southern Airlines Logistics Co., Ltd.	-	-	-	10,115,415.29	10,115,415.29	-	—	—	—	-
Sinotrans Landbridge Transportation Co., Ltd.	-	-	-	8,834,060.23	8,834,060.23	-	—	—	—	-
Nissin-Sinotrans International Logistics Co., Ltd.	-	-	-	7,350,000.00	7,350,000.00	-	—	—	—	-
China Marine Shipping Agency Co., Ltd.	-	-	-	3,509,726.99	3,509,726.99	-	—	—	—	-
Sinotrans (Ningbo) Meishan Free Trade Port International Logistics Co., Ltd.	-	-	-	2,844,258.21	2,844,258.21	-	—	—	—	-
Sinotrans Engineering Logistics Co., Ltd.	-	-	-	1,441,273.97	1,441,273.97	-	—	—	—	-
Ma'anshan Tianshun Port Co., Ltd.	-	-	-	700,000.00	700,000.00	-	—	—	—	-
Dividends receivable aged over 1 year	25,094,731.83	-	-	-	-	25,094,731.83	—	—	—	-
Sinotrans Eastern Company Limited	10,904,887.09	-	-	-	-	10,904,887.09	Support the development of subsidiary	Over 5 years	No	-
Sinotrans Anhui Co., Ltd.	8,067,261.02	-	-	-	-	8,067,261.02	Support the development of subsidiary	Over 5 years	No	-
Trade Sky International Limited	3,241,600.00	-	-	-	-	3,241,600.00	Support the development of subsidiary	Over 5 years	No	-
Sinotrans Shandong Asia-Europe IOT Operation Co., Ltd.	1,020,000.00	-	-	-	-	1,020,000.00	Support the development of subsidiary	1 to 2 years	No	-
SINOTRANS ALMAJDOUIE MIDDLE EAST CO., LTD.	1,860,983.72	-	-	-	-	1,860,983.72	Support the development of joint ventures	Over 5 years	No	-
Total	25,553,731.83	-	-	2,810,136,060.10	2,793,476,434.86	42,213,357.07	—	—	—	-

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XVII. NOTES TO THE MAIN ITEMS IN THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (CONTINUED)

5. OTHER RECEIVABLES (Continued)

(2) Other receivables

1) Analysis by aging

Item	Closing balance			Opening balance		
	Book balance	Proportion (%)	Credit loss provision	Book balance	Proportion (%)	Credit loss provision
Within 1 year (including 1 year)	2,380,982,982.66	17.87	-	1,908,983,474.06	13.47	-
1 to 2 years (including 2 years)	1,657,351,553.47	12.43	-	7,285,230,282.20	51.42	-
2 to 3 years (including 3 years)	6,468,202,181.59	48.53	1,046.93	932,708,997.39	6.58	-
Over 3 years	2,822,180,870.78	21.17	571,511.93	4,042,238,076.76	28.53	-
Total	13,328,717,588.50	100.00	572,558.86	14,169,160,830.41	100.00	-

2) Classification of other receivables

Category	Closing balance					Opening balance				
	Book balance		Credit loss provision			Book balance		Credit loss provision		
	Amount	Proportion (%)	Amount	Expected credit loss ratio (%)	Book value	Amount	Proportion (%)	Amount	Expected credit loss ratio (%)	Book value
Credit loss provisions on an individual basis	572,558.86	-	572,558.86	100.00	-	-	-	-	-	-
Credit loss provisions by portfolio	13,328,145,029.64	100.00	-	-	13,328,145,029.64	14,169,160,830.41	100.00	-	-	14,169,160,830.41
Including:										
Low-risk portfolio	13,328,145,029.64	100.00	-	-	13,328,145,029.64	14,169,160,830.41	100.00	-	-	14,169,160,830.41
Total	13,328,717,588.50	100.00	572,558.86	—	13,328,145,029.64	14,169,160,830.41	100.00	-	—	14,169,160,830.41

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
Others	572,558.86	572,558.86	100.00	Involved in litigation and not expected to be recovered
Total	572,558.86	572,558.86	—	—

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XVII. NOTES TO THE MAIN ITEMS IN THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (CONTINUED)

5. OTHER RECEIVABLES (Continued)

(2) Other receivables (Continued)

3) Other receivables of low-risk portfolio

Item	Book balance	Expected credit loss ratio (%)	Credit loss provision
Related party payments	13,211,147,146.10	—	—
Advances	69,554,671.61	—	—
Deposits, collateral	28,597,775.17	—	—
Others	18,845,436.76	—	—
Total	13,328,145,029.64	—	—

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	13,211,147,146.10	—	13,211,147,146.10	14,073,822,034.18	—	14,073,822,034.18
Advances	69,554,671.61	—	69,554,671.61	33,923,156.73	—	33,923,156.73
Deposits, collateral	28,597,775.17	—	28,597,775.17	16,157,444.67	—	16,157,444.67
Government grants	—	—	—	5,000,000.00	—	5,000,000.00
Others	19,417,995.62	572,558.86	18,845,436.76	40,258,194.83	—	40,258,194.83
Total	13,328,717,588.50	572,558.86	13,328,145,029.64	14,169,160,830.41	—	14,169,160,830.41

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XVII. NOTES TO THE MAIN ITEMS IN THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (CONTINUED)

5. OTHER RECEIVABLES (Continued)

(2) Other receivables (Continued)

5) Credit loss provision for other receivables accrued, recovered, or reversed during the year

	Stage 1	Stage 2	Stage 3	
	12-Month	Expected credit	Expected credit	
	expected	losses over the	losses over the	
	credit losses	entire life (Not	entire life	
Credit loss provision		credit-impaired)	(Credit-impaired)	Total
Opening balance	—	—	—	—
Opening balance in current year:	—	—	—	—
– Transfer to stage 2	—	—	—	—
– Transfer to stage 3	—	—	—	—
– Reverse to stage 2	—	—	—	—
– Reverse to stage 1	—	—	—	—
Accrual in current year	—	—	622,558.86	622,558.86
Write-off in current year	—	—	50,000.00	50,000.00
Closing balance			572,558.86	572,558.86

6) 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.	234,157.81	—	2,493.20	—
Total	234,157.81	—	2,493.20	—

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XVII. NOTES TO THE MAIN ITEMS IN THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (CONTINUED)

5. OTHER RECEIVABLES (Continued)

(2) Other receivables (Continued)

7) The top five of the closing balances in other receivables, grouped by party in arrears

Company name	Book balance	Aging	Percentage of total other receivables (%)	Credit loss provision	Nature or content
Sinotrans Logistics Co., Ltd.	5,281,745,203.92	within 1 year, 1 to 2 years, over 3 years	39.63	—	Related party payments
Sinotrans Logistics Investment Holdings Co., Ltd.	1,589,918,706.28	Within 1 year, 1 to 2 years, 2 to 3 years	11.93	—	Related party payments
Sinotrans South China Co., Ltd.	1,463,764,850.00	Within 1 year, 1 to 2 years, 2 to 3 years, over 3 years	10.98	—	Related party payments
SINOTRANS (HK) LOGISTICS LIMITED	1,174,654,298.65	Within 1 year, 1 to 2 years, 2 to 3 year	8.81	—	Related party payments
Sinotrans Air Transport Co., Ltd.	1,000,076,663.80	Within 1 year, 1 to 2 years, 2 to 3 years, over 3 years	7.50	—	Related party payments
Total	10,510,159,722.65	—	78.85	—	—

8) The Group had no other receivable involving government grants at the end of the year

9) There were no prepayments transferred to other receivables during the year

10) Other 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
Others	Deposit, security deposit	50,000.00	The revenue from payment collection fails to cover the costs incurred for payment collection	Approved by the General Manager's Office	No
Total	—	50,000.00	—	—	—

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XVII. NOTES TO THE MAIN ITEMS IN THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (CONTINUED)

6. LONG-TERM EQUITY INVESTMENTS

(1) Classification of long-term equity investments

Item	Opening balance	Increase in investment	Decrease in investment	Other increases (Decrease denoted by "-")	Effects from translation in foreign currency statements	Closing balance
Investments in subsidiaries	17,378,127,429.47	525,576,816.37	-	64,666,065.71	-	17,968,370,311.55
Investments in joint ventures	2,112,162,474.43	-	-	-196,834,147.19	-	1,915,328,327.24
Investments in associates	227,012,155.92	13,000,000.00	-	-9,949,438.14	-	230,062,717.78
Subtotal	19,717,302,059.82	538,576,816.37	-	-142,117,519.62	-	20,113,761,356.57
Less: Impairment provision of long-term equity investments	-	-	-	-	-	-
Total	19,717,302,059.82	538,576,816.37	-	-142,117,519.62	-	20,113,761,356.57

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XVII. NOTES TO THE MAIN ITEMS IN THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (CONTINUED)

6. LONG-TERM EQUITY INVESTMENTS (Continued)

(2) Details of long-term equity investments

1) Investments in associates and joint ventures

Investee	Investment costs	Opening balance	Increase in investment	Decrease in investment	Investment profit or loss under equity method	Other comprehensive income adjustments	Other changes in equity	Cash dividends and profits declared	Impairment provision	Effects from translation in foreign currency statements	Others	Closing balance	Closing balance of impairment provision
Joint ventures													
DHL-Sinotrans International Air Courier Ltd.	443,264,788.72	2,112,162,474.43	-	-	1,190,090,843.44	-	-	1,396,924,990.63	-	-	-	1,915,328,327.24	-
Nissin-Sinotrans International Logistics Co., Ltd.	69,144,505.07	1,693,470,760.02	-	-	1,169,351,492.88	-	-	1,379,574,990.63	-	-	-	1,483,247,262.27	-
Sinotrans Suzhou Logistics Center Co., Ltd.	55,518,961.25	130,515,940.24	-	-	12,074,055.12	-	-	7,350,000.00	-	-	-	135,239,995.36	-
TP Ease Energy Co., Ltd.	97,899,300.00	110,555,639.02	-	-	2,642,211.89	-	-	-	-	-	-	113,197,850.91	-
Sinotrans PFS Cold Chain Logistics Co., Ltd.	100,000,000.00	99,092,477.89	-	-	-1,899,991.01	-	-	-	-	-	-	97,192,486.88	-
Sinotrans Logistics (Pakistan) Limited	90,000,000.00	44,691,807.42	-	-	-17,699.41	-	-	-	-	-	-	44,674,108.01	-
Shanghai United Cold Chain Logistics Co., Ltd.	1,457,004.00	6,772,279.94	-	-	-187,681.21	-	-	-	-	-	-	6,584,598.73	-
Others	15,000,000.00	6,459,751.49	-	-	-67,916.75	-	-	-	-	-	-	6,391,834.74	-
Associates	14,246,018.40	20,613,818.41	-	-	8,196,371.93	-	-	-	-	-	-	28,810,190.34	-
Shanghai Pujian Storage Co., Ltd.	247,985,246.67	227,012,155.92	13,000,000.00	-	-9,249,438.14	-	-	700,000.00	-	-	-	230,062,717.78	-
China Merchants Sinotrans (Shenzhen) Industrial Innovation Private Equity Investment Fund Partnership (Limited Partnership)	78,173,640.00	82,302,033.69	-	-	-5,595,730.09	-	-	-	-	-	-	76,716,303.60	-
Meizhanshan Transhuan Port Co., Ltd.	69,496,379.67	36,757,620.23	13,000,000.00	-	2,635,638.90	-	-	-	-	-	-	52,393,259.13	-
Qingzhui Logistics Technology Co., Ltd.	21,000,000.00	32,939,046.57	-	-	1,381,722.12	-	-	700,000.00	-	-	-	33,620,768.69	-
Shanghai Bulk Commodity Warehouse Receipt Registration Co., Ltd.	49,000,000.00	37,414,633.55	-	-	-7,647,039.39	-	-	-	-	-	-	29,767,594.16	-
China International Exhibition Transportation Co., Ltd.	30,000,000.00	29,598,689.93	-	-	-837,603.48	-	-	-	-	-	-	28,761,086.45	-
	315,227.00	8,000,151.95	-	-	803,573.80	-	-	-	-	-	-	8,803,725.75	-
Total	691,250,036.39	2,839,174,630.35	13,000,000.00	-	1,180,841,405.30	-	-	1,387,624,990.63	-	-	-	2,145,391,045.02	-

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XVII. NOTES TO THE MAIN ITEMS IN THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (CONTINUED)

6. LONG-TERM EQUITY INVESTMENTS (Continued)

(2) Details of long-term equity investments (Continued)

2) Investments in subsidiaries

Name of investees	Opening balance	Increase in investment	Impact of equity-based payments	Impact of internal asset transfers	Closing balance
Sinotrans Air Transport Development Co., Ltd.	5,858,496,478.11	-	-808,851.80	-	5,857,687,626.31
Sinotrans Logistics Co., Ltd.	4,741,465,047.02	-	-1,548,694.90	-	4,739,916,352.12
Sinotrans South China Co., Ltd.	1,282,008,121.43	-	-2,457,742.62	77,449,893.19	1,357,000,272.00
Sinotrans Eastern Company Limited	1,085,827,194.48	-	-1,633,473.16	-	1,084,193,721.32
Sinotrans Changjiang Co., Ltd.	1,005,239,222.06	-	-183,390.82	-	1,005,055,831.24
Sinotrans Central China Co., Ltd.	980,292,455.40	8,126,665.90	-1,341,537.22	-	987,077,584.08
Sinotrans Logistics Investment Holdings Co., Ltd.	495,887,836.81	127,450,150.47	-276,786.25	-	623,061,201.03
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.	201,172,981.50	-	-59,715.66	-	201,113,265.84
Sinotrans Engineering Logistics Co., Ltd.	140,000,000.00	140,000,000.00	-	-	280,000,000.00
Sinotrans Northeast Co. Ltd	138,272,873.32	-	-818,393.65	-	137,454,479.67
Sinotrans North China Co., Ltd.	137,470,295.55	-	-766,512.12	-	136,703,783.43
Sinotrans Heavy-lift Logistics Co., Ltd.	135,149,538.56	-	-178,989.21	-	134,970,549.35
Sinotrans Hubei Company Limited	121,352,393.11	-	-58,636.26	-	121,293,756.85
Sinotrans Innovative Technology Co., Ltd.	100,583,416.92	-	-144,861.82	-	100,438,555.10
Sinotrans Southwest (Chongqing) Logistics Development Co., Ltd.	-	100,000,000.00	36,504.04	-	100,036,504.04
Sinotrans Cold Chain Logistics Co., Ltd.	68,250,626.93	150,000,000.00	-635,639.46	-	217,614,987.47
Others	115,229,340.46	-	-1,907,106.57	-	113,322,233.89
Total	17,378,127,429.47	525,576,816.37	-12,783,827.48	77,449,893.19	17,968,370,311.55

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XVII. NOTES TO THE MAIN ITEMS IN THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (CONTINUED)

6. LONG-TERM EQUITY INVESTMENTS (Continued)

- (3) As of 31 December 2025, the Company reviewed the operating conditions, asset status, and industry operating environment of its major subsidiaries, joint ventures or associates, and found no obvious signs of impairment. Therefore, no impairment provision was made for long-term equity investments this year.
- (4) As at 31 December 2025, there were no significant restrictions on the Company's ability to transfer funds from joint ventures or associates to the Company.
- (5) The Company had no significant excess losses incurred in its joint ventures or associates during the year.
- (6) As at 31 December 2025, except for unpaid subscribed capital contributions to joint ventures (see Note XIII. for details), the Company had no unrecognised commitments to provide funds or resources to joint ventures, or to purchase shares of interests in joint ventures.

7. SHORT-TERM BORROWINGS

(1) Classification of short-term borrowings

Category	Closing balance	Opening balance
Fiduciary loans	375,846,936.26	1,981,557,305.56
Total	375,846,936.26	1,981,557,305.56

- (2) No short-term borrowings were outstanding at the end of the year.

8. 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	—

- (1) No long-term borrowings were outstanding 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)

8. 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)

9. BONDS PAYABLE

(1) Details of bonds payable

Item	Closing balance	Opening balance
2024 medium-term notes (phase I)	2,010,733,607.30	2,010,133,607.30
25 Sinotrans K1	2,033,026,995.43	–
2021 corporate bonds (phase I)	20,276,532.55	20,274,129.26
Less: Bonds payable due within one year	64,932,788.22	11,495,307.76
Total	3,999,104,347.06	2,018,912,428.80

Note: The details of bonds payable are described in Note IX. 34.

(2) The maturity date of bonds payable is analysed as follows:

Item	Closing balance	Opening balance
1 to 2 years (including 2 years)	1,999,470,958.95	19,998,638.85
2 to 5 years (including 5 years)	1,999,633,388.11	1,998,913,789.95
Total	3,999,104,347.06	2,018,912,428.80



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XVII. NOTES TO THE MAIN ITEMS IN THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (CONTINUED)

9. 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	2,010,133,607.30	-	-	41,600,000.00	600,000.00	41,600,000.00	-	2,010,733,607.30	No
25 Short-term K1	2,000,000,000.00	1.79	2025-01-21	3 years	2,000,000,000.00	-	-	1,998,960,000.00	33,740,273.99	325,721.44	-	-	2,033,026,995.43	No
2021 corporate bonds (phase I)	2,000,000,000.00	2.15	2021-07-26	5 years	2,000,000,000.00	20,274,129.26	-	-	430,000.00	2,403.29	430,000.00	-	20,276,532.55	No
Total	6,000,000,000.00	—	—	—	6,000,000,000.00	2,030,407,736.56	-	1,998,960,000.00	75,770,273.99	925,124.73	42,030,000.00	-	4,064,037,135.28	—
Less: Bonds payable due within one year	—	—	—	—	—	11,495,307.76	—	—	—	—	—	—	64,932,788.22	—
Bonds payable due after one year	—	—	—	—	—	2,018,912,428.80	—	—	—	—	—	—	3,999,104,347.06	—

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)

10. CAPITAL RESERVES

FY 2025

Item	Opening balance	Increase in current year	Decrease in current year	Closing balance
I. Share capital premium	10,664,677,505.96	49,485,924.97	460,923,127.37	10,253,240,303.56
1. Capital invested by investors	10,753,204,807.03	26,786,031.78	460,923,127.37	10,319,067,711.44
2. Others	-88,527,301.07	22,699,893.19	-	-65,827,407.88
II. Other capital reserves	52,257,570.43	-19,067,453.88	26,786,031.78	6,404,084.77
1. Other changes in the owner's equity of the investees other than net profit or loss, other comprehensive income and profit distributions	6,948,554.42	-	-	6,948,554.42
2. Share-based payment for unexercised rights	45,853,485.66	-19,067,453.88	26,786,031.78	-
3. Others	-544,469.65	-	-	-544,469.65
Total	10,716,935,076.39	30,418,471.09	487,709,159.15	10,259,644,388.33
Including: Exclusively state-owned 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	—	—	—	—

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XVII. NOTES TO THE MAIN ITEMS IN THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (CONTINUED)

11. UNDISTRIBUTED PROFITS

Item	Current year amount	Prior year amount
Closing balance of the prior year	7,238,071,288.67	6,686,280,777.84
Add: Adjustments to opening undistributed profits	–	–
Opening balance of the current year	7,238,071,288.67	6,686,280,777.84
Increase in current year	2,525,505,811.45	2,950,582,895.11
Including: Net profit for the year	2,525,505,811.45	2,950,582,895.11
Others	–	–
Decrease in current year	2,331,983,383.93	2,398,792,384.28
Including: Appropriation to statutory surplus reserves for the year	252,550,581.15	295,058,289.51
Dividends distribution	2,079,432,802.78	2,103,734,094.77
Closing balance of the current year	7,431,593,716.19	7,238,071,288.67

12. OPERATING INCOME, COSTS

Item	Current year		Prior year	
	Income	Costs	Income	Costs
Agency and related business	2,735,201,800.70	2,605,295,237.76	4,207,050,462.75	4,177,552,264.67
Logistics	1,969,291,187.13	1,969,020,595.72	1,607,367,358.47	1,519,896,670.45
Total	4,704,492,987.83	4,574,315,833.48	5,814,417,821.22	5,697,448,935.12

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XVII. NOTES TO THE MAIN ITEMS IN THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (CONTINUED)

12. OPERATING INCOME, COSTS (Continued)

(1) Information related to performance obligations

FY 2025

Item	Agency and related business	Logistics
Operating income	—	—
Including: Recognition at a certain point	2,735,201,800.70	1,969,291,187.13
Recognition within a certain period	—	—
Total	2,735,201,800.70	1,969,291,187.13

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	—	—
Total	4,207,050,462.75	1,607,367,358.47

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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XVII. NOTES TO THE MAIN ITEMS IN THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (CONTINUED)

12. 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 RMB96,065,249.78 (closing balance of contract liabilities) will be recognised as revenue within one year. The remaining transaction prices have been simplified and are not presented, as the expected terms of these contracts are all less than one year. 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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XVII. NOTES TO THE MAIN ITEMS IN THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (CONTINUED)

13. FINANCE COSTS

Item	Current year	Prior year
Interest expenses	164,627,841.53	308,219,263.11
Including: Bank and other borrowings	9,094,240.45	34,592,105.56
Bond interest	76,699,398.72	79,775,900.91
Interest expenses on lease liabilities	24,345,707.03	25,401,447.45
Interest on collection of funds from subsidiaries	54,488,495.33	168,449,809.19
Less: Capitalized interest expenses	-	-
Less: Interest income	140,259,391.83	219,342,662.31
Net exchange loss (net gains denoted by "-")	16,103,106.87	10,396,331.28
Others	2,969,932.44	3,754,915.97
Total	43,441,489.01	103,027,848.05

14. INVESTMENT INCOME

Item	Current year	Prior year
Income from long-term equity investments under the equity method	1,180,841,405.30	1,399,708,966.07
Income from long-term equity investments under the cost method	1,382,705,031.46	1,669,256,573.25
Investment income from the disposal of other non-current financial assets	150,926,573.10	-
Investment income from holding other non-current financial assets	39,806,038.01	53,246,697.01
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
Total	2,754,279,047.87	3,139,192,676.82

The Company has no significant restrictions on the repatriation of investment income.

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XVII. NOTES TO THE MAIN ITEMS IN THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (CONTINUED)

15. 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	2,525,505,811.45	2,950,582,895.11
Add: Impairment of assets	-	-
Credit impairment loss	33,752,204.68	-10,335,601.12
Depreciation of fixed assets and investment properties	5,550,240.13	6,839,117.89
Depreciation of right-of-use assets	25,588,770.13	26,122,790.94
Amortisation of intangible assets	58,901,666.52	67,519,244.68
Amortisation of long-term prepaid expenses	4,854,587.46	1,180,551.32
Losses from disposal of assets (gains denoted by "-")	-11,716.37	-209,334.66
Losses from damage and scrapping of non-current assets (gains denoted by "-")	1,385,219.74	241,719.32
Losses from changes in fair value (gains denoted by "-")	-119,149,400.00	-224,854,011.86
Finance costs (income denoted by "-")	194,517,322.38	300,415,735.12
Investment losses (income denoted by "-")	-2,754,279,047.87	-3,139,192,676.82
Decrease in deferred tax assets (increase denoted by "-")	-	-
Increase in deferred tax liabilities (decrease denoted by "-")	-	-
Decrease in inventories (increase denoted by "-")	70,304.26	-98,085.47
Decrease in operating receivables (increase denoted by "-")	295,172,473.17	-419,629,067.12
Increase in operating payables (decrease denoted by "-")	-820,606,210.49	286,721,818.87
Others	-	-
Net cash flows from operating activities	-548,747,774.81	-154,694,903.80
2. Major investing and financing activities not involving cash receipts and payments:		
Conversion of debts into capital	-	-
Convertible corporate bonds due within one year	-	-
Newly added right-of-use assets	-	-
3. Net changes in cash and cash equivalents:		
Closing balance of cash and cash equivalents	7,136,473,226.68	5,506,139,347.79
Less: Opening balance of cash and cash equivalents	5,506,139,347.79	6,678,660,070.77
Net increase in cash and cash equivalents	1,630,333,878.89	-1,172,520,722.98

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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 2025 are as follows:

Item	Current year	Prior year	Description
Gains and losses on disposal of non-current assets, including offsetting of asset impairment provision	2,177,634,228.09	239,580,647.47	—
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	327,671,265.08	448,607,261.18	—
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	107,039,424.94	244,562,022.92	—
Fees charged to non-financial enterprises for fund occupancy included in current profit or loss	—	1,536,236.08	—
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	8,131,382.11	23,972,817.96	—
Income from the fair value of identifiable net assets of investees when the investment cost of the enterprise for the acquisition of subsidiaries, associates and joint ventures is less than the investment obtained	—	—	—
Current net profit or loss of subsidiaries from the business combination under common control from the beginning of the period to the date of combination	—	303,038.59	—
Profit or loss from exchange of non-monetary assets	—	—	—
Profit or loss from debt restructuring	—	—	—

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Notes to the Financial Statements

For the year ended 31 December 2025
(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 benefits payable after the date of exercise of options	-	-	—
Profit or loss from changes in fair value of investment properties subsequently measured using the fair value model	-	-	—
Gains arising from transactions at significantly unfair prices	-	-	—
Profit or loss arising from contingencies irrelevant to the normal business operations of the company	-	-	—
Trusteeship fee income from entrusted operations	-	-	—
Other non-operating income and expenses not mentioned above	-59,492,020.76	67,575,958.80	—
Other profit and loss items that meet the definition of non-recurring profit or loss	4,435,505.25	7,769,875.66	—
Subtotal	2,565,419,784.71	1,033,907,858.66	—
Income tax effect amount	-110,556,823.41	-106,399,075.15	—
Amount of minority interest impact (after tax)	-111,400,328.89	-173,262,747.20	—
Total	2,343,462,632.41	754,246,036.31	—

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.

Chapter 9

Notes to the Financial Statements

For the year ended 31 December 2025
(Unless indicated otherwise, all amounts are expressed in RMB)

XVIII. SUPPLEMENTARY INFORMATION (CONTINUED)

2. RETURN ON NET ASSETS AND EARNINGS PER SHARE

In accordance with the *Explanatory Announcement No. 9 on Information Disclosure for Companies Offering Securities to the Public – Calculation and Disclosure of Return on Net Assets and Earnings per Share* (as amended in 2010) issued by CSRC, the weighted average return on net assets, basic earnings per share and diluted earnings per share of the Group for 2025 are as follows:

Profit during the reporting period	Weighted average return on net assets (%)	Earnings per share	
		Basic earnings per share (RMB/share)	Diluted earnings per share (RMB/share)
Net profit attributable to shareholders of the Company	9.92%	0.5598	0.5598
Net profit attributable to shareholders of the Company after deduction of non-recurring profit or loss	4.14%	0.2336	0.2336

XIX. OTHER SIGNIFICANT EVENTS

The Group has no other significant events that require disclosure.

XX. APPROVAL OF THE FINANCIAL STATEMENTS

The Group's financial statements for 2025 were approved for presentation by the Board of Directors of the Group on 30 March 2026.

Chairman: Zhang Yi
Submission Date as approved by the Board: 30 March 2026

REVISION HISTORY

☐ Applicable ☒ Not applicable





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