2025 Annual Report

重慶長安民生物流股份有限公司

Changan Minsheng APLL Logistics Co., Ltd.*

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

(Stock Code: 01292)

* For identification purposes only

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CORPORATE INFORMATION

Executive Director
Wan Nianyong (Chairman)

Non-Executive Directors
Tan Hongbin
Chen Wenbo
Gu Daokun

Independent Non-Executive Directors
Li Ming
Man Wing Pong
Chen Jing
Zuo Xinyu

General Manager
Wan Nianyong
(The Chairman has temporarily assumed and will continue to assume the duties of general manager until the appointment of a new general manager)

Senior Management
Ye Xianzhong
Ren Fei
Liao Jiahua
Liao Yannan
Tang Zhong
Tan Chaohu

Company Secretary
Yuan Quan

Audit and Risk Committee
Li Ming (Chairman)
Man Wing Pong
Chen Jing
Zuo Xinyu

Remuneration Committee
Man Wing Pong (Chairman)
Li Ming
Chen Jing

Nomination Committee
Wan Nianyong (Chairman)
Man Wing Pong
Chen Jing
Zuo Xinyu

Strategy and Investment Committee
Wan Nianyong (Chairman)
Li Ming
Man Wing Pong
Zuo Xinyu

Authorised Representative
Wan Nianyong
Chen Wenbo

Auditors
Grant Thornton Zhitong Certified Public Accountants LLP
5th Floor, Scitech Place, 22 Jianguomenwai Avenue,
Chaoyang District, Beijing, the PRC

Hong Kong Counsellor
Haiwen & Partners LLP
Room 601-602 & 610-616, 6/F, One International Finance Centre,
No. 1 Harbour View Street, Central, Hong Kong

Principal Bankers
Industrial and Commercial Bank of China Limited, Chongqing Branch
China Merchants Bank Limited, Chongqing Branch
China Construction Bank Limited, Chongqing Branch

H-shares Registrar and Transfer Office
Computershare Hong Kong Investor Services Limited
17M Floor, Hopewell Centre
183 Queen's Road East, Hong Kong

Registered Office in the PRC
No. 1881 Jinkai Road, Liangjiang New Area,
Chongqing, the PRC

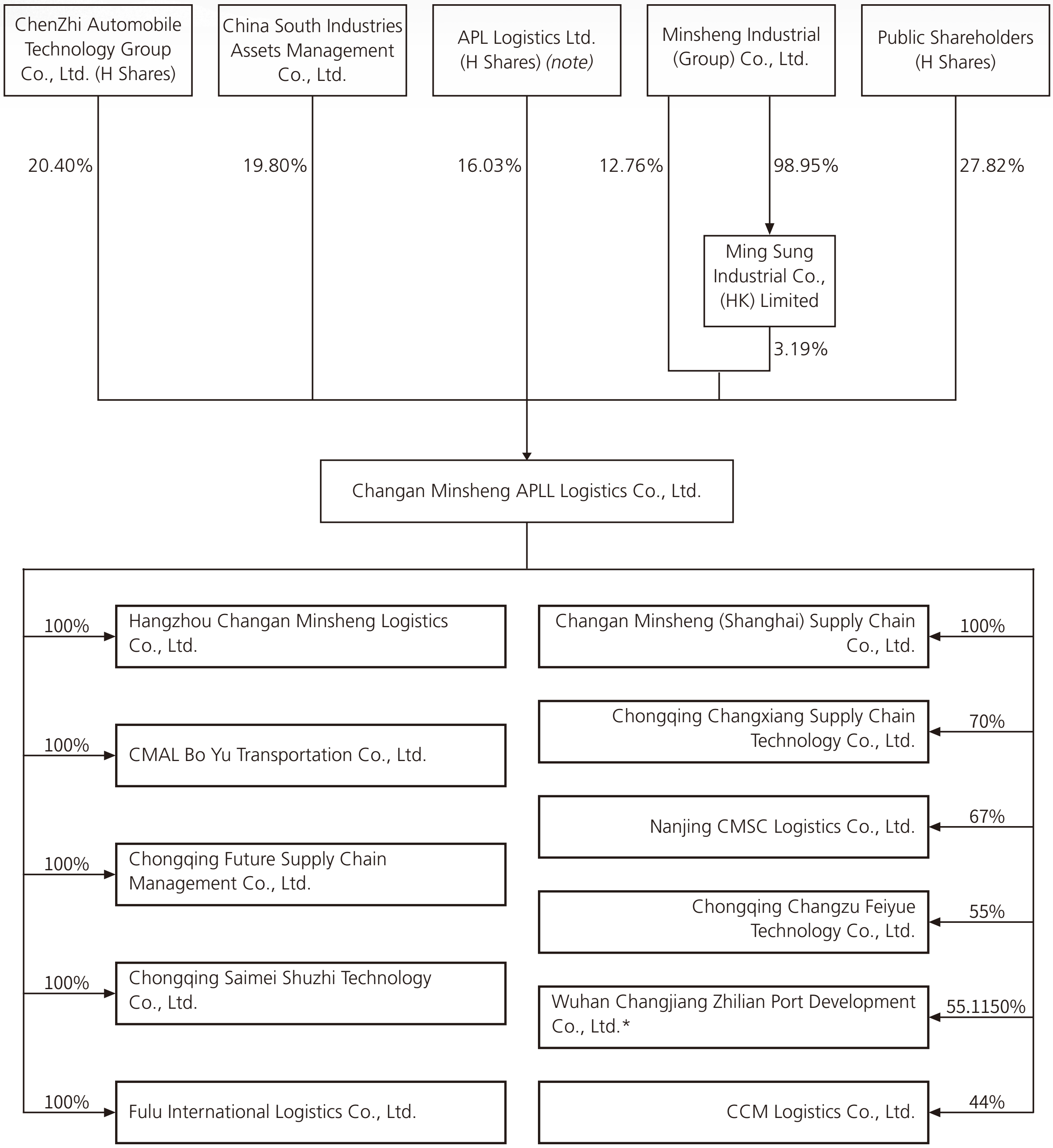
Office and Address of Correspondence
No. 1881 Jinkai Road, Liangjiang New Area,
Chongqing, the PRC
Zip Code: 401122

Head Office in Hong Kong
16/F, 144-151 Singga Commercial Centre
Connaught Road West, Hong Kong

Stock Code
01292

Website
http://www.camsl.com

As at 31 December 2025, the Group's shareholding structure is as follows:



Note: On 12 February 2026, the transfer of 32,399,200 H shares of the Company (representing approximately 16.03% of the Company's total issued share capital) from APL Logistics Ltd. to Continental Harbour Union Limited (陸港眾邦(香港)有限公司) was completed.

Results

Set out below is the summary of the consolidated results of Changan Minsheng APLL Logistics Co., Ltd. (**"CMAL"** or the **"Company"**) and its subsidiaries (the **"Group"**) for the five years ended 31 December 2025 (as extracted from the Group's audited consolidated and company income statement):

	2025 RMB	2024 RMB	2023 RMB	2022 RMB	2021 RMB
Revenue	9,531,636,274.71	8,963,208,271.72	7,968,998,231.49	7,720,202,129.16	6,020,899,000.00
Total profit/(loss)	80,140,444.25	92,056,359.11	75,008,581.99	68,292,726.82	58,843,000.00
Income tax expense	28,937,865.93	23,678,118.31	17,045,642.33	21,777,052.53	16,734,000.00
Net profit/(loss) for the year	51,202,578.32	68,378,240.80	57,962,939.66	46,515,674.29	42,109,000.00
Minority shareholders interest	10,967,024.74	8,435,234.35	1,516,074.74	8,033,866.12	12,961,000.00
Profit attributable to equity holders of the Company	40,235,553.58	59,943,006.45	56,446,864.92	38,481,808.17	29,148,000.00
	RMB	RMB	RMB	RMB	RMB
Earnings per share attributable to ordinary equity holders of the Company Basic and diluted-for profit for the year *(note 1)*	0.22	0.37	0.35	0.24	0.18
Dividends per share	0.10 (including tax) *(Note 2)*	0.20 (including tax)	0.20 (including tax)	0.15 (including tax)	0.05 (including tax)

Note 1: Earnings per share attributable to ordinary equity holders of the Company is calculated by dividing the profit attributable to equity holders of the Company for the years ended 31 December 2021, 2022, 2023, 2024 and 2025 by the weighted average number of shares in issue for the respective years ended 31 December 2021, 2022, 2023, 2024 and 2025 respectively, being 162,064,000, 162,064,000, 162,064,000, 162,064,000 and 185,397,333 shares.

Note 2: The Board recommends the payment of the final dividend for the year ended 31 December 2025, which is subject to approval of the annual general meeting of the Company.

Assets and Liabilities

Set out below is the summary of the Group's assets and liabilities for the five years ended 31 December 2025 (as extracted from the Group's audited consolidated and company balance sheets):

	2025 RMB	2024 RMB	2023 RMB	2022 RMB	2021 RMB
Non-current assets	1,349,826,035.88	1,366,725,229.73	1,504,504,826.98	1,341,713,302.42	1,259,073,000.00
Current assets	4,355,308,436.71	3,830,000,817.43	3,669,906,941.54	3,573,957,122.08	2,917,203,000.00
Total assets	5,705,134,472.59	5,196,726,047.16	5,174,411,768.52	4,915,670,424.50	4,176,276,000.00
Non-current liabilities	104,324,170.15	110,063,007.75	255,306,262.53	196,476,282.44	111,699,000.00
Current liabilities	3,301,668,475.75	2,880,016,920.99	2,729,541,661.34	2,557,320,801.14	1,968,504,000.00
Total liabilities	3,405,992,645.90	2,990,079,928.74	2,984,847,923.87	2,753,797,083.58	2,080,203,000.00
Minority shareholders' equity	161,297,336.16	159,146,928.42	173,310,520.72	176,070,582.49	144,382,000.00
Equity attributable to owners of the Company	2,137,844,490.53	2,047,499,190.00	2,016,253,323.93	1,985,802,758.43	1,951,691,000.00
Total equity	2,299,141,826.69	2,206,646,118.42	2,189,563,844.65	2,161,873,340.92	2,096,073,000.00

On behalf of the board (the "**Board**") of directors (the "**Director(s)**") of the Company, I am pleased to present the audited annual results of the Group for the year ended 31 December 2025 to all shareholders of the Company.

Annual Results

In 2025, the world has entered a new era of accelerated development in artificial intelligence, coinciding with the successful conclusion of China's 14th Five-Year Plan. Artificial intelligence is driving profound technological transformation and industrial upgrading across all sectors, gradually evolving from a supporting tool into a core driver of productivity, and comprehensively reshaping industrial production methods, service models and the competitive landscape of the market.

At the same time, China's automotive logistics sector is undergoing four key transformations: the rise of new energy vehicles, intelligent upgrades, green transition and accelerated global expansion. The steadily increasing penetration of new energy vehicles is driving rapid growth in demand for specialised logistics services such as safe battery transport and temperature-controlled warehousing; the industry's digitalisation and intelligent transformation are accelerating across the board, with technologies such as intelligent dispatching, end-to-end visibility and unmanned warehousing being widely adopted, whilst intermodal transport is becoming deeply used, effectively enhancing operational efficiency and reducing overall costs; guided by the "dual carbon" strategy, the large-scale deployment of electric heavy-duty trucks and the steady increase in the share of rail and water transport have made green and low-carbon development the industry standard; as China's automotive exports continue to expand, leading enterprises are accelerating the deployment of overseas service networks, shifting their business focus from domestic transport to global supply chain services, and the industry as a whole is transitioning from extensive transport to a new phase of high-quality development characterised by specialisation, intensification and internationalisation.

In the face of the complex and ever-changing automotive market and the profound transformations within the automotive logistics sector, the Company has consistently maintained a firm strategic focus, steadfastly advancing the strategy of "developing outside Changan Group and outside the automotive industry". Whilst seizing market opportunities, we have actively promoted business innovation and structural optimisation. Thanks to the concerted efforts and tireless dedication of all our staff, the Company has achieved outstanding and encouraging results in key areas such as international operations, market expansion, standardisation and digital and intelligent transformation.

In 2025, the Group's revenue reached RMB9,531,636,274.71, up by 6.34% as compared with RMB8,963,208,271.72 last year. The profit attributable to equity holders of the Company was RMB40,235,553.58, representing a decrease of 32.88% as compared with RMB59,943,006.45 last year due to a substantial increase in non-operating expenses. The basic earnings per share was RMB0.22 (in 2024: RMB0.37).

Annual Review

In 2025, guided by the core principles of "technology-driven, green development and global expansion", the Company accelerated its transformation from a traditional logistics service provider to a smart supply chain solutions provider, achieving outstanding results in operational performance, strategic planning, technological innovation, and reform and innovation.

Awards

During the year, we have once again received multiple industry and client recognitions for our outstanding service quality and innovation.

AWARDS	ORGANISER
National Civilized Unit	Central Guidance Commission on Building Spiritual Civilization
Top 50 Enterprises of China's Logistics Industry KPI Benchmarking Enterprises for Automotive Parts Inbound Logistics National Digital Warehouse Pilot Enterprise	China Federation of Logistics & Purchasing
2025 Innovative Technology Products in the Field of Transportation and Logistics	China Communications and Transportation Association
Silver Award for Most Beautiful Brand Voice Gold Award for Most Beautiful Communication Voice 2025 Five-Star Brand for Corporate Brand Influence Five-Star Unit for Corporate Party Building Practice Innovation First Prize for Outstanding Achievements in Brand Strengthening Enterprises	China Culture Administration Association
Top 100 Enterprises in Chongqing in 2025 Top 100 Enterprises of Chongqing's Service Industry in 2025	Chongqing Enterprise Confederation (Enterprise Directors Association)
Outstanding Supplier	Chongqing Changan Automobile Co., Ltd. (**"Changan Automobile"**)
Excellent Supplier	Changan Ford Automobile Co., Ltd. (**"Changan Ford"**)
Outstanding Supplier	Changan Mazda Automobile Co., Ltd. ("**Changan Mazda**")

In 2025, we continued to firmly implement the development strategy of "developing outside Changan Group and outside the automotive industry". On one hand, we further deepened strategic cooperation with core customers, steadily increasing our market shares in finished vehicle logistics and inbound parts logistics, and won the highest awards for suppliers from Changan Automobile, Changan Ford and Changan Mazda; on the other hand, the Company further expanded its collaboration with the member companies under Changan Group (China Changan Automobile Group Co., Ltd. (**"China Changan Automobile"**) and its subsidiaries), undertook the long-distance transportation business of Chongqing Qingshan Industry Co., Ltd. and the lightweight & wire-controlled chassis integration and intercity transportation business of Chenzhi Technology Co., Ltd. At the same time, we accelerated external expansion, successfully securing clients such as LUXEED, SAIC, Xpeng Motors, Leap Motor, Li Auto, Geely Automobile, and Schaeffler, providing them with finished vehicle logistics, parts logistics, and supply chain logistics services etc.

Being customer-centric and expanding our business, we accelerated the transformation into a technology company with digitalisation, intelligence, green development and expertise to make the Company greener. First, we achieved new breakthroughs in standardization: we participated in the compilation and release of 2 national standards, obtained four-standard management system certification for 7 subsidiaries, and received 1 national-level and 6 provincial/ministerial-level management innovation awards. Second, we made new progress in digital-intelligent transformation: we developed Order Management System and IoT Device Management Platform, advanced the 3.0 iteration of Packaging Operations Management System and Management System for Safety Accountabilities, largely completed the Digital Brain 2.0, and established a preliminary AI team, laying the foundation for comprehensive artificial intelligence applications. Third, we achieved further progress in advancing green development: we developed 5 green packaging products, piloted pure electric rescue vehicles, changed 12 internal transport vehicles from fuel to electric, and purchased 10 new energy trucks for operations. Fourth, we built new advantages through specialized empowerment: we mastered 6 key technologies such as logistics simulation, intelligent loading, and AI consulting, filed 44 patents and 10 software copyrights, had 9 innovation-oriented projects approved for inclusion in the Chongqing Municipal Commission of Economy and Information Technology's database, and obtained 2 provincial/ministerial-level certifications -- Chongqing Specialized, Refined, Distinctive, and Innovative Small and Medium-sized Enterprises and Chongqing Small and Medium-sized Enterprises Technology Research and Development Centre, with the first postdoctoral researcher completing their term at the postdoctoral workstation.

We fully implemented the New Development Concept while actively fulfilling social responsibilities by actively exploring and practising ESG. On one hand, we have continuously improved corporate governance, with the Board and the management of the Company collaborating with each other to incorporate ESG sustainability into the daily operation and management of the Company. We insist on governing the enterprise in accordance with the law, regulating the internal control system and institutional construction, and actively practicing clean business practices, to build a solid foundation for the realisation of steady development. On the other hand, the Company continues to promote energy conservation, emission reduction and carbon reduction, coordinates the relationship between environmental protection and industrial development, and integrates green concepts into all aspects of storage, transportation, packaging and recycling to build a carbon-reducing ecosystem.

Outlook and Prospects

The year 2026 marks the beginning of the 15th Five-Year Plan and is a critical starting point for Changan Group to accelerate its transformation into a world-class automotive group with global competitiveness and proprietary core technologies. Currently, artificial intelligence technologies are driving profound transformation across the entire automotive industry chain, with intelligent driving, intelligent manufacturing, and smart supply chains emerging as key areas of competition within the sector. As a vital part of the automotive supply chain, we will proactively embrace the wave of AI development, leveraging digital and intelligent transformation to comprehensively enhance research and development efficiency, operational precision, and service capabilities. We will integrate deeply into the development strategy of Changan Group, closely following Changan Group's progress in intelligence, electrification, and globalisation, supporting Changan Automobile in building a world-class smart automotive brand through technological and supply chain collaboration, thereby contributing solid strength to the construction of a higher-level, more resilient modern automotive industry chain.

At the same time, while consolidating our core businesses, we will continuously optimise our market layout, broaden the scope of cooperation, and persistently enhance our risk resilience and overall competitiveness. We will strive to move in lockstep with automakers and progress in tandem with industry trends, seizing new opportunities and demonstrating new achievements amidst industrial transformation.

In early 2026, international political and economic turmoil, coupled with a surge in crude oil prices to multi-year highs, has had a significant impact on the logistics industry. Facing profound industry transformation and new challenges, we will maintain strategic clarity and development resilience, steadfastly upholding technological innovation as our core driver. We will accelerate technological iteration, business model innovation, and management upgrades, cultivating new opportunities amidst change and forging new paths through transformation. With stronger core competitiveness, we will respond to various market challenges, continuously consolidate our industry leadership, create sustainable value returns for shareholders, deliver greater benefits to customers and society, and contribute our professional logistics expertise to the high-quality development of China's automotive industry.

I would like to express my thanks to my Board colleagues and all employees of the Company for their valuable contributions, hard work and dedication. Furthermore, I extend my sincere gratitude to our shareholders and stakeholders for their long-time support and trust.

Wan Nianyong
Chairman

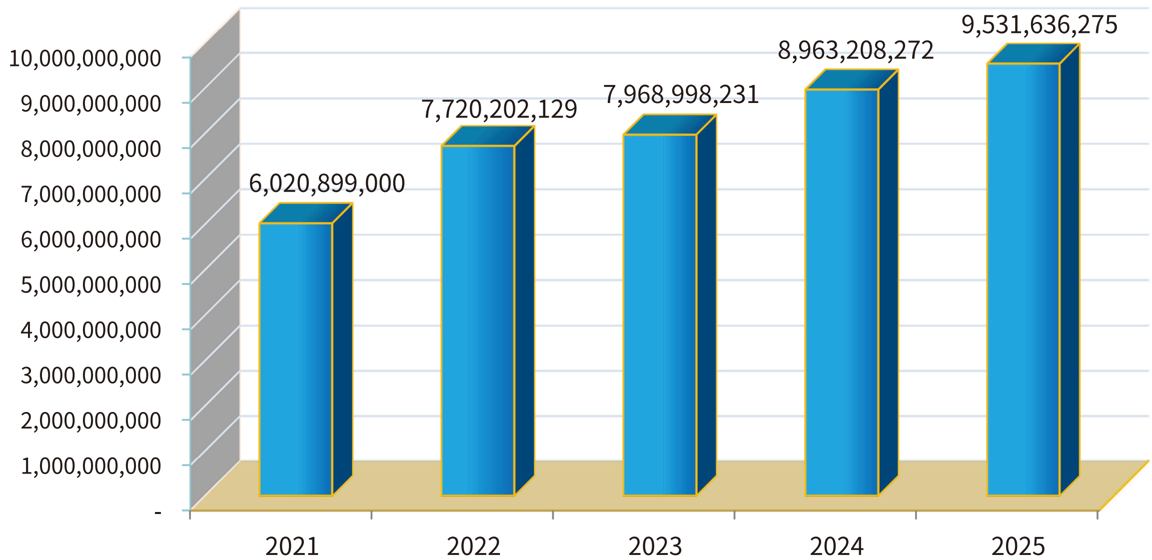
Chongqing, the PRC
27 March 2026

Business Review

The principal businesses of the Group are supply chain management services for automobiles and automobile raw materials, components and parts. Such services include finished vehicle transportation and related logistics services, automobile raw materials and components and parts supply chain management services, tires assembly and after-sales logistics service. Separately, the Group also provides non-automobile commodities transportation services to our customers. The Group's major customers include Changan Automobile, Changan Ford, Changan Mazda, Hebei Changan Automobile Co., Ltd., Nanjing Changan Automobile Co., Ltd., and Chongqing Changan International Sales and Services Co., Ltd., etc.

The revenue of the Group amounted to RMB9,531,636,274.71 for the year ended 31 December 2025, approximately 6.34% increase from RMB8,963,208,271.72 of last year.

Picture 1: Growth in revenue for the five years ended 31 December 2025 (unit: RMB)



Supply Chain Management Services of Automobiles and Automobile Raw Materials, Components and Parts

1. Transportation of Finished Vehicles

During the reporting period, the Group's major customer recorded an increase in the sales volume, resulting in the corresponding growth in the demand of finished vehicles transportation from the Group, and the transport of finished vehicles for export is accounted for using the gross value method. Therefore, for the year ended 31 December 2025, the revenue of the Group from finished vehicle transportation services was RMB5,099,169,207.84, up by approximately 14.69% from RMB4,445,873,165.89 of last year.

2. Supply Chain Management Services of Automobile Raw Materials & Components and Parts

During the reporting period, the increase in the sales volume of the Group's major customer led to the increase in the demand for supply chain management services of automobile raw materials and components and parts. As such, the revenue from supply chain management services of automobile raw materials & components and parts for the year ended 31 December 2025 was RMB3,105,505,424.29, up by approximately 20.15% from RMB2,584,677,127.03 of last year.

Transportation of Non-automobile Commodities and Other Logistics Services

During the reporting period, the Group adjusted its business structure, which resulted in a significant decrease in the business volume of non-automobile commodities transportation. As such, the revenue of the Group from such logistics services was RMB180,842,453.74 for the year ended 31 December 2025, representing a decrease of approximately 40.45% from RMB303,699,241.69 of last year.

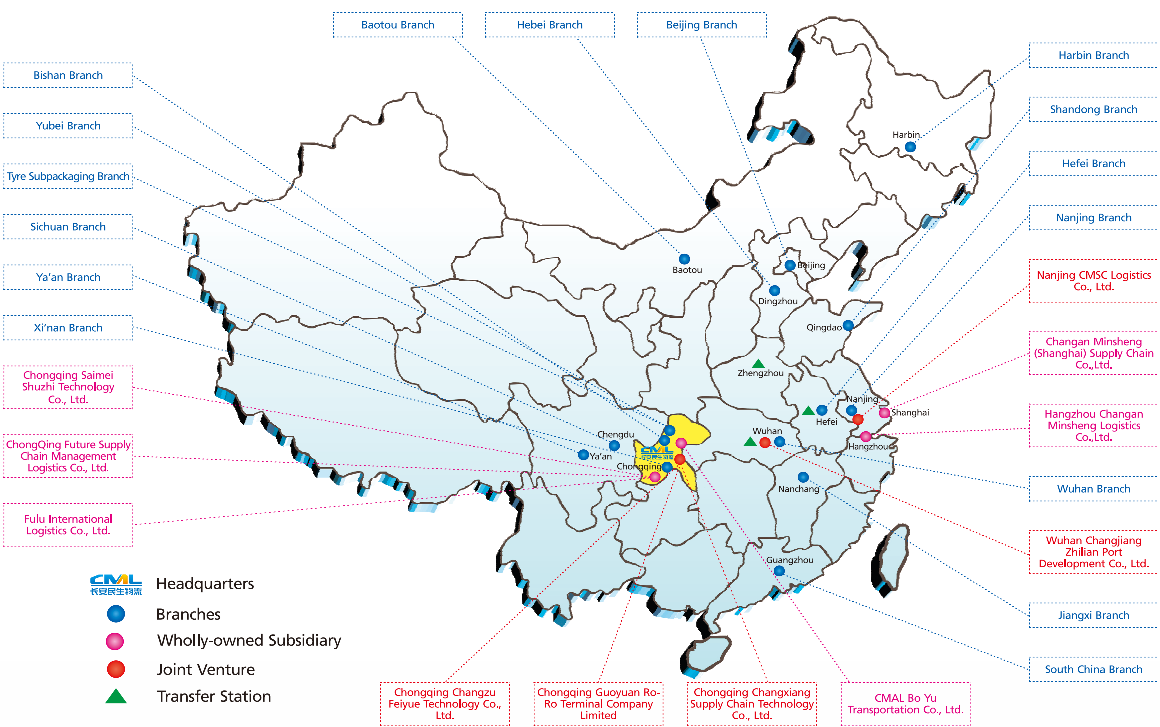
Automobile Components & Parts Packaging Sales and Tyres Sub-packaging

During the reporting period, the core customers of the Group increased in their demand for automotive parts packaging and tire assembly services, however, the BMW tyre assembly business was no longer included in the Company's consolidated financial statements following the sale of the Company's equity interest in Shenyang Changyou Supply Chain Co., Ltd. in September 2024. For the year ended 31 December 2025, the revenue of the Group from automobile parts packages sales and tires assembly was RMB1,146,119,188.84, down by approximately 29.64% from RMB1,628,958,737.11 of last year.

Logistics Services Network

As at 31 December 2025, the Company had a total of 27 branches, subsidiaries, associated companies and representative offices in China, which are mainly located in East China, Central China, North China, South China and Southwest China (Picture 2). The continuous enhancement of service network enables the Group to provide logistics services to different parts of the country.

Furthermore, the Company's joint venture, CCM Logistics Co., Ltd. (**"CCM"**), was incorporated in Rayong Province, Thailand, on 21 January 2025. Leveraging the extensive experience of its shareholders in manufacturing logistics, cross-border logistics, and local operations in Thailand, CCM aims to establish an integrated logistics service system covering the entire automotive industry chain and the manufacturing sector.



Picture 2: Location of the Company's existing branches, subsidiaries, associated companies and representative offices

Financial Review

Cash Flow and Financial Resources

During the reporting period, the Group's sources of funds generally represented income arising from our daily operations.

As at 31 December 2025, the Group's cash and cash equivalents was RMB475,066,016.20 (31 December 2024: RMB982,221,928.70), among which, RMB333,397,940.66 was attributed to the Company and RMB141,668,075.54 was attributed to the subsidiaries. As at 31 December 2025, the Group's total assets were RMB5,705,134,472.59 (31 December 2024: RMB5,196,726,047.16), current liabilities were RMB3,301,668,475.75 (31 December 2024: RMB2,880,016,920.99), the non-current liabilities were RMB104,324,170.15 (31 December 2024: RMB110,063,007.75), the equity attributable to owners of the Company was RMB2,137,844,490.53 (31 December 2024: RMB2,047,499,190.00) and the minority shareholders' equity was RMB161,297,336.16 (31 December 2024: RMB159,146,928.42).

Cost of Operation and Gross Profit Margin

For the year ended 31 December 2025, the Group's cost of operations was RMB9,101,846,060.19 (2024: RMB8,559,911,051.80), up by approximately 6.33% from the previous year. Despite the Group's emphasis on management and continuous strengthening of logistics and internal management cost control, it faced various adverse factors such as the rising transportation cost and labour cost, and tumbling logistics service price, resulting in the gross profit margin of the Group slightly increased to 4.51% (2024: 4.50%).

Selling Expenses

For the year ended 31 December 2025, the Group's selling expenses were RMB60,862,417.97, representing approximately 0.64% of the Group's revenue during the period (2024: 0.56%).

During the year, the selling expenses included salaries, travelling, business and market promotion expenses incurred by the Group's sales and marketing department. Such expenses increased by approximately 20.37% from the previous year.

Administrative Expenses

During the reporting year, the Group's administrative expenses increased from RMB231,943,315.20 in 2024 to RMB239,724,389.73 in 2025, up approximately 3.35% as compared with the corresponding period of previous year.

R&D Expenses

During the reporting year, the Group's R&D expenses decreased from RMB23,011,712.49 in 2024 to RMB15,809,111.93 in 2025, down by approximately 31.30% as compared with the corresponding period of previous year.

Financial Expenses

The Group's financial expenses for the year amounted to RMB9,194,256.84 (2024: RMB611,815.98).

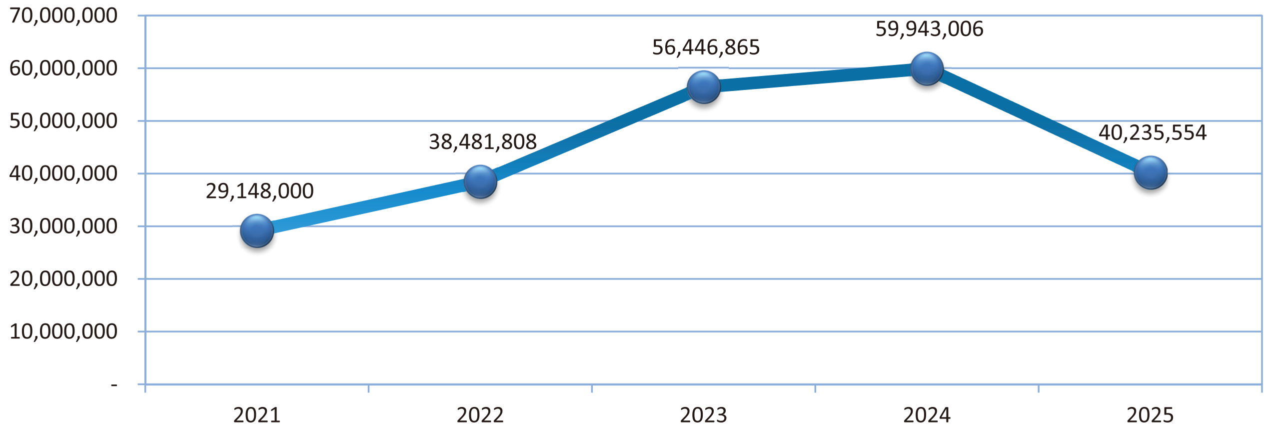
Taxation

During the reporting year, the income tax expense was RMB28,937,865.93 (2024: RMB23,678,118.31).

Profit Attributable to Equity Holders of the Company

During the year, the profit attributable to owners of the Company was RMB40,235,553.58, down by approximately 32.88% compared to RMB59,943,006.45 of the previous year.

Picture 3: Profit attributable to owners of the Company for the five years ended 31 December 2025 (unit: RMB)



Capital Structure

For the year ended 31 December 2025, the Company's share capital increased to 202,064,000 shares from 162,064,000 shares.

Connected Transaction in relation to the Proposed Subscription of New Domestic Shares Under the Specific Mandate

On 22 August 2024 (after trading hours), the Company and China South Industries Assets Management Co., Ltd. (**"SIAMC"**) entered into a share subscription agreement (**"Share Subscription Agreement"**), pursuant to which the Company has conditionally agreed to allot and issue, and SIAMC has conditionally agreed to subscribe for 40,000,000 new domestic shares (**"Subscription Share(s)"**) at the subscription price of RMB2.54648 (equivalent to HKD2.78) per Subscription Share (**"Subscription Price"**) for a total consideration of RMB101,859,200 (equivalent to approximately HKD111,200,000) in cash (the **"Share Subscription"**). The relevant proposal was approved by way of poll at the extraordinary general meeting of the Company (**"EGM"**) held on 22 November 2024. On the date of the signing of the Share Subscription Agreement (being 22 August 2024), the closing price was HKD1.88 per share as quoted on The Stock Exchange of Hong Kong Limited (the **"Stock Exchange"**).

On 6 March 2025, the Company received the "Approval on the Registration of the Issuance of Shares to Specific Investors by Changan Minsheng APLL Logistics Co., Ltd.*" (Zheng Jian Xu Ke [2025] No. 373) (《關於同意重慶長安民生物流股份有限公司向特定對象發行股票註冊的批復》(證監許可[2025]373 號)) dated 27 February 2025 issued by the China Securities Regulatory Commission (the **"CSRC"**). The CSRC has approved the registration application for the issuance of 40,000,000 (inclusive) domestic shares. All conditions precedent under the Share Subscription Agreement were satisfied on 6 March 2025. On 26 May 2025, China Securities Depository and Clearing Corporation Limited issued a share registration certificate dated 26 May 2025 in respect of the new domestic shares, being Subscription Shares, issued under the Share Subscription.

On 26 May 2025, 40,000,000 Subscription Shares were duly allotted and issued by the Company to SIAMC at the Subscription Price of RMB2.54648 (equivalent to HKD2.78) per Subscription Share pursuant to the specific mandate sought from the independent shareholders at the EGM held on 22 November 2024. The Subscription Shares represent approximately 24.68% of the Company's issued share capital immediately before the completion of the Share Subscription and approximately 19.80% of the Company's issued share capital immediately after the completion of the Share Subscription. The completion was effected on 26 May 2025 in accordance with the terms and conditions of the Share Subscription Agreement.

Effect on the Shareholding Structure of the Company

The shareholding structure of the Company immediately before and after the completion of the Share Subscription is set out below:

	Immediately before the completion of the Share Subscription		Immediately after the completion of the Share Subscription	
	Number of shares held by issued shares	Approximate percentage of total number of issued shares	Number of shares held by issued shares	Approximate percentage of total number of issued shares
Domestic shares				
SIAMC	-	-	40,000,000	19.80%
Minsheng Industrial (Group) Co., Ltd. (**"Minsheng Industrial"**)	25,774,720	15.90%	25,774,720	12.76%
Non-H foreign shares				
Ming Sung Industrial Co., (HK) Limited (**"Ming Sung (HK)"**)	6,444,480	3.98%	6,444,480	3.19%
H shares				
ChenZhi Automobile Technology Group Co., Ltd.* (**"CZAG"**) *(note 1)*	41,225,600	25.44%	41,225,600	20.40%
APL Logistics Ltd. (**"APLL"**) *(note 2)*	32,399,200	19.99%	32,399,200	16.03%
Public Shareholders of H Shares	56,220,000	34.69%	56,220,000	27.82%
Total issued shares	**162,064,000**	**100.00%**	**202,064,000**	**100.00%**

Note 1: The former China Changan Automobile Group Co., Ltd. (中國長安汽車集團有限公司) changed its name to ChenZhi Automobile Technology Group Co., Ltd.* (辰致汽車科技集團有限公司) since 20 June 2025.*

*Note 2: On 12 February 2026, the transfer of 32,399,200 H shares of the Company (representing approximately 16.03% of the Company's total issued share capital) from APLL to Continental Harbour Union Limited (陸港眾邦(香港)有限公司) (**"Continental Harbour Union"**) was completed.*

Use of Proceeds

The aggregate proceeds from the Share Subscription are RMB101,859,200.00 and the net proceeds (after deduction of issuance expenses and other related costs and expenses of RMB1,710,145.91 (excluding taxes)) are RMB100,149,054.09. The net Subscription Price per Subscription Share was approximately HKD2.73. The exchange rate was calculated based on the central parity of HKD1=RMB0.91600 as at 20 August 2024 published by the China Foreign Exchange Trade System as authorized by The People's Bank of China.

The net proceeds from the Share Subscription are intended to be fully invested in the Company's overseas capacity building and smart logistics construction, in order to strengthen capacities in provision of overseas logistics services to ensure supply, and enhance investment in warehousing and logistics construction, smart logistics and extension of dual-power supply chains, etc.

For the year ended 31 December 2025, the amount of proceeds from the Share Subscription utilised for the intended purposes disclosed in the circular of the Company dated 4 November 2024 was approximately RMB13.40 million. As at 31 December 2025, the unused amount was approximately RMB86.60 million, which is expected to be used for the intended purposes by the end of 2027. The following table sets out the details of the actual amount used:

Purposes	Percentage of the proceeds (%)	The amount utilised during the year ended 31 December 2025 (RMB'000)	Unutilised proceeds as at 31 December 2025 (RMB'000)
Overseas capacity building	40%	3,400	36,600
Smart logistics construction	60%	10,000	50,000
Total	**100%**	**13,400**	**86,600**

Reasons for and Benefits of Conducting the Share Subscription

The State-owned Assets Supervision and Administration Commission of the State Council (**"SASAC of the State Council"**) has proposed to deepen and enhance the reform of state-owned enterprises to improve their development qualities by leveraging the listing platforms more effectively to increase the market recognition and facilitate value realization of the listed enterprises. The Share Subscription is beneficial to the Company by effectively replenishing its liquidity, optimising its capital structure and enhancing its overall risk-resistant capability. The issuance of domestic shares to SIAMC will also showcase the support and confidence of the substantial shareholders to the market, which will be conducive to boosting the market capitalisation and share price, and promoting the functioning of the listing platform and the restoration of valuation.

In addition, the proceeds from the Share Subscription will be used to strengthen the construction of overseas logistics capacity, providing capital support for future overseas business, which is conducive to enhancing the Company's overall competitiveness, thereby enabling the Company to create greater value for its shareholders.

For details please refer to an announcement of the Company dated 22 August 2024 and a circular of the Company dated 4 November 2024 in relation to, among others, (i) the Share Subscription (including the Share Subscription Agreement, the transactions contemplated thereunder, and the Specific Mandate); (ii) the Whitewash Waiver; and (iii) the proposed amendments to the Articles of Association, an announcement of the Company dated 12 September 2024 in relation to delay despatch of circular, an announcement of the Company dated 14 October 2024 in relation to further delay despatch of circular, a supplemental announcement dated 10 October 2024, an announcement dated 6 March 2025 in relation to Approval by the CSRC of the Company's Application for Registration of the Issuance of Subscription Shares and an announcement dated 27 May 2025 in relation to the completion of the Share Subscription.

Loans and Borrowings

As at 31 December 2025, the balance of short term loans and other loans from financial institutions of the Group was RMB34,034,052.67 (31 December 2024: RMB25,479,206.58). Please refer to note V.22, 30 and 32 to the financial statements of this report for further details.

Gearing Ratio

As at 31 December 2025, the gearing ratio (net debt divided by the adjusted capital plus net debt) of the Group was approximately 59.70% (31 December 2024: 57.54%). The gearing ratio between the total liabilities and the total equity of the Group was approximately 148.14% (31 December 2024: 135.50%).

Pledge of Assets

As at 31 December 2025, the Group had pledged bank deposits of approximately RMB6,891,657.55 (31 December 2024: RMB5,448,998.06) to secure bank acceptance bills.

Contingent Liabilities

As at 31 December 2025, the Group did not have any significant contingent liabilities.

Principal Risks and Uncertainties

The Group's financial condition, results of operations and business prospects may be affected by a number of risks and uncertainties directly or indirectly pertaining to our Group's businesses. The following are the key risks and uncertainties identified by the Group. There may be other risks and uncertainties in addition to those shown below which are not known to our Group or which may not be material at the moment but could turn out to be material in the future.

Market Risks
Market risk is the risk arising from the movement in market price that deteriorates profitability or affects the ability to achieve business objectives. The management of our Group manages and monitors these exposures to ensure appropriate measures are implemented in a timely and effective manner.

Liquidity Risk
Liquidity risk is the potential that our Group will be unable to meet its obligations when they fall due because of an inability to obtain adequate funding or liquidate assets. In managing liquidity risk, our Group monitors cash flows and maintains an adequate level of cash and cash equivalent to ensure the ability to finance the Group's operations and reduce the effects of fluctuation in cash flows.

Operational Risk
Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. Responsibility for managing operational risks basically rests with every function at divisional and departmental levels. Key functions in our Group are guided by their standard operating procedures, limits of authority and reporting framework. Our management will identify and assess key operational exposures regularly so that appropriate risk response can be taken.

Reliance Risk
For the logistics industry, the alliance between automobile manufacturers and logistics services providers is common in the PRC market. It is typical that a substantial part of the logistics services will be provided by related entity(ies) within the group of companies. The Group is no exception and Changan Group has been the Group's long-term client. As the Group is primarily engaged in automobile logistics and relies on the automobile production and sales of Changan Group, the fluctuation of Changan Group's automobile production and sales would undoubtedly impact on the business performance of the Group. Therefore, if Changan Group ceases to use or substantially reduces the use of the Group's logistics services and if the Group is not able to secure new customers with similar sales volume on terms acceptable to the Group, the business scale of the Group will be substantially reduced, and the financial performance of the Group will be adversely affected.

Non-operating expenses

1. Impact of risks and damage caused by rainstorm on the Company

On 9 August 2024, a sudden heavy rainstorm hit Dingzhou City, Hebei Province, causing severe flooding within a short period of time. Although the Hebei Branch of the Company took emergency measures such as stacking sandbags and sealing warehouse doors, the excessive rainfall caused waterlogging inside the warehouse of the Hebei Branch, damaging the materials stored there belonging to customers. The Hebei Branch had fully insured all the stored materials and reported the case to the insurance company. The inventory of all damaged materials was completed in cooperation with the insurance company on 25 September 2024. As at the end of 2024, the Company considered that the potential exposure to losses for the stored materials, which are subject to compensation, was relatively small, and that no provision for loss was required before the final amount of compensation was determined. In 2025, following a preliminary settlement agreement reached between the Company's management, the customers and the insurance company, the loss amounted to RMB494,500.

2. Impact of damage arising from fire on the Company

On 9 May 2025, a fire accident broke out at Dingzhou Jinhao Trading Co., Ltd. (**"Jinhao Trading"**), a warehouse service provider for the Hebei Branch, which resulted in the complete destruction of all materials stored by the Hebei Branch at Jinhao Trading's warehouse. Pursuant to the warehouse management agreement between the Hebei Branch and Jinhao Trading, Jinhao Trading was obliged to fully insure the materials stored in the warehouse. However, Jinhao Trading failed to fulfil its obligation to buy full insurance and is not capable of making full compensation. Following discussions with the customers, a partial waiver was agreed; as a result, the Company estimates a loss of RMB9.95 million, which has been recognised in full as a loss for the current period.

3. Impact of material differences on the Company

In June 2025, the Shandong Branch of the Company carried out inventory counting in its warehouse and identified an inventory shortage totalling RMB8,424,100. Preliminary investigations indicated that the shortage arose from discrepancies in the handover of containers during the warehouse relocation and accumulated discrepancies in the process of storage and management. As the quantity, amount and compensation plan for the inventory shortage have not yet been finalised with the customer, the loss amount is estimated based on the difference between the records in the warehouse management system of the Company and the actual inventory count.

For details, please refer to note V.54-- non-operating expenses in the notes to the financial statements of this report.

Exchange Rate Risks

As the Group has limited transactions denominated in foreign currencies, there is no significant effect on the Group's existing operations.

Capital Commitment

As at 31 December 2025, the Group had no capital expenditure incurred.

Significant Purchase or Sale of Subsidiaries and Associated Companies

During the reporting period, there was no significant purchase or sale of subsidiaries and associated companies of the Group.

Substantial Investment or Acquisition

On 16 January 2025, the Company, Minsheng Shipping (Thailand) Co., Ltd. (**"Minsheng Shipping (Thailand)"**) and CTI Logistics Co., Ltd. (**"CTI"**) entered into a joint venture agreement (the **"Joint Venture Agreement"**), pursuant to which the three parties agreed to establish a joint venture company (the **"JV Company"**).

Pursuant to the Joint Venture Agreement, the registered capital of the JV Company shall be denominated in Thai Baht, equivalent to RMB30 million. The capital contribution of each of the Company, Minsheng Shipping (Thailand) and CTI shall be denominated in Thai Baht, equivalent to RMB13.2 million, RMB9 million and RMB7.8 million, respectively. Following completion of capital contributions to the JV Company by the three parties, the JV Company is owned as to 44% by the Company, 30% by Minsheng Shipping (Thailand) and 26% by CTI.

Upon completion of capital contributions, the Company holds 44% of the equity interests in the JV Company and has nominated three out of five members to the board of the JV Company. As Minsheng Shipping (Thailand) and CTI have both confirmed the Company has actual control over the JV Company's operations, the financial results of the JV Company will be consolidated into the financial statements of the Group. For further details, please refer to the announcements of the Company dated 16 January 2025 and 21 January 2025 respectively.

On 21 January 2025, the JV Company was incorporated in Thailand under the name of CCM Logistics Co., Ltd.

Save as disclosed above, during the reporting period, the Group had no substantial investment or acquisition.

The Board is pleased to present the report of the Board for the year ended 31 December 2025.

The EGM held on 28 November 2025 considered and approved the proposal of the amendments to the Articles of Association of the Company and the abolishment of the Supervisory Committee by way of a special resolution, and the relevant registration procedures were completed on 15 December 2025. From this date, the corporate governance structure of the Company changed from being composed of the Board, the Supervisory Committee and the senior management to being composed of the Board, the committees under the Board and the senior management. The audit and risk committee under the Board (the **"Audit and Risk Committee"**) has exercised the powers and functions of the Supervisory Committee, to ensure the continuity and effectiveness of the corporate governance of the Company.

Principal Activities and Business Review

The Group is principally engaged in supply chain management services for automobiles and automobile raw material, components and parts. Such services include finished vehicle transportation and related logistics services, automobile raw materials and components and parts supply chain management services, tires assembly, after sales logistics services, etc. Besides, the Group also provides non-automobile commodities transportation services.

Further discussion and analysis of these activities as required by Schedule 5 of the Companies Ordinance, Chapter 622 of the laws of Hong Kong, including a discussion of the principal risks and uncertainties the Group is facing and an indication of likely future developments in the Group's business, can be found in the Management Discussion and Analysis set out on pages 10 to 18 of this report. This discussion forms part of this Report of the Board.

Major Customers and Suppliers

During the reporting period, the Group's sales to its 5 largest customers in proportion to the Group's total sales are as follows:

	For the year ended 31 December
	2025
A Chongqing Changan Automobile Co., Ltd.	24%
B Changan Ford Automobile Co., Ltd.	14%
C Deepal Automobile Sales (Chongqing) Co., Ltd.	8%
D Chongqing Xingzhi Technology Co., Ltd.	7%
E Chongqing Changan Automobile International Sales and Service Co., Ltd.	6%
Total of 5 largest customers	59%
	2024
A Chongqing Changan Automobile Co., Ltd.	22%
B Changan Ford Automobile Co., Ltd.	15%
C Chongqing Changan Automobile International Sales and Service Co., Ltd.	9%
D BMW Brilliance Automotive Ltd.	7%
E Hebei Changan Automobile Co., Ltd.	4%
Total of 5 largest customers	57%

According to the Rules Governing the Listing of Securities (the **"Listing Rules"**) on the Stock Exchange, except for BMW Brilliance Automotive Ltd., all the other largest customers mentioned above are the connected persons of the Company.

During the reporting period, the Group's purchases from the 5 largest suppliers in proportion to the Group's total purchases are as follows:

	For the year ended 31 December
	2025
A China Railway Special Cargo Logistics Co., Ltd. Chengdu Branch	9%
B CITIC Decca Co. Ltd.	3%
C Sanyangma (Chongqing) Logistics Co., Ltd.	3%
D MSC Mitsui (China) Limited Guangzhou Branch	2%
E China Railway Special Cargo Logistics Co., Ltd. Shanghai Branch	2%
Total of 5 largest suppliers	**19%**
	2024
A China Railway Special Cargo Logistics Co., Ltd. Chengdu Branch	7%
B CITIC Decca Co. Ltd.	5%
C Chongqing Meilian International Warehousing and Transportation (Group) Co., Ltd.	4%
D CIMC World Union Daya Asian Union International Logistics Co., Ltd.	3%
E MSC Mitsui (China) Limited Guangzhou Branch	3%
Total of 5 largest suppliers	**22%**

Each of the 5 largest suppliers is not a connected person of the Company pursuant to the requirements of the Listing Rules.

Save as disclosed above, none of the Directors, their respective close associates or any shareholders (which to the knowledge of the Directors own more than 5% of the Company's issued share capital, excluding treasury shares) had any interest in the 5 largest customers and 5 largest suppliers mentioned above.

Results

The results of the Group for the year ended 31 December 2025 are set out in the consolidated and company income statement in this report.

Dividend Distribution Policy

On 7 December 2023, the Board reviewed and adjusted the dividend distribution policy, among which, including clarifying the dividend appropriation ratio into the policy, which the Board will follow in formulating the dividend distribution plan. The dividend distribution policy aims to reward shareholders with reasonable dividend payout to the extent possible while maintaining adequate capital reserves for the current business operation and future growth.

(1) When deciding to distribute profit, the Company should consider both reasonable returns to investors and its sustainable development, and the profit to be distributed should not exceed the accumulated distributable profits;

(2) The Company may distribute profits by way of cash, stocks, a combination of cash and stocks, or other means permitted by laws and regulations;

(3) On the premise that the Company's distributable profits are positive, cash dividends are allowed;

(4) If the above condition referred to in the previous paragraph numbered (3) is met, the Company will, in principle, distribute cash dividends once a year. The Board may propose to distribute mid-term cash dividends with reference to profitability and capital needs of the Company;

(5) Cash dividends in every year shall be no less than 30% of the distributable profits realized in that year. The shareholders and Directors may propose a profit distribution plan for the undistributed profits retained in previous years in accordance with the Articles of Association of the Company (the **"Articles of Association"**);

(6) The profit distribution plan is proposed and drafted by the management team and the office to the Board with reference to the provisions of the Articles of Association, profitability, capital needs and shareholder return plan, and is subject to approval by shareholders at a general meeting upon being approved by the Board.

The Board will continually review these policies and reserves the right in its sole and absolute discretion to update, amend and/or modify these policies from time to time.

Dividends

Based on the total number of shares in issue on the record date for implementation of the profit appropriation, the Board recommended the payment of a final dividend of RMB0.10 (including tax) (2024: RMB0.20 (including tax) per share for the year ended 31 December 2025. The above proposal of profit appropriation is subject to consideration and approval at the 2025 annual general meeting (the "2025 AGM") of the Company. Subject to approval to the Board's proposal being obtained at the 2025 AGM, the final dividend is expected to be paid on or before 31 August 2026.

In accordance with the "Enterprise Income Tax Law of the People's Republic of China" and its implementation regulations which came into effect on 1 January 2008, the Company is required to withhold and pay enterprise income tax at the rate of 10% on behalf of the non-resident enterprise shareholders whose names appear on the register of members for H shares of the Company when distributing final dividends to them. Any H shares registered not under the name of an individual shareholder, including HKSCC Nominees Limited, other nominees, agents or trustees, or other organizations or groups, shall be deemed as shares held by non-resident enterprise shareholders. Therefore, on this basis, enterprise income tax shall be withheld from dividends payable to such shareholders. If holders of H shares intend to change their shareholder status, please enquire about the relevant procedures with your agents or trustees. The Company will strictly comply with the laws and/or the requirements of the relevant government authority and withhold and pay enterprise income tax on behalf of the relevant shareholders based on the register of members for H shares of the Company.

Pursuant to the requirements of "Notice of the Ministry of Finance and the State Administration of Taxation on Certain Policies Regarding Individual Income Tax" (Cai Shui Zi No. [1994] 020) 《財政部, 國家稅務總局關於個人所得稅若干政策問題的通知》(財稅字[1994]020號), individual foreigners exempt from individual income tax on dividend and bonus from foreign-invested enterprises in the PRC. As the Company is a foreign-invested joint stock limited company, the individual shareholders who hold the H shares of the Company and whose names appear in the H-share registrar are not required to pay the individual income tax of PRC.

The record date of the 2025 AGM, the last day for trading in the securities with entitlement, the ex-entitlement date and the last registration date of transfer of shares for the purpose of the 2025 final dividend and the period for the closure of register of members will be set out in the notice convening the 2025 AGM of the Company to be sent to the shareholders. The Company shall comply with the relevant rules and regulations to withhold and pay the enterprise income tax on behalf of the relevant shareholders whose names are listed in the register of members of the share of the Company as of the record date for the purpose of the 2025 final dividend.

The interim dividend of RMB0.05 (including tax) per share for the six months ended 30 June 2025, in the aggregate amount of RMB10,103,200 (including tax), had been approved by the shareholders at the EGM held on 28 November 2025, and was paid on 30 January 2026.

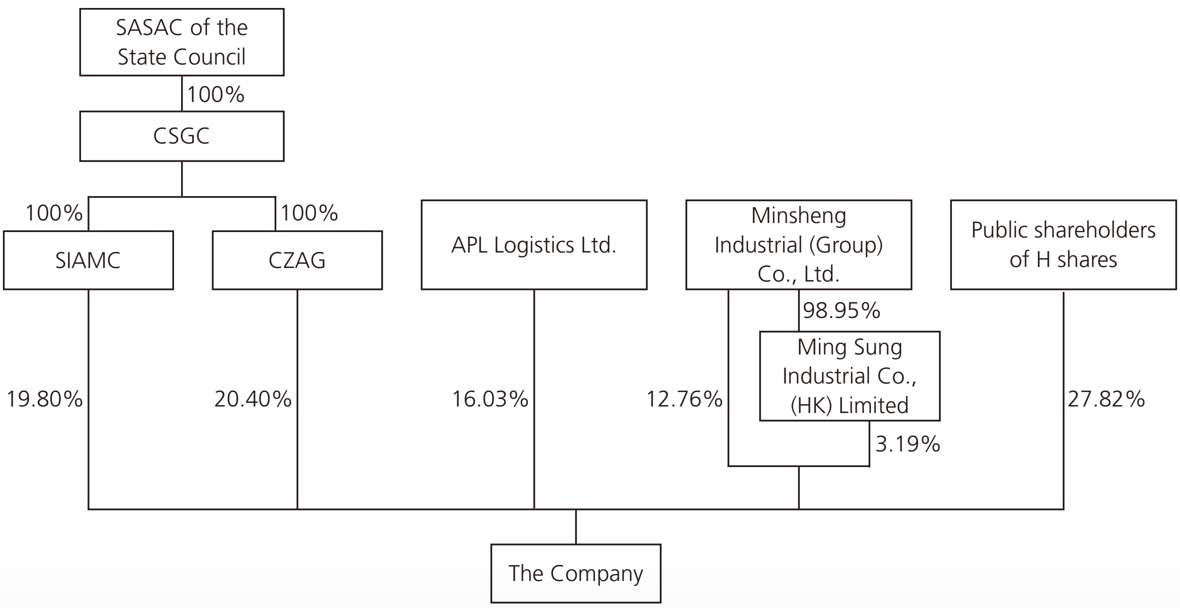
Change in the Shareholding Structure of the Controlling Shareholder

To improve the layout of the state-owned capital, with the approval of the State Council, SASAC of the State Council has implemented a demerger of China South Industries Group Co., Ltd.* (**"CSGC"**), the indirect controlling shareholder of the Company. In July 2025, the relevant industrial registration procedures for the demerger of CSGC into CSGC (the existing company) and China Changan Automobile (the newly established company) were completed. On 27 July 2025, CSGC and China Changan Automobile entered into the Demerger Agreement of China South Industries Group Co., Ltd.* (the **"Demerger Agreement"**). Pursuant to the Demerger Agreement, 100% of the equity interests in CZAG directly held by CSGC will be transferred to China Changan Automobile at nil consideration (the **"Change in Equity Interests"**). All necessary approvals and registration procedures for this Change in Equity Interests were completed on 27 November 2025.

Changes in the Shareholding Structure before and after the Changes in Equity Interests

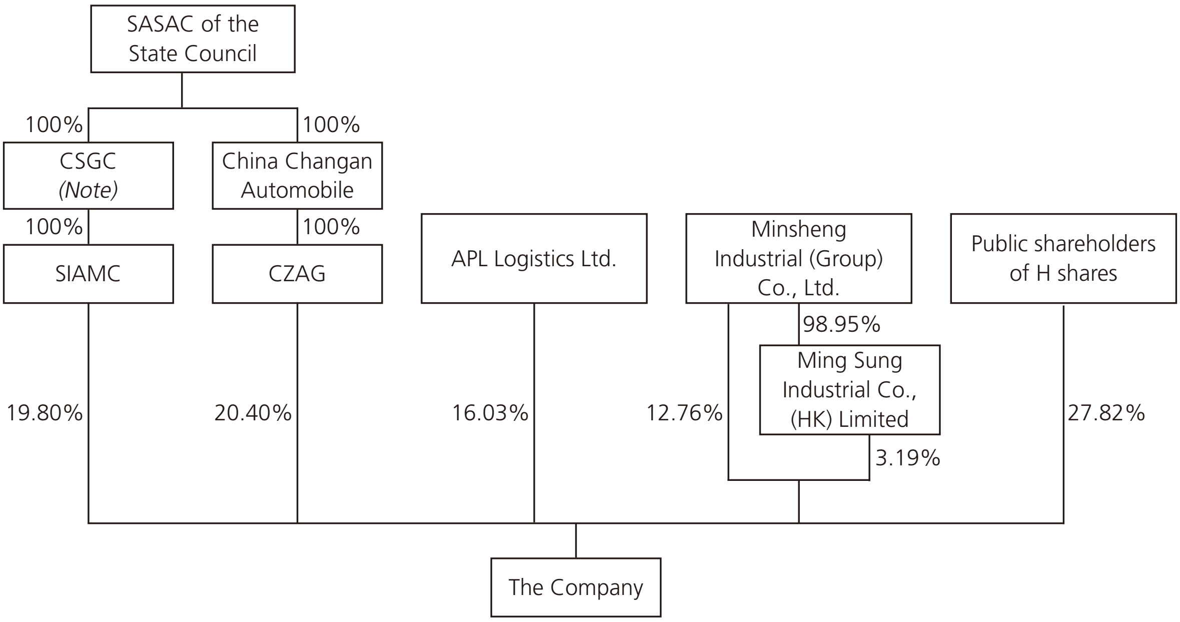
Prior to the Change in Equity Interests, SIAMC directly holds 40,000,000 shares of the Company, representing approximately 19.80% of the total issued shares of the Company and CZAG directly holds 41,225,600 shares of the Company, representing approximately 20.40% of the total issued shares of the Company. SIAMC and CZAG are the wholly-owned subsidiaries of CSGC, a wholly-owned subsidiary of SASAC of the State Council.

The shareholding structures of the Company, the Company's controlling shareholders and de facto controller prior to the Change in Equity Interests are set out below:



After the Change in Equity Interests, SIAMC remains to directly hold 40,000,000 shares of the Company, representing approximately 19.80% of the total issued shares of the Company and CZAG remains to directly hold 41,225,600 shares of the Company, representing approximately 20.40% of the total issued shares of the Company. The demerged CSGC holds 100% of the equity interests in SIAMC, and China Changan Automobile holds 100% of the equity interests in CZAG. CSGC and China Changan Automobile are wholly owned by SASAC of the State Council.

The shareholding structures of the Company, the Company's controlling shareholders and de facto controller after the Change in Equity Interests are set out below:



Note: The above-mentioned CSGC refers to demerged CSGC.

After the Change in Equity Interests, SASAC of the State Council remains the de facto controller of the Company. The Change in Equity Interests does not affect the normal production and operation of the Company. Based on the publicly available information and to the Directors' best knowledge, the public float of the Company is in compliance with the minimum public float requirement set out in the Listing Rules.

Please refer to the announcements of the Company dated 9 February 2025, 5 June 2025, 23 June 2025 and 29 July 2025 respectively for further details.

Share Capital

As at 31 December 2025, the issued share capital of the Company is as follows:

Class of Shares Issued	Number of Shares	Percentage
H Shares	129,844,800	64.26%
Domestic Shares	65,774,720	32.55%
Non-H Foreign Shares	6,444,480	3.19%
Total	**202,064,000**	**100.00%**

On 22 August 2024, the Company and SIAMC entered into the Share Subscription Agreement, pursuant to which the Company has conditionally agreed to allot and issue, and SIAMC has conditionally agreed to subscribe for 40,000,000 new domestic shares at the Subscription Price of RMB2.54648 (equivalent to HK$2.78) per Subscription Share for a total consideration of RMB101,859,200 (equivalent to approximately HK$111,200,000) in cash. The relevant proposal was approved by the EGM held on 22 November 2024 by way of poll. On 6 March 2025, the Company received the *Approval on the Registration of the Issuance of Shares to Specific Investors by Changan Minsheng APLL Logistics Co., Ltd.* (Zheng Jian Xu Ke [2025] No. 373)* dated 27 February 2025 issued by the CSRC. The CSRC approved the registration application for the issuance of 40,000,000 (inclusive) domestic shares. On 26 May 2025, China Securities Depository and Clearing Corporation Limited has issued a share registration certificate dated 26 May 2025 in respect of the new domestic shares, being Subscription Shares, issued under the Share Subscription. The Share Subscription was completed on 26 May 2025, with 40,000,000 domestic shares formally allocated and issued to SIAMC. For details, please refer to the section headed "Capital Structure - Management Discussion and Analysis" in this report.

Public Float

Based on the public information known to the Company and to the best knowledge of the Directors, as at the date of this report, the Company has met the public float requirement as stipulated under the Listing Rules.

Reserves

Details of changes in the Company's reserves during the reporting period are set out in the consolidated statement of changes in equity and in note V. 39 to the financial statements.

Property, Plant and Equipment

Details of changes in the Group's property, plant and equipment during the reporting period are set out in note V. 13 to the financial statements.

Financial Position

A summary which includes the Group's results and its assets and liabilities for the past five financial years is set out in the section headed "Financial Summary" of this report.

Subsidiaries

As at 31 December 2025, the Company had the following subsidiaries.

Wholly-Owned Subsidiaries

CMAL Bo Yu Transportation Co., Ltd. ("CMAL Bo Yu")*

It was incorporated on 3 November 2005 with an address at No.111-5-1, Shengtai Road, Fusheng Prefecture, Liangjiang New Area, Chongqing, the PRC and possesses the registered capital of RMB60,000,000 and the Company holds 100% of its equity interests. CMAL Bo Yu's main business includes general freight, storage (storage of dangerous goods not included), logistics planning and consultation and telecommunication services in the PRC. Please refer to note VII to the financial statements of this report for further details.

Chongqing Future Supply Chain Management Co., Ltd. ("Chongqing Future")*

It was incorporated on 18 March 2009 with an address at No. 6-1-0021, 5-2 Hongang Road, Guojiatuo Street, Liangjiang New Area, Chongqing, the PRC and has a registered capital of RMB30,000,000 and the Company holds 100% of its equity interests. Chongqing Future is mainly engaged in general freight, storage (storage of dangerous goods not included), loading and unloading, handling, distribution, package processing (excluding printing), packaging, automobile components and parts sub-packaging, processing (excluding engine processing) and sales, international freight forwarding services (excluding international shipping forwarding) and logistics information consultation and solution design, etc. Please refer to note VII to the financial statements of this report for further details.

Chongqing Saimei Shuzhi Technology Co., Ltd. ("Chongqing Saimei")

The former Chongqing Changan Minsheng Fuyong Logistics Co., Ltd., it was incorporated on 28 April 2011 with an address at Room 1-1, Building 15, No. 39 Xinggu Road, Hangu Town, High-tech Zone, Chongqing, the PRC. It has a registered capital of RMB50,000,000 and the Company holds 100% of its equity interests. Chongqing Saimei is mainly engaged in technology-related services, package containers leasing, intelligent sales and leasing businesses etc. Please refer to note VII to the financial statements of this report for further details.

Fulu International Logistics Co., Ltd. ("Fulu International")*

The former Chongqing Fulu Bonded Logistics Co., Ltd., it was established on 9 April 2014 with an address at No.88-7-108, Maya Road, Luohuang Prefecture, Jiangjin District, Chongqing, the PRC. It has a registered capital of RMB60,000,000 and the Company holds 100% of its equity interests. Fulu International mainly engages in storage services (excluding dangerous goods); loading and unloading, handling; freight forwarding; packaging, distribution; processing and selling automobile parts; import and export of cargos and technology; design of logistics solutions and provision of related information consultation, Non-Vessel Operating Common Carrier business, etc. Please refer to note VII to the financial statements of this report for further details.

Hangzhou Changan Minsheng Logistics Co., Ltd. (“Hangzhou Changan Minsheng”)*

It was incorporated on 17 May 2013 with an address at No.599, Luyin Road, Qianjin Street, Qiantang New District, Hangzhou, Zhejiang Province, the PRC. It has a registered capital of RMB610,000,000 and the Company holds 100% of its equity interests. Hangzhou Changan Minsheng is mainly engaged in dangerous goods road transportation, large objects transportation; freight stowage, forwarding and tally; domestic waterway freight forwarding; processing, producing, assembling, selling finished vehicles, automobile raw materials, parts and parts package materials; developing logistics software and providing logistics technology consultation. Please refer to note VII to the financial statements of this report for further details.

Changan Minsheng (Shanghai) Supply Chain Co., Ltd. (“Shanghai Supply Chain”)*

It was incorporated on 5 August 2014 with an address at Room 208A, Building B, No.5, Shuntong Road, Lin-gang Special Area, Pilot Free Trade Zone, Shanghai, the PRC. It has a registered capital of RMB30,000,000 and the Company holds 100% of its equity interests. The main business of Shanghai Supply Chain is supply chain management, road transportation, import and export of goods and technology, exhibition and display services, development and design of computer software and hardware, storage (excluding dangerous goods), packaging, development of logistics software and information services. Please refer to note VII to the financial statements of this report for further details.

Non-Wholly-Owned Subsidiaries

Nanjing CMSC Logistics Co., Ltd. (“Nanjing CMSC”)*

It was incorporated on 26 July 2007 with an address at No.222, Qinshuiting West Road, Economic and Technological Development Zone, Jiangning District, Nanjing, Jiangsu Province, the PRC with a registered capital of RMB100,000,000. The Company holds 67% of its equity interests and Sumitomo Corporation (**“Sumitomo”**) holds 33% of its equity interests. Nanjing CMSC is mainly engaged in general freight, domestic freight forwarding, provision of international freight forwarding for cargo transported via sea, air and land; import and export and related services, assembly and processing of automobile parts, leasing of machinery and vehicles, etc. Please refer to note VII to the financial statements of this report for further details.

Chongqing Changzu Feiyue Technology Co., Ltd. (“Changzu Feiyue”)

The former Chongqing Changliang Logistics Technology Co., Ltd., it was incorporated on 16 May 2014 with an address at Industrial Park Zone, Economic Development Zone, Shuangqiao District, Chongqing (No.39-2, Checheng Road), the PRC and has a registered capital of RMB50,000,000. The Company holds 55% of equity interests of Changzu Feiyue, Chongqing Shuangqiao Economic & Technological Development Zone Investment Group, Co. Ltd.* holds 37.80% of its equity interests and Suzhou Zhongji Liangcai Technology Co., Ltd. holds the remaining 7.20% of its equity interests. Changzu Feiyue is mainly engaged in developing logistics technology, technical services and provision of technology consultation; producing, selling, renting and maintenance of containers; processing and selling of automobile parts; imports and exports; general freight; storage (excluding dangerous goods); international freight forwarding (excluding forwarding cargos transported by waterway and international freight forwarding by vessels); provision of packaging information consultation services, etc. Please refer to note VII to the financial statements of this report for further details.

Chongqing Changxiang Supply Chain Technology Co., Ltd. (“Changxiang Supply Chain”)*

It was incorporated on 24 March 2021 with an address at No.2-4-401, Longgang Road, Guojiatuo Street, Liangjiang New Area, Chongqing, the PRC and has a registered capital of RMB20 million. The Company and China Logistics Group Automotive Supply Chain Technology Co., Ltd. (the former FAW Logistics Co., Ltd.) own 70% and 30% equity interests of Changxiang Supply Chain respectively. Changxiang Supply Chain is primarily engaged in road cargo transportation (excluding dangerous goods), city distribution and transportation (excluding dangerous goods), road cargo transport station operation, road cargo transportation (including dangerous goods and items that need to be approved according to law, and the specific items are subject to the approval documents or licenses of relevant departments); ordinary cargo storage, packaging, automobile sales, second-hand car brokerage, business agent service, motor vehicle refitting, car repair and maintenance, auto parts retail, domestic container freight forwarding agent service, second-hand car dealing, automotive decoration sales and other businesses. Please refer to note VII to the financial statements of this report for further details.

Wuhan Changjiang Zhilian Port Development Co., Ltd. ("Changjiang Zhilian")*

It was established on 3 November 2017 with the registered address at 1/F, Unit 1, Building 19-3-1, Jincheng Village, Dengnan Street, Hannan District, Wuhan, Hubei Province, the PRC and has a registered capital of RMB30 million. Changjiang Zhilian is owned as to 55.1150%, 12.7770%, 12.7340%, 12.2340% and 7.1400% by the Company, Hubei Hannan Port Industrial Co., Ltd.*, Hubei Hannangang Logistics Co., Ltd.*, Wuhan Shengde Rixin Automobile Industrial Park Co., Ltd.* and Wuhan Changxin Hengyuan Industrial Development Co., Ltd.* respectively. Changjiang Zhilian is primarily engaged in licensed business items, including port operation, port cargo handling services, road transport of goods (excluding dangerous goods), water transport of general cargo, road transport of goods (including dangerous goods), road transport of goods (Internet freight) and general business items, including general goods storage service (excluding dangerous goods and items that need to be licensed or approved), domestic container freight forwarding, domestic freight forwarding, international freight forwarding, non-vessel carrier business, road freight transport station operation, used automobiles brokerage, used automobiles dealing, house leasing, property management, machinery equipment leasing, non-residential property leasing, auto spare parts retail, new car sales and other services. Please refer to note VII to the financial statements of this report for further details.

CCM

It was registered and incorporated in Rayong Province, Thailand on 21 January 2025, with a registered capital of THB 35.925 million. The Company, Minsheng Shipping (Thailand) and CTI hold 44%, 30%, and 26% of its equity, respectively. CCM is the Company's first overseas joint venture established as part of its globalization strategy. Leveraging the extensive experience of its shareholders in manufacturing logistics, cross-border logistics, and local operations in Thailand, CCM aims to build an integrated logistics service system covering the entire automotive industry chain and the manufacturing sector. Please refer to note VII to the financial statements of this report for further details.

Capitalized Interests

For the year ended 31 December 2025, no interest had been capitalized by the Company.

Permitted Indemnity Provision

A permitted indemnity provision for the benefit of the Directors of the Company is currently in force and was in force throughout this year. The Company has taken out and maintained appropriate insurance cover in respect of potential legal actions against its Directors and officers.

Relationship with Stakeholders

The Group recognizes that employees are our valuable assets. Thus, our Group provides a competitive remuneration package to attract and motivate the employees. The Group regularly reviews the remuneration packages of employees and makes necessary adjustments to conform to the market standard. The Group also understands that it is important to maintain good relationships with business partners and bank enterprises to achieve its long-term goals. During the reporting period, there was no material and significant dispute between the Group and its business partners or bank enterprises.

Retirement Plan

Details of the Company's retirement pension schemes are set out in note III. 23 SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES "Employee benefits" to the financial statements.

The employees of members of the Group in the PRC are members of Social Insurance Scheme (the **"Social Insurance Scheme"**) (such as pension insurance, medical insurance, occupational injury insurance, unemployment insurance, maternity insurance and housing funds) operated by the PRC government. The Group is required to make contributions to the Social Insurance Scheme based on a certain percentage of the salaries of its employees to fund the benefits. The Social Insurance Scheme is operated and administered by the relevant local government authorities and is non-refundable, and the Company has no access nor any discretion after making the aforesaid contributions, therefore there were no such forfeited contributions within the meaning of paragraph 26(2) of Appendix D2 to the Listing Rules for the year ended 31 December 2025. Apart from basic pension insurance, the Group has established an enterprise annuity plan (**"annuity plan"**) in accordance with relevant policies of the national enterprise annuity system. Employees can voluntarily participate in this annuity plan. Besides this, the Group has no other significant employee social security commitments. Accordingly, none of the Group's forfeited contributions under the Social Insurance Scheme can be used to offset future contributions or reduce current and future contribution levels.

Employees

As at 31 December 2025, the Group had 3,270 employees (31 December 2024: 3,137 employees), and the gender ratio in the workforce (including senior management) was male: female=2:1.

The breakdown of the number of employees of the Group by functions is as follows:

	As at 31 December	
	2025	2024
Administration	274	246
Specialists	1,305	1,500
Operators	1,521	1,391
Total	**3,270**	**3,137**

Remuneration Policy

The salaries of the Company's employees are determined based on the remuneration policy approved by the Board and the remuneration committee of the Company (the **"Remuneration Committee"**) and in accordance with the relevant PRC policies. The salaries are in line with the economic efficiency of the Company and by reference to the market rates, performance, qualifications and experience of the relevant employees. A discretionary bonus may also be given based on the performance of individual staff during the year in order to reward the employees for their contributions to the Company. Other employee benefits include pension insurance, medical insurance, unemployment insurance, personal injury insurance and housing funds, etc.

During the reporting period, there were no changes to the remuneration policy for employees. The Group's employees participated in the basic social insurance organised and implemented by the local labour and social security authorities. Upon retirement, the local labour and social security department is responsible for paying the basic pension to retired employees. The Group is required to contribute a certain percentage of employees' salaries to the basic social insurance to fund the retirement benefits of the employees. The Group's sole responsibility regarding the basic social insurance is to make contributions in accordance with regulations. There have been no changes to the details of such retirement benefits.

During the reporting period, the Group paid to its employees the wages, bonuses, allowances, compensation, welfare, housing funds and social insurances totalling RMB642,415,961.72 (2024: RMB651,091,403.61). Please refer to note V. 27 to the financial statements for a breakdown of the employee benefit expense.

Training Programme

During the year, the Company has provided the staff with training regarding technology, security and management, etc.

Staff Quarters

During the year, the Company has not provided any staff quarters to the staff (2024: nil). Full-time employees are entitled to participate in the government-sponsored housing fund. The Company contributes on a monthly basis to the fund at certain rates of the employees' basic salary.

Directors

The Directors of the sixth session of the Board of the Company up to the date of this report were as follows:

Executive Director	
Wan Nianyong (chairman)	(re-appointed on 30 June 2023)
Non-executive Directors	
Tan Hongbin	(appointed on 27 June 2025)
Chen Wenbo	(re-appointed on 30 June 2023)
Gu Daokun	(appointed on 27 June 2025)
Independent non-executive Directors	
Li Ming	(appointed on 30 June 2023)
Man Wing Pong	(appointed on 30 June 2023)
Chen Jing	(appointed on 30 June 2023)
Zuo Xinyu	(appointed on 28 November 2025)

The sixth session of the Board of the Company was established on 30 June 2023 and members of the sixth session of the Board of the Company were elected and appointed on 30 June 2023, certain Directors were subsequently appointed or re-appointed thereafter. For further details, please refer to the circulars dated 14 June 2023, 29 May 2025, 11 December 2025 and the announcements dated 30 June 2023, 27 June 2025 and 28 November 2025 of the Company.

Abolishment of the Supervisory Committee

To further improve the corporate governance structure and promote compliant and efficient operations, in accordance with the *Company Law of the People's Republic of China* (the **"Company Law"**) newly amended in July 2024, the *Guidelines for the Articles of Association of Listed Companies,* and other relevant laws, regulations, and supervisory requirements, and in light of its actual circumstances, the Company has made corresponding amendments to the Articles of Association. The proposal of the *Amendments to the Articles of Association and Abolishment of the Supervisory Committee* was considered and approved at the EGM held on 28 November 2025 by way of a special resolution. The relevant registration procedures were completed on 15 December 2025. From that date, the Company ceased to maintain a Supervisory Committee or supervisors. All former supervisors (including Ms. Ang Lai Fern, Mr. Yang Gang and Ms. Liu Shasha) are deemed to have resigned concurrently. The Audit and Risk Committee has exercised the powers of the Supervisory Committee as prescribed by the Company Law. For further details, please refer to announcements of the Company dated 10 November 2025 and 28 November 2025 respectively, as well as the circular of the Company dated 12 November 2025.

Prior to the abolishment of the Supervisory Committee, normal changes occurred in its membership during the reporting period:

Due to changes in work arrangements, Mr. Wang Huaicheng resigned from his positions as the chairman and shareholder representative supervisor of the sixth session of the Supervisory Committee of the Company with effect from 8 August 2025. For details, please refer to the announcement of the Company dated 8 August 2025.

Due to retirement, Ms. Deng Li resigned from her position as the employee representative supervisor of the sixth session of the Supervisory Committee of the Company with effect from 10 September 2025. For details, please refer to the announcement of the Company dated 10 September 2025.

Confirmation of Independence

The Company has received the annual confirmation of independence from each of the independent non-executive Directors pursuant to the Listing Rules. The Company considers that the existing independent non-executive Directors are independent of the Company and connected persons of the Company.

Service Contracts of Directors

Each of the Directors of the Company has entered into a service contract with the Company. There is no unexpired period of any service contract which is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

Directors' Interests in Contracts

Save as disclosed in the section headed "Continuing Connected Transactions", there was no contract of significance to which the Company was a party and in which a Director had a material interest, whether directly and indirectly, subsisting at the end of the year or at any time during the year.

Management Contract

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year ended 31 December 2025.

Directors and Senior Management

There are no relationships, including financial, business, family or other material/relevant relationships among members of the Board and the senior management of the Company except for their working relationships within the Company.

Highest Paid Individuals

During the year, the five individuals with the highest remuneration in the Group are all Directors and senior management of the Company. Details of the highest paid individuals are set out in note XV.4 to the financial statements of this report.

Remuneration of Directors

Details of the remuneration of Directors are set out in note XV.3 to the financial statements of this report.

The remuneration provided to Directors is determined on, among other things, the relevant experience and responsibility of, and time devoted to the Company by the Director.

Interests of Directors and Chief Executive in Shares of the Company and Associated Corporations

As at 31 December 2025, none of the Directors and chief executive of the Company have any interests and short positions in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance, Chapter 571 of Laws of Hong Kong (the **"SFO"**)) which (a) were required pursuant to section 352 of the SFO to be entered in the register referred to therein; or (b) were required, pursuant to the Appendix C3 of Model Code for Securities Transactions by Directors of Listed Issuers ("**Model Code**") to the Listing Rules to be notified to the Company and the Stock Exchange.

As at 31 December 2025, the Directors and chief executive of the Company were not beneficially interested in the share capital of any member of the Group nor did they have any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group, nor did they have any interest, either direct or indirect, in any assets which have been, since 31 December 2025, made up, acquired, disposed of by or leased to or are proposed to be acquired or disposed of by or leased to any member of the Group.

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

As at 31 December 2025, so far as is known to the Directors and chief executive of the Company, the following persons, other than a Director or chief executive of the Company, had interests or short positions in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provision of Divisions 2 and 3 of Part XV of the SFO, or are required, pursuant to Sections 336 of the SFO, to be entered in the register referred to therein:

Name of Shareholders	Capacity	Number of Shares	Percentage of Domestic Shares (non-H Foreign Shares Included)	Percentage of H shares	Percentage of Total Registered Share Capital
China Changan Automobile	Interest of a controlled corporation	41,225,600(L) (H Shares)	-	31.75%	20.40%
CZAG	Beneficial owner	41,225,600(L) (H Shares)	-	31.75%	20.40%
CSGC	Interest of a controlled corporation	40,000,000(L) (Domestic Shares)	55.39%	-	19.80%
SIAMC	Beneficial owner	40,000,000(L) (Domestic Shares)	55.39%	-	19.80%
Kintetsu World Express, Inc. *(note 2)*	Interest of a controlled corporation	32,399,200(L) (H Shares)	-	24.95%	16.03%
APLL *(note 1 and 2)*	Beneficial owner	32,399,200(L) (H Shares)	-	24.95%	16.03%
PEMBERTON ASIAN OPPORTUNITIES FUND	Beneficial owner	6,500,000(L) (H Shares)	-	5.01%	3.22%
Chongqing Luzuofu Equity Fund Management Co., Ltd.	Interest of a controlled corporation	32,219,200(L) (Domestic shares and non-H foreign shares)	44.61%	-	15.95%
Minsheng Industrial *(note 3)*	Beneficial owner	25,774,720(L) (Domestic Shares)	35.69%	-	12.76%
Minsheng Industrial	Interest of a controlled corporation	6,444,480(L) (Non-H Foreign Shares)	8.92%	-	3.19%
Ming Sung (HK) *(note 3)*	Beneficial owner	6,444,480(L) (Non-H Foreign Shares)	8.92%	-	3.19%

Note 1: On 12 February 2026, the transfer of 32,399,200 H shares of the Company (representing approximately 16.03% of the Company's total issued share capital) from APLL to Continental Harbour Union was completed.

Note 2: APLL is a wholly-owned subsidiary of Kintetsu World Express, Inc., which is a wholly owned subsidiary of Kintetsu Group Holdings Co., Ltd.

Note 3: Ming Sung (HK) is the subsidiary of Minsheng Industrial. The de facto controller of Minsheng Industrial is the State-owned Assets Supervision and Administration Commission of Chongqing of the PRC.

Note 4: (L)-Long position.

Save as disclosed in this report, as at 31 December 2025, so far as is known to the Directors and chief executive of the Company, there is no other person (other than the Directors or chief executive of the Company) who had interests or short positions in the provisions of Divisions 2 and 3 of Part XV of the SFO; or are required, pursuant to Section 336 of the SFO, to be entered in the register referred to therein.

Share Appreciation Rights Incentive Scheme

On 28 August 2020, the Board has considered and approved a share appreciation right (the **"Share Appreciation Rights"**) scheme (the **"Scheme"**). The Scheme has been approved by SASAC of the State Council and the EGM held on 27 April 2021. The Scheme became effective and was adopted by the Company before 1 January 2025. Please refer to the announcements of the Company dated 28 August 2020, 1 March 2021 and 27 April 2021, and the circular of the Company dated 12 April 2021 for further details. Unless otherwise defined, capitalized terms used in this report shall have the same meaning as those defined in the aforementioned announcement and circular.

The purpose of the Scheme is to establish a long-term incentive mechanism closely linking the interests of the management team with those of the Company and its shareholders and to bring them together in focusing on the long-term and sustainable development of the Company.

The Board set 27 April 2021 as the date of grant (the **"Date of Grant"**) and HKD2.98 as the exercise price. The closing price of the H shares of the Company as stated in the daily quotation sheet of the Stock Exchange immediately before the Date of Grant was HKD2.668 per share. The exercise price of the Share Appreciation Rights under the Scheme was the highest of: (1) the closing price of H share of the Company as stated in the daily quotation sheet of the Stock Exchange on the Date of Grant of HKD2.98 per share; (2) the average closing price of H share of the Company as stated in the daily quotation sheet of the Stock Exchange for five consecutive trading days prior to the Date of Grant of HKD2.83 per share; or (3) the par value of the H shares of the Company of RMB1. The number of units of the Share Appreciation Rights (number of shares) granted under the Scheme shall not in aggregate exceed ten percent (10%) of the issued share capital of the Company as of the effective date of the Scheme.

On the Date of Grant, the Company granted 4,861,400 units of Share Appreciation Rights to 29 incentive recipients (**"Incentive Recipient(s)"**), accounting for approximately 3.00% of the total issued share capital of the Company. Incentive Recipients are the individual(s) eligible to receive the Share Appreciation Rights granted by the Company under the Scheme, including Directors (external Directors and supervisors at that time are excluded), senior management, and key employees having immediate impact on the business performance and sustainable development of the Company, but shall not be a substantial shareholder or de facto controller holding over 5% of the shares, or their parents, spouses or children thereof. The number of underlying shares of the Share Appreciation Rights granted to any single Incentive Recipient did not exceed one percent (1%) of the total issued share capital of the Company. The maximum gains from the Share Appreciation Rights granted to any Director or member of senior managements under the Scheme shall not exceed 40% of their total annual remuneration (including expected benefits from Share Appreciation Rights) as at the grant of the Share Appreciation Rights. During the effective period, the actual gains to be received by each Incentive Recipient from the Share Appreciation Rights shall not exceed his or her total remuneration (equivalent to an aggregate of two-year remuneration and benefits from Share Appreciation Rights) as at the grant of the Share Appreciation Rights. Any excess shall be turned over to the discretion of the Company.

The Scheme is valid for a period of five years from 27 April 2021. The Vesting Period is a period of two years (24 months) commencing from the Date of Grant until the first Vesting Date, (i.e. no Share Appreciation Rights shall be exercised for a period of two years since the Date of Grant). The Share Appreciation Rights granted to the Incentive Recipients shall take effect by one third each year in the next three years upon the expiry of the Vesting Period. Each of the Vesting Dates shall be the second, third and fourth anniversary of the Date of Grant. The Vesting Date may be extended to the next trading day should the anniversary fall to be on a non-trading day.

The Share Appreciation Rights entered the First Exercise Period on 27 April 2023. The revenue of the Group for 2021 was RMB6.021 billion, the net profit for 2021 was RMB42,109,000 and the return on equity for 2021 was 2.01%. The return on equity for 2021 is lower than 75 percentiles of the respective indicators of benchmark companies and the industry average. Thus, the effective conditions to the First Exercise Period under the Scheme were not met, and a total number of 1,620,467 units (representing 1/3 of the total number of Share Appreciation Rights granted) of Share Appreciation Rights in the First Exercise Period was nullified. Please refer to the announcement of the Company dated 12 May 2023 for further details.

The Share Appreciation Rights entered the Second Exercise Period on 27 April 2024. The revenue of the Group for 2022 was RMB7.697 billion, the net profit for 2022 was RMB51,501,800, and the return on equity for 2022 was 2.18%, which were not lower than the 75 percentiles of the indicators of benchmark companies and the industry average; the compound growth rate of the net profit in 2022 compared to that in 2020 was 77.02%, which was not lower than the 75 percentiles of the indicators of benchmark companies and the industry average; the proportion of non-connected transactions for 2022 was 34%. Therefore, the requirements on business performance of the Company for the Second Exercise Period of the Scheme have met.

Among the 29 Incentive Recipients, the employment relationship of 1 Incentive Recipient with the Company terminated due to retirement before the Share Appreciation Rights granted to him/her exercised. In accordance with the Scheme, the Share Appreciation Rights that have been granted but not yet exercised will lapse. Furthermore, in 2023, the assessment results of individual performance of 3 Incentive Recipients were rated as C, therefore, they will be able to exercise 80% of the Share Appreciation Rights granted to them. Pursuant to the Scheme, a total of 121,089 units of the Share Appreciation Rights that have been granted but not yet exercised by the aforementioned Incentive Recipients will lapse. The assessment results of individual performance of the remaining 25 Incentive Recipients were rated as A or B, enabling them to exercise 100% of the Share Appreciation Rights granted to them. In summary, the effective conditions for the Second Exercise Period under the Scheme have been satisfied. The 28 Incentive Recipients can exercise a total of 1,499,377 units of Share Appreciation Rights during the Second Exercise Period. In accordance with China's Accounting Standard for Business Enterprises No. 11 - Share-Based Payment, the Share Appreciation Rights granted to the aforementioned Incentive Recipients (including Directors) shall be recognized as remuneration for employees and Directors, respectively, based on the fair value of the Share Appreciation Rights on the grant date, prior to the date of exercise.

The Share Appreciation Rights entered the Third Exercise Period on 27 April 2025. The revenue of the Group for 2023 was RMB7.969 billion, the net profit for 2023 was RMB34,174,000, and the return on equity for 2023 was 2.66%. As the return on equity for 2023 of the Group failed to meet the 75 percentiles of the indicators of benchmark companies and the industry average, therefore, the Third Exercise Period of the Scheme did not meet the effectiveness conditions, and a total number of 1,620,466 units (representing 1/3 of the total number of the Share Appreciation Rights granted) of Share Appreciation Rights in the Third Exercise Period was nullified.

As at 31 December 2025, details of the Share Appreciation Rights were as follows:

				Number of Share Appreciation Rights		
Date of grant	Exercise price (HKD)	Vesting period	Exercisable period	Outstanding as at 1 January 2025	Lapsed during the year	Outstanding as at 31 December 2025
27 April 2021	2.98	27 April 2021 to 27 April 2026	27 April 2023 to 27 April 2025	3,240,933	121,089	0

Competing Interests

Before the listing of the H shares on the Growth Enterprise Market of the Stock Exchange, the Company's substantial shareholders, APLL, Minsheng Industrial, Ming Sung (HK) and Changan Industry Company (Group) Limited (**"Changan Industry Company"**), had all entered into non-competition undertakings with the Company in favour of the Company. Please refer to the Prospectus of the Company for details of such undertakings.

Up to the date of this report, the non-competition undertakings given by Changan Industry Company are still effective. As at the end of 2011, the aggregate shareholding in the Company held by Minsheng Industrial and Ming Sung (HK) (together with their respective associates) fell below 20%, the non-competition undertakings signed between the Company and Minsheng Industrial and Ming Sung (HK) became ineffective. At the end of 2023, the shareholding in the Company held by APLL fell to below 20%. On 12 February 2026, APLL had sold its entire equity interest in the Company, comprising 32,399,200 H shares (representing approximately 16.03% of the Company's total issued share capital), to Continental Harbour Union. The non-competition undertakings signed between the Company and APLL became ineffective.

CZAG acquired all the shares in the Company held by Changan Industry Company on 9 March 2016. The obligations under the non-competition undertakings signed by Changan Industry Company were assumed by CZAG since 9 March 2016.

In March 2026, the Company received confirmation regarding the above-mentioned non-competition undertakings from CZAG.

Save as disclosed above, during the reporting period, none of the Director(s) or substantial shareholder(s) of the Company had any interest in any business that competes or may compete with the Group.

The independent non-executive Directors have reviewed the compliance with the non-competition undertaking given by CZAG and confirmed that, during the year ended 31 December 2025 and up to the date of this report, CZAG has complied with such undertakings.

Mergers & Acquisitions

No material mergers and acquisitions of the Group were carried out during the reporting period.

Continuing Connected Transactions

Set out below is information in relation to the continuing connected transactions of the Company which need to be reported pursuant to the Listing Rules during the year.

Background of the Continuing Connected Transactions

During the year, the Company underwent several significant changes to its shareholding structure, including the issuance of domestic shares to SIAMC, adjustments to the shareholding ratios of substantial shareholders, the demerger of the controlling shareholder, and the withdrawal of APLL from shareholders in February 2026. Details of the shareholding structure changes are set out below:

As at 1 January 2025: CZAG held approximately 25.44% of the issued share capital of the Company and 17.99% of the equity interest of Changan Automobile. CSGC held 100% equity interests in CZAG and 14.23% equity interests in Changan Automobile; SIAMC (a wholly owned subsidiary of CSGC) held 4.60% equity interest in Changan Automobile. The ultimate beneficial owner of CSGC was SASAC of the State Council. APLL and Minsheng Industrial respectively held approximately 19.99% and 15.90% of the total issued share capital of the Company.

On 26 May 2025: The Company allotted and issued 40,000,000 domestic shares to SIAMC, representing approximately 19.80% of the Company's total issued share capital immediately following completion of the Share Subscription. Consequently, the shareholding of CZAG, APLL and Minsheng Industrial have been adjusted to approximately 20.40%, 16.03% and 12.76% of the Company's total issued share capital respectively. Further details are set out in the section headed "Capital Structure - Management Discussion and Analysis" in this report.

From July to November 2025: To optimise the layout of state-owned capital, in July 2025, CSGC was demerged into CSGC (the existing company) and China Changan Automobile (the newly established company). In November 2025, CSGC transferred 100% of its equity interest in CZAG and 14.23% of its equity interest in Changan Automobile to China Changan Automobile free of charge. As a result, China Changan Automobile became the controlling shareholder of CZAG and directly holds 14.23% of the equity interest in Changan Automobile. For details, please refer to the section entitled "Changes in the Shareholding Structure of the Controlling Shareholder - Report of the Board" in this report.

As at 31 December 2025: CZAG holds approximately 20.40% of the total issued share capital of the Company and 17.99% equity interests in Changan Automobile. China Changan Automobile holds 100% equity interests in CZAG and 14.23% equity interests in Changan Automobile, and the de facto controller of China Changan Automobile is SASAC of the State Council; SIAMC (a wholly-owned subsidiary of CSGC) holds approximately 19.80% of the total issued share capital of the Company and 4.60% equity interest in Changan Automobile, and the ultimate shareholder of SIAMC is CSGC. The ultimate beneficial owner of CSGC was SASAC of the State Council.

China South Industries Group Finance Co., Ltd. (**"Zhuangbei Finance"**) is a member company of CSGC in that CSGC holds 22.90% equity interest, SIAMC holds 22.60% equity interest, CZAG holds 13.27% equity interests and the Company holds approximately 0.81% equity interest.

Both APLL and Minsheng Industrial are still the substantial shareholders of the Company, respectively, holding approximately 16.03% and 12.76% of the total issued share capital of the Company.

Therefore, according to the Listing Rules, the transactions between the Group and each of CZAG, Changan Automobile, APLL, Minsheng Industrial, Zhuangbei Finance and their respective associates become connected transactions of the Company.

As the Company and Sumitomo hold 67% and 33% of the registered capital of Nanjing CMSC respectively, and Sumitomo holds 49% of the registered capital of Nanjing Baogang Zhushang Metal Products Company Limited (**"Baogang Zhushang"**). Therefore, according to the Listing Rules, Baogang Zhushang is a connected person of the Company at the subsidiary level and the transactions between Nanjing CMSC and Baogang Zhushang contemplated under the framework agreement constitute continuing connected transactions of the Company.

On 12 February 2026: APLL disposed of its entire equity interest in the Company, comprising 32,399,200 H shares (representing approximately 16.03% of the total issued share capital of the Company), to Continental Harbour Union. From this date, APLL ceased to be a substantial shareholder of the Company, and Continental Harbour Union has become one of the Company's substantial shareholders. For details, please refer to the section "Corporate Governance Report - Subsequent Events - Disposal of Share by the Substantial Shareholder" in this report.

During the year of 2025, APLL remained a connected person of the Company. Consequently, all continuing connected transactions with it during the year have been fully disclosed in accordance with the Listing Rules.

On 30 October 2023, the Company entered into the following framework agreements, each for a term of three years commencing on 1 January 2024 and expiring on 31 December 2026 (both days inclusive):

(1) the framework agreement with Changan Automobile, pursuant to which the Group shall provide logistics services (including but not limited to the following logistics services: finished vehicle transportation, tire assembly, and supply chain management for automobile raw materials, components and parts) to Changan Automobile and its associates;

(2) the framework agreement with CZAG, pursuant to which the Group shall provide logistics services (including but not limited to the following logistics services: finished vehicle transportation, tire assembly, supply chain management for automobile raw materials, components and parts; and logistics services for non-automobile products, such as transformer, steel, optical product and specialty product) to CZAG and its associates;

(3) the procurement framework agreement with Minsheng Industrial, pursuant to which the Group shall purchase logistics services from Minsheng Industrial and its associates;

(4) the framework agreement with Zhuangbei Finance, pursuant to which Zhuangbei Finance shall provide the Group with settlements, deposit and loans, note discounting services;

(5) the framework agreement with Minsheng Industrial, pursuant to which the Group shall provide logistics services to Minsheng Industrial and its associates;

(6) the procurement framework agreement with CZAG, pursuant to which the Group shall purchase security and cleaning services and property leasing services from CZAG and its associates;

(7) the framework agreement with APLL, pursuant to which the Group shall (i) provide logistics services to APLL and its associates and (ii) purchase logistics services from APLL and its associates;

(8) the framework agreement signed between Nanjing CMSC and Baogang Zhushang, pursuant to which Nanjing CMSC shall provide logistics services to Baogang Zhushang and its associates.

Please refer to the announcements of the Company dated 30 October 2023 and 2 December 2024 respectively and the circular of the Company dated 23 January 2025 for further details.

On 28 November 2025, the Company entered into a framework agreement with Minsheng Industrial, which is effective for the period from 28 November 2025 to 31 December 2026. Under this framework agreement, the Group shall procure property leasing services from Minsheng Industrial and its associates. Please refer to the announcement of the Company dated 28 November 2025 for further details.

Brief Description and Purpose of the Group's Continuing Connected Transactions

With respect to the logistics services provided by the Group to Changan Automobile and its associates

The Group has been in business contact with Changan Automobile since the establishment of the Company and has maintained a good relationship with Changan Automobile ever since. The Group is a major logistics services supplier of Changan Automobile and its associates. The Group's logistics services have been highly recognized by Changan Automobile and its associates. Provision of logistics services to Changan Automobile and its associates by the Group continues to occupy a major portion of the Group's business, thus contributing significantly to the overall revenue of the Group. The Company believes that it is essential to maintain the provision of logistics services by the Group to Changan Automobile and its associates to ensure a source of revenue. The Company therefore is of the view that the Group should continue to provide comprehensive automobile logistics services for Changan Automobile and its associates to maximize the revenue of the Group.

With respect to the logistic services provided by the Group to CZAG and its associates

CZAG is essentially a large enterprise with businesses mainly ranging from parts and components to automobile retail. It has roughly 18 member companies engaging in parts production such as automobile engines, transmissions, power components, chassis, shock absorbers, supercharges, pistons and so on. The Group stepped up efforts in exploring the parts business of CZAG and its associates ever since CZAG became one of the substantial shareholders of the Company. Currently, the Group has established steady business contact with several member companies of CZAG by providing logistics services such as automobile parts distribution, transportation, storage, etc. The Group anticipates that by leveraging on the current business relationship, the Group can establish more business contact with Changan Group and can tap into the market potential presented by CZAG and its associates, thereby increasing business sources and maximizing revenue of the Group.

With respect to the logistic services provided to the Group by Minsheng Industrial and its associates

The Group is a third-party automobile logistics service provider for providing comprehensive logistics solutions for our customers. However, the Group currently does not have any vessels or enough freight carriers to ensure an independent operation of business. Therefore, the Group needs to purchase logistics services from suppliers with sufficient transportation capacity and logistics facilities and equipment. Minsheng Industrial is fully equipped with ro-ro ships of various volumes and car transporters and has extensive, well established logistics network across the country. Therefore, Minsheng Industrial and its associates are competent in providing logistics services to the Group. In addition, Minsheng Industrial and its associates have been credible and reliable business partners of the Group and have been providing various logistics services such as waterway transportation of cars and car components and parts, finished vehicles transportation by road, customs clearance, container transportation, etc. for many years. As such, the Directors are of the view that the Group should continue to purchase logistics services from Minsheng Industrial and its associates to support the smooth running of the Group's primary business and tap on the strength of Minsheng Industrial's various resources to our advantage and provide our customers with quality services and maximize the revenue of the Group. The Directors are of the view that the transaction is in the interest of the Company and its shareholders as a whole.

With respect to the transaction between the Group and Zhuangbei Finance

Zhuangbei Finance is a non-banking financial institution in the PRC as approved by the National Financial Regulatory Administration and is established with capital contribution from member companies of CSGC for purpose of centralizing capital management and optimizing capital efficiency within CSGC. Zhuangbei Finance has been providing financial services for member companies of CSGC for years and is highly recognized for its financial management services. In addition, the major customers of the Group are member companies within CSGC, and they all have maintained accounts with Zhuangbei Finance. It would reduce time costs and finance costs if the Company deposits and conducts note discounting services with, and/or to obtain loan advancement from, Zhuangbei Finance. Moreover, Zhuangbei Finance offers more favourable terms and comparatively less finance fees and charges than those payable to external banks in the PRC.

With respect to the logistics services provided by the Group to Minsheng Industrial and its associates

Minsheng Industrial and its associates specialized in waterway transportation and has affluent resources such as ro-ro ships, vessels and vast waterway logistics network, enabling them to operate smoothly along the Yangtze River. However, in order to provide comprehensive logistics solutions to its customers, like combined transportation by waterway plus road, occasionally, Minsheng Industrial and its associates find themselves in need of logistics services from the Group such as station management support and road transportation support. As a longstanding business partner of Minsheng Industrial, the Group's strength is in provision of comprehensive logistics solutions which could cater to the needs of Minsheng Industrial and its associates. The Directors are of the view that the Group should continue to do business with Minsheng Industrial and its associates in the hope that by combining the resources and strength from both parties, Minsheng Industrial and the Group will find common ground to cooperate to our mutual benefit.

With respect to the security and cleaning services and property leasing services provided by CZAG and its associates to the Group

Chongqing Changan Smart City Operation and Management Co., Ltd. (the former Chongqing Changan Property Management Co., Ltd.), an associate of CZAG, is a first-class property management company in the country and a member of the China Property Management Institute and has extensive property management experience. The Group considers that procurement of security and cleaning services from CZAG and its associates, mainly from Chongqing Changan Smart City Operation and Management Co., Ltd., can provide assurance to the Group that it would be provided with comprehensive, standard and high-level security and cleaning services, thereby ensuring the smooth running of the daily operation of the business projects of the Group. As such, the Directors are of the view that it is in the interest of the Company and its shareholders as a whole for the Group to continue to purchase security and cleaning services from CZAG and its associates.

CZAG and its associates have long been providing property leasing services for the Group and is rather familiar with the Group's requirement on the leased properties and will continue to respond quickly and in cost-efficient manner to any new requirement that the Group may have. Most warehouses and stations available from CZAG and its associates are geographically convenient for the Group to store car raw materials and finished vehicles. In addition, entering into property leasing transactions with CZAG would provide the Group with stability and substantially reduce the risks of possible shortage of suitable warehouses and stations and the wild fluctuation in rentals arising from the generally expected appreciation in the value of properties. Besides, the Group maintains the flexibility in leasing properties such as warehouses and stations from other independent parties. Therefore, the Directors are of the view that the Group should continue the property leasing transactions with CZAG and its associates as it is in the interest of the Company and its shareholders as a whole.

With respect to the logistics services provided by the Group to APLL and its associates

As a seasoned international logistics service provider with advanced logistics technology, APLL has strengthened its footprint overseas with extensive branches reaching mainland China, America and India. APLL and its associates have been providing supply chain management services for IT companies in Mainland China. The Group has strong logistics capacity in Mainland China and is also looking to explore overseas business to achieve further development. APLL is the substantial shareholder of the Company and is open to cooperation with the Group. Cooperation with APLL will not only help the Group to obtain various outsourced logistics business from APLL to generate revenue but also will help the Group keep abreast of the cutting-edge international logistics technology, leading operation schema and time-tested management method to optimize the business operation of the Group. The Directors is of the view that the continuing connected transactions with APLL and its associates are beneficial for the Group's development and is in the interests of the Company and its shareholders as a whole.

With respect to the logistics services purchased by the Group from APLL and its associates

The Group's customers, Changan Ford and Changan Automobile have business in overseas countries such as America, Mexico, Vietnam and Philippines. The Group needs to purchase international logistics services from qualified international logistics service providers with sufficient capacity and well-established logistics network. APLL offers a comprehensive suite of services extending from international freight forwarding to both origin and destination services, including freight consolidation, warehousing and distribution management and operates in several international trade lines. The Company is of the view that APLL and its associates are competent to provide comprehensive international logistics services for the Group and will help to ensure the Group's service quality. In addition, having APLL and its associates to provide logistics services for the Group will give the Group with more choice in the selection of international logistics service providers. Therefore, the Directors is of the view that it is in the interests of the Company and its shareholders as a whole.

With respect to the logistics services provided by Nanjing CMSC to Baogang Zhushang

Baogang Zhushang needs to purchase steel transportation services, etc. Nanjing CMSC has been providing steel transportation services for Baogang Zhushang for a considerable period of time and is recognized by Baogang Zhushang for its service quality. In addition, as the business with Baogang Zhushang is rather stable, the Directors are of the view that Nanjing CMSC should continue to provide logistics services to Baogang Zhushang to ensure a stable revenue source to maximize the revenue of the Group and is in the interests of the Company and its shareholders as a whole.

With respect to the property leasing services provided by Minsheng Industrial and its associates to the Group

Among the currently available warehouses near the bases of Chongqing Future and the Chongqing regional company, those provided by Minsheng Industrial and its associates are the closest to the Group's bases. Furthermore, their warehouse facilities and equipment are more comprehensive, which facilitates the Group's storage of finished vehicles and auto parts and can also reduce the Group's transportation costs. Additionally, conducting property leasing transactions with Minsheng Industrial provides greater operational stability to the Group and helps mitigate the potential risk of a shortage of suitable warehouse resources. Therefore, the Board considers that the Group's procurement of property leasing services from Minsheng Industrial and its associates is in the interests of the Company and its Shareholders as a whole.

Pricing of Continuing Connected Transactions

According to the framework agreements signed on 30 October 2023 between the Company and each of Changan Automobile, CZAG, APLL and Minsheng Industrial and the framework agreement signed between Nanjing CMSC, the Company's holding subsidiary, and Baogang Zhushang, the prices of the transactions for the services provided by the Group to our customers under such framework agreements are determined in accordance with the principles and order of bidding price, internal compared price and cost-plus price. Please refer to the announcements of the Company dated 30 October 2023, 2 December 2024 and the circular dated 23 January 2025 for further details.

According to the framework agreements signed on 30 October 2023 between the Company and each of Minsheng Industrial, CZAG, and APLL, the prices of the transactions for the services purchased by the Group under such framework agreements are determined in accordance with the principle and order of bidding price and internal compared price. Please refer to the announcements of the Company dated 30 October 2023, 2 December 2024 and the circular dated 23 January 2025 for further details.

According to the framework agreement signed on 30 October 2023 between the Company and Zhuangbei Finance regarding settlements, deposits and loans, and note discounting services, the prices of the transaction under such framework agreement are set on normal commercial terms.

According to the framework agreement signed on 28 November 2025 between the Company and Minsheng Industrial, the prices of the transactions for the services purchased by the Group under such framework agreement are determined in accordance with the principle and order of bidding price and internal compared price. Please refer to the announcement of the Company dated 28 November 2025 for further details.

The transactions between the Company and the connected persons were on normal commercial terms or on terms no less favourable to the Company than those available from independent third parties under current local market conditions, and the relevant connected transactions were fair and reasonable and in the interests of the Company and its shareholders as a whole.

The Company confirms that the execution and implementation of the specific agreements under the above continuing connected transactions during the reporting period have followed the pricing principles of such continuing connected transactions.

Total Consideration of the Continuing Connected Transactions

During the reporting period, the Group conducted continuing connected transactions with CZAG, Changan Automobile, APLL, Minsheng Industrial, Zhuangbei Finance, and their respective associates, and Nanjing CMSC also entered into continuing connected transactions with Baogang Zhushang, which constitute related party transactions in accounting during the period. The details are set out in note XI to the financial statements of this report. During the reporting period, the Group had strictly complied with the disclosure requirements under Chapter 14A of the Listing Rules.

For the year ended 31 December 2025, the total consideration paid to the Group by each of the relevant connected persons for the logistics services is as follows:

	For the year ended 31 December 2025	
	Actual Transaction Amount RMB	Annual Caps or Revised Annual Caps RMB
CZAG and its associates:		
- Logistics services (including but not limited to the following logistics services: finished vehicle transportation, tire assembly, supply chain management for automobile raw materials, components and parts; and logistics services for non-automobile products, such as transformer, steel, optical product and specialty product)	323,099,845.85	500,000,000.00
Changan Automobile and its associates:		
- Logistics services (including but not limited to the following logistics services: finished vehicle transportation, tire assembly, and supply chain management for automobile raw materials, components and parts)	7,356,750,382.54	7,500,000,000.00
Minsheng Industrial and its associates:		
- logistics services	3,940,522.90	5,000,000.00
APLL and its associates:		
- logistics services	-	2,600,000.00
Baogang Zhushang:		
- logistics services	-	5,000,000.00

For the year ended 31 December 2025, the total consideration paid by the Group to each of the connected persons for the purchase of transportation services of automobiles and automobile raw materials, components and parts is as follows:

	For the year ended 31 December 2025	
	Actual Transaction Amount RMB yuan	Annual Caps or Revised Annual Caps RMB yuan
Minsheng Industrial and its associates:	195,097,460.46	400,000,000.00
APLL and its associates:	-	2,600,000.00

For the year ended 31 December 2025, the total consideration paid by the Group to each of the connected persons for the purchase of property leasing services is as follows:

	For the year ended 31 December 2025	
	Actual Transaction Amount RMB	Annual Caps or Revised Annual Caps RMB
CZAG and its associates:	13,960,865.48	16,000,000.00
Minsheng Industrial and its associates:	2,458,613.40	6,000,000.00

For the year ended 31 December 2025, the total consideration paid by the Group to each of the connected persons for the purchase of security and cleaning services is as follows:

	For the year ended 31 December 2025	
	Actual Transaction Amount RMB	Annual Caps or Revised Annual Caps RMB
CZAG and its associates:	14,769,883.27	16,000,000.00

For the year ended 31 December 2025, the amount of transactions between the Group and Zhuangbei Finance are as follows:

	For the year ended 31 December 2025	
	Actual Transaction Amount RMB	Annual Caps or Revised Annual Caps RMB
The balance of the maximum amount of outstanding of deposit (including interest) on a daily basis	232,219,380.46	240,000,000.00

In March 2026, the Company received confirmation letters as required under Rule 14A.55 of the Listing Rules from Mr. Li Ming, Mr. Man Wing Pong, Ms. Chen Jing and Mr. Zuo Xinyu, the independent non-executive Directors of the Company, confirming that the continuing connected transactions of the Company for 2025 were:

1. in the ordinary and usual course of business of the Group;

2. on normal commercial terms or better; and

3. in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

Further, the Company has engaged its external auditor to report on the Company's continuing connected transactions in accordance with the Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" 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. In accordance with Rule 14A.71 of the Listing Rules, the Board of the Company confirmed that the external auditor of the Company had made a confirmation statement on the issues mentioned in Rule 14A.56 of the Listing Rules. The external auditor has issued a letter to the Board, indicating that they were not aware of any matters for which they would consider that the abovementioned continuing connected transactions (1) were not approved by the Board of the Company; (2) were not conducted according to the Company's pricing policies in terms of all material aspects; (3) were not conducted according to the terms of the relevant agreements of transactions in terms of all material aspects; and (4) exceeded the caps.

Related Party Transactions

Details of the significant related party transactions entered into by the Group during the twelve months ended 31 December 2025 are set out in note XI to the consolidated financial statements. None of these related party transactions constitutes a disclosable connected transaction as defined under the Listing Rules, except for the transactions described in this paragraph headed "Continuing Connected Transactions", in respect of which the disclosure requirements in accordance with Chapter 14A of the Listing Rules have been complied with.

Legal Proceedings

Litigation 1

On 18 August 2022, CMAL Bo Yu Transportation Co., Ltd. Tongnan Branch (**"Boyu Tongnan Branch"**), a wholly-owned subsidiary of the Company, entered into a cargo transportation agreement (the **"Agreement"**) with Zhongcun Material Trading Yunnan Co., Ltd. (**"Zhongcun Trading"**), a limited liability company incorporated in the PRC, to provide coal transportation services to it and payment under the Agreement shall be payable by Zhongcun Trading to Boyu Tongnan Branch within 2 months after completion of the services contemplated under the Agreement and account checking between the two parties. On 18 August 2022, Zhongcun Coal Mine (**"Zhongcun Coal Mine"**) of Qujing City, Yunnan Province, the PRC, the parent company of Zhongcun Trading, issued a letter of guarantee (the **"Guarantee"**) in favour of Boyu Tongnan Branch, stipulating that Zhongcun Coal Mine, as the guarantor, shall assume an irrevocable joint liability to Boyu Tongnan Branch for all debts due and owing by Zhongcun Trading to Boyu Tongnan Branch arising out of the performance of the Agreement. The scope of the Guarantee includes, but is not limited to, the creditor's rights, interest, penalties, and expenses for claiming the creditor's rights (including but not limited to litigation fees, arbitration fees, attorney fees, etc.) and all other expenses payable.

After the signing of the Agreement, Boyu Tongnan Branch fulfilled all rights and obligations as agreed on or about 6 January 2023. However, despite repeated requests, Zhongcun Trading failed to settle the transportation fees in full as agreed and owed, as of 13 November 2023, Boyu Tongnan Branch the sum of RMB38,791,900 being the transportation fees. On 8 September 2023, Boyu Tongnan Branch, Zhongcun Trading and Zhongcun Coal Mine reached a civil ruling ((2023) Yun 0302 Su Qian Tiao Que No. 438) under the ruling of the Qilin District People's Court of Qujing City, Yunnan Province, the PRC (**"Qujing Court"**). It is agreed that Zhongcun Trading will pay Boyu Tongnan Branch the outstanding transportation fees in the sum of RMB38,791,900 and capital occupation fees caused by overdue payment in the sum of RMB3,037,100, totalling RMB41,829,000 (the **"Debts"**) before 30 September 2023. Zhongcun Coal Mine shall assume joint liability for paying the Debts.

Since Zhongcun Trading failed to pay the said sum of RMB41,829,000 being the outstanding transportation fees and capital occupation fees as stipulated in the civil ruling, Boyu Tongnan Branch applied to Qujing Court for enforcement after repeatedly urging Zhongcun Trading and Zhongcun Coal Mine for payment of the Debts. On 6 November 2023, Qujing Court accepted the enforcement application of Boyu Tongnan Branch (case no.: (2023) Yun 0302 Zhi No. 6293), requesting Zhongcun Trading to pay the Debts, and Zhongcun Coal Mine to assume joint liability for paying the Debts to Boyu Tongnan Branch. Please refer to the announcement of the Company dated 13 November 2023 for further details.

On 29 December 2023, Boyu Tongnan Branch received an enforcement payment of RMB597,500 transferred from the Qujing Court, from January to December 2024, Zhongcun Trading repaid RMB6,510,000, and from January to December 2025, Zhongcun Trading repaid RMB7,922,100. The debts owned by Zhongcun Trading to Boyu Tongnan Branch were reduced from RMB38,791,900 to RMB30,869,800.

Currently, the Company is taking active measures to collect the Debts from Zhongcun Trading and Zhongcun Coal Mine and will make further announcements to keep the shareholders and potential investors of the Company informed of any significant development on the litigation as and when appropriate.

Litigation 2

On 7 September 2023, Boyu Tongnan Branch entered into a Cargo Transportation Agreement (the **"Agreement"**) with Yizhao Huasheng Logistics Co., Ltd. (**"Yizhao Huasheng"**) for the provision of cargo road transportation services to it for the period up to 30 September 2024. ELION ENERGY Company Limited holds approximately 76.92% of the shares in Yizhao Huasheng. On 12 September 2023, ELION ENERGY Company Limited Dalad Branch (**"ELION Dalad Branch"**) issued a letter of guarantee (the **"Guarantee"**) in favour of Boyu Tongnan Branch, pursuant to which ELION Dalad Branch, as the guarantor, assumes an irrevocable joint liability to Boyu Tongnan Branch for all debts due and owing by Yizhao Huasheng to Boyu Tongnan Branch arising out of the performance of the Agreement. The Guarantee will expire six months after the due date of the debts incurred under the Agreement.

After the signing of the Agreement, Boyu Tongnan Branch fulfilled its transportation obligations in accordance with the Agreement. However, Yizhao Huasheng failed to settle the transportation fees incurred from November 2023 to February 2024 totalling RMB18,306,300. On 6 May 2024, the Company entered into the Freight Repayment Agreement (the **"Repayment Agreement"**) with Yizhao Huasheng and ELION Dalad Branch, pursuant to which ELION Dalad Branch shall make payments to Boyu Tongnan Branch on behalf of Yizhao Huasheng within the scope of the amount payable to settle the debts of Yizhao Huasheng, and the payment shall be made at no less than RMB500,000 per week commencing from 6 May 2024 onwards. ELION Dalad Branch only made a payment of RMB500,000 on behalf of Yizhao Huasheng on 11 May 2024 and then failed to make payment in accordance with the Repayment Agreement.

On 22 May 2024, Boyu Tongnan Branch filed a lawsuit with Chongqing Tongnan District People's Court (the **"Tongnan Court"**), requesting Yizhao Huasheng and ELION Dalad Branch to jointly pay RMB17,806,300 to Boyu Tongnan Branch for the unpaid freight rates. The Tongnan Court has issued a notice of acceptance of the case. Please refer to the announcement of the Company dated 9 July 2024 for further details.

From January to December 2025, Yizhao Huasheng repaid RMB20,000. As at 31 December 2025, the balance of freight charges receivable from Yizhao Huasheng of Boyu Tongnan Branch amounted to RMB17,786,300, and an accumulated provision for bad debts of receivables of RMB8,893,100 was made.

Currently, the Company is taking active measures to collect the debts and will make further announcements to keep the shareholders and potential investors of the Company informed of any significant development in the litigation as and when appropriate.

Save as disclosed above, as at 31 December 2025, none of the members of the Group was involved in any material litigation or arbitration and no material litigation or claim was pending or threatened or made against any member of the Group.

Designated Deposits

As at 31 December 2025, the Group had no designated deposits in any financial institutions in and out of the PRC or any overdue fixed deposit which could not be recovered.

Compliance with the relevant Laws and Regulations

As far as the Board and management are aware, the Group has complied in material respects with the relevant laws and regulations that have a significant impact on the business and operation of the Group. During the year, there was no material breach of or non-compliance with the applicable laws and regulations by the Group.

Environmental Policies and Performance

The Group is committed to the long-term sustainability of the environment and communities in which it operates. Acting in an environmentally responsible manner, the Group endeavours to comply with the laws and regulations regarding environmental protection and adopt effective measures to achieve efficient use of resources, energy saving and wastes reduction.

The Company is preparing the environmental, social and governance report (the **"ESG report"**) for the year ended 31 December 2025 in accordance with the *Environmental, Social and Governance Reporting Code* in Appendix C2 of the Listing Rules. The Company will publish the ESG report on the Stock Exchange's website and the Company's website at the same time as the publication of the Company's annual report of 2025.

Donation

During the year, the total amount of donations in cash made by the Company was RMB600,000 (2024: RMB600,000).

Purchase, Sale and Redemption of the Company's Listed Securities

There was no purchase, redemption, sale or cancellation by the Group of the Company's listed securities (including the sales of treasury shares) during the year ended 31 December 2025. As at 31 December 2025, the Company did not hold any treasury shares.

Pre-emptive Rights

There is no provision of pre-emptive rights in the Articles of Association requiring the Company to offer new shares proportionately to its existing shareholders.

Auditors

The consolidated financial statements of the Group set out in this report have been audited by Grant Thornton Zhitong Certified Public Accountants LLP, the Group's auditor.

Review of Final Results

The Audit and Risk Committee has reviewed the Group's audited consolidated results for the year ended 31 December 2025.

By the Order of the Board
Wan Nianyong
Chairman

Chongqing, the PRC
27 March 2026

The Board believes that the Company can enhance its corporate governance and transparency by adhering to strict corporate governance practices in the interest of the shareholders of the Company. Since 18 July 2013, the provisions of the Corporate Governance Code (the **"Code"**) set out in Appendix C1 of the Listing Rules have been adopted as the Company's corporate governance standards, which coupled with the experience and circumstances of the Company, help to establish a favourable corporate governance structure of the Group.

Part 2 of the Code provides that independent non-executive Directors and other non-executive Directors should generally attend general meetings of the Company. During the reporting period, the Company convened 4 general meetings, including 1 annual general meeting and 3 extraordinary general meetings. Mr. Che Dexi did not attend the annual general meeting and 1 extraordinary general meeting of the Company due to work reasons, Mr. Tan Hongbin and Mr. Gu Daokun did not attend 2 extraordinary general meetings due to work reasons and Mr. Xie Shikang did not attend 1 extraordinary general meeting due to work reasons. The non-attendance of aforementioned Directors at the general meetings did not affect the Company in answering queries from the shareholders nor their ability to develop a balanced understanding of the views of the shareholders at the general meetings as it is a practice of the Company to send the proposed resolutions to Directors prior to the meeting, and therefore the aforementioned Directors have an understanding of the matters considered at the general meetings. The Company will strengthen its communication with Directors and make arrangements for the meetings in advance so that Directors will have sufficient time to make arrangements for their participation in the Company's meetings.

Save as disclosed above, for the period from 1 January 2025 to 31 December 2025, the Company has complied with the code provisions set out in the Code throughout and adopted the recommended best practices as set out in the Code.

The following is a summary of key corporate governance practices of the Company:

Corporate Strategy

Under Part 2 of the Code, the Board is required to establish the Company's purpose, values and strategy, and ensure that these and the Company's culture are aligned.

With "becoming world-class" as the goal, green, intelligent and digital technologies as the key, the "service leading strategy" as the cornerstone, and building "five high" (high technology, high vitality, high efficiency, high brand and high quality) as the direction, the Company is committed to transforming and upgrading from traditional logistics to a world-class green intelligent supply chain logistics technology company in 10 to 15 years by strengthening automobile logistics, and expanding non-automobile logistics and the logistics ecosystem, so that customers can trust us and entrust us with their business.

Corporate Governance Principles

The Board and the management of the Company are committed to the maintenance of good corporate governance practices and procedures. The Company believes that good corporate governance provides a framework that is essential for effective management, a healthy corporate culture, successful business growth and enhancing shareholders' value. The corporate governance principles of the Company emphasise a high-quality Board, sound internal controls, and transparency and accountability to all shareholders.

Securities Transactions by the Directors

Since the Transfer of Listing of the shares to the main board of the Stock Exchange on 18 July 2013, the Company has adopted a code of conduct regarding Directors' securities transactions on terms of the required standard of dealings (the **"Code of Conduct"**) prepared according to the Model Code. After making specific enquiries to all Directors, the Company confirms that the Directors have complied with the Code of Conduct during the period from 1 January 2025 to 31 December 2025.

Board

The sixth session of the Board of the Company was elected at the annual general meeting held on 30 June 2023. Up to the date of this report, the Board comprises eight Directors, including one executive Director, three non-executive Directors and four independent non-executive Directors. The Board is of the view that the composition of the Board maintains a reasonable balance and can provide protection for the interests of the Company and the shareholders as a whole. The non-executive Directors and the independent non-executive Directors of the Company fulfil their duties in formulating the Company's policies by providing constructive advice. There is no family or material relationship among the members of the Board. The names of the members of the sixth session of the Board are set out in the section headed "Report of the Directors" of this report.

The Company has 4 independent non-executive Directors, of whom one has appropriate professional qualification and financial management expertise.The Company considers that each independent non-executive Director has complied with each of the independence guidelines under the Listing Rules during the reporting period. The Company received the relevant independence confirmation letter from each of the independent non-executive Directors in March 2026. There is no relationship between the members of the Board and other senior management in finance, business, family and other material or relevant aspects.

Election of Directors and Provision of Information in respect of and by Directors and Chief Executives Required under Rule 13.51B of the Listing Rules

Due to changes in work arrangements, Ms. Jin Jie resigned from her position as a non-executive Director of the sixth session of the Board of the Company, with effect from 3 January 2025. For further details, please refer to the announcement of the Company dated 3 January 2025.

Due to changes in work arrangements, Mr. Che Dexi resigned from his position as a non-executive Director of the sixth session of the Board of the Company, with effect from the date on which a successor non-executive Director was elected by shareholders at the 2024 annual general meeting held on 27 June 2025. For further details, please refer to the announcement of the Company dated 27 May 2025.

Due to retirement, Mr. Dong Shaojie resigned from his positions as a non-executive Director of the sixth session of the Board, member of the Audit and Risk Committee, member of the Remuneration Committee, and member of the nomination committee (the **"Nomination Committee"**) of the Company, with effect from 27 June 2025. For further details, please refer to the announcement of the Company dated 27 June 2025.

Mr. Tan Hongbin and Mr. Gu Daokun had been elected as non-executive Directors of the sixth session of the Board of the Company, with a term commencing on 27 June 2025 and expiring upon the conclusion of the sixth session of the Board of the Company. For further details, please refer to the announcements of the Company dated 27 May 2025 and 27 June 2025, and the circular of the Company dated 29 May 2025.

Mr. Zuo Xinyu had been elected as an independent non-executive Director of the sixth session of the Board of the Company, with a term commencing on 28 November 2025 and expiring upon the conclusion of the sixth session of the Board of the Company. For further details, please refer to the announcements of the Company dated 10 November 2025 and 28 November 2025, as well as the circular dated 12 November 2025.

Mr. Li Ming ceased to serve as a member of the sixth session of the Nomination Committee and Ms. Chen Jing ceased to serve as a member of the sixth session of the strategy and investment committee (the **"Strategy and Investment Committee"**), both with effect from 28 November 2025. Mr. Zuo Xinyu had been appointed as a member of the sixth session of the Audit and Risk Committee, a member of the sixth session of the Nomination Committee and a member of the sixth session of the Strategy and Investment Committee, all with effect from 28 November 2025. For further details, please refer to the announcement of the Company dated 28 November 2025.

Saved as disclosed, for the year ended 31 December 2025, there are no other personnel changes in relation to the Directors and senior management of the Company.

Disclosure pursuant to Rule 3.09D of the Listing Rules

Pursuant to Rule 3.09D of the Listing Rules, every director of a listed issuer must obtain legal advice from a firm of solicitors qualified to advise on Hong Kong law as regards the requirements under the Listing Rules that are applicable to him as a director of a listed issuer and the possible consequences of making a false declaration or giving false information to the Stock Exchange.

In compliance with the above rule, details of the legal advice obtained by the Directors appointed during the year are as follows:

Name of Director	Date of obtaining legal advice	Confirmation of understanding responsibilities
Mr. Tan Hongbin	23 June 2025	Confirmed
Mr. Gu Daokun	23 June 2025	Confirmed
Mr. Zuo Xinyu	24 November 2025	Confirmed

Each of the above Directors has confirmed that he understands his obligations as a director of a listed issuer.

Directors' Attendance of Regular Meetings

The Board held four regular meetings in 2025 to discuss and determine the Company's major strategies, key operational issues, financial matters and other matters set out in the Articles of Association. Details of Directors' attendance records at the Board's regular meetings held during the year of 2025 are set out in the following table:

Director's name	Due attendance	Records for personal attendance	Records for attendance by alternate	Individual attendance rate
Executive Director				
Xie Shikang *(note 5)*	4	3	1	75%
Wan Nianyong	4	4	0	100%
Non-executive Director				
Che Dexi *(note 2)*	2	0	2	0%
Tan Hongbin *(note 3)*	2	1	1	50%
Chen Wenbo	4	3	1	75%
Jin Jie *(note 1)*	N/A	N/A	N/A	N/A
Dong Shaojie *(note 2)*	2	2	0	100%
Gu Daokun *(note 3)*	2	2	0	100%
Independent non-executive Director				
Li Ming	4	4	0	100%
Man Wing Pong	4	4	0	100%
Chen Jing	4	4	0	100%
Zuo Xinyu *(note 4)*	N/A	N/A	N/A	N/A

Note 1: Ms. Jin Jie resigned as a non-executive Director of the sixth session of the Board with effect from 3 January 2025.

Note 2: Mr. Che Dexi and Mr. Dong Shaojie resigned as non-executive Directors of the sixth session of the Board with effect from 27 June 2025.

Note 3: Mr. Tan Hongbin and Mr. Gu Daokun were elected as non-executive Directors of the sixth session of the Board with effect from 27 June 2025.

Note 4: Mr. Zuo Xinyu was elected as an independent non-executive Director of the sixth session of the Board with effect from 28 November 2025.

Note 5: Mr. Xie Shikang resigned as an executive Director and chairman of the sixth session of the Board with effect from 6 January 2026.

Composition of the Board

Directors (including non-executive Directors) are elected in general meetings of the Company with a term of 3 years and can be re-elected and re-appointed upon the expiry of the term.

The terms of all the existing Directors will end upon the expiry of the sixth session of the Board. The Directors shall then retire but may be available for re-election.

On diversity, the Board consists of Directors with different backgrounds that can provide the Company with professional advice on various aspects. Currently, the Board has one female Director. The independent non-executive Directors are independent of management of the Company and have adequate business and financial experience. They provide advice to the Board and the management on the strategic development of the Company and ensure the interests of shareholders and the Company as a whole by implementing measures.

According to the Listing Rules, the Company received the relevant written independence confirmation letter from each of the independent non-executive Directors for the year 2025. The Company confirmed that all the independent non-executive Directors are independent of the Company.

The Company has provided liability insurance for all Directors.

Duties of Directors and Management

Pursuant to the regulations of the Articles of Association, the duties of Directors are: to be responsible for the convening of and reporting to the general meeting; to implement the resolutions passed by the general meeting; to determine the Company's business plans, investment plans and investment proposals; to formulate the Company's preliminary and final annual financial budgets; to formulate the Company's profit distribution proposal and loss recovery proposal; to make plans for the Company's increasing or decreasing its registered capital and issuing bonds; to formulate plans for the Company's merger, division, changing of forms and dissolution; to decide on the Company's internal management structure; to appoint or remove the Company's general manager and secretary to the Board of Directors and decide on their remuneration, and to engage or remove the Company's deputy general manager, person(s) in charge of the finance department, general counsel and other senior management according to the nomination of the general manager, and to decide on their remuneration and payment method; to formulate the Company's basic management system; to formulate proposals for any amendment to the Articles of Association; to formulate plans for the Company's acquisition or sale of major assets; in compliance with the relevant laws and regulations, to exercise the Company's right to finance and loan as well as mortgage, rent, contract for or transfer the Company's major assets and authorizing general manager and vice general managers to exercise the foregoing rights within certain scope; to propose at the general meeting the engagement or replacement of an accounting firm for the audit of the Company's accounts; to listen to the opinions of the Party Committee of the Company before making decisions on material issues of the Company; to exercise any other functions and powers conferred upon by the general meeting and the Articles of Association.

Pursuant to the regulations of the Articles of Association, the duties of management of the Company are: to operate and manage the Company as well as implement resolutions of the Board; to implement the Company's annual operation and investment plan; to make plans for the structuring of the Company's internal management departments; to formulate the Company's basic management system; to formulate regulations for the Company; to propose to appoint or remove vice general managers, CFO and general counsel of the Company; to decide to appoint or remove management staff except those that shall be appointed or removed by the Board; to decide the rewards and punishments, promotions, pay raises, appointments, employment, removal and dismissal of the Company's employees; to represent the Company to handle major business as authorized by the Board; to exercise other functions and powers conferred upon by the Articles of Association and the Board.

During the year, the Directors and the management of the Company strictly fulfilled their duties in accordance with the requirements in the Articles of Association. The Board has reviewed its performance during the reporting period, obtained advice from the senior management. The Board is of the view that it has effectively performed its responsibilities in the interests of the Company and its shareholders in the year under review.

Board Diversity Policy

The Board has adopted the board diversity policy (the **"Board Diversity Policy"**) in compliance with the mandatory disclosure requirements under Rule 13.92 of the Listing Rules and paragraph J of Part 1 of the Code.

The Board Diversity Policy aims to set out the approach to achieve diversity on the Board and does not apply to diversity in relation to the employees of the Company, nor the board and the employees of any subsidiary of the Company. In reviewing and assessing the composition of the Board, the Nomination Committee will consider the benefits of all aspects of diversity, including without limitation, differences in the talents, skills, regional and industry experience, background, gender, age and other qualities of the members of the Board, in order to maintain an appropriate range and balance of talents, skills, experience and background on the Board. In recommending candidates for appointment to the Board, the Nomination Committee will consider candidates on merit against objective criteria and with due regard for the benefits of diversity on the Board. The Nomination Committee will discuss and agree on the measurable objectives for achieving diversity on the Board and recommend them to the Board for adoption. At any given time, the Board may seek to improve one or more aspects of its diversity and measure progress accordingly. The Company aims to maintain an appropriate balance of diversity perspectives of the Board that are relevant to the Company's business growth.

Chairman and General Manager

The Company's chairman is Mr. Wan Nianyong. From 11 February 2026, Mr. Wan Nianyong has been promoted from general manager to chairman. From that date up to the appointment of a new general manager, the duties of the general manager are assumed by Mr. Wan Nianyong. The chairman is responsible for setting the strategic direction of the Company and formulating the business strategies, while the general manager is responsible for overseeing the daily operations of the Company. The chairman is also responsible for the Board and ensuring the effective operation of the Board. The chairman encourages all the Directors (including the independent non-executive Directors) to be fully dedicated in carrying out their duties to the Board and its four committees.

Continuing Professional Development of Directors (Training for Directors)

Directors should participate in continuing professional development to develop and refresh their knowledge and skills. This is to ensure that they will remain well informed to make their contribution to the Board.

Below is a summary of the training received by the Directors for the period between 1 January 2025 and 31 December 2025 based on the records provided by the Directors:

Name	Category of Continuing Professional Development
Directors	
Xie Shikang *(note 5)*	A/B
Wan Nianyong	A/B
Che Dexi *(note 2)*	A/B
Tan Hongbin *(note 3)*	A/B
Chen Wenbo	A/B
Jin Jie *(note 1)*	A/B
Dong Shaojie *(note 2)*	A/B
Gu Daokun *(note 3)*	A/B
Li Ming	A/B
Man Wing Pong	A/B
Chen Jing	A/B
Zuo Xinyu *(note 4)*	A/B

Note 1: Ms. Jin Jie resigned as a non-executive Director of the sixth session of the Board with effect from 3 January 2025.

Note 2: Mr. Che Dexi and Mr. Dong Shaojie resigned as non-executive Directors of the sixth session of the Board with effect from 27 June 2025.

Note 3: Mr. Tan Hongbin and Mr. Gu Daokun were elected as non-executive Directors of the sixth session of the Board with effect from 27 June 2025.

Note 4: Mr. Zuo Xinyu was elected as an independent non-executive Director of the sixth session of the Board with effect from 28 November 2025.

Note 5: Mr. Xie Shikang resigned as an executive Director and chairman of the sixth session of the Board with effect from 6 January 2026.

Note 6: A refers to seminar materials and other updated information regarding the amendments to the Listing Rules and other applicable regulations. B refers to attending briefings and/or seminars.

Four Committees of the Board

The Audit and Risk Committee, the Remuneration Committee, the Nomination Committee and the Strategy and Investment Committee have laid down specific terms of reference, detailing the powers and responsibilities of these committees. All the committees shall report their decisions or submit their proposals to the Board within their authorities, and under certain circumstances, have to request for the Board's approval before taking any actions.

1. Audit and Risk Committee

The Company has set up the Audit and Risk Committee pursuant to the requirements of the Listing Rules and the "Guidelines for the Establishment of Audit Committees" published by Hong Kong Institute of Certified Public Accountants, and set out its duties, powers and functions with written terms of reference. The major duties of the Audit and Risk Committee are:

(a) be primarily responsible for making recommendations to the Board on the appointment, reappointment and removal of the external auditor, and to approve the remuneration and terms of engagement of the external auditor, and any questions of its resignation or dismissal;

(b) review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standards. The Audit and Risk Committee should discuss with the auditor the nature and scope of the audit and reporting obligations before the audit commences;

(c) develop and implement policy on engaging an external auditor to supply non-audit services, if any, to ensure that provisions of such services would not impair the independence and objectivity of the external auditors. For this purpose, 'external auditor' includes any entity that is under common control, ownership or management with the audit firm or any entity that a reasonable and informed third party knowing all relevant information would reasonably conclude to be part of the audit firm nationally or internationally. The Audit and Risk Committee should report to the Board, identifying and making recommendations on any matters where action or improvement is needed;

(d) monitor the integrity of the Company's financial statements and the annual report and accounts, half-year report and (if prepared for publication) quarterly reports, and to review significant financial reporting judgments contained in them. In reviewing these reports before submission to the Board, the Audit and Risk Committee should focus particularly on:

(i) any changes in accounting policies and practices;
(ii) major judgmental areas;
(iii) significant adjustments resulting from audit;
(iv) the going concern assumptions and any qualifications;
(v) compliance with accounting standards; and
(vi) compliance with the Listing Rules and other legal requirements in relation to financial reporting;

(e) regarding (d) above:

(i) members of the Audit and Risk Committee should liaise with the Board and senior management, and the Audit and Risk Committee must meet, at least twice a year, with the Company's auditors; and
(ii) the Audit and Risk Committee should consider any significant or unusual items that are, or may need to be, reflected in the reports and accounts, it should give due consideration to any matters that have been raised by the Company's staff responsible for the accounting and financial reporting function, compliance officer or auditors;

(f) review the Company's financial controls, and review the Company's risk management and internal control systems;

(g) discuss risk management and internal control systems with management to ensure that management has performed its duty to have an effective internal control system. This discussion should include the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting and financial reporting function;

(h) consider major investigation findings on risk management and internal control matters as delegated by the Board or on its own initiative and management's response to these findings;

(i) where an internal audit function exists, ensure co-ordination between the internal and external auditors, and ensure that the internal audit function is adequately resourced and has appropriate standing within the Company, and review and monitor its effectiveness;

(j) review the group's financial and accounting policies and practices;

(k) review the external auditor's management letter, any material queries raised by the auditor to management about accounting records, financial accounts or systems of control and management's response;

(l) ensure that the Board will provide a timely response to the issues raised in the external auditor's management letter;

(m) report to the Board on the matters on the corporate governance code contained in Appendix C1 of the Listing Rules;

(n) review arrangements employees of the Company can use, in confidence, to raise concerns about possible improprieties in financial reporting, risk management and internal control or other matters. The Committee should ensure that proper arrangements are in place for the fair and independent investigation of these matters and for appropriate follow-up action;

(o) act as the key representative body for overseeing the Company's relations with the external auditor; and

(p) study policies for risk management and compliance management of the Company, review the regulatory updates on risk management related issues and consider their material implications to the Company's risk appetite/tolerance and risk profiles, oversee the implementation of risk management policies and compliance with respective statutory rules and regulations;

(q) monitor the establishment and enforcement of risk and compliance management systems, and the prevention and control of major risks, review and recommend for the Board's approval the Company's risk management framework, risk management system and corporate governance framework including their appropriateness, effectiveness and independence of risk management functions;

(r) listen to reports on risk and compliance management, put forward suggestions on how to improve risk and compliance management, and consider proposals in relation to risk and compliance management to be submitted to the Board for review and approval;

(s) review and recommend for the Board's approval the Company's overall risk management strategies and risk appetite/tolerance, which shall take into account the business, financial, operational, compliance, and all the relevant risks faced by the Company and the prevailing and prospective market and economic conditions;

(t) evaluate the risks of major investment and funding projects and issues concerning the operation of capital, and advise the Board on such decision-making;

(u) review reports from the management and to make recommendations to the Board on the Company's risk management policies, which govern the identification, assessment, monitoring, and reporting of the major risks faced by the Company; and

(v) consider other topics, as defined by the Board.

As at the date of this report, the Audit and Risk Committee currently comprises Mr. Li Ming, Mr. Man Wing Pong, Ms. Chen Jing and Mr. Zuo Xinyu, who are all independent non-executive Directors. Mr. Li Ming has the requisite financial experience and is the chairman of the Audit and Risk Committee.

During the year, the Audit and Risk Committee held 4 regular meetings.

The Audit and Risk Committee met on 18 March 2025 to review and discuss the Group's annual results, financial statements; principal accounting policies and internal audit matters for the year ended 31 December 2024, listened to the auditor's suggestions for the Company, and approved such reports.

The Audit and Risk Committee met on 16 May 2025 to review the income statement, cash flow statement and balance sheet of the Group for the three months ended 31 March 2025.

The Audit and Risk Committee met on 27 August 2025 to review the unaudited interim report of the Group for the six months ended 30 June 2025 and approved such report.

The Audit and Risk Committee met on 24 October 2025 to review the income statement, cash flow statement and balance sheet of the Group for the nine months ended 30 September 2025.

Details of the Audit and Risk Committee members' attendance records at the regular meetings during the year are set out in the following table:

Members of the Audit and Risk Committee	Due attendance	Records for personal attendance	Records for attendance by alternate	Individual attendance rate
Li Ming	4	4	0	100%
Dong Shaojie *(note 1)*	2	2	0	100%
Man Wing Pong	4	4	0	100%
Chen Jing	4	4	0	100%
Zuo Xinyu *(note 2)*	N/A	N/A	N/A	N/A

Note 1: Mr. Dong Shaojie resigned as a member of the sixth session of the Audit and Risk Committee with effect from 27 June 2025.

Note 2: Mr. Zuo Xinyu was appointed as a member of the sixth session of the Audit and Risk Committee with effect from 28 November 2025.

In 2025, the Audit and Risk Committee worked actively mainly on the following aspects:

(a) reviewed the policies and systems on internal financial supervision & operation, compliance monitoring and risks management, for the purpose of ensuring the effectiveness of the policies and systems on internal financial supervision and operation, compliance monitoring and risks management;

(b) monitored the accounts of the relevant reporting period and reviewed the financial statements and all the financial reporting materials which are set out in the report and took the view that all of these were in accordance with the requirements of Chinese Accountant Standard and complied with the relevant laws and regulations of PRC and the Listing Rules;

(c) made in-depth communication and discussions with the Group's external auditors regarding the 2025 conducted annual financial auditing nature and scope; and

(d) the Audit and Risk Committee made recommendations to the Board to re-appoint Grant Thornton Zhitong Certified Public Accountants LLP as the auditor of the Company for 2025.

2. Remuneration Committee

As at the date of this report, the Remuneration Committee currently comprises Mr. Man Wing Pong, Mr. Li Ming and Ms. Chen Jing. All members of the Remuneration Committee are independent non-executive Directors and the Remuneration Committee is chaired by Mr. Man Wing Pong.

The major duties of the Remuneration Committee are:

(a) make recommendations to the Board on the Company's policy and structure for all Directors and senior management remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy;

(b) review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;

(c) determine, with delegated responsibility, the remuneration packages of individual executive Directors and senior management. These should include stock appreciation rights plan, benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment;

(d) make recommendations to the Board on the remuneration of non-executive Directors;

(e) consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the group;

(f) review and approve compensation payable to executive Directors and senior management for any loss or termination of office or appointment to ensure that it is consistent with contractual terms and is otherwise fair, reasonable and not excessive;

(g) review and approve compensation arrangements relating to dismissal or removal of Directors for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate;

(h) ensure that no Director or any of his associates is involved in deciding his own remuneration;

(i) review and/or approve matters relating to share schemes under Chapter 17 of Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including any grants of options or awards to Directors or senior management, and to make disclosure and give explanation on the appropriateness to such material matters (if any) being approved in the corporate governance report; and

(j) consider other topics, as authorized by the Board from time to time.

During the year, the Remuneration Committee held one regular meeting.

Details of the Remuneration Committee members' attendance records at the meeting during the year are set out in the following table:

Members of the Remuneration Committee	Due attendance	Records for personal attendance	Records for attendance by alternate	Individual attendance rate
Man Wing Pong	1	1	0	100%
Dong Shaojie *(note)*	1	1	0	100%
Li Ming	1	1	0	100%
Chen Jing	1	1	0	100%

Note: Mr. Dong Shaojie resigned as a member of the sixth session of the Remuneration Committee with effect from 27 June 2025.

In 2025, the Remuneration Committee worked actively mainly on the following aspects:

(a) submitted suggestions to the Board on the remuneration policy and composition of the Directors and senior managements of the Company in 2025, and suggested the establishment of a normal and transparent remuneration system;

(b) analysed and continuously refined the procedures of meetings of the Remuneration Committee; and

(c) reviewed annual performance contract for management members of the Company.

3. Nomination Committee

As at the date of this report, the Nomination Committee comprises Ms. Chen Jing, Mr. Man Wing Pong and Mr. Zuo Xinyu. All the members of the Nomination Committee are independent non-executive Directors, and the Nomination Committee is chaired by Ms. Chen Jing.

The major duties of the Nomination Committee are:

(a) review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;

(b) identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships;

(c) assess the independence of independent non-executive Directors;

(d) make recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors, in particular the chairman and the general manager; and

(e) consider other topics, as authorized by the Board.

In identifying individuals suitably qualified to become Board members, the Nomination Committee will fully consider if his or her skills, experience and diversity of perspectives is appropriate to the requirements of the Group's business and has a thorough knowledge regarding the candidate's occupation, educational background, professional titles, specific working background, part-time jobs and other background information required under the Listing Rules, the Articles of Association and the relevant PRC authorities (if any). In addition, the Nomination Committee will also take into account the potential contributions a candidate can bring to the Board in terms of qualifications, skills, experience, independence and gender diversity and comply with the Procedures for shareholders to Nominate Candidate(s) for Election as Director(s) established by the Company, and all of the applicable provisions of the Articles of Association and the Listing Rules.

During the year, the Nomination Committee of the Company held one regular meeting.

Details of the Nomination Committee members' attendance records at the regular meeting during the year are set out in the following table:

Members of the Nomination Committee	Due attendance	Records for personal attendance	Records for attendance by alternate	Individual attendance rate
Xie Shikang *(note 3)*	1	1	0	100%
Dong Shaojie *(note 1)*	1	1	0	100%
Li Ming *(note 2)*	1	1	0	100%
Man Wing Pong	1	1	0	100%
Chen Jing *(note 3)*	1	1	0	100%
Zuo Xinyu *(note 2)*	N/A	N/A	N/A	N/A

Note 1: Mr. Dong Shaojie resigned as a member of the sixth session of the Nomination Committee with effect from 27 June 2025.

Note 2: Mr. Li Ming ceased to serve as a member of the sixth session of the Nomination Committee with effect from 28 November 2025, and Mr. Zuo Xinyu was appointed as a member of the sixth session of the Nomination Committee with effect from 28 November 2025.

Note 3: Mr. Xie Shikang resigned as the chairman of the sixth session of the Nomination Committee with effect from 6 January 2026, and Ms. Chan Ching was appointed as the chairman of the sixth session of the Nomination Committee with effect from 6 January 2026.

In 2025, the Nomination Committee worked actively mainly on the following aspects:

(a) analysed the framework, population and composition of the current Board of the Company;

(b) assessed and reviewed the independent non-executive Directors of the Company, ensuring their independence. The Company shall abide by relevant rules of the Articles of Association and the Listing Rules in selection of the candidate(s) for non-executive Director(s), with reference to his/her character, experience and integrity and competence; and

(c) analysed and continuously refined the procedures of meetings of the Nomination Committee.

The Board has adopted the Director nomination policy in compliance with the mandatory disclosure requirement under paragraph E.(d)(iii) of Part 1 of the Code pursuant to which the Company should disclose its policy for nomination of Directors in the summary of work performed by the Nomination Committee in its corporate governance report.

4. Strategy and Investment Committee

As at the date of this report, the Strategy and Investment Committee currently comprises Mr. Wan Nianyong, Mr. Li Ming, Mr. Man Wing Pong and Mr. Zuo Xinyu. The chairman of the Strategy and Investment Committee is Mr. Wan Nianyong.

The Strategy and Investment Committee shall be responsible for the following duties:

(a) study and advise on the Company's development strategy and interim and long-term development plan;

(b) study and advise on the annual business plan, total budget plan, yearly investment program and major investment program subject to the approval of the Board;

(c) study and advise on major financing activities, the disposal of assets, and mergers and acquisitions subject to the approval of the Board;

(d) study and advise on mortgages, pledges of major assets and the provision of security to external party subject to the approval of the Board;

(e) assess and examine the implementation of the above stated activities; and

(f) exercise other functions and powers conferred upon by the Board and relevant laws and regulations.

During the reporting period, the Strategy and Investment Committee held one meeting and discussed the development strategy and direction of the Company.

Details of the Strategy and Investment Committee members' attendance records at the meeting held during the year are set out in the following table:

Members of the Strategy and Investment Committee	Due attendance	Records for personal attendance	Records for attendance by alternate	Individual attendance rate
Xie Shikang *(note 2)*	1	1	0	100%
Wan Nianyong *(note 2)*	1	1	0	100%
Li Ming	1	1	0	100%
Man Wing Pong	1	1	0	100%
Chen Jing *(note 1)*	1	1	0	100%
Zuo Xinyu *(note 1)*	N/A	N/A	N/A	N/A

Note 1: Ms. Chen Jing ceased to serve as a member of the sixth session of the Strategy and Investment Committee with effect from 28 November 2025 and Mr. Zuo Xinyu was appointed as a member of the sixth session of the Strategy and Investment Committee with effect from 28 November 2025.

Note 2: Mr. Xie Shikang resigned as the chairman of the sixth session of the Strategy and Investment Committee with effect from 6 January 2026 and Mr. Wan Nianyong was appointed as the chairman of the sixth session of the Strategy and Investment Committee with effect from 6 January 2026.

Corporate Governance Responsibility

The Board is responsible for performing the functions set out in the code provision C.3 of Part 2 of the Code.

The Board reviewed (i) the Company's corporate governance policies and practices; (ii) the training and continuous professional development of Directors and senior management; (iii) the Company's policies and practices on compliance with legal and regulatory requirements; (iv) the code of conduct applicable to the employees and Directors; and (v) the Company's compliance with the Code and disclosure in this corporate governance report. With respect to procedures and internal controls for the handling and dissemination of inside information, the Company is aware of its obligations under the SFO and the Listing Rules and the overriding principle that inside information should be announced immediately if it is the subject of a decision; and that the Company's affairs be conducted with close regard to the "Guidelines on Disclosure of Inside Information" issued by the Securities and Futures Commission in June 2012. The Company has been working on developing its own disclosure policy aiming at preventing selective disclosure of material non-public information and providing broad non-exclusive distribution of material information to the public. The Board will continue to review and improve the corporate governance practices and standards of the Company to ensure that their business and decision-making processes are regulated in a proper and prudent manner.

During the year of 2025, the Board reviewed the Company's status on compliance with the Code and other rules applicable according to the requirements of the Code and approved the annual corporate governance report of the Company and its disclosure on the websites of the Stock Exchange and the Company.

Adoption of China Accounting Standards for Business Enterprises

Since the listing of the H shares of the Company on the Stock Exchange, the Company has been preparing its financial statements in accordance with Hong Kong Financial Reporting Standards (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants.

Pursuant to the "Consultation Conclusions on Acceptance of Mainland Accounting and Auditing Standards and Mainland Audit Firms for Mainland Incorporated Companies Listed in Hong Kong" (《有關接受在香港上市的內地註冊成立公司採用內地的會計及審計準則以及聘用內地會計師事務所的諮詢總結》) issued by the Stock Exchange in December 2010 and the related amendments to the Listing Rules, Mainland incorporated issuers listed in Hong Kong are allowed to prepare their financial statements using China Accounting Standards for Business Enterprises (**"CASBE"**), and Mainland accounting firms that have been approved by the Ministry of Finance of the People's Republic of China and the CSRC are eligible to provide auditing related services to the aforementioned issuers using CASBE.

In light of the above arrangements and in view of the fact that the Company mainly conducts its business in mainland China, in order to improve working efficiency of audit, the Board has resolved to align the preparation of its financial statements and disclose relevant financial information in accordance with CASBE commencing from the financial year ended 31 December 2023.

The alignment of the preparation of all of its financial statements in accordance with CASBE commencing from the financial year ended 31 December 2023 did not have a significant impact on the operating results and financial position of the Company and there was no material financial impact of the transition of the accounting standards of the Company on the Company's immediately preceding published information. Please refer to the announcement of the Company dated 30 October 2023 for further details.

Auditors and their Remuneration

PKF Hong Kong Limited (**"PKF"**) and WUYIGE Certified Public Accountants LLP (**"WUYIGE"**) were re-appointed as the 2023 international auditor and the 2023 PRC auditor of the Company respectively at the annual general meeting held on 30 June 2023 to hold office till the conclusion of next annual general meeting of the Company.

PKF and WUYIGE resigned as the international auditor and the PRC auditor of the Company, respectively, with effect from 30 October 2023, since the above-mentioned changes in the standards for the preparation of the financial statements of the Company, the Board and WUYIGE had not reached a consensus on the audit fee in respect of the audit of the consolidated financial statements of the Group for the year ended 31 December 2023.

With the recommendation of the Audit and Risk Committee, the Board has resolved to appoint Grant Thornton Zhitong Certified Public Accountants LLP as the new auditor of the Company with effect from 30 October 2023 to fill the casual vacancy arising from the resignation of PKF and WUYIGE and to hold office until the conclusion of the next annual general meeting of the Company. Please refer to the announcement of the Company dated 30 October 2023 for further details.

The annual general meeting held on 27 June 2025 approved to re-appoint Grant Thornton Zhitong Certified Public Accountants LLP as the auditor of the Company for 2025.

Save as disclosed above, for the three years ended 31 December 2025, the Company did not change its auditor.

The responsibilities of the external auditors in respect of their financial reporting are set out in the independent auditor's report attached to the Company's financial statements for the year ended 31 December 2025.

The remuneration of the auditor for the year ended 31 December 2025 is set out below:

Services provided	Fees (RMB)
Audit services	1,380,000
Non-audit services (internal control consultancy)	200,000
Total	**1,580,000**

The Directors took the view that they have the responsibilities for preparing the account and have conducted a review of the effectiveness of the internal control system of the Group. The Audit and Risk Committee presented their opinions on the appointment of the auditors and approved the above-mentioned appointing arrangement.

Company Secretary

During the year ended 31 December 2025, Mr. Yuan Quan, the company secretary of the Company, received no less than 15 hours of professional training in compliance with Rule 3.29 of the Listing Rules.

Rights of Shareholders

The Company's shareholders of ordinary shares shall enjoy the following rights:

(1) the right to receive dividends and other distributions proportional to the number of shares held;

(2) the right to attend the general meeting of the Company, either in person or by proxy, and exercise their voting right;

(3) the right to supervise, advise or inquire about the operating activities of the Company;

(4) the right to transfer, bestow, or pledge the shares held according to the laws and regulations and the Articles of Association;

(5) the right to be provided with relevant information in accordance with provisions of the Articles of Association, including:

(A) to obtain a copy of the Articles of Association, subject to payment of a reasonable charge;

(B) to inspect and to make duplicate copies, subject to payment of a reasonable charge, of the following:

(i) all parts of the register of shareholders;

(ii) personal profiles of the Company's Directors, general manager and other senior managements including:

(a) their present and former names and aliases;
(b) their principal addresses (residence);
(c) their nationalities;
(d) their full-time and all other part-time occupations and duties;
(e) their identification documents and the numbers thereof.

(iii) report(s) on the Company's share capital;

(iv) report(s) showing the aggregate par value, number, maximum and minimum price paid with respect to each class of shares repurchased by the Company since the end of the last financial year, and the aggregate amount incurred by the Company for this purpose;

(v) minutes of general meetings; and

(vi) audited financial reports.

(6) the right to receive distribution of the remaining assets proportionate to the number of shares held at the point of the Company's dissolution or liquidation;

(7) other rights conferred by the laws and regulations and the Articles of Association.

Communications with Shareholders

The Company attaches great importance to communication with shareholders and investors. The Company uses a number of channels to account for the performance and operations of the Company to shareholders, particularly periodic reports such as annual and interim reports. In addition to delivering circulars, notices and financial reports to our shareholders, the Company also publishes its corporate information on its website (http://www.camsl.com) by electronic means. The annual general meeting provides a good opportunity for communication between the Board and the shareholders of the Company. The Company regards the annual general meeting as an important event in the year and all Directors, senior management and the Chairmen of the Audit and Risk Committee, the Remuneration Committee, the Nomination Committee and the Strategy and Investment Committee should make an effort to attend and answer questions raised by the shareholders. For the year ended 31 December 2025, in responding to investors' enquiries, the Company held conferences and/or conference calls.

The Company encourages the shareholders to be involved in the Company's affair and to discuss the corporate business and prospects directly at annual general meetings or extraordinary general meetings.

Shareholders individually or jointly holding 10% or more of the shares are conferred on the right to vote at the forthcoming extraordinary general meeting and can sign and submit one or more written requests of the same format and content to the Board to request the convening of an extraordinary general meeting, with the issues to be discussed clearly stated. The Board shall convene an extraordinary general meeting as soon as practicable upon receiving such written request(s). The number of the shares will be calculated as at the date of the submission of the written requests.

If the Board fails to send notification of the meeting within 30 days from the date of the receipt of such a request, the Audit and Risk Committee shall call and preside over the meeting in a timely manner; if the Audit and Risk Committee fails to do so as well, the shareholder(s), individually or jointly holding over 10% or more of the voting shares of the Company for more than 90 consecutive days may call the meeting within 4 months of the date of the receipt of such a request by the Board, and the procedures for calling the meeting shall mirror the procedures of the Board to call the meeting to the extent possible.

Enquiries may be made to the Board either by contacting the company secretary of the Company through office and address of correspondence (No. 1881 Jinkai Road, Liangjiang New Area, Chongqing, the PRC, Zip Code: 401122), directly through questions at annual general meetings or extraordinary general meetings, or by contacting the Board office of the Company (which is in charge of investor relations, email: dongshihui@camsl.com).

Dividend Policy

The Board has adopted the dividend policy (the **"Dividend Policy"**) in compliance with the Appendix C1 of the Listing Rules.

The Dividend Policy aims to set out the principles and guidelines that the Company intends to apply in relation to the declaration, payment or distribution of its net profits as dividends to the shareholders of the Company. In recommending or declaring dividends, the Company shall maintain adequate cash reserves to meet its working capital requirements and future growth as well as its shareholder value and does not have any pre-determined dividend payout ratio. The Board has the discretion to declare and distribute dividends to the shareholders of the Company, subject to the Articles of Association and all applicable laws and regulations and the following factors concerning the Group when considering the declaration and payment of dividends:

(a) financial results;
(b) cash flow situation;
(c) business conditions and strategies;
(d) future operations and earnings;
(e) capital requirements and expenditure plans;
(f) interests of shareholders;
(g) any restrictions on payment of dividends; and
(h) any other factors that the Board may consider relevant.

Shareholders' Communication Policy

Under Paragraph L of Part 1 of the Code, the Board is required to conduct an annual review of the shareholders' communication policy to ensure its effectiveness and make disclosure in the Corporate Governance Report which is to be incorporated in annual report of the Company.

Anti-Corruption Policy

Under Part 2 of the Code, the Board is required to establish an anti-corruption policy and system that promote and support anti-corruption laws and regulations.

The Board has adopted the anti-corruption policy (the **"Anti-Corruption Policy"**) which sets out the principles and guidelines for the Company to promote and support anti-corruption laws and regulations. The Anti-Corruption Policy sets out the basic standard of conduct which applies to all Directors, officers and employees of the Company and its wholly owned subsidiaries. It also provides guidance to all employees on the acceptance of advantage and handling of conflict of interest when dealing with the Company's business. The Company also encourages and expects our business partners including suppliers, contractors and clients to abide by the principles of the Anti-Corruption Policy.

Whistleblowing Policy

Under Part 2 of the Code, the Board is required to establish a whistleblowing policy and system for employees and those who deal with the Company to raise concerns, in confidence and anonymity, with the Audit and Risk Committee or any designated committee of the Company about possible improprieties in any matter related to the Company.

The Board has adopted the whistleblowing policy (the **"Whistleblowing Policy"**) and has set the Discipline Inspection Commission which plays an important role in clean corporate governance and compliance management. The terms of reference for the Discipline Inspection Commission set out, among other matters, the reporting and investigation procedures for the employees of the Group and those who deal with the Company to raise concerns about possible improprieties in matters related to the Group.

The Whistleblowing Policy aims to enable the Company's employees and those who deal with the Company to raise concerns, in confidence and anonymity, with the Discipline Inspection Commission, about possible improprieties in matters related to the Company, in order to help detect and deter misconduct or malpractice or unethical acts in the Company.

The Whistleblowing Policy and the terms of reference for the Discipline Inspection Commission set out, among other matters, the reporting and investigation procedures for the employees of the Group and those who deal with the Company to raise concerns about possible improprieties in matters related to the Group.

Remuneration policy

The salaries of the Company's employees (including Directors of the Company) are determined by reference to the market rates, performance, qualifications and experience of the relevant employees. A discretionary bonus may also be given based on the performance of individual staff during the year in order to reward the employees for their contributions to the Company. Other employee benefits include pension insurance, medical insurance, unemployment insurance, personal injury insurance and housing funds, etc.

Board Independence Evaluation Mechanism

Under Part 2 of the Code, the Board is required to establish mechanism(s) to ensure independent views and input are available to the Board.

The Board has adopted the board independence evaluation mechanism (the **"Mechanism"**) which sets out the principles and guidelines for the Company to ensure independent view and input to be available to the Board.

Continuing improvement and development of the Board and its committee processes and procedures through the Board independence evaluation provides a powerful and valuable feedback mechanism for improving Board effectiveness, maximising strengths, and identifying the areas that need improvement or further development. The evaluation process also clarifies what actions of the Company need to be taken to maintain and improve the Board performance, for instance, addressing individual training and development needs of each Director.

The Mechanism is designed to ensure a strong independent element on the Board of the Company, which allows the Board to effectively exercise independent judgment to better safeguard shareholders' interests.

Risk Management and Internal Control

The Company established an audit and legal affairs department to perform internal control assessment, risk management and internal audit. The Company's internal control system was effective, and the Company did not have any material operation risks.

(1) Constantly improving the internal control system

The Company has revised and implemented the protocols in instructive documents such as the Internal Control Manual, the Internal Control Assessment Manual, the Internal Control Assessment Management Workflow, the Annual Risks Assessment Workflow, the Regular Risks Assessment Workflow, the Internal Audit Workflow and other internal control, risk management and internal audit related administrative rules and relevant work instructions to guide the relevant work regarding internal control, risk and audit management.

The Company persistently refines and improves the internal control system, vigorously builds a lean operation and management system to internalize, improve and digitize relevant work processes, and constantly complete the authorization system and internal management system. The Company has also identified risks and how to control them in the flow plan contained in those documents and has effectively linked the risk control responsibility with individual job description to strengthen the internal control system.

(2) Conduct internal control assessment and risk management and supervision

The Company has conducted a series of assessments and supervision such as annual internal control assessments, internal control deficiency remediation, annual risk assessment, monthly risk status update, regular risk identification and control, special assessment and audit, accountability audit to examine the Company's internal control and risk management status. The internal control deficiencies and risks identified were corrected and follow-up actions were taken to monitor the results. A sound system of internal controls is designed to manage rather than to eliminate the risk of failure to achieve business objectives and can only provide reasonable but not absolute assurance.

(3) Continue to raise risk management and internal control awareness

The Company took various opportunities to provide training to officials, managers and employees regarding risk management, internal control, legal affairs and spread the concept of risk management and control, and lawful operation in an effort to integrate risk management and control into the everyday operation and management of the Company.

One of the duties of the Audit and Risk Committee is to review the adequacy and effectiveness of the Group's financial control, internal audit functions and risk management systems. The Audit and Risk Committee examined and reviewed the work of the audit and legal affairs department, the Group's external auditor and the regular reports on internal financial control, operation and compliance control, and risk management policies and systems for the financial year ended 31 December 2025.

As a result of the above review, the Board confirms, and management has also confirmed to the Board, that the Group's risk management and internal control systems are effective and adequate (including the resources, staff qualifications and experience, training programmes and budget of the Company's accounting, internal audit and financial reporting functions are adequate) and have complied with the Code provisions on risk management and internal control throughout the reporting period and up to the date of this report.

General Meetings

During the year, the Company convened four general meetings, comprising one annual general meeting and three extraordinary general meetings.

On 18 February 2025, the executive Directors Mr. Xie Shikang and Mr. Wan Nianyong, the non-executive Directors Mr. Chen Wenbo and Mr. Dong Shaojie, and the independent non-executive Directors Mr. Li Ming, Mr. Man Wing Pong and Ms. Chen Jing, attended the extraordinary general meeting of the Company, and Mr. Che Dexi did not attend due to work reasons.

On 27 June 2025, the executive Directors Mr. Xie Shikang and Mr. Wan Nianyong, the non-executive Director Mr. Chen Wenbo, and the independent non-executive Directors Mr. Li Ming, Mr. Man Wing Pong and Ms. Chen Jing, attended the annual general meeting of the Company, and Mr. Che Dexi did not attend due to work reasons.

On 28 November 2025, the executive Directors Mr. Xie Shikang and Mr. Wan Nianyong, the non-executive Director Mr. Chen Wenbo, and the independent non-executive Directors Mr. Li Ming, Mr. Man Wing Pong and Ms. Chen Jing, attended the extraordinary general meeting of the Company, and Mr. Tan Hongbin and Mr. Gu Daokun did not attend due to work reasons.

On 30 December 2025, the executive Director Mr. Wan Nianyong, the non-executive Director Mr. Chen Wenbo, and the independent non-executive Directors Mr. Li Ming, Mr. Man Wing Pong, Ms. Chen Jing and Mr. Zuo Xinyu, attended the extraordinary general meeting of the Company, and Mr. Xie Shikang, Mr. Tan Hongbin and Mr. Gu Daokun did not attend due to work reasons.

Amendments of Articles of Association

The EGM held on 22 November 2024 approved certain amendments to the Articles of Association, to be revised and take effect upon completion of the Share Subscription, to reflect the Company's updated registered capital and shareholding structure following the issue of the Subscription Shares. Pursuant to the terms and conditions of the Share Subscription Agreement, the Share Subscription was completed on 26 May 2025. The relevant registration procedures were completed on 15 December 2025. Details of the amendments are set out in the circular of the Company dated 4 November 2024 and the constitutional documents published on 15 December 2025.

On 17 February 2023, the CSRC published the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) with effect from 31 March 2023, and the Special Regulations of the State Council on the Overseas Securities Offering and Listing of Shares by Joint Stock Limited Companies (《國務院關於股份有限公司境外募集股份及上市的特別規定》) and the Mandatory Provisions for the Articles of Association of Companies to be Listed Overseas (《到境外上市公司章程必備條款》) were accordingly abolished. Chinese companies shall formulate their articles of association with reference to the Guidelines for the Articles of Association of Listed Companies (《上市公司章程指引》) (collectively, the **"PRC Regulatory Changes"**). In view of the PRC Regulatory Changes, the Stock Exchange has made corresponding amendments to the Listing Rules, which took effect from 1 August 2023, to (among other things) reflect the PRC Regulatory Changes. Furthermore, the newly amended Company Law became effective on 1 July 2024. To further enhance corporate governance and promote compliance operations, and in light of the Company's actual circumstances, the Board proposes to amend the relevant provisions of the Articles of Association in accordance with the new Company Law, the Guidelines for the Articles of Association of Listed Companies (《上市公司章程指引》), and other relevant laws, regulations and regulatory provisions. The EGM held on 28 November 2025 approved the amendments to the Articles of Association. The relevant industrial and commercial registration procedures were completed on 15 December 2025. Details of the amendments are set out in the circular of the Company dated 12 November 2025, and the constitutional documents published on 15 December 2025.

Subsequent Events

1. Resignation of Executive Director and Chairman; Change of Chairmen of Board Committees; and Change of Authorised Representative

Resignation of Executive Director and Chairman

Mr. Xie Shikang (**"Mr. Xie"**), due to job relocation, resigned as an executive Director and the chairman (**"Chairman"**) of the sixth session of the Board, the chairman of the Nomination Committee and the chairman of the Strategy and Investment Committee of the Company, and the authorised representative of the Company as required under Rule 3.05 of the Listing Rules, with effect from 6 January 2026.

For the period from 6 January 2026 until the appointment of a new Chairman, the duties of the Chairman were assumed by Mr. Wan Nianyong (**"Mr. Wan"**), the executive Director and the general manager of the Company.

Change of Chairman of the Nomination Committee and the Strategy and Investment Committee

Upon the resignation of Mr. Xie, the Board agreed to elect Mr. Wan, the executive Director and the general manager of the Company, as the chairman of the Strategy and Investment Committee for a term from 6 January 2026 to the date of the expiry of the sixth session of the Board; the Board agreed to elect Ms. Chen Jing, the independent non-executive Director, as the chairwoman of the Nomination Committee for a term from 6 January 2026 to the date of the expiry of the sixth session of the Board.

Change of Authorised Representative

Upon the resignation of Mr. Xie, Mr. Wan had been appointed as the authorised representative as required under Rule 3.05 of the Listing Rules with effect from 6 January 2026.

2. Election of Chairman; Resignation of General Manager; and Election of Non-Executive Director

Election of Chairman

Mr. Wan was elected as the Chairman, with a term commencing from 11 February 2026 until the expiry of the term of the sixth session of the Board.

Resignation of General Manager

Mr. Wan ceased to hold the position of the general manager of the Company with effect from 11 February 2026. For the period from 11 February 2026 until the appointment of a new general manager, the duties of the general manager are assumed by Mr. Wan.

Election of Non-Executive Director

The Board proposed to appoint Mr. Gong Yongming as a non-executive Director of the Company. The proposed appointment of Mr. Gong Yongming as the non-executive Director of the Company is subject to approval by shareholders by way of an ordinary resolution at a general meeting.

Biographical details of Mr. Gong Yongming (candidate for the non-executive Director) are as follows:

Mr. Gong Yongming (**"Mr. Gong"**), aged 56, is a senior political engineer and currently serves as a director of Luoyang Northern EK Chor Motorcycle Co., Ltd. Mr. Gong graduated from Wuhan University of Water Transportation Engineering (now Wuhan University of Technology) in June 1993, majoring in Metallic Materials and Heat Treatment, and obtained a master's degree in Business Administration from Harbin Engineering University in December 2010. Mr. Gong joined the Communist Party of China in December 1992 and commenced his professional career in July 1993. From July 1993 to September 1998, he served as a metallurgical processing laboratory technician, and secretary in the research section of the Party and Administration Office at Harbin Dongan Auto Engine Co., Ltd. (**"Dongan Engine"**) (a company listed on the Shanghai Stock Exchange, stock code: 600178). From September 1998 to January 2016, he held various positions including secretary and assistant to the head of the General Management Department, head of the Quality Assurance Department, director of the Discipline Inspection Commission, deputy director of the Party Committee Office, deputy head and head of the Corporate Culture Department (Party-Mass Work Department), director of the Labor Union Office, and vice chairman of the Labor Union at Harbin Dongan Automotive Engine Manufacturing Co., Ltd. From January 2016 to June 2020, he served as secretary of the Discipline Inspection Commission, deputy secretary of the Party Committee, and chairman of the Labor Union at Hafei Automobile Co., Ltd. (**"Hafei Automobile"**). From June 2020 to February 2026, he served as secretary of the Discipline Inspection Commission and deputy general manager of Dongan Engine, as well as deputy secretary of the Party Committee, secretary of the Discipline Inspection Commission and chairman of the Labor Union at Hafei Automobile. Since February 2026, he has been serving as a director of Luoyang Northern EK Chor Motorcycle Co., Ltd. Mr. Gong possesses considerable experience in corporate management.

Save as disclosed above, Mr. Gong has confirmed that (i) he did not hold any directorships in any public companies the securities of which are listed on any securities market in Hong Kong or overseas in the past three years; (ii) he does not hold any position with the Group; (iii) he has no relationship with any Directors, senior management, substantial or controlling shareholders of the Company; and (iv) he does not have any interest in the shares within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

If Mr. Gong is elected as a non-executive Director at the general meeting, the Company will enter into a service agreement with Mr. Gong in relation to his appointment. Mr. Gong will be entitled to the director's emoluments, which are to be determined by the Board with reference to his duties and responsibilities to the Company, the market benchmark and performance of the Group, subject to review by the Board and the Remuneration Committee from time to time. Save for the adjustment pursuant to the requirements of the relevant applicable laws and regulations, Mr. Gong's term of service will commence from the date on which approval is obtained from the general meeting until the expiry of the term of the sixth session of the Board.

Save as disclosed above, Mr. Gong is not aware of any other matters that need to be brought to the attention of the holders of the securities of the Company, nor is any information needed to be disclosed under Rules 13.51(2) of the Listing Rules.

A circular containing, among others, further details of the proposed election of Mr. Gong as non-executive Director of the Company and a notice of the general meeting together with the form of proxy are expected to be despatched to shareholders as soon as practicable.

3. Deviation from the Code

Pursuant to Code Provision C.2.1, the roles of chairman and chief executive officer should be separate and should not be held by the same individual. For the period from 6 January 2026 up to 11 February 2026, Mr. Wan served as the Company's general manager (exercising the same duties as chief executive officer) and assumed the duties of the Chairman, and on 11 February 2026, Mr. Wan was elected as the Chairman, from that date up to the appointment of a new general manager, the duties of the general manager are assumed by Mr. Wan, this arrangement constitutes a deviation from Code Provision C.2.1. However, this arrangement is intended to be temporary, and the Company believes that having Mr. Wan concurrently hold the roles of chairman of the Board and general manager will not adversely affect the execution of the Group's business strategy or its operational efficiency. Therefore, the Board considers that the deviation from Code Provision C.2.1 is appropriate in the circumstances. Furthermore, as at the date of this report, the Board comprises one executive Director, three non-executive Directors and four independent non-executive Directors. The Board structure is appropriate, with a balanced distribution of power, providing sufficient checks and balances to safeguard the interests of the Company and its shareholders.

4. Disposal of Share by the Substantial Shareholder

APLL disposed of all of its equity interests held by it in the Company, being 32,399,200 H shares (representing approximately 16.03% of the Company's total issued share capital), to Continental Harbour Union. The relevant share transfer registration procedures were completed on 12 February 2026 (the **"Disposal"**). From 12 February 2026, Continental Harbour Union had become one of the substantial shareholders of the Company.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Continental Harbour Union is a wholly-owned subsidiary of Lugang Zhongbang Co., Ltd.* (陸港眾邦有限責任公司) (**"Lugang Zhongbang"**). Lugang Zhongbang is owned as to 70% by Ms. Liu Suxian and 30% by Mr. Lu Zhongwu, who are mother and son. Lugang Zhongbang is a limited liability company incorporated in the People's Republic of China on 16 October 2017 with a registered capital of RMB100 million and is primarily engaged in the provision of finished vehicle logistics services to domestic automobile manufacturers.

The Company does not expect the Disposal to have any adverse effect on the business operations of the Group.

Please refer to the announcement of the Company dated 12 February 2026 for further details.

Executive Directors

Mr. Wan Nianyong

Mr. Wan Nianyong (萬年勇), aged 50, professor-level senior engineer, is secretary of the CPC Committee of the Company, chairman, executive director, chairman of the Nomination Committee and chairman of the Strategy and Investment Committee of the sixth session of the Board. Mr. Wan graduated from Shenyang Ligong University majoring in machinery electronic engineering and then obtained a master's degree in project management from Chongqing University. Mr. Wan joined Changan Automobile in July 2000 and served in various positions including deputy head of the manufacture logistics department of Changan Automobile, general manager, secretary of the CPC Committee and project supervisor of Hebei Changan Automobile Co., Ltd., a subsidiary of Changan Automobile. Mr. Wan joined the Company in August 2018 and served as deputy general manager, chairman of the Labour Union and general manager of the Company. Mr. Wan has extensive experience in enterprise production and operation and project management.

Non-executive Directors

Mr. Tan Hongbin

Mr. Tan Hongbin (谭红斌), aged 58, an economist, is the non-executive director of the sixth session of the Board and currently serves as a director of Minsheng Industrial and as a director and general manager of Minsheng Shipping Co., Ltd. (**"Minsheng Shipping"**). From June 2017 to December 2018, Mr. Tan served as a non-executive Director of the Company and rejoined the Company in June 2025. Mr. Tan graduated from the Mathematics Department of the former Southwest China Normal University (now known as Southwest University) in July 1987 with a bachelor's degree in science, majoring in mathematics. From July 1987 to November 1992, Mr. Tan worked as a teacher in No. 29 Middle School of Chongqing. After that, Mr. Tan joined Minsheng Industrial and from November 1992 to October 2006, Mr. Tan served as the deputy head of the External Affairs Division, assistant general manager and manager of the General Office & manager of the Quality Management Department, assistant president, vice president of Minsheng Industrial. Mr. Tan also served concurrently as the general manager of Guangzhou Branch of Minsheng Shipping, and general manager of Minsheng International Freight Forwarding Co., Ltd. Mr. Tan has been a director of Minsheng Industrial since October 2006, during this time, he was the general manager of Minsheng Shipping from September 2016 to October 2018, and has held this position again since March 2024. He has also been a director of Minsheng Shipping since May 2024. Mr. Tan has rich experience in enterprise management.

Mr. Chen Wenbo

Mr. Chen Wenbo (陳文波), aged 58, is the non-executive director of the sixth session of the Board and currently serves as director and deputy general manager of Minsheng Shipping. Mr. Chen joined the Company in December 2018. Mr. Chen graduated from Kunming Engineering College (now known as Kunming University of Science and Technology) in July 1987, majoring in geology and mineral exploration at the Geology Department. Mr. Chen joined Minsheng Shipping in December 1989 and assumed several important roles in Minsheng Shipping and its subsidiaries, including manager of the Intermodal Department of Minsheng International Freight Forwarding Co., Ltd.*, manager of Business Department of Minsheng Shipping and general manager of Minsheng Logistics Limited Company*. Mr. Chen has extensive experience in finished vehicle logistics and enterprise management.

Mr. Gu Daokun

Mr. Gu Daokun (顧道坤), aged 36, a senior engineer, is the non-executive director of the sixth session of the Board and currently serves as the general manager of the Capital Operation Department of SIAMC. Mr. Gu joined the Company in June 2025. Mr. Gu obtained a master's degree in urban economics from the School of Economics of Renmin University of China in July 2014. From July 2014 to February 2024, Mr. Gu worked for CSGC and had successively served as an employee, a senior supervisor, a deputy director and a senior manager of the Capital Operation Department of CSGC. Since February 2024, Mr. Gu has been serving as general manager of the Capital Operation Department of SIAMC. Mr. Gu has extensive experience in capital operation.

Independent Non-executive Directors

Mr. Li Ming

Mr. Li Ming (黎明), aged 62, a Professor in Accounting and a CPA (non-practicing) in China, is an independent non-executive director, chairman of the Audit and Risk Committee, member of each of the Remuneration Committee and the Strategy and Investment Committee of the sixth session of the Board. Mr. Li joined the Company in June 2023. Mr. Li is now a professor and postgraduate instructor of the Accounting School of Chongqing University of Technology. Mr. Li graduated from Chongqing Industrial School in 1980, majoring in industrial accounting and graduated from the Accounting Department of Southwestern University of Finance and Economics in 1989 with a master's degree majoring in accounting. Mr. Li used to serve as the deputy dean, secretary of the party branch and dean of the Accounting School of Chongqing University of Technology. At present, Mr. Li serves as an independent director in the following listed companies: Huapont Life Sciences Co., Ltd. (listed on the Shenzhen Stock Exchange, stock code: 002004), Seres Group Co., Ltd. (listed on the Main Board of the Stock Exchange (stock code: 09927) and the Shanghai Stock Exchange (stock code: 601127)) , and Dencare (Chongqing) Oral Care Co., Ltd. (listed on the Shenzhen Stock Exchange, stock code: 001328).

Mr. Man Wing Pong

Mr. Man Wing Pong (文永邦), aged 55, is an independent non-executive director, the chairman of the Remuneration Committee, a member of each of the Audit and Risk Committee, the Nomination Committee and the Strategy and Investment Committee of the sixth session of the Board. Mr. Man joined the Company in June 2023. Mr. Man has over 20 years of experience in investment banking, asset management and corporate management. Mr. Man is currently the Chief Risk Officer of Silverstone Investments Limited and is licensed under the SFO as a responsible officer to carry out Type 4 (Advising on Securities), Type 6 (Advising on Corporate Finance) and Type 9 (Asset Management) regulated activities. From April 2020 to June 2021, Mr. Man served at League Capital Limited as Managing Director. From January 2019 to February 2020, he worked at Mason Global Capital Limited as Director, Investment Banking. From September 2014 to April 2018, he worked at ABCI Capital Limited with his last position as Senior Vice President, Investment Banking Department. From June 2011 to September 2014, he worked at RHB OSK Capital Hong Kong Limited with his last position as Director, Corporate Finance. From October 2007 to June 2011, he worked at China Merchants Securities (HK) Co., Limited with his last position as Manager, Investment Banking Department. From December 2004 to September 2007, he worked at Deloitte with his last position as Manager, Corporate Finance Advisory Services. Currently, Mr. Man is the Lead independent non-executive director and the chairman of the Audit Committee of BoardWare Intelligence Technology Limited, a company listed on the Main Board of Hong Kong Stock Exchange (stock code: 01204), a member of Individual Membership Committee of the Hong Kong Securities and Investment Institute, the Honorary Treasurer and a director of the board of The Federation of Alumni Associations of The Chinese University of Hong Kong, and the Treasurer and a director of the board of The Alumni Association of Shaw College of The Chinese University of Hong Kong. Mr. Man is a fellow of CPA Australia, a fellow of Institute of Public Accountants, a fellow of Institute of Financial Accountants, a fellow of The Hong Kong Institute of Directors, a fellow of the Hong Kong Securities and Investment Institute and a Sustainability Professional of HKCGI Sustainability Governance Academy. Mr. Man obtained a bachelor's degree of social science from The Chinese University of Hong Kong in 1993, obtained a master's degree of financial management from Rotterdam School of Management, Erasmus University in 2004, and obtained a postgraduate diploma in professional accountancy from Graduate School, The Chinese University of Hong Kong in 2018.

Ms. Chen Jing

Ms. Chen Jing (陳靜), aged 50, a lawyer, is an independent non-executive director and member of each of the Audit and Risk Committee, the Nomination Committee and the Remuneration Committee of the sixth session of the Board. Ms. Chen joined the Company in June 2023. Ms. Chen is now the principal of CO-EFFORT (Chongqing) Law Firm LLP. Ms. Chen obtained the degree of Bachelor of Laws from Xi'an Jiaotong University majoring in Economic Law in 1999 and the degree of Master of Laws from Chicago-Kent School of Law of Illinois Institute of Technology majoring in Advocacy in 2019. From 2009 to 2020, Ms. Chen served as the founding partner of Shanghai Hehua Lisheng (Chongqing) Law Firm, which had been merged into Grandall (Chongqing) Law Firm. From 2006 to 2009, Ms. Chen served as the director of Haobang Law Firm. From 1999 to 2006, Ms. Chen has successively worked in the Zhuhai Waterway Bureau, the Legal Department of Loncin Group Co., Ltd. and Chongqing Dingsheng Law Firm. Ms. Chen currently serves as an independent non-executive director of Hangzhong Tianqi (Chongqing) Microelectronics Co., Ltd. Ms. Chen is good at professional legal services in the logistics and shipping industries, especially in the field of maritime affairs.

Mr. Zuo Xinyu

Mr. Zuo Xinyu (左新宇), aged 48, a senior engineer, is an independent non-executive director, member of each of the Audit and Risk Committee, the Nomination Committee and the Strategy and Investment Committee of the sixth session of the Board. Mr. Zuo joined the Company in November 2025. He currently serves as the Director of the Exhibition Department, the Director of the Logistics Equipment Professional Committee, the Executive Vice President of the Automobile Logistics Branch, the Executive Vice President of the Apparel Logistics Branch and the Director of the Pallet Professional Committee under the China Federation of Logistics and Purchasing. Mr. Zuo graduated from the Electronics Department of Heilongjiang Business College (now known as Harbin University of Commerce) majoring in computer applications in June 2000, with a Bachelor of Engineering degree, and graduated from the School of Traffic and Transportation of Beijing Jiaotong University majoring in logistics engineering in July 2011, with a Master of Engineering degree. From July 2000 to February 2006, Mr. Zuo served as a Section Chief at the Development Center of the State Bureau of Domestic Trade. Mr. Zuo joined China Federation of Logistics and Purchasing in February 2006 and served from February 2006 to December 2024 as Assistant Secretary-General and Deputy Secretary-General of the Automobile Logistics Branch, Deputy Secretary-General and Secretary-General of the Logistics Equipment Professional Committee, Secretary-General of the Automobile Logistics Branch, and Secretary-General of the Apparel Logistics Branch; he has been serving as the Director of the Exhibition Department, the Director of the Logistics Equipment Professional Committee, and the Executive Vice President of the Automobile Logistics Branch since December 2024; serving as the Executive Vice President of the Apparel Logistics Branch since January 2025, and serving as the Director of the Pallet Professional Committee since February 2025. Mr. Zuo has extensive experience in logistics engineering.

General Manager and Senior Management

Mr. Ye Xianzhong

Mr. Ye Xianzhong (葉賢忠) aged 55, is a senior political work officer and currently serves as the Deputy Secretary of the Party Committee of the Company. Mr. Ye joined the Company in February 2026. He graduated from Chongqing Teachers' College with a major in Politics and History in 1991. From July 1991 to January 1997, Mr. Ye served successively as an employee, Deputy Secretary and Secretary of the Youth League Committee of Chongqing Huajiang Machinery Factory. From January 1997 to February 2006, he served successively as Deputy Secretary of the Youth League Committee, Deputy Director of the Discipline Inspection Commission Office, Deputy Director of the Supervision Department, and Vice Minister of the Party Committee Propaganda Department of CSGC Southwest Division. From February 2006 to January 2007, he served as Party Branch Secretary of Chongqing Wanyou Economic Development Co., Ltd. From January 2007 to January 2009, he served as Minister of the Party Committee Propaganda Department of CSGC Southwest Division. From January 2009 to December 2010, he served successively as Director of the General Office and Secretary of the Headquarters Party Branch of Southwest Ordnance Industry Corporation Limited. From December 2010 to November 2013, he served as General Manager of Yunnan Wanyou Automobile Sales & Service Co., Ltd. From October 2013 to February 2026, he served successively as Vice General Manager and Deputy Party Committee Secretary of Wanyou Automobile Investment Co., Ltd. Mr. Ye has extensive experience in corporate management.

Mr. Ren Fei

Mr. Ren Fei (任飛), aged 52, accountant, is chief accountant and Board secretary of the Company. Mr. Ren joined the Company in August 2020. Mr. Ren graduated from Chongqing Institute of Industrial Management in 1997 majoring in computerized accounting. He also obtained a master's degree from Beijing Institute of Technology, majoring in EMBA. From July 1997 to July 2004, Mr. Ren worked in the CSGC Southwest Division. From July 2004 to January 2012, Mr. Ren served as deputy head of Finance Department, deputy head of Financial Auditing Department, head of Financial Auditing Department of Southwest Ordnance Industry Co., Ltd., and head of Finance Department of Southwest Ordnance Industry Corporation. From January 2012 to July 2020, Mr. Ren served as head of the Financial Auditing Department, Chief Accountant and Director of Wanyou Automobile Investment Co., Ltd. Mr. Ren has extensive experience in finance, auditing and business management.

Mr. Liao Jiahua

Mr. Liao Jiahua (廖家華), aged 49, senior engineer, is deputy general manager of the Company. Mr. Liao graduated from Changchun Institute of Optics and Fine Mechanics (now known as Changchun University of Science and Technology) majoring in computer and application in 2000 and then graduated from Chongqing University majoring in industrial engineering with a master's degree in 2019. From July 2000 to June 2016, Mr. Liao served as director of Network Security Division of Management Information Department of Changan Automobile, director of Information Technology Management Division of Management Information Department, director of Information Technology Management Department of the Management Innovation and IT Center. Ms. Liao joined the Company in June 2016 and since then has held various positions within the Company such as senior director of Information Department, head of Management Innovation and IT Center, Chief Digital Officer, senior director of Intelligent Logistics Promotion Center (Enterprise Technology Center), assistant to general manager, general counsel, secretary of the Party branch of Intelligent Logistics Promotion Center and spokesman. Mr. Liao has extensive experience in digital information, logistics sci-tech and corporate management.

Ms. Liao Yannan

Ms. Liao Yannan (廖雁南), aged 43, a professor-level senior engineer, is deputy general manager of the Company. Ms. Liao joined the Company in June 2022. Ms. Liao graduated from Tsinghua University majoring in vehicle engineering in 2003 with a bachelor's degree. In 2007, she graduated from Tsinghua University majoring mechanical engineering with a master's degree, during which she studied at RWTH Aachen University in Germany, majoring in automatic system engineering from 2004 to 2005 with a master's degree. From February 2007 to November 2007, Ms. Liao worked as an application engineer at Bosch Technology Center (Suzhou) Co., Ltd. From November 2007 to August 2011, Ms. Liao worked in Technology and Management Information Department of China South Industries Automobile Co., Ltd. From August 2011 to May 2021, Ms. Liao served as head of the Post-evaluation Division of Audit and Risk Department and head of Project Audit and Evaluation Division of the Audit and Risk Management Department (Supervisors Affairs Office), director of Comprehensive Audit Office of Audit Risk Control and Legal Department. Ms. Liao served as supervisor of Baoding Tongwei Electrical Equipment Co., Ltd.*, supervisor of China South Industries Group Information Center Co., Ltd.*, supervisor of China South Industries Financial Leasing Co., Ltd, and supervisor of Fujian Chenguang Qiming Technology Co., Ltd.* Ms. Liao has extensive experience in audit management.

Mr. Tang Zhong

Mr. Tang Zhong (唐忠), aged 43, is secretary of the Discipline Inspection Commission of the Company. Mr. Tang joined the Company in September 2022. Mr. Tang graduated from Shenyang Ligong University majoring in material forming and control engineering with a bachelor's degree in 2006. Mr. Tang served as head of Party and Administrative Office, head of Discipline Inspection and Supervision Department, manager of Inspection Office of Chongqing Dajiang Industrial Co., Ltd. Mr. Tang has rich experience in administration, Party construction, discipline supervision and inspection.

Mr. Tan Chaohu

Mr. Tan Chaohu (譚朝虎), aged 52, is currently the deputy general manager of the Company. Mr. Tan graduated from Chongqing Normal College (now known as Chongqing Normal University) in 1997, majoring in Ideological and Political Education under the Department of Economics and Politics and Law. Mr. Tan worked in Changan Automobile from July 1997 to December 2004. Joined the Company in December 2004, Mr. Tan served as project leader, the general manager of Nanjing Branch, the general manager of Nanjing CMSC, the director of the Reform and Investment Management Centre of the Company, the general manager of the Finished Vehicle Logistics Division, the deputy secretary and secretary of the branch party under Finished Vehicle Logistics Division and the assistant general manager of the Company etc. Mr. Tan has extensive experience in logistics operations and corporate management.

Grant Thornton 致同

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To all shareholders of Changan Minsheng APLL Logistics Co., Ltd.:

I. Opinion

We have audited the financial statements of Changan Minsheng APLL Logistics Co., Ltd. (hereinafter "the Company"), which comprise the consolidated and Company balance sheets as at 31 December 2025, and the consolidated and Company income statements, consolidated and Company cash flows statements and consolidated and Company statements of changes in equity for the year then ended, and notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated and Company financial positions as at 31 December 2025, and their financial performance and their cash flows for the year then ended in accordance with the requirements of Accounting Standards for Business Enterprises.

II. Basis for Opinion

We conducted our audit in accordance with China Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement Section of our report. We are independent of the Company in accordance with the Code of Ethics for Chinese Certified Public Accountant (Ethics Code) together with the Independence Standards for Chinese Certified Public Accountant as applicable to audits of financial statements of public interest entities, and we fulfilled our other ethical responsibilities in accordance with these requirements and the Ethics Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

III. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

(I) Accuracy of revenue recognition

Relevant disclosures of information refer to Note III.26 and Note V.42 of the notes to the financial statements.

1. Descriptions of the matter

The Company mainly engages in transportation services for complete vehicles and automotive parts, as well as tire packaging and sales of packaging materials. In 2025, the Company achieved operating revenue of RMB 9.531 billion. Revenue recognition by the Company occurs when control of the goods has been transferred to the customer or services have been completed and accepted by the customer. Since operating revenue is one of the key performance indicators for the Company, there exists inherent risk that management of the Company (hereinafter "Management) may inappropriately recognize revenue to meet specific targets or expectations. Therefore, we identify revenue recognition as a key audit matter.

2. Addressed in the context of our audit

The audit procedures that we have performed are mainly as follows:

(1) Obtained understanding, evaluated and tested the effectiveness of key internal control design and operation related to revenue recognition.

(2) Reviewed major logistics service or sales contracts, identified contract terms and conditions related to the transfer of control of services or goods, and assessed whether the specific methods of revenue recognition comply with the provisions of the Accounting Standards for Business Enterprises.

(3) Performed analytical procedures on revenue and gross profit margin on a monthly basis, by product, customer, etc., to identify significant or abnormal fluctuations, and analyzed the reasons for the fluctuations.

(4) Selected samples to examine supporting documents related to revenue recognition, including sales contracts, orders, sales invoices, settlement documents, etc.

(5) Selected samples to send confirmations to key customers regarding sales figures for the current period.

(6) Conducted cut-off testing on revenue recognized before and after the balance sheet date to evaluate whether revenue was recognized in the appropriate period.

(II) Provision for bad debts on accounts receivable

Relevant disclosures of information refer to Note III.11 and 33 and Note V.3 of the notes to the financial statements.

1. Descriptions of the matter

As of December 31, 2025, the Company had accounts receivable with book value of RMB 1.866 billion. An allowance for bad debts of RMB 87 million had been recognized, resulting in a net carrying amount of RMB 1.779 billion, representing 40.84% of current assets. The Company measures impairment provisions for expected credit losses on accounts receivable. Due to the significant amount of accounts receivable and the use of significant accounting estimates and professional judgment by the management in determining the provision for bad debts, we identified the recognition of the provision for bad debts on accounts receivable as a key audit matter.

2. Addressed in the context of our audit

The audit procedures that we have performed are mainly as follows:

(1) Obtained understanding, evaluated and tested the effectiveness of key internal controls design and operation related to the recognition of the provision for bad debts on accounts receivable.

(2) For accounts receivable assessed on an individual basis, we reviewed management's assessment of expected credit losses based on factors such as the customer's financial condition, historical repayment records, and forecasts of future economic conditions.

(3) For accounts receivable assessed based on the characteristics of credit risk characteristics, we reviewed management's rationale for the division of portfolios and the reasonableness of the expected credit loss rates, and recalculated the provision for bad debts on accounts receivable to ensure its accuracy.

(4) Compared the provision for bad debts on accounts receivable from previous years with the actual bad debt amounts incurred. Additionally, we examined subsequent collections to evaluate the adequacy of the provision for expected credit losses on accounts receivable.

(5) Selected samples of accounts receivable balances and sent confirmations to the respective debtors. We then reconciled the confirmation responses with the corresponding amounts recorded in the Company's books.

(6) Reviewed the disclosure of the provision for bad debts on accounts receivable in the financial statements to ensure it is adequate and appropriate.

IV. Other Information

Management of the Company is responsible for the other information. The other information comprises the information included in the Company's 2025 annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

V. Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management of the Company is responsible for the preparation of the financial statements to achieve fair presentation in accordance with Accounting Standards for Business Enterprises, and for the design, implementation and maintenance of such internal control as management determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

VI. 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 considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

(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 audit evidence that is sufficient and appropriate to provide a basis for our opinion. 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 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 related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, auditing standards require us to draw attention to users of the financial statements in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

(5) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

(6) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Grant Thornton Zhitong Certified
Public Accountants LLP

Auditor signature and stamp:
(Engagement partner)

Auditor signature and stamp:

China·Beijing

27 March 2026

CONSOLIDATED AND COMPANY BALANCE SHEETS

As at 31 December 2025 (RMB)

		As at 31 December 2025		As at 31 December 2024	
Item	Notes	Consolidated	Company	Consolidated	Company
Current assets:					
Cash and bank balances	V.1	671,963,726.87	523,400,011.89	995,091,926.76	794,578,929.59
Notes receivable	V.2	202,864,756.16	193,824,071.33	50,426,261.09	37,825,182.42
Accounts receivable	V.3	1,778,564,590.97	1,433,594,972.51	1,627,248,472.38	1,320,589,352.28
Receivable financing	V.4	693,329,034.27	669,801,151.85	601,021,043.25	593,451,139.06
Prepayments	V.5	129,438,128.40	125,266,056.84	16,159,144.79	7,643,561.26
Other receivables	V.6	99,791,270.24	97,014,224.93	75,855,060.33	69,440,151.56
Inventories	V.7	17,506,359.28	2,852,533.13	14,090,076.83	3,735,095.11
Contract assets	V.8	740,095,953.91	505,126,387.08	432,640,805.21	253,335,857.71
Non-current assets due within one year					
Other current assets	V.9	21,754,616.61	18,985,837.17	17,468,026.79	13,242,860.59
Total current assets		**4,355,308,436.71**	**3,569,865,246.73**	**3,830,000,817.43**	**3,093,842,129.58**
Non-current assets:					
Long-term equity investments	V.10	28,283,883.12	984,955,009.10	28,200,000.00	981,482,452.93
Other equity instruments investment	V.11	75,200,066.76	75,200,000.00	74,000,000.00	74,000,000.00
Investment properties	V.12	29,505,926.30	29,505,926.30	31,407,638.28	31,407,638.28
Fixed assets	V.13	501,565,629.41	209,263,891.10	588,848,946.27	229,270,564.14
Construction in progress	V.14	12,397,641.81	9,685,997.83	5,005,318.07	3,927,590.33
Right-of-use assets	V.15	160,624,078.38	71,090,265.40	157,374,451.92	44,282,687.61
Intangible assets	V.16	235,538,418.27	108,871,835.10	249,650,586.08	117,530,103.72
Goodwill	V.17	5,016,185.42	2,222,222.00	5,016,185.42	2,222,222.00
Long-term deferred expenses	V.18	99,378,756.58	2,133,941.22	26,427,193.33	2,830,299.54
Deferred tax assets	V.19	39,083,955.05	27,873,306.75	49,145,333.61	36,756,864.85
Other non-current assets	V.20	163,231,494.78	157,890,379.74	151,649,576.75	151,649,576.75
Total non-current assets		**1,349,826,035.88**	**1,678,692,774.54**	**1,366,725,229.73**	**1,675,360,000.15**
TOTAL ASSETS		5,705,134,472.59	5,248,558,021.27	5,196,726,047.16	4,769,202,129.73

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CHANGAN MINSHENG APLL LOGISTICS CO., LTD.
CONSOLIDATED AND COMPANY BALANCE SHEETS (CONTINUED)
As at 31 December 2025 (RMB)

		As at 31 December 2025		As at 31 December 2024	
Item	Notes	Consolidated	Company	Consolidated	Company
Current Liabilities:					
Short-term loans	V.22	17,821,452.67		12,062,465.76	
Notes payable	V.23	669,339,446.88	646,638,052.91	496,060,939.76	462,521,372.64
Accounts payable	V.24	1,729,027,927.68	1,426,919,942.09	1,732,595,773.59	1,503,531,326.38
Receipts in advance	V.25	632,040.00		45,139.42	45,139.42
Contract liabilities	V.26	161,624,306.73	158,147,406.97	14,735,563.22	11,595,030.36
Employee benefits payable	V.27	130,548,527.53	91,610,401.54	152,584,230.88	109,707,609.47
Taxes payable	V.28	35,307,078.94	8,148,949.11	29,940,003.20	7,046,813.77
Other payables	V.29	441,767,963.88	896,066,198.60	352,309,223.32	762,693,143.79
Including: Dividends Payable		10,103,200.00	10,103,200.00		
Non-current liabilities due within one year	V.30	104,868,796.17	42,378,174.89	76,097,623.88	24,826,437.98
Other current liabilities	V.31	10,730,935.27	3,775,978.31	13,585,957.96	4,502,506.00
Total current liabilities		**3,301,668,475.75**	**3,273,685,104.42**	**2,880,016,920.99**	**2,886,469,379.81**
Non-current liabilities:					
Long-term loans	V.32				
Lease liabilities	V.33	84,742,753.87	25,317,543.24	97,394,356.94	17,408,455.86
Provisions					
Deferred income	V.34	18,172,076.65	17,009,456.92	12,433,040.16	11,155,224.32
Deferred tax liabilities	V.19	1,402,492.43		228,763.45	
Other non-current liabilities	V.35	6,847.20	6,847.20	6,847.20	6,847.20
Total non-current liabilities		**104,324,170.15**	**42,333,847.36**	**110,063,007.75**	**28,570,527.38**
TOTAL LIABILITIES		**3,405,992,645.90**	**3,316,018,951.78**	**2,990,079,928.74**	**2,915,039,907.19**
Share capital	V.36	202,064,000.00	202,064,000.00	162,064,000.00	162,064,000.00
Capital reserve	V.37	127,266,394.45	135,305,319.34	67,079,415.05	75,118,339.94
Other comprehensive income	V.38	25,779,018.96	25,649,515.00	24,629,515.00	24,629,515.00
Specific reserve	V.39	11,272,037.09	60,947.25	11,982,773.50	60,947.25
Surplus reserve	V.40	88,635,679.76	88,635,679.76	85,867,093.00	85,867,093.00
Undistributed profits	V.41	1,682,827,360.27	1,480,823,608.14	1,695,876,393.45	1,506,422,327.35
Total shareholders' equity attributable to the parent		2,137,844,490.53	1,932,539,069.49	2,047,499,190.00	1,854,162,222.54
Minority interests		161,297,336.16		159,146,928.42	
Total shareholders' (or owners') equity		**2,299,141,826.69**	**1,932,539,069.49**	**2,206,646,118.42**	**1,854,162,222.54**
Total liabilities and shareholders' (or owners') equity		**5,705,134,472.59**	**5,248,558,021.27**	**5,196,726,047.16**	**4,769,202,129.73**

Legal representative: **Principal in charge of accounting:** **Head of accounting department:**

CONSOLIDATED AND COMPANY INCOME STATEMENT

For the year ended 31 December 2025 (RMB)

		2025		2024	
Item	Notes	Consolidated	Company	Consolidated	Company
I. Revenue from operations	**V.42**	**9,531,636,274.71**	**7,873,027,527.69**	**8,963,208,271.72**	**6,654,371,724.98**
Less: Cost of operations	V.42	9,101,846,060.19	7,654,847,625.70	8,559,911,051.80	6,469,631,072.10
Taxes and surcharges	V.43	30,076,933.06	20,184,155.63	32,578,963.89	21,425,844.99
Selling expenses	V.44	60,862,417.97	43,339,608.44	50,561,038.70	26,434,262.97
Administrative expenses	V.45	239,724,389.73	139,251,089.54	231,943,315.20	135,294,386.43
Research and development expenses	V.46	15,809,111.93		23,011,712.49	1,860,109.36
Financial expense	V.47	9,194,256.84	10,569,705.99	611,815.98	384,041.62
Including: Interest expenses		8,165,057.28	7,760,107.07	13,967,111.72	10,341,831.39
Interest income		15,263,772.68	12,921,292.69	19,162,321.53	15,481,848.01
Add: Other income	V.48	20,518,109.43	10,025,500.13	15,971,453.11	5,259,208.66
Investment income ("-" for loss)	V.49	13,062.84	26,849,194.32	59,023,785.66	142,829,057.89
Including: Gains from investments in associates and joint ventures		49,194.32	49,194.32	159,411.85	159,411.85
Gain from derecognition of financial assets at amortized cost ("-" for loss)					
Credit impairment loss ("-" for loss)	V.50	6,873,351.63	13,665,848.49	-7,821,731.11	8,089,146.35
Assets impairment loss ("-" for loss)	V.51	-768,818.53	-840,374.61	-42,685,734.74	-42,532,176.01
Gain from disposal of assets ("-" for loss)	V.52	977,125.20	-64,914.08	4,418,191.50	1,688,409.41
II. Operating profit ("-" for loss)		**101,735,935.56**	**54,470,596.64**	**93,496,338.08**	**114,675,653.81**
Add: Non-operating income	V.53	3,475,349.60	2,425,608.99	2,965,674.68	1,301,769.13
Less: Non-operating expenses	V.54	25,070,840.91	20,506,779.98	4,405,653.65	3,261,634.55
III. Total profit ("-" for loss)		**80,140,444.25**	**36,389,425.65**	**92,056,359.11**	**112,715,788.39**
Less: Income tax expenses	V.55	28,937,865.93	8,703,558.10	23,678,118.31	11,194,289.37

continued/…

		2025		2024	
Item	Notes	Consolidated	Company	Consolidated	Company
IV. Net profit (“-” for net loss)		**51,202,578.32**	**27,685,867.55**	**68,378,240.80**	**101,521,499.02**
(I) Classified by continuity of operations:					
Including: Net profit from continuing operations ("-"for net loss)		51,202,578.32	27,685,867.55	68,378,240.80	101,521,499.02
Net profit from discontinued operations ("-" for net loss)					
(II) Classified by attribution to ownership:					
Including: Net profit attributable to shareholders of the parent ("-" for net loss)		40,235,553.58	27,685,867.55	59,943,006.45	101,521,499.02
Net profit attributable to minority interests ("-" for net loss)		10,967,024.74		8,435,234.35	
V. Other comprehensive income - after tax		**1,342,900.15**	**1,020,000.00**	**2,057,000.00**	**2,057,000.00**
Other comprehensive income - after tax attributable to shareholders of the parent		1,149,503.96	1,020,000.00	2,057,000.00	2,057,000.00
(I) Other comprehensive income not reclassified into profit or loss subsequently		1,020,000.00	1,020,000.00	2,057,000.00	2,057,000.00
1. Changes in fair value of other equity instruments investment	V.38	1,020,000.00	1,020,000.00	2,057,000.00	2,057,000.00
(II) Other comprehensive income that will be reclassified into profit or loss subsequently		129,503.96			
1.Translation of Foreign Financial Statements		129,503.96			
Other comprehensive income - after tax attributable to minority interests		193,396.19			
VI. Total comprehensive income		**52,545,478.47**	**28,705,867.55**	**70,435,240.80**	**103,578,499.02**
Total comprehensive income attributable to shareholders of the parent		41,385,057.54	28,705,867.55	62,000,006.45	103,578,499.02
Total comprehensive income attributable to minority interests		11,160,420.93		8,435,234.35	
VII. Earnings per share					
(I) Basic earnings per share		0.22		0.37	
(II) Diluted earnings per share					

Legal representative: **Principal in charge of accounting:** **Head of accounting department:**

		2025		2024	
Item	Notes	Consolidated	Company	Consolidated	Company
I. Cash flows from operating activities:					
Cash received from sales of goods or rendering of services		9,246,494,023.92	7,797,628,987.19	9,185,361,178.15	8,021,432,188.55
Tax refund received		60,396.63	53,974.79		
Other cash received relating to operating activities	V.56	551,947,372.73	1,393,244,554.68	1,696,848,355.60	1,248,635,413.87
Sub-total of cash inflows		9,798,501,793.28	9,190,927,516.66	10,882,209,533.75	9,270,067,602.42
Cash paid for goods and services		8,622,715,791.36	7,557,964,205.72	7,942,635,775.12	7,256,600,250.97
Cash paid to and on behalf of employees		668,255,367.61	485,920,337.28	697,023,158.27	490,078,280.80
Payments of all types of taxes		110,158,870.62	67,208,022.82	120,920,252.40	77,059,177.78
Other cash paid relating to operating activities	V.56	614,867,548.00	1,360,924,716.23	1,761,059,070.27	1,363,103,355.43
Sub-total of cash outflows		10,015,997,577.59	9,472,017,282.05	10,521,638,256.06	9,186,841,064.98
Net cash flows from operating activities		**-217,495,784.31**	**-281,089,765.39**	**360,571,277.69**	**83,226,537.44**
II. Cash flows from investing activities:					
Cash received from disposal of investments		5,000,000.00		186,148,364.58	186,148,364.58
Cash received from returns on investments		34,493.45	26,803,236.51	6,356,781.14	148,129,506.14
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		2,685,722.36	1,287,598.04	1,135,273.92	51,993,949.40
Cash received from disposal of subsidiaries and other business units					
Other cash received relating to investing activities					
Sub-total of cash inflows		7,720,215.81	28,090,834.55	193,640,419.64	386,271,820.12
Cash paid to acquire fixed assets, intangible assets and other long-term assets		79,627,052.42	32,347,592.87	75,924,318.48	48,479,896.29
Cash paid to acquire investments		193,000,065.49	191,388,673.05	168,900,000.00	168,900,000.00
Cash paid to acquire subsidiaries and other business units					
Other cash paid relating to investing activities	V.56			21,930,498.54	
Sub-total of cash outflows		272,627,117.91	223,736,265.92	266,754,817.02	217,379,896.29
Net cash flows from investing activities		**-264,906,902.10**	**-195,645,431.37**	**-73,114,397.38**	**168,891,923.83**

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CHANGAN MINSHENG APLL LOGISTICS CO., LTD.
CONSOLIDATED AND COMPANY CASH FLOWS STATEMENTS (CONTINUED)
For the year ended 31 December 2025 (RMB)

		2025		2024	
Item	Notes	Consolidated	Company	Consolidated	Company
III. Cash flows from financing activities:					
Cash received from capital contribution		104,433,337.73	100,149,054.09		
Including: Cash received from investment by minority interests of subsidiaries		4,284,283.64			
Cash received from borrowings		59,037,963.78		79,643,581.00	
Cash received relating to other financing activities					
Sub-total of cash inflows		163,471,301.51	100,149,054.09	79,643,581.00	
Cash repayments of amounts borrowed		50,700,000.00		93,895,546.57	
Cash payments for interest expenses and distribution of dividends or profits		53,108,542.66	38,644,148.01	46,878,705.07	32,451,133.71
Including: Dividend paid to minority interests of subsidiaries		13,200,000.00		9,296,775.00	
Other cash payments relating to financing activities	V.56	83,579,355.86	37,797,037.27	94,566,066.18	48,702,903.48
Sub-total of cash outflows		187,387,898.52	76,441,185.28	235,340,317.82	81,154,037.19
Net cash flows from financing activities		-23,916,597.01	23,707,868.81	-155,696,736.82	-81,154,037.19
IV. Effect of foreign exchange rate changes on cash		-836,629.08	-733,660.98	1,127,272.23	1,122,761.95
V. Net increase in cash and cash equivalents		-507,155,912.50	-453,760,988.93	132,887,415.72	172,087,186.03
Add: Opening balance of cash and cash equivalent		982,221,928.70	787,158,929.59	849,334,512.98	615,071,743.56
VI. Closing balance of cash and cash equivalent		475,066,016.20	333,397,940.66	982,221,928.70	787,158,929.59

Legal representative: Principal in charge of accounting: Head of accounting department:

CHANGAN MINSHENG APLL LOGISTICS CO., LTD.
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2025 (RMB)

	2025								
	Equity attributable to the shareholders of the Company								
Items	Share capital	Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profits	Minority interests	Total shareholders' equity
I. Balance at end of previous year	162,064,000.00	67,079,415.05		24,629,515.00	11,982,773.50	85,867,093.00	1,695,876,393.45	159,146,928.42	2,206,646,118.42
Add: Changes in accounting policies									
Correction of errors									
Business combination under common control									
Others									
II. Balance in beginning of year	162,064,000.00	67,079,415.05		24,629,515.00	11,982,773.50	85,867,093.00	1,695,876,393.45	159,146,928.42	2,206,646,118.42
III. Movement over the year ("-" for loss)	40,000,000.00	60,186,979.40		1,149,503.96	-710,736.41	2,768,586.76	-13,049,033.18	2,150,407.74	92,495,708.27
(I) Total comprehensive income				1,149,503.96			40,235,553.58	11,160,420.93	52,545,478.47
(II) Contributions from shareholders and reduction of capital	40,000,000.00	60,149,054.09						4,284,283.64	104,433,337.73
1. Capital contribution from shareholders	40,000,000.00	60,149,054.09						4,284,283.64	104,433,337.73
2. Increase in shareholders' equity resulted from share-based payments									
3. Others									
(III) Appropriation of profits						2,768,586.76	-53,284,586.76	-13,200,000.00	-63,716,000.00
1. Transfer to surplus reserve						2,768,586.76	-2,768,586.76		
2. Distributions to shareholders							-50,516,000.00	-13,200,000.00	-63,716,000.00
3. Others									
(IV) Transfer within shareholders' equity									
1. Capital reserve converting into share capital									
2. Surplus reserve converting into share capital									
3. Surplus reserve cover the deficit									
4. Other comprehensive income transfer to retained earnings									
5. Others									
(V) Specific reserve					-710,736.41			-94,296.83	-805,033.24
1. Appropriation for the year					10,305,718.91			355,002.32	10,660,721.23
2. Used in the year					-11,016,455.32			-449,299.15	-11,465,754.47
(VI) Others		37,925.31							37,925.31
IV. Balance at end of year	202,064,000.00	127,266,394.45		25,779,018.96	11,272,037.09	88,635,679.76	1,682,827,360.27	161,297,336.16	2,299,141,826.69

Legal representative: Principal in charge of accounting: Head of accounting department:

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CHANGAN MINSHENG APLL LOGISTICS CO., LTD.
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)
For the year ended 31 December 2025 (RMB)

Items	2024								
	Equity attributable to the shareholders of the Company								
	Share capital	Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profits	Minority interests	Total shareholders' equity
I. Balance at end of previous year	162,064,000.00	67,113,845.09		22,572,515.00	10,251,350.13	85,867,093.00	1,668,384,520.71	173,310,520.72	2,189,563,844.65
Add: Changes in accounting policies									
Correction of errors									
Business combination under common control									
Others									
II. Balance in beginning of year	162,064,000.00	67,113,845.09		22,572,515.00	10,251,350.13	85,867,093.00	1,668,384,520.71	173,310,520.72	2,189,563,844.65
III. Movement over the year ("-" for loss)		-34,430.04		2,057,000.00	1,731,423.37		27,491,872.74	-14,163,592.30	17,082,273.77
(I) Total comprehensive income				2,057,000.00			59,943,006.45	8,435,234.35	70,435,240.80
(II) Contributions from shareholders and reduction of capital		-34,430.04						-13,773,596.31	-13,808,026.35
1. Capital contribution from shareholders									
2. Increase in shareholders' equity resulted from share-based payments									
3. Others		-34,430.04						-13,773,596.31	-13,808,026.35
(III) Appropriation of profits							-32,451,133.71	-9,296,775.00	-41,747,908.71
1. Transfer to surplus reserve									
2. Distributions to shareholders							-32,451,133.71	-9,296,775.00	-41,747,908.71
3. Others									
(IV) Transfer within shareholders' equity									
1. Capital reserve converting into share capital									
2. Surplus reserve converting into share capital									
3. Surplus reserve cover the deficit									
4. Other comprehensive income transfer to retained earnings									
5. Others									
(V) Specific reserve					1,731,423.37			471,544.66	2,202,968.03
1. Appropriation for the year					7,534,025.17			1,314,823.14	8,848,848.31
2. Used in the year					-5,802,601.80			-843,278.48	-6,645,880.28
(VI) Others									
IV. Balance at end of year	162,064,000.00	67,079,415.05		24,629,515.00	11,982,773.50	85,867,093.00	1,695,876,393.45	159,146,928.42	2,206,646,118.42

Legal representative: Principal in charge of accounting: Head of accounting department:

CHANGAN MINSHENG APLL LOGISTICS CO., LTD.
COMPANY STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2025 (RMB)

	2025							
Items	Share capital	Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profits	Total shareholders' equity
I. Balance at end of previous year	**162,064,000.00**	**75,118,339.94**		**24,629,515.00**	**60,947.25**	**85,867,093.00**	**1,506,422,327.35**	**1,854,162,222.54**
Add: Changes in accounting policies								
Correction of errors								
Others								
II. Balance in beginning of year	**162,064,000.00**	**75,118,339.94**		**24,629,515.00**	**60,947.25**	**85,867,093.00**	**1,506,422,327.35**	**1,854,162,222.54**
III. Movement over the year ("-" for loss)	**40,000,000.00**	**60,186,979.40**		**1,020,000.00**		**2,768,586.76**	**-25,598,719.21**	**78,376,846.95**
(I) Total comprehensive income				1,020,000.00			27,685,867.55	28,705,867.55
(II) Contributions from shareholders and reduction of capital	40,000,000.00	60,149,054.09						100,149,054.09
1. Capital contribution from shareholders	40,000,000.00	60,149,054.09						100,149,054.09
2. Increase in shareholders' equity resulted from share-based payments								
3. Others								
(III) Appropriation of profits						2,768,586.76	-53,284,586.76	-50,516,000.00
1. Transfer to surplus reserve						2,768,586.76	-2,768,586.76	
2. Distributions to shareholders							-50,516,000.00	-50,516,000.00
3. Others								
(IV) Transfer within shareholders' equity								
1. Capital reserve converting into share capital								
2. Surplus reserve converting into share capital								
3. Surplus reserve cover the deficit								
4. Other comprehensive income transfer to retained earnings								
5. Others								
(V) Specific reserve								
1. Appropriation for the year					7,683,910.49			7,683,910.49
2. Used in the year					-7,683,910.49			-7,683,910.49
(VI) Others		37,925.31						37,925.31
IV. Balance at end of year	**202,064,000.00**	**135,305,319.34**		**25,649,515.00**	**60,947.25**	**88,635,679.76**	**1,480,823,608.14**	**1,932,539,069.49**

Legal representative: **Principal in charge of accounting:** **Head of accounting department:**

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CHANGAN MINSHENG APLL LOGISTICS CO., LTD.
COMPANY STATEMENT OF CHANGES IN EQUITY (CONTINUED)
For the year ended 31 December 2025 (RMB)

	2024							
Items	Share capital	Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profits	Total shareholders' equity
I. Balance at end of previous year	162,064,000.00	75,152,769.98		22,572,515.00	60,947.25	85,867,093.00	1,437,351,962.04	1,783,069,287.27
Add: Changes in accounting policies								
Correction of errors								
Others								
II. Balance in beginning of year	162,064,000.00	75,152,769.98		22,572,515.00	60,947.25	85,867,093.00	1,437,351,962.04	1,783,069,287.27
III. Movement over the year ("-" for loss)		-34,430.04		2,057,000.00			69,070,365.31	71,092,935.27
(I) Total comprehensive income				2,057,000.00			101,521,499.02	103,578,499.02
(II) Contributions from shareholders and reduction of capital		-34,430.04						-34,430.04
1. Capital contribution from shareholders								
2. Increase in shareholders' equity resulted from share-based payments								
3. Others		-34,430.04						-34,430.04
(III) Appropriation of profits							-32,451,133.71	-32,451,133.71
1. Transfer to surplus reserve								
2. Distributions to shareholders							-32,451,133.71	-32,451,133.71
3. Others								
(IV) Transfer within shareholders' equity								
1. Capital reserve converting into share capital								
2. Surplus reserve converting into share capital								
3. Surplus reserve cover the deficit								
4. Other comprehensive income transfer to retained earnings								
5. Others								
(V) Specific reserve								
1. Appropriation for the year					4,462,023.66			4,462,023.66
2. Used in the year					-4,462,023.66			-4,462,023.66
(VI) Others								
IV. Balance at end of year	162,064,000.00	75,118,339.94		24,629,515.00	60,947.25	85,867,093.00	1,506,422,327.35	1,854,162,222.54

Legal representative: Principal in charge of accounting: Head of accounting department:

I. Company information

CMAL was established domestically on 27 August 2001. It became a Sino-foreign joint venture in 2002 and was restructured into a joint stock limited company on 31 December 2004. On 23 February 2006, the Company's H-shares were listed and traded on the GEM of the Stock Exchange. On 18 July 2013, they were transferred from the GEM to the Main Board of the Stock Exchange. The place of registration is NO.1881 Jinkai Road, Liangjiang New Area, Chongqing, China.

On 22 August 2024, CMAL signed a share subscription agreement with SIAMC. CMAL conditionally agreed to allot and issue, and SIAMC conditionally agreed to subscribe for 40,000,000.00 new domestic shares. The Company completed the share subscription on 26 May 2025, formally allotting and issuing 40,000,000.00 shares to SIAMC. As of the end of 2025, the Company's total number of issued shares was 202,064,000.00. The Company's operating period started on 27 August 2001, with no fixed term.

The Group is primarily engaged in providing finished vehicle transportation services, automotive raw materials and parts supply chain management services, transportation services for non-automotive goods, production and sales of packaging materials, as well as tire packaging, and tire sales.

These financial statements and the notes to the financial statements were approved by the 37th meeting of the sixth board of directors of the Company on 27 March 2026.

II. Basis of preparation of financial statements

The financial statements are prepared in accordance with the Accounting Standards for Business Enterprises and guidelines, interpretations and other related provisions promulgated by the Ministry of Finance (collectively, **"Accounting Standards for Business Enterprises"**).

The consolidated financial statements have been prepared on a going concern basis.

The Group adopts the accrual basis of accounting. The financial statements are prepared under the historical cost convention. If impairment of assets occurs, a provision for impairment is made accordingly in accordance with the relevant regulations.

The new Hong Kong Companies Ordinance came into effect in 2015, and these financial statements have been adjusted in accordance with the requirements of the Hong Kong Companies Ordinance.

III. Significant accounting policies and accounting estimates

1. Statement of compliance with the Accounting Standards for Business Enterprises

The consolidated financial statements have been prepared in compliance with the Accounting Standards for Business Enterprises to truly and completely reflect the consolidated and Company's financial positions as of 31 December 2025, and their operating results and their cash flows for the year ended 31 December 2025 and other relevant information.

2. Financial year

The financial year of the Group is from 1 January to 31 December of each calendar year.

3. Operating cycle

The Group's operating cycle is 12 months.

4. Functional currency

The financial statements of the Company and its domestic subsidiaries have been prepared in Renminbi (**"RMB"**). The overseas subsidiary of the Company determines the Thai Baht as its functional currency based on the currency of the primary economic environment in which it operates. The currency used by the Company in preparing these financial statements is RMB.

5. Determination method and selection basis of materiality criteria

Item	Materiality criteria
Individually significant accounts receivable for provision for bad debts	Amount ≥ 2.5 million
Significant construction in progress	Amount ≥ 2.5 million
Significant non-wholly owned subsidiaries	Considering the proportion of relevant entity assets to the total assets of the consolidated financial statements, the proportion of operating income to the total revenue of the consolidated financial statements, and the proportion of net profit to the net profit of the consolidated financial statements, any one of which exceeds 10%
Significant investment activities	Amount ≥ 2.5 million

6. Accounting treatment of business combinations not involving enterprises under common control

(1) Business combinations involving enterprises under common control

For a business combination involving enterprises under common control, assets acquired, and liabilities assumed by acquirer in the business combination are measured at their carrying amounts of the acquiree in the consolidated financial statements of the ultimate controlling party at the combination date. The difference between the carrying amount of the consideration paid for the combination and the carrying amount of the net assets acquired is adjusted to capital reserve. If the capital reserve is not sufficient to absorb the difference, any excess is adjusted to undistributed profits.

Business combinations involving entities under common control achieved in stages and involved multiple transactions

In the separate financial statements, initial investment cost is the acquirer's share of the carrying amount of the net assets of the acquiree in the consolidated financial statements of the ultimate controlling party at the combination date. The difference between the initial investment cost and the sum of carrying amount of investment prior to combination date and carrying amount of new considerations paid for the combination at the combination date is adjusted to capital reserve. If the capital reserve is not sufficient to absorb the difference, any excess is adjusted against undistributed profits.Long-term equity investments held by the acquirer prior to obtaining control of the acquiree, in respect of which gains or losses, other comprehensive income and changes in other equity have been recognised between the date of acquisition of the original equity interest and the date on which the acquirer and the acquiree came under common ultimate control (whichever is later) and the merger date, shall be offset against retained earnings at the beginning of the comparative reporting period or against profit or loss for the current period, as appropriate.

(2) Business combinations not involving enterprises under common control

For business combinations involving enterprises not under common control, the consideration costs include acquisition-date fair values of the assets transferred, liabilities incurred or assumed, and the equity instruments issued by the acquirer in exchange for control of the acquire. At the acquisition date, the acquired assets, liabilities and contingent liabilities of the acquiree are measured at their fair value.

Where the combination cost exceeds the acquirer's interest in the fair value of the acquiree's identifiable net assets, the difference is recognized as goodwill and subsequently measured on the basis of its costs less accumulated impairment provisions. Where the combination cost is less than the acquirer's interest in the fair value of the acquiree's identifiable net assets, the difference is credited in profit or loss for the current period after reassessment.

Business combinations involving entities not under common control achieved in stages and involved multiple transactions

The combination cost is the sum of the consideration paid at the acquisition date and the fair value of equity investment of the acquiree held prior to the acquisition date. The cost of equity investment of the acquiree held prior to the acquisition date is re-measured at the fair value at the acquisition date, the difference between the fair value and carrying value is recognized as profit or loss for the current period. Other comprehensive income and changes of other owners' equity from the equity interest held in the acquiree prior to the acquisition date are transferred to profit or loss for the current period, except for other comprehensive income resulted in the change of net liabilities or assets in the investee's re-measurement of defined benefit plan and investments in non-trading equity instruments originally designated as measured at fair value.

(3) Transaction costs for business combination

The overhead for the business combination, including the expenses for audit, legal services, valuation advisory, and other administrative expenses, are recorded in profit or loss for the current period when incurred. The transaction costs of equity or debt instruments issued as the considerations of business combination are included in the initial recognition amount of the equity or debt instruments.

7. Basis in determination of control and preparation of consolidated financial statements

(1) Basis in determination of control

The scope of consolidated financial statements is determined on the basis of control. Control exists when the Group has power over the investee; exposure, or rights to variable returns from its involvement with the investee and has the ability to affect its returns through its power over the investee. When changes in relevant facts and circumstances lead to changes in the elements involved in defining control, the Group will conduct a reassessment.

When determining whether to include a structured entity in the scope of consolidation, the Group assesses whether it controls the structured entity based on a comprehensive review of all facts and circumstances. This includes evaluating the purpose and design of the structured entity, identifying the types of variable returns, and assessing whether the Group bears part or all of the variable returns by participating in its related activities.

(2) Basis of preparation of consolidated financial statements

The consolidated financial statements are prepared by the Group based on the financial statements of the Company and its subsidiaries and other relevant information. In preparation of consolidated financial statements, the accounting policies and accounting periods of the subsidiaries should be consistent with those established by the Group, and all significant intercompany accounts and transactions are eliminated.

Where a subsidiary or business was acquired during the reporting period, through a business combination involving enterprises under common control, the subsidiary or business is deemed to be included in the consolidated financial statements from the date they are controlled by the ultimate controlling party. Their operating results and cash flows are included in the consolidated income statement and consolidated cash flow statement respectively from the date they are controlled by the ultimate controlling party.

Where a subsidiary or business has been acquired during the reporting period, through a business combination not involving enterprises under common control, the revenue, expenses and profit of the subsidiary or business after the acquisition date are included in the consolidated income statement, the cash flows after the acquisition date are included in the consolidated cash flow statement.

The portion of a subsidiary's equity that is not attributable to the parent is treated as minority interests and presented separately in the consolidated balance sheet within shareholders' equity. The portion of net profit or loss of subsidiaries for the period attributable to minority interests is presented in the consolidated income statement below the "net profit" line item as "minority interests". When the amount of loss for the current period attributable to minority interests of the subsidiary exceeds the minority interests' share of the opening equity of the subsidiary, the excess is still allocated against the minority interests.

(3) Acquiring minority interests of subsidiaries

Where the Company acquires a minority interest from a subsidiary's minority shareholders or disposes of a portion of an interest in a subsidiary without a change in control, the transaction is treated as equity transaction, and the book value of shareholder's equity attributed to the Company and to the minority interest is adjusted to reflect the change in the Group's interest in the subsidiaries. The difference between the proportion interests of the subsidiary's net assets being acquired or disposed and the amount of the consideration paid or received is adjusted to the capital reserve (share premium) in the consolidated balance sheet, with any excess adjusted to undistributed profits.

(4) Losing control over the subsidiary

When the Company loses control over the subsidiary because of disposing part of equity investment or other reasons, the remaining part of the equity investment is re-measured at fair value at the date when losing control over the subsidiary. A gain or loss is recognized in profit or loss for the current period and is calculated by the aggregate of the consideration received in disposal and the fair value of remaining part of the equity investment deducting the share of carrying value of net assets in proportion to previous shareholding percentage in former subsidiary since acquisition date and the goodwill.

Other comprehensive income relating to equity investments in former subsidiaries is accounted for on the same basis as if the former subsidiary had directly disposed of the relevant assets or liabilities upon the loss of control; all other changes in equity relating to the former subsidiary that were previously accounted for under the equity method are reclassified to profit or loss upon the loss of control.

8. Joint arrangement classification and accounting treatment for joint operation

A joint arrangement is an arrangement of which two or more parties have joint control. The Company classifies joint arrangements into joint operations and joint ventures.

(1) Joint operations

A joint operation is a joint arrangement whereby the joint operators have rights to the assets, and obligations for the liabilities relating to the arrangement.

The Group recognizes the following items in relation to its interest in joint operation, and account for them in accordance with relevant accounting standards:

A. its solely-held assets, and its share of any liabilities incurred jointly;

B. its solely-assumed liabilities, and its share of any liabilities incurred jointly;

C. its revenue from the sale of its share of the output arising from the joint operation;

D. its share of the revenue from the sale of output by the joint operation; and

E. its solely-incurred expenses, and its share of any expenses incurred jointly.

(2) Joint ventures

A joint venture is a joint arrangement whereby the joint venturers have rights to the net assets of the arrangement.

The Group adopts equity method under long-term equity investment in accounting for its investment in joint venture.

9. Cash and cash equivalents

Cash comprises cash on hand and deposits that can be readily drawn on demand. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash, and which are subject to an insignificant risk of change in value.

10. Foreign Currency Transactions and Translation of Foreign Currency Financial Statements

(1) Foreign Currency Transactions

Foreign currency transactions are translated into the functional currency of the Group at the spot exchange rates on the dates of the transactions.

Monetary items denominated in foreign currencies are translated to Renminbi at the spot exchange rate at the balance sheet date. The resulting exchange differences between the spot exchange rate on balance sheet date and the spot exchange rate on initial recognition or on the previous balance sheet date are recognized in profit or loss. Non-monetary items that are measured at historical cost in foreign currencies are translated to Renminbi using the exchange rate at the transaction date. Non-monetary items that are measured at fair value in foreign currencies are translated using the exchange rate at the date the fair value is determined. The resulting exchange differences are recognized in profit or loss for the current period or other comprehensive income according to the nature of non-monetary items.

(2) Translation of Foreign Currency Financial Statements

On the balance sheet date, when translating the foreign currency financial statements of overseas subsidiaries: Assets and liabilities in the balance sheet are translated at the closing rate on the balance sheet date. Shareholders' equity items, other than retained earnings, are translated at the spot exchange rate at the transaction date. Income and expenses in the income statement are translated at exchange rates that approximate the spot exchange rates on the transaction dates, determined using a systematic and rational method. All items in the statement of cash flows are translated at exchange rates that approximate the spot exchange rates on the dates of the cash flows, determined using a systematic and rational method. The effect of exchange rate changes on cash is presented separately as an effect of exchange rate changes on cash and cash equivalents in the statement of cash flows as a reconciling item. Exchange differences arising from the translation of financial statements are recognized in other comprehensive income within shareholders' equity in the balance sheet. Upon disposal of a foreign operation and loss of control, the cumulative amount of foreign currency translation differences related to that foreign operation recognized in shareholders' equity is reclassified in full or proportionally to profit or loss in the period of disposal.

11. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

(1) Recognition and derecognition of financial instruments

A financial asset or financial liability is recognized when the Group becomes a party to the contractual provisions of a financial instrument.

If one of the following conditions is met, the financial assets are derecognized:

① The contractual rights to the cash flows from the financial asset expire;

② The financial asset has been transferred, and is in accordance with the following conditions for derecognition.

A financial liability (or part of it) is derecognized when its contractual obligation (or part of it) is discharged or cancelled or expires. If the Group (as a debtor) makes an agreement with the creditor to replace the current financial liability with assuming a new financial liability, and contractual provisions are different in substance, the current financial liability is derecognized and a new financial liability is recognized meanwhile.

If the financial assets are traded routinely, the financial assets are recognized and derecognized at the transaction date.

(2) Classification and measurement of financial assets

Upon initial recognition, the Group classifies the financial assets according to the business model for managing the financial assets and characteristics of the contractual cash flows as follows: financial assets measured at amortized cost, financial assets measured at fair value through other comprehensive income, and financial assets measured at fair value through profit or loss.

Financial assets are measured at fair value on initial recognition. For financial assets measured at fair value through profit or loss, the related transaction costs are recognised directly in profit or loss; for other types of financial assets, the related transaction costs are included in the amount initially recognised. For receivables arising from the sale of products or provision of services that do not contain or do not take into account a significant financing element, the Group recognises them initially at the amount of consideration that it expects to be entitled to receive.

Financial assets at amortized cost

Financial assets are measured at amortized cost if they meet both of the following conditions and are not designated as measured at fair value through other comprehensive income:

- The Group's business model for managing such financial assets is to collect contractual cash flows.
- The contractual terms of the financial asset stipulate that cash flows generated on specific dates are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, such financial assets are measured at amortized cost using the effective interest method. A gain or loss on a financial asset that is measured at amortized cost and is not part of a hedging relationship shall be recognized in profit or loss for the current period when the financial asset is derecognized, amortized using the effective interest method or with impairment recognized.

Financial assets measured at fair value through other comprehensive income

A financial asset is classified as measured at fair value through other comprehensive incomes if it meets both of the following conditions and is not designated as measured at fair value through profit or loss:

- The Group's business model for managing such financial assets is achieved both by collecting contractual cash flows and selling such financial assets;
- The contractual terms of the financial asset stipulate that cash flows generated on specific dates are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, such financial assets are subsequently measured at fair value. Interest calculated using the effective interest method, impairment losses or gains and foreign exchange gains and losses are recognized in profit or loss for the current period, and other gains or losses are recognized in other comprehensive income. On derecognition, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from other comprehensive income to profit or loss.

Financial assets measured at fair value through profit or loss

The Group classifies the financial assets other than those measured at amortized cost and measured at fair value through other comprehensive income as financial assets measured at fair value through profit or loss. Upon initial recognition, the Group irrevocably designates certain financial assets that are required to be measured at amortized cost or at fair value through other comprehensive income as financial assets measured at fair value through profit or loss in order to eliminate or significantly reduce accounting mismatch.

Upon initial recognition, such financial assets are measured at fair value. Except for those held for hedging purposes, gains or losses (including interests and dividend income) arising from such financial assets are recognized in the profit or loss for the current period.

The business model for managing financial assets refers to how the Group manages its financial assets in order to generate cash flow. That is, the Group's business model determines whether cash flows will result from collecting contractual cash flows, selling financial assets or both. The Group determines the business model for managing financial assets on the basis of objective facts and specific business objectives for managing financial assets determined by key management personnel.

The Group assesses the characteristics of the contractual cash flows of financial assets to determine whether the contractual cash flows generated by the relevant financial assets on a specific date are solely payments of principal and interest on the principal amount outstanding. The principal refers to the fair value of the financial assets at the initial recognition. Interest includes consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks, costs and profits. In addition, the Group evaluates the contractual terms that may result in a change in the time distribution or amount of contractual cash flow from a financial asset to determine whether it meets the requirements of the above contractual cash flow characteristics.

All affected financial assets are reclassified on the first day of the first reporting period following the change in the business model where the Group changes its business model for managing financial assets; otherwise, financial assets shall not be reclassified after initial recognition.

(3) Classification and measurement of financial liabilities

At initial recognition, the financial liabilities of the Group are classified as financial liabilities measured at fair value through profit or loss and financial liabilities measured at amortized cost. For financial liabilities not classified as measured at fair value through profit or loss, relevant transaction costs are included in the amount initially recognized.

Financial liabilities measured at fair value through profit or loss

Financial liabilities measured at fair value through profit or loss comprise held-for-trading financial liabilities and financial liabilities designated as measured at fair value through profit or loss upon initial recognition. Such financial liabilities are subsequently measured at fair value, and the gains or losses from the change in fair value and the dividend or interest expenses related to the financial liabilities are included in the profit or loss of the current period.

Financial liabilities measured at amortized cost

Other financial liabilities are subsequently measured at amortized cost using the effective interest rate method, and the gains or losses arising from derecognition or amortization are recognized in profit or loss for the current period.

Classification between financial liabilities and equity instruments

A financial liability is a liability if:

① it has a contractual obligation to pay in cash or other financial assets to other parties.

② it has a contractual obligation to exchange financial assets or financial liabilities under potential adverse condition with other parties.

③ it is a non-derivative instrument contract which will or may be settled with the entity's own equity instruments, and the entity will deliver a variable number of its own equity instruments according to such contract.

④ it is a derivative instrument contract which will or may be settled with the entity's own equity instruments, except for a derivative instrument contract that exchanges a fixed amount of cash or other financial asset with a fixed number of its own equity instruments.

Equity instruments are any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

If the Group cannot unconditionally avoid the performance of a contractual obligation by paying cash or delivering other financial assets, the contractual obligation meets the definition of financial liabilities.

Where a financial instrument must or may be settled with the Group's own equity instruments, the Group's own equity instruments used to settle such instrument should be considered as to whether it is as a substitute for cash or other financial assets or for the purpose of enabling the holder of the instrument to be entitled to the remaining interest in the assets of the issuer after deducting all of its liabilities. For the former, it is a financial liability of the Group; for the latter, it is the Group's own equity instruments.

(4) Derivative financial instruments and embedded derivative instruments

The Group's derivative financial instruments include forward foreign exchange contracts, currency exchange rate swap contracts, interest rate swap contracts and foreign exchange option contracts, etc. They are initially measured at the fair value of the date a derivative contract entered into and subsequently measured at their fair value. Derivative financial instruments of positive fair value are recognized as assets; those of negative fair value are recognized as liabilities. Any gains or losses arising from changes in fair value which do not meet the requirements of hedge accounting are directly recognized as profit or loss for the current period.

For hybrid instrument with embedded derivative, where financial assets or liabilities not designated as fair value through profit or loss, the economic features and risks of the embedded derivative are not closely related to that of the host contract, and a similar instrument with the same terms as the embedded derivative would meet the definition of a derivative, then embedded derivative is separated from hybrid instrument and accounted for as a derivative. If embedded derivative is unable to measure separately either at acquisition or subsequently at balance sheet date, hybrid instrument as a whole is designated as financial assets or liabilities at fair value through profit or loss.

(5) Fair value of financial instruments

Determination of fair value of financial assets and financial liabilities refers to Note III.12.

(6) Impairment of financial assets

The Group makes a provision for impairment based on expected credit losses (ECLs) on the following items:

- Financial assets at amortized cost;
- Receivables and debt instrument investments measured at fair value through other comprehensive income;
- Contract assets as defined in "Accounting Standards for Business Enterprises No. 14-Revenue"
- Lease receivables;
- Financial guarantee contract (except those measured at fair value through profit or loss, the transfer of financial assets does not meet the conditions for derecognition or continuing involvement in transferred financial assets).

Measurement of ECLs

ECLs are the weighted average of credit losses of financial instruments weighted by the risk of default. Credit losses refer to the difference between all contractual cash flows receivable according to the contract and discounted according to the original effective interest rate and all cash flows expected to be received, i.e. the present value of all cash shortages.

The Group takes into consideration reasonable and well-founded information such as past events, current conditions and forecasts of future economic conditions, and calculates the probability-weighted amount of the present value of the difference between the cash flows receivable from the contract and the cash flows expected to be received weighted by the risk of default.

The Group measures ECLs separately for financial instruments in different stages. A financial instrument for which credit risk has not increased significantly since initial recognition is classified as Stage 1, and the Group makes provision for impairment at an amount equal to the 12-month ECLs. A financial instrument for which credit risk has increased significantly since initial recognition but is not credit-impaired is classified as Stage 2, and the Group makes provision for impairment at an amount equal to the lifetime ECLs. A financial instrument that is credit-impaired since initial recognition is classified as Stage 3, and the Group makes provision for impairment at an amount equal to the lifetime ECLs.

For financial instruments with low credit risk on the balance sheet date, the Group assumes that the credit risk did not increase significantly upon initial recognition and makes provision for impairment based on the ECLs within the next 12 months.

Lifetime ECLs represent the ECLs resulting from all possible default events over the expected life of a financial instrument. The 12-month ECLs are the ECLs resulting from possible default events on a financial instrument within 12 months (or a shorter period if the expected life of the financial instrument is less than 12 months) after the balance sheet date and is a portion of lifetime ECLs.

The maximum period to be considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk, including renewal options.

For financial instruments at Stage 1 and 2 and with low credit risks, the Group calculates the interest income based on the book balance and the effective interest rate before deducting the impairment provisions. For financial instruments at Stage 3, interest income is calculated based on the amortized cost after deducting impairment provisions made from the book balance and the effective interest rate.

For accounts receivable, notes receivable, financing receivables, other receivables, contract assets, and other receivables, if the credit risk characteristics of a particular customer significantly differ from those of other customers in the portfolio, or if there is a significant change in the credit risk characteristics of that customer, the Group recognizes an individual bad debt for that receivable. In addition to individually recognizing bad debt, the Group segregates receivables based on credit risk characteristics and calculates provision for bad debts on a portfolio basis.

Bills receivable, accounts receivable and contract assets

For bills receivable, accounts receivable and contract assets, regardless of whether there is a significant financing component, the Group always makes provision for impairment at an amount equal to lifetime ECLs.

When the Group is unable to assess the information of ECLs for an individual financial asset at a reasonable cost, it classifies Bills receivable and accounts receivable into portfolios based on the credit risk characteristics and calculates the ECLs on a portfolio basis. The basis for determining the portfolios is as follows:

A. Bills receivable

- Bills receivable portfolio 1: Bank acceptance bills
- Bills receivable portfolio 2: Commercial acceptance bills

B. Accounts receivable

- Accounts receivable portfolio 1: Receivable from independent customers
- Accounts receivable portfolio 2: Receivable from related parties

C. Contract assets

- Contract assets portfolio 1: Logistics services not completed and settled

For note receivables and contract assets classified as a portfolio, the Group refers to the historical credit loss experience, combined with the current situation and the forecast of future economic conditions, to assess the exposures to default risk and the expected credit loss rate for the lifetime and calculate the ECLs.

For accounts receivable classified as a portfolio, the Group refers to the historical credit loss experience, combined with the current situation and the forecast of future economic conditions, to compile a matrix of accounts receivable aging / overdue days and expected credit loss rate for the lifetime and calculate the ECLs. The aging of accounts receivable is calculated from the date of recognition.

Other receivables

The Group classifies other receivables into portfolios based on the credit risk characteristics and calculates the ECLs on a portfolio basis. The basis for determining the portfolios is as follows:

- Other receivables portfolio 1: Security deposits and deposits
- Other receivables portfolio 2: Advances for taxes and expenses
- Other receivables portfolio 3: Staff petty cash borrowing
- Other receivables portfolio 4: Current accounts
- Other receivables portfolio 5: Withholding for sale and purchase of goods
- Other receivables portfolio 6: Others

For other receivables divided into portfolio, the Group calculates the expected credit loss on the exposures to default risk and the expected credit loss rate within the future 12 months or the lifetime. For other receivables categorized by aging, the aging is calculated from the date of recognition.

Debt investment and other debt investment

For debt investments and other debt investments, the Group calculates the expected credit loss on the exposures to default risk and the expected credit loss rate within the future 12 months or the lifetime, based on the nature of the investment and various types of counterparties and risk exposures.

Assessment of significant increase in credit risk

In assessing whether the credit risk of a financial instrument has increased significantly upon initial recognition, the Group compares the risk of default of the financial instrument at the balance sheet date with that at the date of initial recognition to determine the relative change in risk of default within the expected lifetime of the financial instrument.

In determining whether the credit risk has increased significantly upon initial recognition, the Group considers reasonable and well-founded information, including forward-looking information, which can be obtained without unnecessary extra costs or efforts. Information considered by the Group includes:

- The debtor's failure to make payments of principal and interest on their contractually due dates;
- An actual or expected significant deterioration in a financial instrument's external or internal credit rating (if any);
- An actual or expected significant deterioration in the operating results of the debtor;
- Existing or expected changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

Depending on the nature of the financial instruments, the Group assesses whether there has been a significant increase in credit risk on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on their common credit risk characteristics, such as past due information and credit risk ratings.

If more than 30 days have passed due, the Group determines that the credit risk of financial instruments has increased significantly.

The Group believes that financial assets default in the following situations:

- It is unlikely that the borrower will pay its debts to the Group in full, and this assessment does not consider the Group's recourse actions such as the realization of mortgaged assets (if held); or
- Financial assets are more than 90 days past due.

Credit-impaired financial assets

At balance sheet date, the Group assesses whether financial assets measured at amortized cost and debt investments measured at fair value through other comprehensive income are credit impaired. A financial asset is credit-impaired when one or more events that have an adverse effect on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable events:

- Significant financial difficulty of the issuer or debtor;
- A breach of contract by the debtor, such as a default or delinquency in interest or principal payments;
- For economic or contractual reasons relating to the debtor's financial difficulty, the Group granted the debtor a concession that would not otherwise consider;
- It becoming probable that the debtor will enter bankruptcy or other financial reorganization;
- The disappearance of an active market for that financial asset because of financial difficulties of the issuer or debtor.

Presentation of provisions for ECLs

ECLs are premeasured at each balance sheet date to reflect changes in the financial instrument's credit risk upon initial recognition. Any change in the ECL amount is recognized as an impairment gain or loss in profit or loss for the current period. For financial assets measured at amortized cost, the provision of impairment is deducted from the carrying amount of the financial assets presented in the balance sheet; for debt investments at fair value through other comprehensive income, the Group makes provisions of impairment in other comprehensive income without reducing the carrying amount of the financial asset.

Write-offs

The book balance of a financial asset is directly written off to the extent that there is no realistic prospect of recovery of the contractual cash flows of the financial asset (either partially or in full). Such a write-off constitutes DE recognition of such financial assets. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

If a write-off of financial assets is later recovered, the recovery is credited to profit or loss in the period in which the recovery occurs.

(7) Transfer of financial assets

Transfer of financial assets refers to the transference or deliverance of financial assets to the other party (the transferee) other than the issuer of financial assets.

The Group derecognizes a financial asset if it transfers substantially all the risks and rewards of ownership of the financial asset to the transferee. If substantially all the risks and rewards of ownership of the financial asset are retained, the financial asset is not derecognized.

The Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset, and the accounting treatment is shown as follows: if the Group has forgone control over the financial asset, the financial assets are derecognized, and new assets and liabilities are recognized. If the Group retains control over the financial asset, the financial asset is recognized to the extent of its continuing involvement in the transferred financial asset, and an associated liability is recognized.

(8) Offset of financial assets and financial liabilities

If the Group owns the legitimate rights of offsetting the recognized financial assets and financial liabilities, which are enforceable currently, and the Group plans to realize the financial assets or to clear off the financial liabilities on a net amount basis or simultaneously, the net amount of financial assets and financial liabilities shall be presented in the balance sheet upon offsetting. Otherwise, financial assets and financial liabilities are presented separately in the balance sheet without offsetting.

12. Fair value measurement

Fair value is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Group measures the related assets or liabilities at fair value assuming the assets or liabilities are exchanged in an orderly transaction in the principal market or, in the absence of a principal market, the most advantageous market. Principal market (or most advantageous market) is the market that the Group can normally enter into a transaction on measurement date. The Group adopts the presumptions that would be used by market participants in achieving the maximized economic value of the assets or liabilities.

For financial assets or financial liabilities in active markets, the Group uses the quoted prices in active markets as their fair value. If there is no active market, the Group uses valuation techniques to determine their fair value.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset at its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs. If the observable inputs are not available or impractical, then unobservable inputs are used.

For assets and liabilities measured or disclosed at fair value in the financial statements, the level in which fair value measurement is categorized is determined by the level of the fair value hierarchy of the lowest level input that is significant to the entire fair value measurement: Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities; Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and Level 3 inputs are unobservable inputs for the asset or liability.

At the balance sheet date, the Group revalues assets and liabilities being measured at fair value continuously in the financial statements to determine whether to change the levels of fair value measurement.

13. Inventories

(1) Classification of inventories

Inventories include raw materials, work in progress, and finished goods.

(2) Method for calculating value of inventories

The Group values inventory at the actual cost upon acquisition. The cost of raw materials and finished goods are calculated using the first-in, first-out (FIFO) method when issued.

(3) Basis for determining the net realizable value and method for provision for decline in value of inventories

At balance sheet date, inventory is measured at the lower cost and net realizable value. When the net realizable value is lower than the cost, an allowance for inventory impairment is recognized.

Net realizable value is the estimated selling price less estimated costs to be incurred upon completion, estimated selling expenses and related taxes. When determining the net realizable value of inventory, basis is relied on the actual evidence obtained while the objectives of inventories holding and the impact of post balance sheet date event are also considered.

The Group normally makes provision for losses in the value of inventories based on individual items of inventories. For large quantities of inventories with relatively low unit prices, provision for loss of value of inventories is made according to the type of inventory.

When the factors causing the inventory impairment no longer exist at balance sheet date, the provision for decline in value of inventories previously made is reversed.

(4) Inventory system

The Group adopts perpetual inventory system.

(5) Amortization methods of low-value consumables

The Group adopts one-time write-off when low-value consumables and packaging materials are taken for use.

14. Long-term equity investments

Long-term equity investments include equity investments in subsidiaries and equity investments in joint ventures and associates. An associate is an enterprise over which the Group has significant influence.

(1) Determination of initial investment cost

Long-term equity investment acquired through a business combination: For a business combination involving enterprises under common control, the initial investment cost of a long-term equity investment is the combining party's share of the carrying amount of the owners' equity of the combined party in the consolidated financial statements of the ultimate controlling party at the date of combination. For a business combination not involving enterprises under common control, the initial investment cost of a long-term equity investment is the cost of acquisition.

Long-term equity investment acquired other than through a business combination: For a long-term equity investment acquired by cash, the initial investment cost is the amount of cash paid. For a long-term equity investment acquired by issuing equity securities, the initial investment cost is the fair value of the equity securities issued.

(2) Subsequent measurement and recognition of profit or loss

Long-term equity investments in subsidiaries are accounted for using the cost method, unless the investment satisfies the conditions of held-for-sales. An investment in a joint venture or an associate is accounted for using the equity method for subsequent measurement.

For long-term equity investment which is accounted for using the cost method, investment income is recognized in profit or loss for the current period as the cash dividend or profit announced and distributed, except for those cash dividend or profit which have already included in the actual payment or consideration of offer when the investment was made.

For long-term equity investment, which is accounted for using the equity method, where the initial investment cost of a long-term equity investment exceeds the Group's interest in the fair values of the investee's identifiable net assets, no adjustment is made to the initial investment cost. Where the initial investment cost is less than the Group's interest in the fair values of the investee's identifiable net assets, the difference is charged to profit or loss for the current period, and the carrying amount of the long-term equity investment is adjusted accordingly.

Under the equity method, the Group recognizes its share of the investee's net profit or losses and other comprehensive income as investment income or losses and other comprehensive income respectively and adjusts the carrying amount of the investment accordingly. The carrying amount of the investment is reduced by the portion of any profit distributions or cash dividends declared by the investee that is attributable to the Group. The Group's share of the investee's owners' equity changes, other than those arising from the investee's net profit or loss, other comprehensive income or profit distribution, is recognized in the capital reserve (other capital reserve), and the carrying amount of the long-term equity investment is adjusted accordingly. The Group recognizes its share of the investee's net profits or losses based on the fair values of the investee's individual separately identifiable assets at the time of acquisition, after making appropriate adjustments thereto in conformity with the accounting policies and accounting periods of the Group.

When the Group becomes capable of exercising significant influence or joint control (but not sole control) over an investee due to additional investment or other reasons, the accounting is changed to the equity method and the initial investment cost on the date of change is the sum of the fair value of the previously held equity investment and additional investment cost. If the original equity is classified as non-trading equity instrument investment measured at fair value through other comprehensive income, the relevant accumulative changes in fair value originally included in other comprehensive income will be transferred to retained earnings when changed to equity method accounting.

When the Group can no longer exercise joint control of or significant influence over an investee due to partial disposal of equity investment or other reasons, the remaining equity investment on the date of losing joint control or significant influence is accounted for in accordance with Accounting Standard for Business Enterprises No.22 - Recognition and Measurement of Financial Instruments and the difference between the fair value and the carrying amount at the date of the loss of joint control or significant influence is charged to profit or loss for the current period. When the previously held equity investment is accounted for under the equity method, any other comprehensive income previously recognized is accounted for on the same basis as if the Group directly disposes of the related assets or liabilities for the current period upon discontinuation of the equity method. Other movement of owner's equity related to previously held equity investment is transferred in profit or loss for the current period.

When the Group can no longer exercise control over an investee due to partial disposal of equity investment or other reasons and the remaining equity investment after disposal can exercise joint control of or significant influence over an investee, the remaining equity investment is accounted for under equity method and re-measured by equity method as if it has been acquired since date of acquisition. Where the remaining equity investment can no longer exercise joint control of or significant influence over an investee, the remaining equity investment is accounted for in accordance with Accounting Standard for Business Enterprises No.22-Recognization and Measurement of Financial Instruments and the difference between the fair value and the carrying amount at the date of the loss of control is charged to profit or loss for the current period.

When the Group can no longer exercise control over an investee due to dilution of shareholding by issuance of new shares to other investors by the investee but the Group can still exercise joint control of or significant influence on the investee, the difference between the Group's share of the increment of net assets in investee by the new shareholding percentage after new share issuance and the pro-rata portion of carrying value of long term equity investment for the decreased shareholding percentage is recognized in profit or loss in the current period. The remaining equity investment is accounted for by the equity method as if it was acquired since initial acquisition.

The unrealized profit or loss from internal transactions entered into between the Group and its associate or joint venture is offset according to the shareholding percentage held by the Group and the remaining portion is recognized as investment income or loss. However, the unrealized loss from internal transactions entered into between the Group and its investee is not offset if it belongs to impairment loss from assets transferred.

(3) Basis for determination of joint control or significant influence over an investee

Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. In assessing whether joint control of an arrangement exists, the Group firstly assesses whether all the parties or a group of the parties control the arrangement collectively. When all the parties or a group of the parties must act together unanimously in directing the relevant activities, then all the parties or a group of the parties are regarded as having joint control of an arrangement. Then assess whether decisions about the relevant activities require the unanimous consent of those parties that control the arrangement collectively. When more than one combination of the parties can control an arrangement collectively, joint control does not exist. Protective rights of any party are not considered when determining joint control.

Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies. When determining whether an investor can exercise significant influence over an investee, the effect of potential voting rights (for example, warrants, share options and convertible bonds) held by the investors or other parties that are currently exercisable, or convertible, shall be considered.

When the Group, directly or indirectly through subsidiaries, owns more than 20% (20% inclusive) but less than 50% of the voting share of the investee, the Group has significant influence on the investee unless there is clear evidence to show that the Group cannot participate in the business and operation decisions of the investee, and accordingly cannot exercise any significant influence. When the Group owns less than 20% of the voting share of the investee, the Group has no significant influence on the investee unless there is clear evidence to show that the Group can participate in the business and operation decisions of the investee and accordingly can exercise a significant influence.

(4) Method of impairment testing and impairment provision

For investment of subsidiaries, associates and joint ventures, refer to Note III. 21 for the method of asset impairment.

15. Investment properties

Investment properties refer to real estate held for earning rental income or for capital appreciation, or both. The investment properties of the Group include leased land use rights, land use rights held for appreciation and subsequent transfer, and leased buildings.

The investment properties of the Group are initially measured at cost and subsequently depreciated or amortized according to the relevant provisions for fixed assets or intangible assets.

For investment properties measured using the cost model, impairment is recognized according to the method as stated in Note III. 21.

The difference between the disposal proceeds, net of any related taxes and fees, and the carrying amount of investment properties sold, transferred, scrapped, or damaged is recognized in the profit or loss for the current period.

16. Fixed assets

(1) Recognition of fixed assets

Fixed assets are tangible assets that are held for use in the production or supply of services, for rental to others, or for administrative purposes and have useful lives for more than one year of accounting.

Fixed assets are only recognized when its related economic benefits are likely to flow to the Group and its cost can be reliably measured.

Fixed assets are initially measured at cost.

Subsequent expenditures related to fixed assets are included in the cost of fixed assets when the economic benefits related to them are likely to flow into the Group and their costs can be measured reliably; the daily repair expenses of fixed assets that do not meet the criteria for subsequent expenditure of fixed assets capitalization shall be included in the current profit or loss or the cost of relevant assets according to the beneficiary at the time of occurrence. The carrying amount of the replaced part shall be derecognized.

(2) Depreciation methods

The cost of a fixed asset is depreciated using the straight-line method since the state of intended use, unless the fixed asset is derecognized or classified as held for sale. Not considering impairment provision, the estimated useful lives, residual rates and annual depreciation rates of each class of fixed assets are as follows:

Category	Useful life (years)	Residual rate(%)	Annual depreciation rate(%)
Housing and buildings	20-30	3	4.85-3.23
Machinery and equipment	4-10	3	24.25-9.70
Motor vehicles	3-5	3	32.33-19.40
Electronics and office equipment	4-8	3	24.25-12.13

Among the above, depreciation rate of impaired fixed assets is determined after deduction of the cumulative amount of impairment provision.

(3) Impairment testing and the impairment provision of fixed assets refers to Note III. 21.

(4) The Group reviews the useful life, estimated net residual value and the depreciation method of fixed assets at the end of each financial year

Useful lives of fixed assets are adjusted if they are different with the initial estimates. Estimated net residual values are adjusted if they are different from the initial estimates.

(5) Disposal of fixed assets

When the fixed assets are disposed, or no economic benefit is expected to be generated through the use or disposal, the fixed assets shall be derecognized. The amount of the disposal income from the sale, transfer, scrapping or destruction of fixed assets after deducting their carrying value and relevant taxes is recorded into the current profit or loss.

17. Construction in progress

Construction in progress is recognized based on the actual construction cost, including all expenditures incurred for construction projects, capitalized borrowing costs for the construction in progress before it has reached the working condition for its intended use and other related expenses during the construction period.

Construction in progress is transferred to fixed assets when it has reached the working conditions for its intended use.

Provision for impairment of construction in progress refers to Note III. 21.

18. Borrowing costs

(1) Recognition of borrowing costs capitalization

Borrowing costs are capitalized when they are directly attributable to the acquisition, construction or production of a qualifying asset and included in the cost of related assets. Other borrowing costs are recognized as expenses and recorded in profit or loss for the current period when incurred. Capitalization of such borrowing costs commenced only when all of the following conditions are satisfied:

① Expenditures for the asset are being incurred, capital expenditure includes the expenditure in the form of cash payment, transfer of non-cash assets or interest bearing liabilities for the purpose of acquiring or constructing assets eligible for capitalization;

② Borrowing costs are being incurred; and

③ Activities relating to the acquisition, construction or production of the asset that are necessary to prepare the asset for its intended use or sale have commenced.

(2) Borrowing costs capitalization period

Capitalization of such borrowing costs ceases when the qualifying assets being acquired, constructed or produced become ready for their intended use or sale. Borrowing costs incurred after the qualifying assets became ready for their intended use or sale are recognized as an expense when incurred and recorded in profit or loss for the current period.

Capitalization of borrowing costs is suspended during periods in which the acquisition, construction or production of a qualifying asset is suspended abnormally and when the suspension is for a continuous period of more than 3 months. Borrowing costs continue to be capitalized during the normal suspension period.

(3) Borrowing costs capitalization rate and calculation of capitalization amount

For funds borrowed for a specific purpose, the amount of interest to be capitalized is the actual interest expense incurred on that borrowing less any bank interest earned from depositing the borrowed funds before being used into banks or any investment income on the temporary investment of those funds. For funds borrowed for general purposes, the amount of interest to be capitalized on such borrowings is calculated by applying a capitalization rate to the weighted average of the excess amounts of cumulative expenditures on the asset over and above the amounts of specific-purpose borrowings. Capitalization rate is determined by calculating weighted average interest rate of general borrowings.

In the capitalization period, exchange differences of specific borrowings in foreign currency are fully capitalized. Exchange differences of general borrowings in foreign currency are recorded in profit or loss for the current period.

19. Intangible assets

The Group's intangible assets include land use rights, software, patent rights, and trademark rights.

Intangible assets are initially measured at cost and their useful life is determined on acquisition. An intangible asset with a finite useful life is amortized by a method which can reflect the expected realization of economic benefits related to the asset since the intangible asset is available for use. When the expected realization of economic benefits cannot be reliably determined, intangible asset is amortized under straight-line method. An intangible asset with an indefinite useful life is not amortized.

Amortization methods of intangible assets with finite useful life are shown as follows:

Category	Useful life (years)	Basis for determining useful life	Amortization method
Land use rights	30-50	Real estate title certificate	Straight line method
Software	3	Contract signed	Straight line method
Trademark rights	3	Trademark registration certificate	Straight line method
Patent rights	3	Patent certificate	Straight line method

The Group reviews the finite useful life of an intangible asset and the amortization method at the end of each financial year. Any change is accounted for as a change in accounting estimate.

If an intangible asset is expected no longer in generating future economic benefits to the Group at the balance sheet date, the carrying amount of the asset is charged to profit or loss for the current period.

Impairment method of intangible assets refers to Note III. 21.

20. Research and development expenditure

The research and development (R&D) expenditure of the Group comprises expenses directly related to the Group's R&D activities. These include salaries of R&D personnel, direct input costs, depreciation and amortization of equipment, design expenses, equipment debugging costs, amortization expenses of intangible assets, expenses for outsourcing R&D activities, and other related costs. Among these, the salaries of R&D personnel are allocated to R&D expenses based on project hours. Equipment, production lines, and facilities shared between R&D activities and other production operations are allocated to R&D expenses based on the proportion of hours used and the proportion of space utilized.

Expenditure on an internal research and development project is classified into expenditure on the research phase and expenditure on the development phase.

Expenditure on the research phase is recorded in profit or loss when incurred.

Expenditure on the development phase is capitalized only when the Group can satisfy all of the following conditions: it is technical feasible that the intangible asset can be used or sold upon completion; there is intention to complete the intangible asset for use or sale; the intangible asset can generate economic benefits, including there is evidence that the products produced using the intangible asset has a market or the intangible asset itself has a market; if the intangible asset is for internal use, there is evidence that there is usage for the intangible asset; there is sufficient support in terms of technology, financial resources and other resources in order to complete the development of the intangible asset, and there is capability to use or sell the intangible asset; the expenses attributable to the development stage of the intangible asset can be measured reliably. Expenditure on the development phase is recorded in profit or loss for the current period if the above conditions are not met.

Research and development projects of the Group will enter into the development phase when they meet the above conditions and pass the technical feasibility and economic feasibility studies and necessary approval of the project.

Capitalized expenditure on the development phase is presented as “development costs” in the balance sheet and is transferred to intangible assets when the project is completed to its intended use.

Capitalization conditions of specific research and development projects:

Research Phase: A phase of innovative and planned investigation and research activities aimed at acquiring and understanding new scientific or technological knowledge, among other things. Development Phase: In contrast to the research phase, the development phase should encompass work completed after the research phase, to a large extent meeting the basic conditions for forming a new product or technology. For instance, activities such as the design, construction, and testing of prototypes and models before production or use, as well as the design, construction, and operation of trial production facilities not yet at a commercially viable scale, all fall under development activities. Expenditures incurred during the development phase can only be recognized as intangible assets if they meet the following conditions:

① Completion of the intangible asset to make it capable of being used or sold, with technological feasibility.

② Intent to complete the intangible asset and use or sell it, with the Group able to explain the purpose of developing the intangible asset.

③ Ability of the intangible asset to generate economic benefits.

④ Adequate technical, financial, and other resources to support the development of the intangible asset, and the ability to use or sell the intangible asset.

⑤ Expenditures attributable to the development phase of the intangible asset can be reliably measured.

Expenditures incurred that cannot be distinguished between the research and development phases will be recognized as expenses in the profit or loss for the current period.

21. Impairment of assets

The impairment of subsidiaries, associates and joint ventures in long-term equity investments, Investment properties that adopt cost models for subsequent measurement, fixed assets, construction in progress, right-of-use assets, intangible assets and goodwill (excluding inventories, deferred tax assets and financial assets) are determined as follows:

At each balance sheet date, the Group determines whether there may be indications of impairment of the assets, if there is any, the Group will estimate the recoverable amount of the asset and perform test for impairment. For goodwill arising from a business combination, intangible assets with indefinite useful life and intangible assets that have not reached the usable condition are tested for impairment annually regardless of whether such indication exists.

The recoverable amount of an asset is determined by the higher of the net amount after deducting the disposal costs from the asset’s fair value and the present value of the asset’s estimated future cash flow. The recoverable amount of assets is estimated on an individual basis. If it is not possible to estimate the recoverable amount of the individual asset, the Group determines the recoverable amount of the asset group to which the asset belongs. The identification of the asset group is based on whether the cash flow generated from the asset group is independent of the major cash inflows from other assets or asset groups.

When the asset or asset group’s recoverable amount is lower than its carrying amount, the Group reduces its carrying amount to its recoverable amount, the reduced amount is recorded in profit or loss for the current period and the provision for impairment of assets is recognized.

For tests of goodwill impairment, the carrying amount of goodwill arising from a business combination is allocated reasonably to the relevant asset group since the acquisition date. If the carrying value of goodwill is unable to be allocated to asset group, the carrying value of goodwill will be allocated to asset portfolio. Asset group or portfolio of asset group is asset group or portfolio of asset group which can benefit from synergies of a business combination and is not greater than the reportable segment of the Group.

In impairment testing, if an indication of impairment exists in asset group or portfolio of asset group containing allocated goodwill, impairment test is first conducted on asset group or portfolio of asset group that does not contain goodwill, and corresponding recoverable amount is estimated, and any impairment loss is recognized. Then the asset group or portfolio of asset group containing goodwill conducts an impairment test by comparing its carrying amount and its recoverable amount. If the recoverable amount is less than the carrying amount, impairment loss of goodwill is recognized.

Once an impairment loss is recognized, it is not reversed in a subsequent period.

22. Long-term deferred expenses

Long-term deferred expenses are recorded at the actual cost and amortized evenly over the expected benefit period. For the long-term deferred expense that cannot benefit in future accounting period, their amortized value is recognized in profit or loss for the current period.

23. Employee benefits

(1) Scope of employee benefits

Employee benefits refer to all forms of consideration or compensation given by the Group in exchange for service rendered by employees or for the termination of the employment relationship. Employee benefits include short-term employee benefits, post-employment benefits, termination benefits and other long-term employee benefits. Benefits provided to the employee's spouse, children, dependents, family members of deceased employees, or other beneficiaries are also employee benefits.

According to their liquidities, employee benefits are presented as "employee benefits payable" on the balance sheet.

(2) Short-term employee benefits

In the accounting period in which employees have rendered services, the Group recognized the employee wages, bonus, and social security contributions according to regulations such as medical insurance, work injury insurance and maternity insurance as well as housing funds as liability and charged to profit or loss for the current period or cost of relevant assets.

(3) Post-employment benefits

Post-employment benefit plan includes defined contribution plans and defined benefit plans. Defined contribution plans are post-employment benefit plans under which a corporate pays fixed contributions into an escrow fund and will have no further obligation. Defined benefit plans are post-employment benefit plans other than defined contribution plans.

Defined contribution plans

Defined contribution plans include basic pension insurance, unemployment insurance and enterprise annuity plans.

Apart from basic pension insurance, the Group has established an enterprise annuity plan ("annuity plan") in accordance with relevant policies of the national enterprise annuity system. Employees can voluntarily participate in this annuity plan. Besides this, the Group has no other significant employee social security commitments.

In the accounting periods which employees render services, the amount of defined contribution plan is recognized as liability and charged to profit or loss for the current period or cost of relevant assets.

Defined benefit plans

For defined benefit plans, independent actuaries estimate the actuarial value at the balance sheet date to determine the cost of welfare by using the Projected Unit Credit method. The Group recognizes the following components of employee benefits cost arising from defined benefit plan:

① service cost, comprising current service cost, past service cost and any gain or loss on settlement. Current service cost is the increase in the present value of the defined benefit plan obligation resulting from employee service in the current period. Past service cost is the increase or decrease in the present value of the defined benefit plan obligation for employee service in prior periods, resulting from a plan amendment.

② net interest on the defined benefit plan net liabilities or assets, including interest income on plan assets, interest cost on the defined benefit plan obligation and interest on the effect of the asset ceiling.

③ changes as a result of premeasurement of the net defined benefit plan liabilities or assets.

Item① and item② above are recognized in profit or loss for the current period unless another Accounting Standard requires or permits the inclusion of the employee benefit costs in the cost of assets. Item③ is recognized in other comprehensive income and is not reclassified to profit or loss in subsequent period. On termination of defined benefit plans, other comprehensive income previously recognized is transferred to undistributed profits.

(4) Termination benefits

Termination benefits provided by the Group to employees are recognized as an employee benefits liability and charged to profit or loss for the current period at the earlier of the following dates: the Group cannot unilaterally withdraw the offer of termination benefits because of an employment termination plan or a curtailment proposal; and when the Group recognizes costs or expenses related to the restructuring that involves the payment of termination benefits.

For early retirement arrangement, early retirement benefits are accounted for termination benefits, in which the salaries and social security contributions to be paid to and for the early retired employees from the off-duty date to the normal retirement date are charged to the profit or loss for the current period. Compensations after the normal retirement date (such as formal endowment insurance) are accounted for as post-employment benefits.

(5) Other long-term employee benefits

Other long-term employee benefits provided by the Group to the employees satisfied the conditions for classifying as a defined contributions plan; those benefits are accounted for in accordance with the above requirements relating to the defined contribution plan. When the benefits satisfy a defined benefits plan, they are accounted for in accordance with the above requirements relating to defined benefits plan, but the movement of net liabilities or assets in re-measurement of defined benefit plan is recorded in profit or loss for the current period or cost of relevant assets.

24. Provisions

A provision is recognized as a liability when an obligation related to a contingency satisfied all of the following conditions:

(1) The obligation is a present obligation of the Group;

(2) It is probable that an outflow of economic benefits will be required to settle the obligation;

(3) The amount of the obligation can be measured reliably.

Provisions are initially measured at the best estimate of the payment to settle the associated obligations and consider the relevant risk, uncertainty and time value of money. If the impact of time value of money is significant, the best estimate is determined as its present value of future cash outflow. The Group reviews the carrying amount of provisions at the balance sheet date and adjusts the carrying amount to reflect the best estimate.

If all or part of the expenses necessary for settling the provision is expected to be compensated by a third party, the amount of compensation is separately recognized as an asset when it is basically certain to be received. The recognized compensation amount shall not exceed the carrying value of the provision.

25. Share-based payments

(1) Types of share-based payments

Share-based payments can be distinguished into equity-settled and cash-settled share-based payment.

(2) Determination of fair value of equity instruments

If there exists an active market for options and other equity instruments granted by the Group, their fair value is determined by the price quotes in an active market. If an active market does not exist for options and other equity instruments granted by the Group, their fair value is determined by using an option pricing model. Selection of option pricing model considers the following factors: A) Exercise price of option; B) Validity period of option; C) Spot price of subject shares; D) Estimated volatility of share price; E) Estimated dividend of shares; F) Risk-free interest rate in the validity period of option.

(3) Basis for the best estimate of vested equity instruments

At each balance sheet date of the vesting period, the Group revises the number of equity instruments that will ultimately vest based on the best estimate of the latest number of eligible employees and other subsequent information. On vesting date, the number of expected vested equity instruments should be agreed with the actual number vested.

(4) Accounting treatment for implementation, modification, and termination of share-based payment

Equity-settled share-based payments are measured at the fair value of equity instruments granted to employees. Instruments which are vested immediately upon the grant are charged to relevant costs or expenses at the fair value on the date of the grant and the capital reserve is credited accordingly. Instruments of which vesting is conditional upon completion of services or fulfillment of performance conditions are measured by recognizing services rendered during the period in relevant costs or expenses and crediting the capital reserve accordingly at the fair value on the date of grant according to the best estimates conducted by the Group at each balance sheet date. No subsequent adjustment is made to the recognized relevant cost and expenses and owners' equity after the vesting date.

Cash-settled share-based payments are measured based on the value of shares or other equity instruments undertaken by the Group. Instruments which are vested immediately upon the grant are charged to relevant costs or expenses at the fair value on the date of grant and a liability is credited accordingly. Instruments of which vesting is conditional upon completion of services or fulfillment of performance conditions are measured by recognizing services rendered during the period in relevant costs or expenses and crediting a liability accordingly at the fair value on the date of grant according to the best estimates conducted by the Group at each balance sheet date. The fair value of the liability is premeasured at each balance sheet date and at the date of settlement, with any changes in fair value recognized in profit or loss for the current period.

Where the terms of an equity-settled share-based payment are modified, if the modification increases the fair value of the equity instruments granted, the incremental fair value is recognized as additional service obtained; if the modification increases the number of equity instruments granted, the incremental fair value is recognized as additional service received. The incremental fair value granted is the difference between the fair value of the modified equity instrument and that of the original equity instrument both estimated as at the date of modification. If the modification of the terms and conditions of share-based payment arrangement reduces the total fair value of the share-based payment or is not otherwise beneficial to the employee, the Group nevertheless continues to account for the services received as if that modification had not occurred, other than the Group cancels of some or all the equity instruments granted.

If a grant of equity instruments is cancelled during the vesting period (other than a grant cancelled by forfeiture when the vesting conditions are not satisfied), the Group accounts for the cancellation as an acceleration of vesting and recognizes immediately the amount that otherwise would have been recognized over the remainder of the vesting period and the capital reserve is credited accordingly. When employees or other parties are permitted to choose to fulfill non-vesting conditions but have not fulfilled during the vesting period, the Group deems the granted equity instruments are cancelled.

26. Revenue

(1) General principle

The Group recognizes revenue when it satisfies a performance obligation in the contract, i.e. when the customer obtains control of the relevant goods or services.

Where a contract has two or more performance obligations, the Group allocates the transaction price to each performance obligation based on the percentage of respective unit prices of goods or services guaranteed by each performance obligation and recognizes as revenue based on the transaction price that is allocated to each performance obligation.

If one of the following conditions is fulfilled, the Group performs its performance obligation within a certain period; otherwise, it performs its performance obligation at a point in time:

① when the customer simultaneously receives and consumes the benefits provided by the Group when the Group performs its obligations under the contract; or

② when the customer is able to control the goods in progress in the course of performance by the Group under the contract; or

③ when the goods produced by the Group under the contract are irreplaceable and the Group has the right to payment for performance completed to date during the whole contract term.

For performance obligations performed within a certain period, the Group recognizes revenue by measuring the progress towards completion of that performance obligation within that certain period. When the progress of performance cannot be reasonably determined, if the costs incurred by the Group are expected to be compensated, the revenue shall be recognized at the amount of costs incurred until the progress of performance can be reasonably determined.

For performance obligation performed at a point in time, the Group recognizes revenue at the point of time at which the customer obtains control of relevant goods or services. To determine whether a customer has obtained control of goods or services, the Group considers the following indications:

① The Group has the current right to receive payment for the goods, which is when the customer has the current payment obligations for the goods;

② The Group has transferred the legal title of the goods to the customer, which is when the client possesses the legal title of the goods;

③ The Group has transferred the physical possession of goods to the customer, which is when the customer obtains physical possession of the goods;

④ The Group has transferred all of the substantial risks and rewards of ownership of the goods to the customer, which is when the customer obtains all of the substantial risks and rewards of ownership of the goods to the customer;

⑤ The customer has accepted the goods or services;

⑥ other information indicates that the customer has obtained control of the goods.

(2) Specific revenue recognition

The specific method for revenue recognition is as follows:

Sales of goods: Revenue from the sale of goods is recognized at the point in time when control over the asset is transferred to the customer, typically upon delivery of the goods.

Rendering of services: Service revenue, including the provision of vehicle transportation services, automotive raw materials and parts supply chain management services, transportation services for non-automotive commodities, and the recognition of service revenue at the time when the customer signs for the receipt of the vehicle, auto parts or non-automotive commodities and both parties confirm the completion of the service. Since customers are unable to simultaneously obtain and consume the benefits provided by the Group's transportation services and supply chain management services upon performance, and the Group cannot control the goods at the time of service provision, and the Group also lacks the enforceable right to payment for services performed to date, the Group believes that control over services transfers to the customer at the point when the customer receives the services provided by the Group.

When another party is involved in providing goods or services to the customer, the Group determines whether its commitment is to perform (i.e., the Group is the principal) or to arrange for the goods or services to be provided by the other party (i.e., the Group is the agent). If the Group controls the goods or services before transferring them to the customer, then the Group is considered the principal.

If the Group's obligation is to arrange for another party to provide specific goods or services, then the Group acts as an agent. In this case, the Group does not control the specified goods or services provided by the other party before transferring them to the customer. When acting as an agent, the Group recognizes revenue for any fees or commissions expected to be entitled to. This amount is recognized as the net amount after deducting the amount payable to other related parties from the total consideration received or receivable, or as determined based on the established commission amount or percentage, etc.

27. Contract costs

Contract costs consist of incremental costs of obtaining a contract and contract fulfillment costs.

Iincremental costs of obtaining a contract are those costs that an entity incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained (for example, a sales commission). The Group recognizes as an asset the incremental costs of obtaining a contract with a customer if those costs are expected to be recoverable. Other expenses incurred by the Group other than the incremental costs that are expected to be recovered in obtaining a contract are recognized in profit or loss for the current period when incurred.

The Group recognizes as an asset the costs incurred in fulfilling a contract with a customer if those costs are not within the scope of another Standard (for example, Inventories) and meets all of the following criteria:

① the costs relate directly to a contract or to an anticipated contract, including direct labour, direct materials, manufacturing costs (or similar costs) , costs that are explicitly chargeable to the customer and other costs that are incurred only because the Group entered into the contract;

② the costs generate or enhance resources of the Group that will be used in satisfying performance obligations in the future; and

③ the costs are expected to be recovered.

Assets recognised on incremental costs of obtaining a contract and contract fulfillment costs (hereinafter refer as **"contract assets"**) are amortized on a systematic basis that is consistent to the revenue recognition of the related goods or services and are charged to profit or loss for the current period. If the amortization period is not more than one year, it is recognized in the current period's income statement when it occurs.

The Group recognises a provision for impairment of assets when the carrying amount of contract assets is higher than the difference between the following two items:

① the remaining amount of consideration that the Group expects to receive in exchange for the goods or services to which the asset relates;

② costs anticipated to be incurred for the transfer of goods or services.

28. Government grants

Government grants are recognized when prescribed conditions are satisfied and the grant will be received.

If a government grant is in the form of a transfer of a monetary asset, it is measured at the amount received or receivable. If a government grant is in the form of a transfer of a non-monetary asset, it is measured at fair value. If fair value cannot be reliably determined, it is measured at a nominal amount of RMB1.

A government grant related to an asset is a grant obtained by the Group for purchase, construction or formation of long-term assets. The grant not related to an asset is classified as a government grant related to income.

For government grant with unspecified purpose, the amount of grant used to form a long-term asset or related to an asset is regarded as government grant related to an asset, the remaining amount of grant is regarded as government grant related to income. If it is not possible to distinguish, the amount of grant is treated as government grant related to income.

A government grant related to an asset is recognized as deferred income and amortized to profit or loss over the useful life of the related asset on a reasonable and systematic basis. For a government grant related to income, if the grant is compensation for related expenses or losses already incurred, the grant is recognized immediately in profit or loss for the current period. If the grant is compensation for related expenses or losses to be incurred in subsequent periods, the grant is recognized as deferred income and recognized in profit or loss over the periods in which the related expenses or losses are recognized. Government grants measured at nominal amounts are directly recognized in profit or loss for the period. The Group adopts the same treatment for those transactions of similar government grants.

Government grants relating to daily activities, according to the substance of business transaction, it is recorded as other income or offset relevant expenditures. If it is not related to daily activities, it is recorded as non-operating income.

Repayment of a government grant related to an asset, that initially deducted the carrying amount of the asset, is recognized by increasing the carrying amount of the asset; if there exists of the related deferred income balance, then the deferred income balance is reduced by the amount repayable, any excess is charged to profit or loss for the current period. Repayment of a government grant related to other situations, it is directly charged to profit or loss for the current period.

If policy-based subsidized loans are obtained and the government disburses the subsidy funds to the lending bank, the fair value of the loan is recognized as the borrowing value, and borrowing costs are calculated using the effective interest rate method. The difference between the actual amount received and the fair value of the loan is recognized as deferred income, which is amortized using the effective interest rate method over the term of the loan, offsetting borrowing costs. If the government disburses the subsidy funds directly to the Group, the subsidy offsets borrowing costs.

29. Deferred tax assets and deferred tax liabilities

Income tax comprises of current tax and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that they relate to transactions or items recognized directly in equity and goodwill arising from a business combination.

Temporary differences arising from the difference between the carrying amount of an asset or liability and its tax base are recognized as deferred tax using the balance sheet liability method.

All the temporary tax differences are recognized as deferred tax liabilities except for those incurred in the following transactions:

(1) Initial recognition of goodwill or initial recognition of an asset or liability in a transaction which is neither a business combination nor affects accounting profit or taxable profit (or deductible loss) when the transaction occurs (Except for individual transactions that result in equal taxable temporary differences and deductible temporary differences arising from the initial recognition of assets and liabilities) ;

(2) The taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, and the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The Group recognizes a deferred tax asset for the carry forward of deductible temporary differences, deductible losses and tax credits to subsequent periods, to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, deductible losses and tax credits can be utilized, except for those incurred in the following transactions:

(1) The transaction is neither a business combination nor affects accounting profit or taxable profit (or deductible loss) when the transaction occurs (Except for individual transactions that result in equal temporary differences and deductible temporary differences arising from the initial recognition of assets and liabilities);

(2) The deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, the corresponding deferred tax asset is recognized when both of the following conditions are satisfied: it is probable that the temporary difference will reverse in the foreseeable future, and it is probable that taxable profits will be available in the future against which the temporary difference 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 to the period when the asset is realized or the liability is settled, and their tax effect is reflected.

At the balance sheet date, the Group reviews the carrying amount of a deferred tax asset. If it is probable that sufficient taxable profits will not be available in future periods to allow the benefit of the deferred tax asset to be utilized, the carrying amount of the deferred tax asset is reduced. Any such reduction in amount is reversed when it becomes probable that sufficient taxable profits will be available.

On the balance sheet date, deferred tax assets and deferred tax liabilities are presented as a net amount after offsetting when they simultaneously meet the following conditions:

(1) The legal right exists for the tax-paying entity within the Group to settle current income tax assets and current income tax liabilities on a net basis.

(2) Deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the same tax-paying entity within the Group.

30. Leases

(1) Identification of leases

At inception of a contract, the Group, as a lessee or a lessor, shall assess whether the customer under the contract has the right to obtain substantially all the economic benefits from use of the identified asset during the period of use and has the right to direct the use of the identified asset during the period of use. The Group considers the contract to be a lease or to include a lease if one of the parties to the contract conveys the right to control the use of one or more identified assets for a certain period of time in exchange for consideration.

(2) The Group acts as the lessee

At the commencement date, the Group recognizes the right-of-use assets and lease liabilities for all leases, except for simplified short-term leases and leases of low value assets.

For the accounting policy of the right-of-use assets, see Note III. 31.

Lease liabilities are initially measured at the present value of the outstanding lease payments at the commencement date of the lease using the interest rate implicit in the lease. If the interest rate implicit in the lease cannot be determined, the incremental borrowing rate shall be used as the discount rate. The lease payments include: fixed payments and in-substance fixed payments; if there are lease incentives, the relevant amount of lease incentives shall be deducted; variable lease payments depending on an index or a rate; the exercise price of the option provided that the lessee is reasonably certain that the option will be exercised; the amount to be paid to exercise the option to terminate the lease if the lease term reflects that the lessee will exercise the option to terminate the lease; and the amount expected to be payable based on the residual value of the security provided by the lessee. The interest expense of the lease liability in each period of the lease term shall be calculated in accordance with the fixed periodic interest rate and recorded into the profit or loss of the current period. The variable lease payment not included in the measurement of lease liabilities shall be recorded into the current profit or loss when actually incurred.

Short-term lease

A short-term lease is a lease that, at the commencement date, has a lease term of 12 months or less, except for a lease that contains a purchase option.

The Group will record the lease payment amount of short-term lease into the cost of relevant assets or current profit or loss in each period of the lease term according to the straight-line method.

Leases of low value assets

Leases of low value assets refer to the lease of a single leased asset whose value is less than RMB40,000 when it is a brand-new asset.

The Group will include the lease payment of the low-value asset lease into the cost of the relevant asset or current profit or loss in each period of the lease term according to the straight-line method.

For leases of low value assets, the Group chooses to adopt the above simplified treatment method according to the specific situation of each lease.

Lease modifications

A lessee shall account for a lease modification as a separate lease if both: the modification increases the scope of the lease by adding the right to use one or more underlying assets; and the consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the contract.

When lease modification is not accounted for as a separate lease, on the day of the lease modification, the Group re-allocates the consideration in the modified lease, re-determines the lease term, and re-measures the present value of lease liability according to the revised lease payments and revised discount rate.

For lease modifications that result in a decrease in the lease scope or the lease term, the Group decreases the carrying amount of the right-of-use asset accordingly and recognizes in the profit or loss of the current period any gain or loss relating to the partial or full termination of the lease.

For all other lease modifications that result in remeasurement of lease liabilities, the Group makes a corresponding adjustment to the carrying amount of right-of-use assets.

(3) The Group acts as the lessor

When the Group acts as the lessor, the leases that substantially transfer all the risks and rewards related to the ownership of the assets are recognized as finance leases, and other leases other than finance leases are recognized as operating leases.

Finance leases

In the case of finance leases, the Group takes the net investments in the lease as the carrying amounts of finance lease receivable at the commencement date, and the net lease investments are the sum of the unguaranteed residual value and the present value of the lease payments receivable at the commencement date, discounted at the implicit interest rate. the Group, as the lessor, calculates and recognizes interest income for each period of the lease term at a fixed periodic rate. The variable lease payments obtained by the Group as the lessor and not included in the measurement of the net lease investments shall be recorded into the current profit or loss when actually incurred.

The derecognition and impairment of finance lease receivable shall be accounted for in accordance with the provisions of the "Accounting Standards for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments" and the "Accounting Standards for Business Enterprises No. 23 - Transfer of Financial Assets".

Operating lease

For the rent in the operating lease, the Group shall recognize the profit or loss of the current period in accordance with the straight-line method during each period of the lease term. The initial direct costs incurred in connection with the operating lease shall be capitalized, allocated on the same basis as the recognition of rental income during the lease term and recorded into the current profit or loss in installments. The variable lease payments obtained in connection with the operating lease and not included in the lease payments shall be recorded into the current profit or loss when actually incurred.

Lease modifications

When an operating lease is modified, the Group will treat it as a new lease for accounting treatment from the effective date of the modification, and the amount of lease payments received in advance or receivable related to the lease before the modification will be regarded as the amount of new lease payments.

The Group will treat the finance lease modification as a separate lease if the following conditions are met: ① the modification increases the scope of the lease by adding the right to use one or more underlying assets; and ② the consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the contract.

If the finance lease modification is not accounted for as a separate lease, the Group will deal with the modified lease under the following circumstances: ① If the modification takes effect on the commencement date of the lease, the lease will be classified as an operating lease, and the Group will treat it as a new lease from the effective date of the lease modification, and take the net investment in lease before the effective date of the lease modification as the carrying amount of the leased asset; ② If the modification takes effect on the commencement date of the lease, the lease will be classified as a finance lease, and the Group will conduct accounting treatment in accordance with the provisions of the "Accounting Standards for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments" concerning the modification or renegotiation of the contract.

31. Right-of-use assets

(1) Criteria for the recognition of right-of-use assets

The Group's right-of-use assets refer to the Group's right to use the leased assets during the lease term as the lessee.

On the commencement date, the right-of-use assets shall be initially measured at cost. The cost includes: the initial measurement of the lease liability; for the amount of lease payments paid on or before the commencement date of the lease term, if there is a lease incentive, the relevant amount of lease incentive already enjoyed will be deducted; initial direct costs incurred by the Group as the lessee; the costs which the Group, as the lessee, expects to incur in dismantling and removing the leased assets, restoring the premises on which the leased assets are located or restoring the leased assets to the state agreed in the lease terms. the Group, as the lessee, shall recognize and measure the costs of demolition and restoration in accordance with the "Accounting Standards for Business Enterprises No.13 – Contingencies". Subsequent adjustments are made for any remeasurement of lease liabilities.

(2) Depreciation method of the right-of-use assets

The Group uses the straight-line method of depreciation. Where the Group, as the lessee, can reasonably determine that it obtains the ownership of the leased assets upon expiration of the lease term, depreciation shall be accrued over the remaining useful life of the leased assets. Where it is impossible to reasonably determine that the ownership of the leased asset can be acquired at the expiration of the lease term, depreciation shall be accrued in the shorter period between the lease term and the remaining useful life of the leased asset.

(3) See Note III. 21 for the impairment test method of the right-of-use assets and the loss allowance.

32. Safety production costs and simple reproduction fee

According to relevant regulations, the Group accrues and uses safety production costs in accordance with the "Management Measures for the Extraction and Use of Enterprise Safety Production Costs" [Cai Qi (2022) No. 136].

Circulation processing business is subject to the standard for machinery manufacturing enterprises, and an average monthly withdrawal is made on a regressive basis:

(1) 2.35% for operating income not exceeding RMB10 million;

(2) 1.25% for the portion ranging RMB10 million to RMB100 million;

(3) 0.25% for the portion ranging RMB100 million to RMB1 billion;

(4) 0.1% for the portion ranging RMB1 billion to RMB5 billion;

(5) 0.05% for the portion exceeding RMB5 billion.

The amount to be accrued for the current year is determined based on the previous year's operating income and is extracted on a monthly average basis. Specifically:

(1) General freight transportation business: 1%;

(2) Passenger transportation business, pipeline transportation, hazardous goods, and other special freight transportation businesses: 1.5%.

When the Group, acting as a contractor or carrier, provides services to customers that fall within the scope specified in this regulation, and if the cost of purchased materials and services exceeds 85% of the revenue earned from customers, the Group can use the net amount obtained by deducting the relevant cost of purchased materials and services from the revenue as the basis for provisioning safety production costs.

Safety production costs, when extracted, are recorded as part of the cost of related products or as an expense in the profit or loss for the current period. Simultaneously, they are also recorded under the "special reserve" account.

When payment is made for safety production costs within the specified scope, if it is an expense, it is directly deducted from special reserve. If it is related to fixed assets, the expenditures incurred are initially accounted in "Construction in progress" and transfer to fixed assets when the safety project is completed and reaches the predetermined usable status and after that, the cost of fixed assets is deducted from special reserve and the same amount is recognized in accumulated depreciation. Such fixed assets will not accrue for depreciation in subsequent periods.

33. Significant accounting judgments and estimates

The Group makes continuous evaluations on critical accounting estimates and key assumptions based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The followings are the critical accounting estimations and key assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year:

Classification of financial assets

Significant judgements involved in determining the classification of financial assets include the analysis of business models and contractual cash flow characteristics.

Factors considered by the Group in determining the business model for a group of financial assets include how the asset's performance is evaluated and reported to key management personnel, how risks are assessed and managed and how the relevant management personnel are compensated.

When the Group assesses whether the contractual cash flows of the financial assets are consistent with basic lending arrangements, the main judgements are described as below: whether the principal amount may change over the life of the financial asset (for example, if there are repayments of principal) ; whether the interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin and cost. For example, whether the amount repaid in advance reflects only the outstanding principal and interest thereon, as well as reasonable compensation paid for early termination of the contract.

Measurement of the ECLs of accounts receivable

For the receivables that are provisioned for bad debts based on the aging group, the Group calculates the migration rate step by step based on the balances of different aging periods in the past several years, and then determines the expected credit loss rate. When determining the expected credit loss rate, the Group uses internal historical credit loss experience and other data, and adjusts the historical data in combination with the current situation and forward-looking information. When considering forward-looking information, the indicators used by the Group include GDP growth rate, broad money (M2) growth rate, total retail sales of consumer goods, consumer price index (CPI), and logistics business climate index. For the receivables that are provisioned for bad debts on an individual basis, the Group calculates the present value of the expected future cash flows based on the expected cash inflow time and amount under different assumption scenarios, and the determined discount rate. The Group regularly monitors and reviews the assumptions related to the calculation of expected credit losses.

Goodwill impairment

The Group evaluates whether goodwill is impaired at least annually. This requires an estimate of the use-value of the asset group to which goodwill has been allocated. When estimating the value in use, The Group needs to estimate the future cash flows from the asset group and select the appropriate discount rate to calculate the present value of the future cash flows.

Determination of fair value of unlisted equity investments

The Group assesses the value of non-listed equity investments based on market-based valuation techniques. This valuation requires the Group to identify comparable companies in the same industry as the non-listed companies holding the equity and select corresponding value ratios. Besides the aforementioned, the Group also needs to adjust the value ratios based on differences in indicators such as asset size and profitability, and calculate the investment value according to the adjusted value ratios.

34. Changes in accounting policies and accounting estimates

(1) Changes in significant accounting policies

None.

(2) Significant changes in accounting estimates

None.

IV. Taxation

1. Major taxes and their tax rates

Taxes	Tax basis	Statutory tax rate %
Value-added tax	VAT taxable amount (the tax payable is calculated by multiplying the taxable sales amount by the applicable tax rate, then deducting the current period's allowable input tax credits to obtain the remaining balance.)	13, 9 or 6
Urban maintenance and construction tax	Actual turnover tax paid	7 or 1
Education surcharge	Actual turnover tax paid	3
Local education surcharge	Actual turnover tax paid	2
Enterprise income tax	Subject to taxable profit	25, 20 or 15

Details are in below:

Entity	Income tax rate %
Changan Minsheng APLL Logistics Co., Ltd. (重慶長安民生物流股份有限公司)	15.00
CMAL BO Yu Transportation Co., Ltd. (重慶長安民生博宇運輸有限公司)	15.00
Fulu International Logistics Co., Ltd. (福路國際物流有限公司)	20.00
Chongqing Saimei Shuzhi Technology Co., Ltd. (重慶賽美數智科技有限公司)	15.00
Chongqing Changzu Feiyue Technology Co., Ltd. (重慶長足飛越科技有限公司)	15.00
Chongqing Future Supply Chain Management Logistics Co, Ltd. (重慶福集供應鏈管理有限公司)	15.00
Chongqing Changxiang Supply chain Technology Co., Ltd. (重慶長享供應鏈科技有限公司)	15.00
Nanjing CMSC Logistics Co., Ltd. (南京長安民生住久物流有限公司)	25.00
Changan Minsheng (Shanghai) Supply Chain Co., Ltd. (長安民生(上海) 供應鏈有限公司)	25.00
Hangzhou Changan Minsheng Logistics Co., Ltd. (杭州長安民生物流有限公司)	25.00
Wuhan Changjiang Zhilian Port Development Co., Ltd (武漢長江智聯港口發展有限公司)	25.00
CCM Logistics Co., Ltd.	20.00

2. Tax incentives and approval documents

According to Announcement No. 23 of 2020 issued by the Ministry of Finance, the State Administration of Taxation, and the National Development and Reform Commission on "Announcement on the Continuation of Enterprise Income Tax Policies for the Development of the Western Region", from 1 January 2021 to 31 December 2030, enterprises in encouraged industries located in the western region are subject to a reduced enterprise income tax rate of 15%. The Company, CMAL Bo Yu Transportation Co., Ltd., Chongqing Changxiang Supply Chain Technology Co., Ltd., Chongqing Changzu Feiyue Technology Co., Ltd., Chongqing Future Supply Chain Management Co., Ltd. are subject to a 15% enterprise income tax rate for calculating its payable enterprise income tax.

In accordance with Announcement No. 12 of 2023 issued by the Ministry of Finance and the State Taxation Administration, entitled *Announcement of the Ministry of Finance and the State Taxation Administration on Tax and Fee Policies to Further Support the Development of Small and Micro Enterprises and Individual Business Operators,* the policy whereby small and micro enterprises calculate their taxable income at a reduced rate of 25% and pay corporate income tax at a rate of 20% shall remain in force until 31 December 2027. In accordance with the original Announcement No. 13 of 2022 by the Ministry of Finance and the State Taxation Administration on the *Announcement by the Ministry of Finance and the State Taxation Administration on Further Implementing Preferential Corporate Income Tax Policies for Small and Micro Enterprises,* and Announcement No. 6 of 2023 by the Ministry of Finance and the State Taxation Administration on the *Announcement of the Ministry of Finance and the State Taxation Administration on Preferential Corporate Income Tax Policies for Small and Micro Enterprises and Individual Business Operators,* the following provisions apply: for small and micro enterprises, the portion of the annual taxable income exceeding RMB1 million but not exceeding RMB3 million shall be included in the taxable income at a reduced rate of 25%, and corporate income tax shall be levied at a rate of 20%. For small and micro-profit enterprises, the portion of the annual taxable income not exceeding RMB1 million shall be calculated as 25% of the taxable income, and corporate income tax shall be levied at a rate of 20%. Fulu International Logistics Co., Ltd. is eligible for the corporate income tax reduction and exemption policy for small and micro-profit enterprises.

According to the "Administrative Measures for the Recognition of High-tech Enterprises" jointly promulgated by the Ministry of Science and Technology, the Ministry of Finance, and the State Administration of Taxation in April 2008, and the high-tech enterprises recognized in the "National Key Supported High-tech Fields", technology service enterprises recognized as high-tech enterprises can be subject to a reduced enterprise income tax rate of 15% in accordance with the new "Enterprise Income Tax Law" and its "Implementation Regulations", the "PRC Tax Collection and Administration Law", and the "Implementation Rules of the PRC Tax Collection and Administration Law" implemented since 1 January 2008. Chongqing Saimei Shuzi Technology Co., Ltd. is a high-tech enterprise. High-tech enterprise certificate number: GR202451101650; date of issue: 28 October 2024; valid for three years. The corporate income tax rate for the period from 2024 to 2026 is 15%.

Other subsidiaries of the Company are subject to the enterprise income tax rate of 25%.CCM Logistics Co., Ltd., a subsidiary, operates in Thailand with a corporate income tax rate of 20%.

V. Notes to the items of consolidated financial statements

1. Cash and bank balances

Item	Closing balance	Beginning balance
Cash on hand	10,135.60	20,126.17
Cash at bank	432,838,571.37	801,490,893.85
Deposits in the finance company	232,219,380.46	188,131,908.68
Other monetary funds	6,895,639.44	5,448,998.06
Total	**671,963,726.87**	**995,091,926.76**
Among them: total amount of funds held overseas	1,943,650.68	

Note: At the end of the period, the Group's bank deposits include fixed deposits of RMB188,000,000.00, accrued interest on fixed deposits of RMB2,002,071.62; the balance of bank acceptance bill deposits is RMB6,891,657.55, and the balance of demand deposits is RMB3,981.89.

2. Notes receivable

Category	Closing balance Book balance	Closing balance Provision for bad debts	Closing balance Carrying amount	Beginning balance Book balance	Beginning balance Provision for bad debts	Beginning balance Carrying amount
Bank acceptance bills	200,186,472.17		200,186,472.17	49,919,626.97		49,919,626.97
Commercial acceptance bills	2,678,283.99		2,678,283.99	506,634.12		506,634.12
Total	**202,864,756.16**		**202,864,756.16**	**50,426,261.09**		**50,426,261.09**

(1) Accounts receivable that has been endorsed or discounted by the Group but have not yet matured at the end of the period

Types	Amount derecognized at year end	Amount not derecognized at year end
Bank acceptance bill		8,987,979.90
Commercial acceptance bills		799,502.38
Total		**9,787,482.28**

(2) Disclosure by method of provision for bad debts

	Closing balance				
	Book balance		Provision for bad debts		
Category	Amount	Ratio (%)	Amount	Expected credit loss rate (%)	Carrying amount
Provision for bad debts on an individual basis					
Provision for bad debts on a portfolio basis	202,864,756.16	100.00			202,864,756.16
Including:					
Bank acceptance bill	200,186,472.17	98.68			200,186,472.17
Commercial acceptance bill	2,678,283.99	1.32			2,678,283.99
Total	**202,864,756.16**	**100.00**			**202,864,756.16**

Continued:

	Beginning balance				
	Book balance		Provision for bad debts		
Category	Amount	Ratio (%)	Amount	Expected credit loss rate (%)	Carrying amount
Provision for bad debts on an individual basis					
Provision for bad debts on a portfolio basis	50,426,261.09	100.00			50,426,261.09
Including:					
Bank acceptance bill	49,919,626.97	99.00			49,919,626.97
Commercial acceptance bill	506,634.12	1.00			506,634.12
Total	**50,426,261.09**	**100.00**			**50,426,261.09**

Notes receivable for which bad debts provision is made on a portfolio basis

Provision for bad debts on a portfolio basis: Bank acceptance bills

Item	Closing balance			Beginning balance		
	Notes receivable	Provision for bad debts	Expected credit loss rate (%)	Notes receivable	Provision for bad debts	Expected credit loss rate (%)
Bank acceptance bill	200,186,472.17			49,919,626.97		

Provision for bad debts on a portfolio basis: Commercial acceptance bills

Item	Closing balance			Beginning balance		
	Notes receivable	Provision for bad debts	Expected credit loss rate (%)	Notes receivable	Provision for bad debts	Expected credit loss rate (%)
Commercial acceptance bill	2,678,283.99			506,634.12		

3. Accounts receivable

(1) By ageing

Ageing	Closing balance	Beginning balance
0-3 months	1,706,965,320.56	1,547,018,778.79
4-6 months	30,971,069.66	29,084,964.20
7-12 months	9,642,718.30	37,712,067.31
1-2 years	26,018,759.55	30,028,694.46
2-3 years	29,510,329.39	11,374,705.88
Over 3 years	62,663,751.13	66,065,871.00
Subtotal	**1,865,771,948.59**	**1,721,285,081.64**
Less: Provision for bad debts	87,207,357.62	94,036,609.26
Total	**1,778,564,590.97**	**1,627,248,472.38**

Note: The main trading condition between the Group and customers is credit. The credit period for major clients is generally 3 months. Each customer has a maximum credit limit. The Group is committed to strictly controlling its outstanding accounts receivable to reduce credit risk. The overdue balance is regularly reviewed by senior management. The aging of accounts receivable is calculated based on the invoice date.

As at 31 December 2025, the aggregate carrying amount of the Group's receivables, including debtors overdue as at the reporting date, was RMB159,091,515.35 (2024: RMB82,760,000).

(2) Disclosure by method of provision for bad debts

	Closing balance				
	Book balance		Provision for bad debts		
Category	Amount	Ratio (%)	Amount	Expected credit loss rate (%)	Carrying amount
Provision for bad debts on an individual basis	63,964,448.77	3.43	29,765,236.68	46.53	34,199,212.09
Including:					
Zhongcun Trading Yunnan Co., Ltd. (中村物貿雲南有限公司)	30,869,767.44	1.65	10,187,023.25	33.00	20,682,744.19
Yizhao Huasheng Logistics Co., Ltd. (億兆華盛物流有限公司)	17,786,256.60	0.95	8,893,128.30	50.00	8,893,128.30
Yunnan Yuzhen Supply Chain Co., Ltd. (雲南禦臻供應鏈有限公司)	5,753,990.98	0.32	4,027,793.69	70.00	1,726,197.29
Golmud Jingbei Salt Industry Co., Ltd. (格爾木晶北鹽業有限公司)	4,882,401.08	0.26	3,417,680.76	70.00	1,464,720.32
Golmud North Economic and Trade Co., Ltd. (格爾木北方經貿有限公司)	1,671,365.98	0.09	1,169,956.19	70.00	501,409.79
Chongqing Jiazhe Yongbang Building Materials Sales Co., Ltd. (重慶嘉哲勇邦建材銷售有限公司)	1,486,421.80	0.08	1,486,421.80	100.00	
Tianjin Free Trade Qiancheng Taifeng Technology Co., Ltd. (天津自貿乾程泰鋒科技有限公司)	1,034,458.00	0.06	103,445.80	10.00	931,012.20
Wuhan Xinhengrong Technology Co., Ltd. (武漢鑫恒融科技有限公司)	210,185.60	0.01	210,185.60	100.00	
Other Customers	269,601.29	0.01	269,601.29	100.00	
Provision for bad debts on a portfolio basis	1,801,807,499.82	96.57	57,442,120.94	3.19	1,744,365,378.88
Including:					
Receivable from independent customers	417,197,826.17	22.36	35,669,595.05	8.55	381,528,231.12
Receivables from related parties	1,384,609,673.65	74.21	21,772,525.89	1.57	1,362,837,147.76
Total	**1,865,771,948.59**	**100.00**	**87,207,357.62**	**4.67**	**1,778,564,590.97**

Continued:

	Beginning balance				
	Book balance		Provision for bad debts		
Category	Amount	Ratio (%)	Amount	Expected credit loss rate (%)	Carrying amount
Provision for bad debts on an individual basis	65,248,445.57	3.79	21,910,011.08	33.58	43,338,434.49
Including:					
Zhongcun Trading Yunnan Co., Ltd. (中村物貿雲南有限公司)	31,684,467.44	1.84	4,752,670.12	15.00	26,931,797.32
Yizhao Huasheng Logistics Co., Ltd. (億兆華盛物流有限公司)	17,806,256.60	1.03	7,122,502.64	40.00	10,683,753.96
Yunnan Yuzhen Supply Chain Co., Ltd. (雲南禦臻供應鏈有限公司)	5,797,990.98	0.34	2,898,995.49	50.00	2,898,995.49
Golmud Jingbei Salt Industry Co., Ltd. (格爾木晶北鹽業有限公司)	5,482,401.08	0.32	3,837,680.75	70.00	1,644,720.33
Golmud North Economic and Trade Co., Ltd. (格爾木北方經貿有限公司)	1,671,365.98	0.10	1,169,956.19	70.00	501,409.79
Chongqing Jiazhe Yongbang Building Materials Sales Co., Ltd. (重慶嘉哲勇邦建材銷售有限公司)	1,486,421.80	0.09	1,486,421.80	100.00	
Tianjin Free Trade Qiancheng Taifeng Technology Co., Ltd. (天津自貿乾程泰鋒科技有限公司)	753,064.00	0.04	75,306.40	10.00	677,757.60
Wuhan Xinhengrong Technology Co., Ltd. (武漢鑫恒融科技有限公司)	210,185.60	0.01	210,185.60	100.00	
Other Customers	356,292.09	0.02	356,292.09	100.00	
Provision for bad debts on a portfolio basis	1,656,036,636.07	96.21	72,126,598.18	4.36	1,583,910,037.89
Including:					
Receivable from independent customers	371,518,470.14	21.58	38,794,178.36	10.44	332,724,291.78
Receivables from related parties	1,284,518,165.93	74.63	33,332,419.82	2.59	1,251,185,746.11
Total	1,721,285,081.64	100.00	94,036,609.26	5.46	1,627,248,472.38

Accounts receivable for which bad debts provision is made on an individual basis

Name	Closing balance Book balance	Provision for bad debts	Expected credit loss rate (%)	Basis for accrual
Zhongcun Trading Yunnan Co., Ltd. (中村物貿雲南有限公司)	30,869,767.44	10,187,023.25	33.00	Based on collateral and expected future payment
Yizhao Huasheng Logistics Co., Ltd. (億兆華盛物流有限公司)	17,786,256.60	8,893,128.30	50.00	Based on collateral and expected future payment
Yunnan Yuzhen Supply Chain Co., Ltd. (雲南禦臻供應鏈有限公司)	5,753,990.98	4,027,793.69	70.00	Based on collateral and expected future payment
Golmud Jingbei Salt Industry Co., Ltd. (格爾木晶北鹽業有限公司)	4,882,401.08	3,417,680.76	70.00	Based on collateral and expected future payment
Golmud North Economic and Trade Co., Ltd. (格爾木北方經貿有限公司)	1,671,365.98	1,169,956.19	70.00	Based on collateral and expected future payment
Chongqing Jiazhe Yongbang Building Materials Sales Co., Ltd. (重慶嘉哲勇邦建材銷售有限公司)	1,486,421.80	1,486,421.80	100.00	Expected irretrievable
Tianjin Free Trade Qiancheng Taifeng Technology Co., Ltd. (天津自貿乾程泰鋒科技有限公司)	1,034,458.00	103,445.80	10.00	Based on future payment projections
Wuhan Xinhengrong Technology Co., Ltd. (武漢鑫恒融科技有限公司)	210,185.60	210,185.60	100.00	Expected irretrievable
Other Customers	269,601.29	269,601.29	100.00	Expected irretrievable
Total	**63,964,448.77**	**29,765,236.68**	**46.53**	

Continued:

Name	Beginning balance Book balance	Provision for bad debts	Expected credit loss rate (%)	Basis for accrual
Zhongcun Trading Yunnan Co., Ltd. (中村物貿雲南有限公司)	31,684,467.44	4,752,670.12	15.00	Based on collateral and expected future payment
Yizhao Huasheng Logistics Co., Ltd. (億兆華盛物流有限公司)	17,806,256.60	7,122,502.64	40.00	Based on collateral and expected future payment
Yunnan Yuzhen Supply Chain Co., Ltd. (雲南禦臻供應鏈有限公司)	5,797,990.98	2,898,995.49	50.00	Based on collateral and expected future payment
Golmud Jingbei Salt Industry Co., Ltd. (格爾木晶北鹽業有限公司)	5,482,401.08	3,837,680.75	70.00	Based on collateral and expected future payment
Golmud North Economic and Trade Co., Ltd. (格爾木北方經貿有限公司)	1,671,365.98	1,169,956.19	70.00	Based on collateral and expected future payment
Chongqing Jiazhe Yongbang Building Materials Sales Co., Ltd. (重慶嘉哲勇邦建材銷售有限公司)	1,486,421.80	1,486,421.80	100.00	Expected irretrievable
Tianjin Free Trade Qiancheng Taifeng Technology Co., Ltd. (天津自貿乾程泰鋒科技有限公司)	753,064.00	75,306.40	10.00	Based on future payment projections
Wuhan Xinhengrong Technology Co., Ltd. (武漢鑫恒融科技有限公司)	210,185.60	210,185.60	100.00	Expected irretrievable
Other Customers	356,292.09	356,292.09	100.00	Expected irretrievable
Total	**65,248,445.57**	**21,910,011.08**	**33.58**	

Accounts receivable for which bad debts provision is made on a portfolio basis

Provision for bad debts on a portfolio basis: Receivable from independent customers

Ageing	Closing balance Book balance	Closing balance Provision for bad debts	Closing balance Expected credit loss rate (%)	Beginning balance Book balance	Beginning balance Provision for bad debts	Beginning balance Expected credit loss rate (%)
0-3 months	361,573,011.19	1,157,033.63	0.32	312,238,418.97	1,467,520.57	0.47
4-6 months	16,518,605.01	82,593.04	0.50	13,876,538.82	222,024.62	1.60
7-12 months	5,054,714.29	891,146.14	17.63	9,414,935.21	1,475,320.35	15.67
1-2 years	689,166.89	281,731.41	40.88	498,179.14	259,003.33	51.99
2-3 years	240,819.15	135,581.19	56.30	454,536.37	334,447.86	73.58
Over 3 years	33,121,509.64	33,121,509.64	100.00	35,035,861.63	35,035,861.63	100.00
Total	**417,197,826.17**	**35,669,595.05**	**8.55**	**371,518,470.14**	**38,794,178.36**	**10.44**

Provision for bad debts on a portfolio basis: Receivables from related parties

Ageing	Closing balance Book balance	Closing balance Provision for bad debts	Closing balance Expected credit loss rate (%)	Beginning balance Book balance	Beginning balance Provision for bad debts	Beginning balance Expected credit loss rate (%)
0-3 months	1,345,320,513.37	807,192.31	0.06	1,234,704,797.41	1,082,719.49	0.09
4-6 months	14,345,928.65	48,776.18	0.34	14,890,159.69	52,115.56	0.35
7-12 months	4,408,146.01	595,540.53	13.51	3,249,584.47	644,392.60	19.83
1-2 years	532,216.93	323,481.44	60.78	271,802.01	172,268.11	63.38
2-3 years	112,992.93	107,659.67	95.28	490,570.22	469,671.93	95.74
Over 3 years	19,889,875.76	19,889,875.76	100.00	30,911,252.13	30,911,252.13	100.00
Total	**1,384,609,673.65**	**21,772,525.89**	**1.57**	**1,284,518,165.93**	**33,332,419.82**	**2.59**

(3) Accrual, recovery or reversal of bad debts provision during the year

	Amount of provision for bad debts
Beginning balance	94,036,609.26
Provision for the year	-5,248,037.10
Recovered or reversal in the year	658,895.80
Write-off in the year	928,796.67
Transfer in the year	-6,477.93
Closing balance	**87,207,357.62**

(4) Accounts receivable actually written off in the period

Project	Write-off amount
Accounts receivable actually written off	928,796.67

Significant accounts receivable write-off status

Unit Name	Accounts receivable nature	Write off amount	Reason for verification	Verification procedures for performance	Is the payment generated from related party transactions
Chongqing Jiangjin District Changjiang Auto Parts Co., Ltd. (重慶市江津區長江汽配有限責任公司) and 3 other companies	Business funds	926,847.42	Guowei Technology Co., Ltd. has declared bankruptcy; all remaining debtors have had their licenses revoked.The amount cannot be recovered	General Manager's Office Meeting	No
Jilin Dongguang Aowei Automobile Brake System Co., Ltd. (吉林東光奧威汽車制動系統有限公司)	Business funds	1,949.25	The individual transaction amount is small and the claim cannot cover the collection costs	General Manager's Office Meeting	No
Total		**928,796.67**			

(5) Accounts receivable and contract assets due from the top five debtors

Accounts receivable and contract assets due from the top five debtors as of 31 December 2025 was RMB1,221,069,449.30, which accounted for 46.84% of total accounts receivable and contract assets, and the corresponding impairment provision was RMB7,353,274.73.

4. Receivables financing

Item	Closing balance	Beginning balance
Notes receivable	691,386,325.61	595,339,035.82
Accounts receivable	924,801.05	
Notes receivable from BYD e-platform	1,017,907.61	5,682,007.43
Subtotal	**693,329,034.27**	**601,021,043.25**
Less: Other comprehensive income-Changes in fair value		
Fair value at year end	**693,329,034.27**	**601,021,043.25**

(1) Closing balance of notes receivable being endorsed or factored and not yet matured

Category	Amount derecognized at year end	Amount not derecognized at year end
Bank acceptance bills	229,976,783.18	

5. Prepayments

(1) Prepayments by ageing

	Closing balance		Beginning balance	
Ageing	Amount	Ratio (%)	Amount	Ratio (%)
0-3 months	125,988,821.62	96.62	11,099,027.58	64.81
4-6 months	781,965.66	0.60	880,422.76	5.14
7-12 months	1,410,486.92	1.08	2,305,983.39	13.47
1-2 years	757,803.43	0.58	1,742,748.31	10.17
2-3 years	385,515.64	0.30	152,212.56	0.89
Over 3 years	1,077,111.79	0.82	945,090.05	5.52
Subtotal	**130,401,705.06**	**100.00**	**17,125,484.65**	**100.00**
Less: Provision for bad debts	963,576.66		966,339.86	
Total	**129,438,128.40**		**16,159,144.79**	

(2) Important prepayments with an age of over 1 year

Debtor's name	Book balance	Proportion of total prepayments (%)	Provision for bad debts
Saihe Intelligent Technology (Shanghai) Co., Ltd. (賽赫智能科技(上海)股份有限公司)	676,991.15	0.52	676,991.15
Hefei Changan Automobile Co., Ltd. (合肥長安汽車有限公司)	324,793.07	0.25	833.80
Wuhu Renda Logistics Co., Ltd. (蕪湖仁達物流有限公司)	285,000.00	0.22	57.00
Jiangsu Sidun Technology Co., Ltd. (江蘇西頓科技有限公司)	284,100.00	0.22	284,100.00
Chongqing Yunxin Zhijiu Supply Chain Services Co., Ltd. (重慶雲信致久供應鏈服務有限公司)	279,908.26	0.21	47.77
Total	**1,850,792.48**	**1.42**	**962,029.72**

(3) Prepayments due from the top five debtors

Prepayments to the top five debtors as at 31 December 2025 were RMB102,599,232.99, which accounted for 78.68% of total prepayments.

6. Other receivables

Item	Closing balance	Beginning balance
Interest receivable		
Dividends receivable		
Other receivables	99,791,270.24	75,855,060.33
Total	**99,791,270.24**	**75,855,060.33**

(1) Other receivables

① By ageing

Ageing	Closing balance	Beginning balance
0-6 months	36,237,540.33	22,858,541.26
7-12 months	12,403,036.27	9,694,056.14
1-2 years	14,315,689.97	20,388,395.48
2-3 years	16,933,210.38	7,600,519.65
Over 3 years	24,014,546.51	20,602,719.75
Subtotal	**103,904,023.46**	**81,144,232.28**
Less: Provision for bad debts	4,112,753.22	5,289,171.95
Total	**99,791,270.24**	**75,855,060.33**

② Disclosure by nature

Item	Closing balance Book balance	Closing balance Provision for bad debts	Closing balance Carrying amount	Beginning balance Book balance	Beginning balance Provision for bad debts	Beginning balance Carrying amount
Current accounts	8,036,264.79	1,103,791.52	6,932,473.27	2,703,242.16	1,090,087.54	1,613,154.62
Security deposits, deposit	81,899,692.26	433,568.12	81,466,124.14	64,095,149.08	1,399,737.14	62,695,411.94
Staff petty cash borrowing	204,158.30		204,158.30	435,174.00		435,174.00
Advances for taxes and expenses	3,310,963.86	70,910.54	3,240,053.32	2,237,929.46	62,248.14	2,175,681.32
Others	10,452,944.25	2,504,483.04	7,948,461.21	11,672,737.58	2,737,099.13	8,935,638.45
Total	**103,904,023.46**	**4,112,753.22**	**99,791,270.24**	**81,144,232.28**	**5,289,171.95**	**75,855,060.33**

③ Information of provision for bad debts

At 31 December 2025, provision for bad debts in Stage 1:

Category	Book balance	Expected credit loss rate in the next 12 months (%)	Provision for bad debts	Carrying amount
Provision for bad debts on an individual basis				
Provision for bad debts on a portfolio basis	100,321,084.93	0.53	529,814.69	99,791,270.24
Including:				
Current accounts	6,892,769.15	0.52	35,940.82	6,856,828.33
Security deposits, deposit	81,897,192.26	0.53	431,068.11	81,466,124.15
Staff petty cash borrowing	204,158.30			204,158.30
Advances for taxes and expenses	3,267,153.86	0.18	5,729.58	3,261,424.28
Others	8,059,811.36	0.71	57,076.18	8,002,735.18
Total	**100,321,084.93**	**0.53**	**529,814.69**	**99,791,270.24**

At 31 December 2025, the Company had no other receivables classified as Stage 2.

At 31 December 2025, provision for bad debts in Stage 3:

Category	Book balance	Expected credit loss rate for the lifetime (%)	Provision for bad debts	Carrying amount
Provision for bad debts on an individual basis	3,582,938.53	100.00	3,582,938.53	
Including:				
Changan Ford Motor Co., Ltd. (長安福特汽車有限公司)	2,183,486.91	100.00	2,183,486.91	
Hafei Automobile Co., Ltd. (哈飛汽車股份有限公司)	713,359.16	100.00	713,359.16	
Changan Ford Motor Co., Ltd. Power System Branch (長安福特汽車有限公司動力系統分公司)	471,814.49	100.00	471,814.49	
Other Customers	214,277.97	100.00	214,277.97	
Total	**3,582,938.53**	**100.00**	**3,582,938.53**	

At 31 December 2024, provision for bad debts in Stage 1:

Category	Book balance	Expected credit loss rate in the next 12 months (%)	Provision for bad debts	Carrying amount
Provision for bad debts on an individual basis				
Provision for bad debts on a portfolio basis	**77,351,293.75**	**1.93**	**1,496,233.42**	**75,855,060.33**
Including:				
Current accounts	1,636,070.51	1.40	22,915.89	1,613,154.62
Security deposits, deposit	63,892,649.08	1.87	1,197,237.14	62,695,411.94
Staff petty cash borrowing	435,174.00			435,174.00
Advances for taxes and expenses	2,194,119.46	0.84	18,438.14	2,175,681.32
Others	9,193,280.70	2.80	257,642.25	8,935,638.45
Total	**77,351,293.75**	**1.93**	**1,496,233.42**	**75,855,060.33**

At 31 December 2024, the Company had no other receivables classified as Stage 2.

At 31 December 2024, provision for bad debts in Stage 3:

Category	Book balance	Expected credit loss rate for the lifetime (%)	Provision for bad debts	Carrying amount
Provision for bad debts on an individual basis	**3,792,938.53**	**100.00**	**3,792,938.53**	
Including:				
Changan Ford Motor Co., Ltd. (長安福特汽車有限公司)	2,183,486.91	100.00	2,183,486.91	
Hafei Automobile Co., Ltd. (哈飛汽車股份有限公司)	713,359.16	100.00	713,359.16	
Changan Ford Motor Co., Ltd. Power System Branch (長安福特汽車有限公司動力系統分公司)	471,814.49	100.00	471,814.49	
Jiangsu Weilong New Energy Vehicle Co., Ltd. (江蘇威龍新能源汽車有限公司)	200,000.00	100.00	200,000.00	
Other Customers	224,277.97	100.00	224,277.97	
Total	**3,792,938.53**	**100.00**	**3,792,938.53**	

④ Accrual, recovery or reversal of bad debt provision during the year

Provision for bad debts	Stage 1 Expected credit loss within the next 12 months	Stage 2 Expected credit loss for lifetime (no credit impairment occurred)	Stage 3 Expected credit loss for lifetime (credit impairment has occurred)	Total
Beginning balance	1,496,233.42		3,792,938.53	5,289,171.95
Movement of beginning balance during the period				
--Transfer to Stage 2				
--Transfer to Stage 3				
--Reverse to Stage 2				
--Reverse to Stage 1				
Provision for the year	-966,418.73			-966,418.73
Reversal in the year				
Transfer in the year				
Write-off in the year			210,000.00	210,000.00
Closing balance	**529,814.69**		**3,582,938.53**	**4,112,753.22**

⑤ Other receivables actually written off during the current period

Item	Amount written off
Other receivables written off	210,000.00

Significant bad debt provisions reversed or recovered during the period

Unit Name	Accounts receivable nature	Write off amount	Reason for verification	Verification procedures for performance	Is the payment generated from related party transactions
Jiangsu Weilong New Energy Vehicle Co., Ltd.	Refund	200,000.00	The debtor has gone bankrupt, and the payment cannot be recovered.	General Manager's Office Meeting	No
Guowei Technology Co., Ltd.	Security deposit	10,000.00	The debtor has gone bankrupt, and the payment cannot be recovered.	General Manager's Office Meeting	No
Total		210,000.00			

⑥ Other receivables due from the top five debtors

Name of entity	Nature	Closing balance of other receivables	Ageing	Proportion to total other receivables (%)	Closing balance of provision for bad debts
Changan Mazda Automobile Co., Ltd.	Security deposits	5,591,281.28	0-6 months, 2-3 years, 3 years or more	5.38	40,600.38
Jiangsu Feilida International Logistics Co., Ltd.	Security deposits	4,000,000.00	0-6 months, 1-2 years	3.85	11,876.00
Wuhan Shengde Rixin Auto Industry Park Co., Ltd.	Others	3,158,000.00	More than 3 years	3.04	37,896.00
Anbo (Chongqing) Warehousing Co., Ltd.	Security deposits	3,101,683.00	0-6 months,7-12 months,	2.98	7,081.62
Chongqing Guoyuan Port International Logistics Hub Construction and Development Co., Ltd.	Security deposits	3,091,200.00	0-6 months	2.98	6,491.52
Total		18,942,164.28		18.23	103,945.52

7. Inventories

Item	Closing balance Book balance	Closing balance Provision for decline in value/ Provision for impairment of contract performance cost	Closing balance Carrying amount	Beginning balance Book balance	Beginning balance Provision for decline in value/ Provision for impairment of contract performance cost	Beginning balance Carrying amount
Raw materials	4,588,517.82		4,588,517.82	1,513,838.73		1,513,838.73
Work-in-progress	2,528,090.34		2,528,090.34	1,085,067.07		1,085,067.07
Finished goods	10,389,751.12		10,389,751.12	11,491,171.03		11,491,171.03
Total	**17,506,359.28**		**17,506,359.28**	**14,090,076.83**		**14,090,076.83**

8. Contract assets

Item	Closing balance Book balance	Closing balance Provision for impairment	Closing balance Carrying amount	Beginning balance Book balance	Beginning balance Provision for impairment	Beginning balance Carrying amount
Logistics services not completed and settled	741,037,010.11	941,056.20	740,095,953.91	433,477,516.14	836,710.93	432,640,805.21
Sub-total	**741,037,010.11**	**941,056.20**	**740,095,953.91**	**433,477,516.14**	**836,710.93**	**432,640,805.21**
Less: Contract assets as presented as other non-current assets						
Total	**741,037,010.11**	**941,056.20**	**740,095,953.91**	**433,477,516.14**	**836,710.93**	**432,640,805.21**

(1) Information on impairment of contract assets

Category	Closing balance Book balance Amount	Closing balance Book balance Ratio (%)	Closing balance Provision for impairment Amount	Closing balance Provision for impairment Expected credit loss rate (%)	Closing balance Carrying amount
Provision for bad debts on an individual basis					
Provision for bad debts on a portfolio basis	741,037,010.11	100.00	941,056.20	0.13	740,095,953.91
Including:					
Logistics services not completed and settled	741,037,010.11	100.00	941,056.20	0.13	740,095,953.91
Total	**741,037,010.11**	**100.00**	**941,056.20**	**0.13**	**740,095,953.91**

Continued:

	Beginning balance				
	Book balance		Provision for impairment		
Category	Amount	Ratio (%)	Amount	Expected credit loss rate (%)	Carrying amount
Provision for bad debts on an individual basis	33,866.10	0.01	3,386.61	10.00	30,479.49
Including:					
Tianjin Free Trade Qiancheng Taifeng Technology Co., Ltd. (天津自貿乾程泰鋒科技有限公司)	33,866.10	0.01	3,386.61	10.00	30,479.49
Provision for bad debts on a portfolio basis	433,443,650.04	99.99	833,324.32	0.19	432,610,325.72
Including:					
Logistics services not completed and settled	433,443,650.04	99.99	833,324.32	0.19	432,610,325.72
Total	**433,477,516.14**	**100.00**	**836,710.93**	**0.19**	**432,640,805.21**

Provision for bad debts on an individual basis

	Beginning balance			
Name	Book balance	impairment provision	Expected credit loss rate (%)	Basis for provision
Tianjin Free Trade Qiancheng Taifeng Technology Co., Ltd (天津自貿乾程泰鋒科技有限公司)	33,866.10	3,386.61	10.00	Based on litigation and projected future cash collections

Provision for impairment on a portfolio basis:

Provision for impairment on a portfolio basis: Logistics services not completed and settled

	Closing balance			Beginning balance		
Ageing	Contract assets	Provision for impairment	Expected credit loss rate (%)	Contract assets	Provision for impairment	Expected credit loss rate (%)
0-3 months	740,752,122.79	879,237.42	0.12	433,432,702.91	833,169.97	0.19
4-6 months	23,727.53	118.63	0.50	10,947.13	154.35	1.41
7-12 months	192,259.79	33,533.83	17.44			
1-2 years	68,900.00	28,166.32	40.88			
Total	**741,037,010.11**	**941,056.20**	**0.13**	**433,443,650.04**	**833,324.32**	**0.19**

(2) Additions, recoveries or reversals of provision for impairment of contract assets

Item	Provision for the year	Reversal in the year	Written-off in the year	Reason
Contract assets	111,118.49	3,386.61		Contract assets are transferred to accounts receivable, the individually measured provision amount is reversed, and the provision is made in the accounts receivable account.

9. Other current assets

Item	Closing balance	Beginning balance
Prepaid value-added tax	8,288,314.64	12,114,571.83
Deductible input tax	11,041,796.39	3,000,998.29
Prepaid income tax	653,167.68	2,351,617.04
Prepaid other taxes	1,771,337.90	839.63
Total	21,754,616.61	17,468,026.79

10. Long-term equity investment

Investee	Beginning balance (Carrying amount)	Beginning balance of provision for impairment	Movement in the year: Additions in investment	Decrease in investment	Investment income/loss recognized under equity method	Adjustment of other comprehensive income	Changes of other equity	Announced distribution of cash dividend or profit	Provision for impairment	Other	Closing balance (Carrying amount)	Closing balance of provision for impairment
① Associates												
Chongqing Guoyuan Ro-Ro Terminal Company Limited (重慶果園滾裝碼頭有限公司)	28,200,000.00	42,029,948.15			45,957.81		37,925.31				28,283,883.12	42,029,948.15

11. Other equity instruments investment

Item	Closing balance	Beginning balance
China South Industries Group Finance Co., Ltd. (兵器裝備集團財務有限責任公司)	75,200,000.00	74,000,000.00
Chenzhi (Thailand) Co., Ltd.	66.76	
Total	75,200,066.76	74,000,000.00

Note: Due to the strategic purpose of long-term holding planned by the Company, China South Industries Group Finance Co., Ltd. (兵器裝備集團財務有限責任公司) is designated by the Company as a financial asset measured at fair value through other comprehensive income, with changes recognized in other comprehensive income.

Item	Gains and losses recognized in other comprehensive income for the current period	Accumulated gains and losses recognized in other comprehensive income at the end of this period	Dividend income recognized in this period	Accumulated gains and losses transferred to retained earnings due to termination of recognition	Reason for termination of confirmation
China South Industries Group Finance Co., Ltd. (兵器裝備集團財務有限責任公司)	1,200,000.00	30,175,900.00			

12. Investment properties

Item	Housing and buildings
I. Book value	
1. Beginning balance	49,223,928.04
2. Increase	
3. Decrease	
4. Closing balance	49,223,928.04
II. Accumulated depreciation and amortisation	
1. Beginning balance	10,899,885.10
2. Increase	1,234,475.52
(1) Amortisation for the year	1,234,475.52
3. Decrease	
4. Closing balance	12,134,360.62
III. Provision for impairment	
1. Beginning balance	6,916,404.66
2. Increase	667,236.46
(1) Provision	667,236.46
3. Decrease	
4. Closing balance	7,583,641.12
IV. Carrying amount	
1. Carrying value at year end	29,505,926.30
2. Carrying value at beginning of year	31,407,638.28

Note: As of 31 December 2025, Sinovalue Assets Appraisal Co., Ltd. evaluated the fair value of the Group's investment properties and issued an "Investment Property Fair Value Assessment Project Asset Appraisal Report". The appraisal report determined the appraisal value based on market approach, and some properties had a partial impairment of RMB667,236.46.

13. Fixed assets

Item	Closing balance	Beginning balance
Fixed assets	500,657,408.23	588,239,961.64
Fixed assets for disposal	908,221.18	608,984.63
Total	**501,565,629.41**	**588,848,946.27**

(1) Fixed assets

① Details of fixed assets

Item	Housing and buildings	Machinery and equipment	Motor vehicles	Electronics and office equipment	Total
I. Book value:					
1.Beginning balance	770,002,119.61	446,470,780.31	156,658,713.89	83,336,642.49	1,456,468,256.30
2.Increase	1,059,336.15	33,197,391.06	9,877,579.05	8,327,355.88	52,461,662.14
(1) Purchase		32,735,400.93	9,847,886.66	8,237,299.87	50,820,587.46
(2) Transfer from construction in progress	1,059,336.15	461,990.13	29,692.39	90,056.01	1,641,074.68
3.Decrease		121,308,820.28	34,590,247.11	5,001,326.44	160,900,393.83
(1) Disposal or scrap		43,440,201.57	34,590,247.11	5,001,326.44	83,031,775.12
(2) Disposal of subsidiaries		77,868,618.71			77,868,618.71
4.Closing balance	771,061,455.76	358,359,351.09	131,946,045.83	86,662,671.93	1,348,029,524.61
II. Accumulated depreciation					
1.Beginning balance	410,884,536.03	245,410,052.37	141,629,675.53	69,306,435.89	867,230,699.82
2.Increase	24,928,858.87	56,054,180.67	7,213,755.33	7,881,667.05	96,078,461.92
(1) Provision	24,928,858.87	56,054,172.31	7,213,755.33	7,881,352.81	96,078,139.32
(2) Impact of exchange rate fluctuations		8.36		314.24	322.60
3.Decrease		78,889,165.76	32,556,672.43	4,491,207.17	115,937,045.36
(1) Disposal or scrap		24,868,880.14	32,556,672.43	4,491,207.17	61,916,759.74
(2) Disposal of subsidiaries		54,020,285.62			54,020,285.62
4.Closing balance	435,813,394.90	222,575,067.28	116,286,758.43	72,696,895.77	847,372,116.38
III. Provision for impairment					
1.Beginning balance			997,594.84		997,594.84
2.Increase					
3.Decrease			997,594.84		997,594.84
(1) Disposal or scrap			997,594.84		997,594.84
4.Closing balance					
IV. Carrying amount					
1.Carrying value at year end	335,248,060.86	135,784,283.81	15,659,287.40	13,965,776.16	500,657,408.23
2.Carrying value at beginning of year	359,117,583.58	201,060,727.94	14,031,443.52	14,030,206.60	588,239,961.64

② Fixed assets held under finance leases

Item	Carrying amount
Housing and buildings	341,064,093.40
Motor vehicles	1,038,204.68
Total	**342,102,298.08**

(2) Fixed assets for disposal

Item	Closing balance	Beginning balance	Reason for disposal
Housing and buildings	7,140.00	113,778.36	Unused
Machinery and equipment	252,097.02	118,046.72	Unused
Motor vehicles	388,109.19	286,473.92	Unused
Electronics and office equipment	260,874.97	2,230.64	Unused
Other equipment		87,926.99	Unused
Others		528.00	Unused
Total	**908,221.18**	**608,984.63**	

14. Construction in progress

Item	Closing balance	Beginning balance
Construction in progress	12,397,641.81	5,005,318.07
Construction materials		
Total	**12,397,641.81**	**5,005,318.07**

(1) Construction in progress

① Information of construction in progress

Item	Closing balance Book balance	Closing balance Provision for impairment	Closing balance Net book value	Beginning balance Book balance	Beginning balance Provision for impairment	Beginning balance Net book value
Yubei New Factory Project	5,591,873.89		5,591,873.89	2,968,865.04		2,968,865.04
Chang'an New Power Factory New Energy Workshop Intelligence Project	1,702,233.19		1,702,233.19			
International Logistics Collaborative Management Platform Construction Project	939,622.64		939,622.64			
Purchase high material rack	914,291.22		914,291.22			
Beijing Branch General Assembly & Packaging Workshop Integrated Intelligent Project	611,705.84		611,705.84			
KD Vehicle Loading System	361,584.00		361,584.00			
Truck Replacement and Purchase Project	353,221.26		353,221.26			
Milk-run Route Scheduling System	327,300.00		327,300.00	144,000.00		144,000.00
Changan Chassis Yaan Intelligent Project	318,584.07		318,584.07			
Yuzui Project Logistics Package Department Circular Pickup Promotion Project	213,451.20		213,451.20			
Intelligent Changan Chassis Bishan Base Drive-by-Wire Workshop	164,070.79		164,070.79			
Land development of 71 mu	143,807.18		143,807.18			
Chongqing Saimai's In-house Development Project for the Stealth Lifting AGV-QD1000	137,168.13		137,168.13			
International Port Front Warehouse Management System Upgrade and Promotion Project	128,304.00		128,304.00			
Liangjiang No. 1 Factory RDC Material Box Automated Storage Project - WES System	120,735.85		120,735.85			
Asset Management System Construction Project	119,734.51		119,734.51			
Hangzhou Phase II Factory Fire Protection Level Renovation Project Testing Procurement	65,513.21		65,513.21			
Ford 390 Business System Construction Project	56,570.40		56,570.40			
Unmanned Warehouse Intelligent Visual Scanning System	51,769.91		51,769.91	51,769.91		51,769.91
Contract Management Platform (Phase III) Optimization Project	46,896.98		46,896.98			
Bishan Chassis Lightweight Workshop Stretch Film Machine Project	29,203.54		29,203.54			
Milk-run TMS System				550,537.18		550,537.18

continued…

① Information of construction in progress (continued)

Item	Closing balance: Book balance	Closing balance: Provision for impairment	Closing balance: Net book value	Beginning balance: Book balance	Beginning balance: Provision for impairment	Beginning balance: Net book value
Chongqing Regional Company Vehicle Allocation Project				234,446.40		234,446.40
New Energy Smart Logistics Project				173,977.70		173,977.70
Spare Parts Customer Service System Upgrade Project of the Supply Chain Division				166,795.20		166,795.20
Project of Steel Platform				111,609.79		111,609.79
Finished Vehicle Division Transportation Management System Automated Allocation Module Project				92,378.88		92,378.88
Human Resources Digital Transformation Project				5,377.36		5,377.36
Installing the equipment				505,560.61		505,560.61
Total	**12,397,641.81**		**12,397,641.81**	**5,005,318.07**		**5,005,318.07**

② Changes in significant construction in progress

Project	Beginning balance	Increase	Transfer to fixed assets/ Intangible assets	Other decrease	Cumulative amount of interest capitalization	Including: interest capitalized in the period	Interest capitalization rate in the year (%)	Closing balance
Yubei New Factory Project	2,968,865.04	2,623,008.85						5,591,873.89
New energy smart logistics project	173,977.70	88,342.88	262,320.58					
Nanjing CMSC Class C Warehouse Project		1,367,706.49	1,367,706.49					
Chongqing Regional Company Transportation and Warehousing Equipment Procurement Project		11,047.61	11,047.61					
Total	**3,142,842.74**	**4,099,040.24**	**1,641,074.68**					**5,591,873.89**

Changes in significant construction in progress (continued):

Project item	Budget	Proportion of cumulative input to budget (%)	Progress (%)	Source of fund
Yubei New Factory Project	43,334,500.00	12.90	12.90	self-financed
New energy smart logistics project	60,772,700.00	81.00	81.00	self-financed
Total	**104,107,200.00**			

15. Right-of-use assets

Item	Housing and buildings	Machinery and equipment	Motor vehicles	Total
I. Book value:				
1.Beginning balance	267,613,758.85	18,810,983.88	3,988,318.80	290,413,061.53
2.Increase	88,711,961.33			88,711,961.33
(1) Additions by lease in	88,711,961.33			88,711,961.33
3.Decrease	74,586,598.53	11,610,983.88	500,878.13	86,698,460.54
(1) Expiration of contract	62,006,519.56	11,610,983.88	500,878.13	74,118,381.57
(2) Early renunciation	2,729,488.92			2,729,488.92
(3) Contract modification	9,850,590.05			9,850,590.05
4.Closing balance	281,739,121.65	7,200,000.00	3,487,440.67	292,426,562.32
II. Accumulated depreciation				
1.Beginning balance	118,507,094.36	14,023,618.57	507,896.68	133,038,609.61
2.Increase	73,850,543.83	1,389,612.43	1,021,026.77	76,261,183.03
(1) Provision	73,850,543.83	1,389,612.43	1,021,026.77	76,261,183.03
3.Decrease	65,385,446.69	11,610,983.88	500,878.13	77,497,308.70
(1) Expiration of contract	62,006,519.56	11,610,983.88	500,878.13	74,118,381.57
(2) Early renunciation	1,551,356.37			1,551,356.37
(3) Contract modification	1,827,570.76			1,827,570.76
4.Closing balance	126,972,191.50	3,802,247.12	1,028,045.32	131,802,483.94
III. Provision for impairment				
1.Beginning balance				
2.Increase				
3.Decrease				
4.Closing balance				
IV. Carrying amount				
1.Carrying value at year end	154,766,930.15	3,397,752.88	2,459,395.35	160,624,078.38
2.Carrying value at beginning of year	149,106,664.49	4,787,365.31	3,480,422.12	157,374,451.92

Note: The Company recognizes lease expenses related to short-term leases and leases of low-value assets. Please refer to Note V. 59 for details.

16. Intangible assets

Item	Land use rights	Software	Trademark	Total
I. Book value				
1.Beginning balance	318,285,883.97	171,454,656.23	107,000.00	489,847,540.20
2.Increase		8,974,809.20	10,683.28	8,985,492.48
(1) Purchase		3,682,049.24	10,683.28	3,692,732.52
(2) Transfer from construction in progress		5,292,759.96		5,292,759.96
3.Decrease		33,019,216.33		33,019,216.33
(1) Disposal		33,019,216.33		33,019,216.33
4.Closing balance	318,285,883.97	147,410,249.10	117,683.28	465,813,816.35
II. Accumulated amortisation				
1.Beginning balance	93,753,599.83	146,336,354.29	107,000.00	240,196,954.12
2.Increase	7,863,173.38	15,233,299.89	1,187.02	23,097,660.29
(1) Provision	7,863,173.38	15,233,299.89	1,187.02	23,097,660.29
3.Decrease		33,019,216.33		33,019,216.33
(1) Disposal		33,019,216.33		33,019,216.33
(2) Other				
4.Closing balance	101,616,773.21	128,550,437.85	108,187.02	230,275,398.08
III. Provision for impairment				
1.Beginning balance				
2.Increase				
3.Decrease				
4.Closing balance				
IV. Carrying amount				
1.Carrying value at year end	216,669,110.76	18,859,811.25	9,496.26	235,538,418.27
2.Carrying value at beginning of year	224,532,284.14	25,118,301.94		249,650,586.08

17. Goodwill

Investee or matters formed the goodwill	Beginning balance	Increase	Decrease	Closing balance
Vehicle transportation service unit	5,016,185.42			5,016,185.42

Note: The goodwill arising from the Group's business combinations has been allocated to the cash-generating unit of the whole vehicle transportation service unit for impairment testing. The recoverable amount of the cash-generating unit is determined based on its estimated future cash flow, which is projected for the next five years. The impairment testing of goodwill is approved by the senior management of the Group, and management conducts the goodwill impairment testing based on cash flow forecasts.

Other key assumptions used in determining the fair value relate to estimates of cash inflows/outflows (including budgeted revenue and gross margin rates). These estimates are based on the historical performance of existing cash-generating units and management's expectations for market development.

The key assumptions encompass market conditions, and the discount rate is consistent with external sources of information. According to the opinion of the directors of the Company, as of 31 December 2025, the directors believe that the recoverable amount significantly exceeds the carrying amount of the cash-generating unit. Any possible changes in the key assumptions of the recoverable amount would not result in the carrying amount of the cash-generating unit exceeding its recoverable amount.

18. Long-term deferred expenses

Item	Beginning balance	Increase	Decrease: Amortization	Decrease: Other decrease	Closing balance
Circular Packaging Project	3,538,525.40	87,481,592.55	17,754,113.15		73,266,004.80
Yubei new factory project	3,692,995.08	3,867,588.42	1,337,811.59		6,222,771.91
Iot tags	1,791,239.80	3,613,767.14	902,880.90		4,502,126.04
China chassis base project	3,198,074.25	1,520,661.92	895,129.14		3,823,607.03
Changan Mazda after-sales parts logistics project	4,088,810.69		1,115,130.12		2,973,680.57
Internet-linked glass fiber tray		3,797,628.31	1,088,072.00	412,163.59	2,297,392.72
Overhaul repair expenses	2,036,847.40		298,075.20		1,738,772.20
Heavy pallet project	4,258,849.52		2,522,123.76		1,736,725.76
Renovation costs	1,696,399.21	95,978,307.45	96,160,258.47		1,514,448.19
Factory renovation expenses	1,165,106.83		479,351.04		685,755.79
Others	359,806.60	51,087.60	151,552.32		259,341.88
Engineering improvement expenditures	600,538.55		343,164.96		257,373.59
Jiangxi Welding Workshop Intelligent Project		119,204.40	18,448.30		100,756.10
Total	**26,427,193.33**	**196,429,837.79**	**123,066,110.95**	**412,163.59**	**99,378,756.58**

19. Deferred tax assets and deferred tax liabilities

(1) Deferred tax assets and deferred tax liabilities before offsetting

Item	Closing balance		Beginning balance	
	Deductible or taxable timing differences	Deferred tax assets or liabilities	Deductible or taxable timing differences	Deferred tax assets or liabilities
Deferred tax assets:				
Lease liabilities	158,022,912.03	32,039,271.62	160,075,240.00	34,968,263.54
Deductible tax loss	108,074,162.67	16,211,124.40	151,457,484.45	22,720,454.29
Provision for bad debts	91,316,360.80	13,851,194.11	99,325,781.21	15,211,608.43
Assets depreciation and amortization differences	21,615,500.11	4,735,941.58	59,158,330.29	12,190,081.78
Deferred income	18,172,076.65	2,835,528.01	12,433,040.16	1,992,737.61
Provision for impairment of assets	9,485,267.98	1,435,942.36	9,717,050.29	1,466,496.52
Internal transactions	1,625,166.13	243,774.92	1,226,200.17	273,454.02
Provision	15,376,038.01	2,306,405.70		
Accrued expenses	18,582,632.60	2,787,394.89		
Subtotal	**442,270,116.98**	**76,446,577.59**	**493,393,126.57**	**88,823,096.19**
Deferred tax liabilities:				
Increase in asset appraisal value under business combination not under common control	8,827,912.52	2,206,978.13	9,159,305.70	2,267,251.32
Changes in fair value of receivables financing recognised in other comprehensive income	30,175,900.00	4,526,385.00	28,975,900.00	4,346,385.00
Right-of-use assets	160,624,078.38	32,031,751.83	157,374,451.92	33,292,889.71
Subtotal	**199,627,890.90**	**38,765,114.96**	**195,509,657.62**	**39,906,526.03**

(2) Deferred income tax assets or liabilities presented on a net basis after offsetting

Item	Offset amount of deferred tax assets and liabilities at year end	Closing balance of deferred tax assets or liabilities after offsetting	Offset amount of deferred tax assets and liabilities in prior year	Beginning balance of deferred tax assets or liabilities after offsetting
Deferred tax assets	37,362,622.54	39,083,955.05	39,677,762.58	49,145,333.61
Deferred tax liabilities	37,362,622.54	1,402,492.43	39,677,762.58	228,763.45

(3) Deductible temporary differences and deductible tax losses of unrecognized deferred tax assets

Item	Closing balance	Beginning balance
Deductible temporary differences	42,029,948.15	42,029,948.15
Total	**42,029,948.15**	**42,029,948.15**

20. Other non-current assets

Item	Closing balance			Beginning balance		
	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
Prepaid project funds	8,381,836.31		8,381,836.31	8,490.57		8,490.57
Contract performance cost				241,427.71		241,427.71
Large denomination certificates of deposit and accrued interest	154,849,658.47		154,849,658.47	151,399,658.47		151,399,658.47
Total	**163,231,494.78**		**163,231,494.78**	**151,649,576.75**		**151,649,576.75**

21. Ownership or using rights of assets subject to restriction

Item	Closing balance			
	Book balance	Carrying amount	Types of restriction	Restricted situation
Cash and bank balances	6,891,657.55	6,891,657.55	Bank acceptance bill security deposit	Security deposit
Cash and bank balances	3,981.89	3,981.89	Demand deposit security deposits	Security deposits
Notes receivable	837,963.78	837,963.78	Discounted bills not derecognized	Discounted
Total	**7,733,603.22**	**7,733,603.22**		

Continued:

Item	Beginning balance			
	Book balance	Carrying amount	Types of restriction	Restricted situation
Cash and bank balances	7,420,000.00	7,420,000.00	Frozen by court	Frozen
Cash and bank balances	5,448,998.06	5,448,998.06	Deposits for bank acceptance bills	Security deposits
Cash and bank balances	1,000.00	1,000.00	ETC deposit for official vehicles	Deposit
Total	**12,869,998.06**	**12,869,998.06**		

22. Short-term loans

Item	Closing balance	Beginning balance
Factoring financing Amount		12,062,465.76
Pledged loan	837,963.78	
Unsecured loans	16,983,488.89	
Total	**17,821,452.67**	**12,062,465.76**

Note: The pledged loan of RMB837,963.78 represents the portion of discounted notes receivable that has not been derecognized.

23. Notes payable

Category	Closing balance	Beginning balance
Bank acceptance bills	669,339,446.88	496,060,939.76

24. Accounts payable

Item	Closing balance	Beginning balance
0-3 months	1,697,444,086.55	1,703,178,056.95
4-6 months	12,061,011.63	5,768,951.81
7-12 months	9,047,543.01	1,936,378.27
1-2 years	851,778.13	15,455,608.47
2-3 years	7,878,233.95	5,483,581.10
Over 3 years	1,745,274.41	773,196.99
Total	**1,729,027,927.68**	**1,732,595,773.59**

Note: Trade payables are interest-free and generally settled within 90 days. The aging of accounts payable is calculated based on the invoice date.

Including significant accounts payable ageing over 1 year

Item	Closing balance	Reasons for outstanding or not transferred
Chongqing Minsheng Comprehensive Logistics Co., Ltd.	5,348,162.23	Reconciliation in progress
Chongqing Yuyu Logistics Co., Ltd.	4,837,706.19	Reconciliation in progress
Jiangxi Shengyue Lianzhong Supply Chain Management Co., Ltd.	4,354,878.73	Reconciliation in progress
Total	**14,540,747.15**	

25. Advance receipts

Project	Closing balance	Beginning balance
Within 1 year (including 1 year)	632,040.00	45,139.42

26. Contract liabilities

Item	Closing balance	Beginning balance
Advance receipts of transportation and storage	162,567,759.72	15,899,001.07
Less: Contract liabilities included in other current liabilities	943,452.99	1,163,437.85
Total	**161,624,306.73**	**14,735,563.22**

27. Employee benefits payables

Item	Beginning balance	Increase	Decrease	Closing balance
Short-term employee benefits	149,767,366.83	595,658,955.61	615,243,623.49	130,182,698.95
Post-employment benefits -Defined contribution plans	299,932.29	57,440,524.00	57,374,627.71	365,828.58
Termination benefits	2,516,931.76	-1,347,671.40	1,169,260.36	
Total	**152,584,230.88**	**651,751,808.21**	**673,787,511.56**	**130,548,527.53**

(1) Short-term employee benefits

Item	Beginning balance	Increase	Decrease	Closing balance
Salaries, bonus and allowances	104,983,022.05	447,892,039.09	468,342,761.06	84,532,300.08
Staff welfare		44,206,473.49	44,203,414.92	3,058.57
Social insurances	131,235.54	29,912,033.12	29,958,345.28	84,923.38
Including: 1. Medical insurance	123,702.53	26,413,969.95	26,455,357.47	82,315.01
2. Work injury insurance	7,533.01	3,117,912.21	3,122,836.85	2,608.37
3. Maternity insurance		380,150.96	380,150.96	
Housing fund	115,750.99	42,787,185.93	42,536,812.75	366,124.17
Union funds and staff education	44,513,344.54	15,539,374.64	14,880,440.14	45,172,279.04
Non-monetary benefits		566,020.74	566,020.74	
Other short-term employee benefits	24,013.71	14,755,828.60	14,755,828.60	24,013.71
Total	**149,767,366.83**	**595,658,955.61**	**615,243,623.49**	**130,182,698.95**

(2) Defined contribution plans

Item	Beginning balance	Increase	Decrease	Closing balance
Post-employment benefits				
Including: Basic pension insurance	261,679.65	47,951,265.09	47,919,686.33	293,258.41
Unemployment insurance	14,203.45	1,606,637.05	1,601,263.71	19,576.79
Corporate annuity plan	24,049.19	7,882,621.86	7,853,677.67	52,993.38
Total	**299,932.29**	**57,440,524.00**	**57,374,627.71**	**365,828.58**

(3) Termination benefits

Item	Beginning balance	Increase	Decrease	Closing balance
Termination benefits	2,516,931.76	-1,347,671.40	1,169,260.36	

Note: The negative increase in termination benefits in the current period is due to the reversal of previously accrued termination benefits, as it was confirmed in the current period that such amounts are no longer required to be paid.

28. Taxes payable

Taxation	Closing balance	Beginning balance
Value-added tax	15,172,033.00	11,421,367.90
Enterprise income tax	9,969,788.59	9,742,000.46
Individual income Tax	5,957,760.99	3,249,879.46
Urban maintenance and construction tax	357,988.17	770,439.70
Property tax	2,305,739.66	2,210,257.87
Education surcharge	211,545.13	369,602.64
Local education surcharges	26,831.98	130,595.12
Land use tax	587,768.72	694,478.74
Stamp duty	716,950.10	1,323,875.63
Other taxes	672.60	27,505.68
Total	**35,307,078.94**	**29,940,003.20**

29. Other payables

Item	Closing balance	Beginning balance
Interest payable		
Dividends payable	10,103,200.00	
Other payables	431,664,763.88	352,309,223.32
Total	**441,767,963.88**	**352,309,223.32**

(1) Dividends payable

Item	Closing balance	Beginning balance
Dividends on ordinary shares	10,103,200.00	

(2) Other payables

Item	Closing balance	Beginning balance
Current accounts	48,280,002.12	198,732,537.62
Warranty deposits	223,861,004.97	153,571,423.28
Paid on behalf	4,391,972.68	
Others	155,131,784.11	5,262.42
Total	**431,664,763.88**	**352,309,223.32**

30. Non-current liabilities due within one year

Item	Closing balance	Beginning balance
Long-term loans due within one year	16,212,600.00	13,416,740.82
Provisions due within one year	15,376,038.01	
Lease liabilities due within one year	73,280,158.16	62,680,883.06
Total	**104,868,796.17**	**76,097,623.88**

Note: The Group unertook a new business of KD (Knocked Down) parts assembly and export in 2025. Pursuant to the relevant agreements, the customer has the right to claim for any product damage found upon unpacking inspection. Based on historical experience and the assessment of damage conditions, the Group adopted a certain damage rate as the best estimate and accrued RMB15,376,038.01 of provisions in the current year.In accordance with the expected transportation and inspection schedule, the entire amount of such provisions is due within one year and is presented under "Non-current liabilities due within one year".

(1) Long-term loans due within one year

Item	Closing balance	Beginning balance
Unsecured loans	16,212,600.00	13,416,740.82

31. Other current liabilities

Item	Closing balance	Beginning balance
Output VAT pending for transfer	943,452.99	1,291,474.78
Endorsed notes receivable not yet derecognized	9,787,482.28	12,294,483.18
Total	**10,730,935.27**	**13,585,957.96**

32. Long term loans

(1) Long term loan classification

Item	Closing balance	Range of interest rate (%)	Beginning balance	Range of interest rate (%)
Unsecured loans	16,212,600.00	3.25-3.50	13,416,740.82	3.65-3.90
Subtotal	**16,212,600.00**		**13,416,740.82**	
Less: Long-term loans due within one year	16,212,600.00		13,416,740.82	
Total				

(2) Analysis of maturity date of long-term loan

Item	Closing balance	Beginning balance
Within one year	16,212,600.00	13,416,740.82
Total	**16,212,600.00**	**13,416,740.82**

33. Lease liabilities

Item	Closing balance	Beginning balance
Lease payment	164,516,340.80	167,973,155.60
Less: Unrecognized financing expenses	6,493,428.77	7,897,915.60
Less: Lease liabilities due within one year	73,280,158.16	62,680,883.06
Total	**84,742,753.87**	**97,394,356.94**

Note: The interest expense for lease liabilities recognized in 2025 amounted to RMB5,508,925.18, which recorded under financial expenses - interest expenses at RMB5,508,925.18.

34. Deferred income

Item	Beginning balance	Increase	Decrease	Closing balance	Cause
Subsidies for the "Chongqing-Made Cars Going Global" Project		10,090,339.17		10,090,339.17	Government grants
Liangjiang New Area Financial Subsidy	2,933,333.35		133,333.33	2,800,000.02	Government grants
Supply chain system construction subsidy funds	1,352,931.06		296,646.23	1,056,284.83	Government grants
Chongqing Municipal People's Government Port and Logistics Office support port logistics development subsidies	2,787,758.98	1,050,000.00	2,787,758.98	1,050,000.00	Government grants
Government subsidies for land purchase loan with China Merchants Bank	904,075.64		26,590.46	877,485.18	Government grants
Ford after-sales parts D1, D2 site improvement project compensation	921,634.80		92,163.48	829,471.32	Government grants
Supply Chain Intelligent Logistics Consolidation Centre Stereoscopic Warehouse Construction	619,615.05		105,330.00	514,285.05	Government grants
Hangzhou Qiantang New District Fixed assets investment subsidy	535,200.79		34,320.66	500,880.13	Government grants
Subsidy for scrapping and upgrading old freight vehicles		460,000.00	88,669.05	371,330.95	Government grants
Changan Minsheng Hangzhou Auto Parts Manufacturing and Distribution Project	123,000.00		41,000.00	82,000.00	Government grants
5G+ collaborative manufacturing project	2,250,000.00		2,250,000.00		Government grants
Application Demonstration Project of Regional Automotive Industry Ecological Circle Network Collaborative Manufacturing Shared Cloud Service Platform	5,490.49		5,490.49		Government grants
Award from Municipal Special Fund for Industry and Information Technology Projects		1,550,000.00	1,550,000.00		Government grants
Total	12,433,040.16	13,150,339.17	7,411,302.68	18,172,076.65	

Note: Government grants recorded as deferred income refer to Note VIII. Government grants.

35. Other non-current liabilities

Item	Closing balance	Beginning balance
Party building funds	6,847.20	6,847.20

36. Share capital

Item	Beginning balance	Movement in the year: Issue of new shares	Bonus shares	Provident fund Share transfer	Other	Subtotal	Closing balance
Total shares	162,064,000.00	40,000,000.00				40,000,000.00	202,064,000.00

Note: On 22 August 2024, the Company entered into a share subscription agreement with SIAMC. The Company conditionally agreed to allot and issue, and SIAMC conditionally agreed to subscribe for 40,000,000 new domestic shares, at a subscription price of RMB2.54648 per share (equivalent to HK$2.78), with an aggregate cash consideration of RMB101,859,200 (equivalent to approximately HK$111,200,000).The proposal was duly approved by way of poll at the general meeting of shareholders held on 22 November 2024.On 6 March 2025, the Company received the Approval on the Registration of the Issue of Shares to Specific Investors by Chongqing Changan Minsheng APLL Logistics Co., Ltd. (Zheng Jian Xu Ke [2025] No. 373) issued by the China Securities Regulatory Commission on 27 February 2025 (the date of approval of registration),whereby the China Securities Regulatory Commission has approved the registration application for the issue of 40,000,000 domestic shares (inclusive) by the Company. The Company completed the share subscription and formally allotted and issued 40,000,000 shares to SIAMC on 26 May 2025.

37. Capital reserve

Item	Beginning balance	Increase	Decrease	Closing balance
Capital premium	67,111,332.11	60,149,054.09		127,260,386.20
Other capital reserve	-31,917.06	37,925.31		6,008.25
Total	**67,079,415.05**	**60,186,979.40**		**127,266,394.45**

Note: Share premium increased by RMB60,149,054.09, details of which are set out in Note 36 – Share Capital.Other changes in capital reserves amounted to RMB37,925.31, representing the other equity changes of the jointly controlled entity Chongqing Orchard Port Ro-Ro Terminal Co., Ltd. recognized under the equity method in the current year.

38. Other comprehensive income

Other comprehensive income attributable to the parent company in the balance sheet:

Item	Beginning balance (1)	Current year: Amount attributable to parent company after tax(2)	Current year: Less: Included in other comprehensive income in the previous period and transferred to retained earnings in the current period(3)	Closing balance (4) =(1) +(2) -(3)
I. Other comprehensive income not reclassified into profit or loss subsequently				
1.Changes in fair value of other equity instrument investments	24,629,515.00	1,020,000.00		25,649,515.00
II. Other comprehensive income that will be reclassified into profit or loss subsequently				
1.Foreign currency translation reserve		129,503.96		129,503.96
Total other comprehensive income	**24,629,515.00**	**1,149,503.96**		**25,779,018.96**

Other comprehensive income attributable to the parent company in the income statement:

Item	Current year Amount before tax(1)	Less: transferred to profit or loss in current year(2)	Less: Income tax expenses(3)	Less: Amount attributable to minority interests after tax(4)	Amount attributable to parent company after tax(5) =(1) -(2) -(3) -(4)
I. Other comprehensive income not reclassified into profit or loss subsequently					
1.Other comprehensive income not recyclable to profit or loss under equity method	1,200,000.00		180,000.00		1,020,000.00
II. Other comprehensive income that will be reclassified into profit or loss subsequently					
1.Other comprehensive income not recyclable to profit or loss under equity method	322,900.15			193,396.19	129,503.96
Total other comprehensive income	**1,522,900.15**		**180,000.00**	**193,396.19**	**1,149,503.96**

Note: The after-tax net amount of other comprehensive income for the current period is RMB1,342,900.15. Among which, the portion attributable to the shareholders of the parent company is RMB1,149,503.96; the portion attributable to the minority interests is RMB193,396.19.

39. Special reserve

Item	Beginning balance	Increase	Decrease	Closing balance
Safety production fee	11,982,773.50	10,305,718.91	11,016,455.32	11,272,037.09

40. Surplus reserve

Item	Beginning balance	Increase	Decrease	Closing balance
Statutory surplus reserve	81,032,000.00	2,768,586.76		83,800,586.76
Discretionary surplus reserve	4,835,093.00			4,835,093.00
Total	**85,867,093.00**	**2,768,586.76**		**88,635,679.76**

41. Undistributed profits

Item	Current year	Prior year
Closing balance of undistributed profits of prior year before adjustment	1,695,876,393.45	1,668,384,520.71
Total adjustments of beginning undistributed profits		
Beginning balance of undistributed profits after adjustment	1,695,876,393.45	1,668,384,520.71
Add: Net profit attributable to parent company for the current year	40,235,553.58	59,943,006.45
Less: Appropriation of statutory surplus reserve	2,768,586.76	
Appropriation for dividends to ordinary shares	50,516,000.00	32,451,133.71
Appropriation for dividends to other equity holders		
Dividend to ordinary shares converted to share capital		
Closing balance of undistributed profits	1,682,827,360.27	1,695,876,393.45
Including: the portion of the retained earnings allocated to the parent company for the year	3,791,172.47	2,293,183.75

Note: Pursuant to the Resolution of the 2024 Annual General Meeting of the Company dated 27 June 2025, the dividend distribution plan for the year 2024 was approved as follows: a cash dividend of RMB0.2 per share (tax inclusive) to all shareholders, representing a total amount of RMB40,412,800. Pursuant to the Resolution of the Second Extraordinary General Meeting of the Company dated 28 November 2025, the interim dividend distribution plan for the year 2025 was approved as follows: a cash dividend of RMB0.05 per share (tax inclusive) to all shareholders, representing a total amount of RMB10,103,200.

42. Operating income and operating cost

(1) Operating income and operating cost

	Current year		Prior year	
Item	Revenue	Cost	Revenue	Cost
Primary operations	9,506,618,699.66	9,100,289,693.65	8,939,763,695.95	8,556,962,914.80
Other operations	25,017,575.05	1,556,366.54	23,444,575.77	2,948,137.00
Total	**9,531,636,274.71**	**9,101,846,060.19**	**8,963,208,271.72**	**8,559,911,051.80**

(2) Operating revenue and operating costs based on the timing of goods transfer

	Current year			
	Transportation service		Others	
Item	Revenue	Cost	Revenue	Cost
Primary operations				
Including: Recognized at a point in time	9,506,618,699.66	9,100,289,693.65		
Other operations				
Including: Recognized at a point in time			25,017,575.05	1,556,366.54
Total	**9,506,618,699.66**	**9,100,289,693.65**	**25,017,575.05**	**1,556,366.54**

(3) Description of Performance Obligations

Provision of services:

Revenue from the provision of services by the Group includes transportation services for finished vehicles, logistics services for automobile parts and components and raw materials, supply chain management services for parts and components, and transportation services for non-automobile commodities. After the completion of the Group's transportation services and warehousing and logistics services and the completion of the regular reconciliations with the customers, the services rendered are recognised and the Company recognises the related revenue. In these services, the Group assumes the main performance obligations for services such as transport from the customers and is the primary obligor. Payment for these services is generally due within 90 days after acceptance of the complete vehicle, auto parts or non-vehicle merchandise.

Sales of goods:

Performance obligations are fulfilled when the goods are delivered and the customer obtains control of the goods, and payment is generally required within 90 days after delivery of the goods.

43. Taxes and surcharges

Item	Current year	Prior year
Property tax	9,656,426.01	9,228,152.51
Stamp duty	7,206,497.79	7,897,056.52
Land use tax	6,701,016.75	6,568,482.08
Urban maintenance and construction tax	3,529,255.96	5,038,009.22
Education surcharge	1,520,241.41	2,181,155.44
Local education surcharge	1,046,933.19	1,454,103.63
Vehicle and vessel use tax	67,068.42	61,206.58
Others	349,493.53	150,797.91
Total	**30,076,933.06**	**32,578,963.89**

Note: For details of the rates of various taxes and surcharges, please refer to Note 4, Taxation.

44. Selling expenses

Item	Current year	Prior year
Employee's salary	49,605,805.99	40,011,842.89
Travel expenses	2,617,988.96	2,829,131.30
Advertising fees	1,906,389.26	664,746.08
Service fees	1,484,434.18	
Depreciation	1,375,612.86	1,741,242.37
Business entertainment expenses	1,069,281.09	1,167,831.95
Conference fees	1,056,028.38	261,930.09
Amortization of intangible assets	489,828.74	274,936.01
Utility bill	453,041.53	769,154.53
Rental fees	116,673.12	259,991.50
Low value consumables	112,824.63	145,280.34
Safety expenses	100,012.62	203,174.08
Communication fees	81,795.56	96,684.86
Office expenses	47,999.77	68,060.39
Depreciation of right-of -use assets	41,801.95	
Service charge		5,095.24
Repair fee	-312,451.21	547,300.29
Others	615,350.54	1,514,636.78
Total	**60,862,417.97**	**50,561,038.70**

45. Administrative expenses

Item	Current year	Prior year
Employee's salary	176,805,145.14	168,410,206.96
Depreciation and amortization	21,703,014.68	19,120,017.90
Depreciation of right-of -use assets	7,001,953.24	3,778,749.34
Repair fee	4,271,805.30	2,228,355.40
Travel expenses	3,916,406.23	3,923,767.39
Hiring intermediary agency fee	1,940,827.76	1,865,276.12
Utility bill	1,922,788.92	3,457,034.09
Business entertainment expenses	1,850,591.98	2,429,712.37
Short-term rental expenses	1,767,993.75	803,619.24
Board of Directors fees	1,457,950.01	3,875,258.41
Depreciation of right-of -use assets	1,310,614.52	5,333,196.07
Communication fees	1,305,683.16	1,439,638.19
Consulting service fees	800,627.60	2,847,371.23
Office expenses	675,599.57	1,114,695.46
Property insurance premium	499,643.89	448,296.89
Disability employment security changes	236,724.68	347,629.22
Conference fee	48,047.48	573,564.74
Service charge	22,162.31	150,040.28
Vehicle expenses	1,052.92	188,272.55
Security fees		244,437.84
Others	12,185,756.59	9,364,175.51
Total	**239,724,389.73**	**231,943,315.20**

46. Research and development expenses

Item	Current year	Prior year
Employee's salary	14,941,392.37	20,111,593.09
Material fee	71,767.98	300,793.47
Utility bill	18,328.39	21,216.78
Depreciation	12,182.86	932,928.26
Amortization of intangible assets	7,171.06	1,441,056.22
Rental fees		32,561.60
Others	758,269.27	171,563.07
Total	**15,809,111.93**	**23,011,712.49**

47. Financial expenses

Item	Current year	Prior year
Interest expense	8,165,057.28	13,967,111.72
Less: Interest income	15,263,772.68	19,162,321.53
Exchange gain or loss	15,177,744.67	4,783,900.36
Bank charges and others	1,115,227.57	1,023,125.43
Total	**9,194,256.84**	**611,815.98**

48. Other income

Item	Current year	Prior year
Government grants	20,236,273.98	15,757,943.96
Refund of individual income tax handling fee	256,335.45	41,191.39
Value added tax incentives	25,500.00	172,317.76
Total	**20,518,109.43**	**15,971,453.11**

Note: Detail information of government grants refers to Note VIII. Government grants.

49. Investment income

Item	Current year	Prior year
Income from long-term equity investment by equity method	45,957.81	159,411.85
Investment income generated from the disposal of long-term equity investments	3,236.51	59,967,452.77
Discount interest on derecognised notes	-36,131.48	-1,103,078.96
Total	**13,062.84**	**59,023,785.66**

50. Credit impairment loss ("-" for loss)

Item	Current year	Prior year
Bad debts of notes receivable		36.57
Bad debts of accounts receivable	5,906,932.90	-6,190,610.85
Bad debts of other receivables	966,418.73	-1,631,156.83
Total	**6,873,351.63**	**-7,821,731.11**

51. Assets impairment loss ("-" for loss)

Item	Current year	Prior year
Impaired loss of contract assets	-104,345.16	-370,060.22
Impairment loss of prepayments	2,763.09	582,160.95
Impairment losses on long-term equity investments		-42,029,948.15
Impairment loss of investment properties	-667,236.46	-867,887.32
Total	**-768,818.53**	**-42,685,734.74**

52. Gains from disposal of assets ("-" for Loss)

Item	Current year	Prior year
Gain from disposal of fixed assets ("-" for Loss)	587,456.98	2,459,443.16
Gain from disposal of right-of-use assets ("-" for Loss)	389,668.22	1,958,748.34
Total	**977,125.20**	**4,418,191.50**

Note: The amount of RMB389,668.22 represents gains from the early termination of right-of-use assets or lease changes.

53. Non-operating income

Item	Current year	Prior year	Amount included in non-recurring gains and losses
Gain from retirement of non-current assets	738,603.51	545,995.94	738,603.51
Government subsidies unrelated to daily activities	66,000.00	30,531.00	66,000.00
Gain from inventory surplus	12.84		12.84
Penalty revenue	877,791.02	165,703.01	877,791.02
Unpaid payables	111,332.30	6,299.69	111,332.30
Compensation income of breach of contract	9,226.21	132,360.98	9,226.21
Insurance claims income	43,518.77	116,205.48	43,518.77
Others	1,628,864.95	1,968,578.58	1,628,864.95
Total	**3,475,349.60**	**2,965,674.68**	**3,475,349.60**

Note: Detail information of government grants refers to Note VIII. Government grants.

54. Non-operating expenses

Item	Current year	Prior year	Amount included in non-recurring gains and losses
Loss of damage and scraping of non-current assets	2,268,715.27	165,619.26	2,268,715.27
Extraordinary loss	10,615,865.36	50.00	10,615,865.36
Deficits in physical count	9,224,114.33	828,176.46	9,224,114.33
Penalty expenses	95,928.52	127,521.55	95,928.52
Donations	600,000.00	600,000.00	600,000.00
Compensation expenses	295,843.77	64,206.17	295,843.77
Decided litigation losses	1,339,798.16	2,349,538.09	1,339,798.16
Others	630,575.50	270,542.12	630,575.50
Total	**25,070,840.91**	**4,405,653.65**	**25,070,840.91**

Notes: 1. An extraordinary loss of RMB10,615,865.36 was incurred during the period. It mainly consists of a flood loss of RMB494,500.00 and a fire loss of RMB9,950,000.00 incurred by Changan Minsheng APLL Logistics Co., Ltd. Hebei Branch.

(1) Changan Minsheng APLL Logistics Co., Ltd. Hebei Branch suffered waterlogging in its warehouse due to the heavy rainstorm in Dingzhou on 9 August 2024, resulting in damage to the goods stored and held in custody for warehouse customers. As there were a large number of warehouse customers (approximately 29 at the initial stage) with a wide variety and large quantity of stored goods, the inspection and confirmation of customer goods losses were basically completed by November 2024.Hebei Branch had fully insured the stored goods. Following the flood incident, the branch filed a claim with the insurance company and completed the inventory check of all damaged goods in cooperation with the insurance company and insurance adjuster by 25 September 2024.At the end of 2024, the Company's management judged that the exposure in respect of the losses of the held-in-custody goods for which the Company was liable was relatively small, and the specific loss amount could not be confirmed before the final compensation amount was determined. During the current year, based on the preliminary compensation scheme reached by the Company's management with customers and the insurance company, the loss amount was confirmed at RMB494,500.00.

(2) Changan Minsheng APLL Logistics Co., Ltd. Hebei Branch's warehousing service supplier, Dingzhou Jinhao Trading Co., Ltd., suffered a fire accident on 9 May 2025. All goods stored therein belonging to 11 suppliers outsourced by Hebei Branch were completely destroyed in the fire. Upon confirmation with customers, Hebei Branch expects to bear customer goods loss compensation of RMB9,950,000.00.

Notes:2. During the inventory count of goods held in custody for customers, Changan Minsheng APLL Logistics Co., Ltd. Shandong Branch identified a goods discrepancy of RMB8,424,061.21. Preliminary review indicated that the discrepancy arose from container handover differences during the warehouse relocation in September 2023 and accumulated inspection quantity differences during the warehousing process. Based on records from the warehouse management system and the amount approved by management, the loss amount of RMB8,424,061.21 was confirmed.

55. Income tax expenses

(1) Details of income tax expenses

Item	Current year	Prior year
Current income tax	17,976,961.42	16,000,514.08
Deferred income tax	10,960,904.51	7,677,604.23
Total	**28,937,865.93**	**23,678,118.31**

(2) Reconciliation between income tax expenses and accounting profits

Item	Current year	Prior year
Profit before tax	80,140,444.25	92,056,359.11
Income tax expenses calculated at statutory (or applicable) tax rates (Profit before tax*15%)	12,021,066.64	13,808,453.87
Impact from tax preferential rates on certain subsidiaries	3,367,488.35	4,376,771.75
Adjustment to income tax in prior year	2,453,042.92	629,454.39
Gain or loss from investments in associates and joint ventures by equity method	-7,379.15	-23,911.78
Non-taxable income		
Non-deductible costs, expenses and losses	9,781,515.99	2,159,302.95
Effect of Tax Rate Changes on the Opening Balance of Deferred Tax Assets/Liabilities		
Utilization of tax losses in prior years that are not recognized as deferred tax assets	-2,063,457.18	-1,537,676.75
Unrecognized tax losses and deductible temporary differences	2,742,438.81	6,304,492.22
Impact of super-deduction of research and development expenses	-799,102.52	-3,465,862.01
Others	1,442,252.07	1,427,093.67
Income tax expenses	28,937,865.93	23,678,118.31

56. Notes to cash flows statement

(1) Other cash received relating to operating activities

Item	Current year	Prior year
Deposits interest income	9,406,727.16	11,425,743.57
Operating Rental income	862,006.48	1,381,481.34
Government grants income	25,997,690.06	15,820,558.16
Penalty revenue	711,419.64	165,703.01
Income from liquidated damages	692,577.98	132,360.98
Non-operating income related to other business activities	195,002.24	178,499.00
Receipts of operational Current accounts	17,832,456.63	101,268,882.95
Income from waste purchase and other operating activities	2,785,972.44	718,282.32
Security deposits received	135,835,246.27	76,839,036.28
Security deposits collected and returned	23,095,560.28	7,053,508.04
Other income	1,663,919.83	20,584,892.22
Net income	191,433,491.68	1,421,481,467.19
Others	141,435,302.04	39,797,940.54
Total	551,947,372.73	1,696,848,355.60

(2) Other cash paid relating to operating activities

Item	Current year	Prior year
Handling fee expenses (in financial expenses)	1,115,227.57	1,023,125.43
Pay cash for Selling expenses	17,827,378.63	10,169,138.13
Pay cash for administrative expenses	48,646,377.91	42,707,306.53
Penalty expenses	1,097,096.47	127,521.55
Cash donation expenditure	600,000.00	600,000.00
Liquidated damages expenses	7,432,418.21	64,206.17
Non-operating expenses related to other business activities	3,828.75	870,542.12
Payment of operational Current accounts	212,533,082.46	216,063,049.84
Payment Deposits and security deposits	110,496,983.79	19,887,792.35
Security deposits refund	8,183,798.50	38,941,097.74
Expenditures accounted for by the net method	191,433,491.68	1,421,481,467.19
Others	15,497,864.03	9,123,823.22
Total	614,867,548.00	1,761,059,070.27

(3) Other cash paid relating to investing activities

Item	Current year	Prior year
Reclassify negative net cash received from disposal of subsidiaries		21,930,498.54

(4) Other cash paid relating to financing activities

Item	Current year	Prior year
Repayment of lease liabilities	83,579,355.86	94,566,066.18

57. Supplement to cash flow statement

(1) Supplement to cash flow statement

Supplement information	Current year	Prior year
1. Reconciliation of net profit to cash flow from operating activities:		
Net profit	51,202,578.32	68,378,240.80
Add: Assets impairment loss	768,818.53	42,685,734.74
Credit impairment loss	-6,873,351.63	7,821,731.11
Depreciation of Depreciation of fixed assets and investment properties	97,312,614.84	106,887,150.77
Depreciation of right-of-use assets	76,261,183.03	81,568,649.12
Amortization of intangible assets	23,097,660.29	24,305,240.48
Long-term prepaid expenses amortization	123,066,110.95	6,147,863.09
Losses on disposal of fixed assets, intangible assets and other long-term assets (Gain as in "-")	-977,125.20	-4,418,191.50
Loss on retirement of fixed assets (Gain as in "-")	1,530,111.76	-380,376.68
Losses on changes in fair value (Gain as in "-")		
Financial expenses (Gain as in "-")	1,715,035.36	17,351,353.61
Investment losses (Gain as in "-")	13,062.84	-59,023,785.66
Decrease in deferred tax assets (Increase as in "-")	10,061,378.56	14,651,131.83
Increase in deferred tax liabilities (Decrease as in "-")	1,173,728.98	-12,321,743.41
Decrease in inventories (Increase as in "-")	-3,416,282.45	14,786,039.09
Decrease in operating receivables (Increase as in "-")	-839,702,210.23	-215,269,362.01
Increase in operating payables (Decrease as in "-")	247,270,901.74	267,401,602.31
Others		
Net cash flows from operating activities	-217,495,784.31	360,571,277.69

continued…

(1) Supplement to cash flow statement (continued)

Supplement information	Current year	Prior year
2. Significant investment or finance activities not involving cash:		
Conversion of debt into capital		
Convertible bonds mature within one year		
Additions to right-of-use assets	88,711,961.33	32,873,820.74
3. Net increase / (decrease) in cash and cash equivalents:		
Cash and bank balance at end of year	475,066,016.20	982,221,928.70
Less: cash and bank balance at beginning of year	982,221,928.70	849,334,512.98
Add: cash equivalents at end of year		
Less: cash equivalents at beginning of year		
Net increase in cash and cash equivalents	-507,155,912.50	132,887,415.72

(2) Details of cash and cash equivalents

Item	Closing balance	Beginning balance
I. Cash	475,066,016.20	982,221,928.70
Including: Cash on hand	10,135.60	20,126.17
Cash at bank readily available for payment	475,055,880.60	982,201,802.53
Other monetary fund readily available for payment		
II. Cash equivalents		
III. Cash and cash equivalents as at closing balance	475,066,016.20	982,221,928.70
Including: Restricted cash and cash equivalents held by the Company or subsidiaries of the Group		

(3) Cash and bank balances not classified as cash equivalents

Item	Closing balance	Beginning balance	Reason that does not belong to cash and cash equivalents
Bills deposit	6,895,639.44	5,448,998.06	Deposits for bank acceptance bills
Frozen in litigation		7,420,000.00	Frozen by court
Fixed deposits and interest	190,002,071.23		The deposit term is 1 year
Others		1,000.00	ETC deposit for official vehicles
Total	**196,897,710.67**	**12,869,998.06**	

58. Items in foreign currencies

(1) Items in foreign currencies

Item	Closing balance in foreign currency	Conversion rate	Closing balance translated into RMB
Cash and bank balances			79,440,426.00
Including: US Dollar	11,025,588.02	7.0288	77,496,653.07
Including: JPY	2,729.00	0.0448	122.25
Including: THB	8,734,766.16	0.2225	1,943,650.68
Accounts receivable			63,018,458.95
Including: US Dollar	8,076,541.67	7.0288	56,768,396.09
Including: THB	28,087,782.48	0.2225	6,250,062.86
Other receivable			517,275.76
Including: US Dollar	62,735.00	7.0288	440,951.77
Including: THB	343,000.00	0.2225	76,323.99
Accounts payable			38,832,891.00
Including: US Dollar	5,082,190.93	7.0288	35,721,703.61
Including: THB	13,981,676.15	0.2225	3,111,187.39
Other payables			3,243,988.55
Including: THB	118,149.77	7.0288	830,451.10
Including: US Dollar	10,846,437.30	0.2225	2,413,537.45

(2) Foreign Operation

The Company established CCM Logistics Co., Ltd., a new foreign operation, in 2025. Its principal place of business is located in Thailand. Based on the principal currency of the economic environment in which it conducts its production and business activities, Thai Baht (THB) is determined as its functional currency.

59. Leases

(1) As leasee

Item	Current year
Short-term rental expenses	83,682,020.78
Low-value rental expenses	11,707,691.94
Variable lease payments not included in the measurement of lease liabilities	2,690,805.34
Total cash outflows related to leases	97,630,737.79
Total	**195,711,255.85**

(2) As lessor

Operating leases

① Rental income

Item	Current year
Rental income	34,997,797.62
Including: Income related to variable lease payments not included in lease receipts	

② Total undiscounted lease payments to be received annually for each of the five accounting years following the balance sheet date, as well as the total undiscounted lease payments to be received for the remaining years

Period after balance sheet date	Closing balance	Beginning balance
In first year	1,541,602.32	430,000.00
In second year	1,511,601.59	320,000.00
In third year	1,491,601.59	325,000.00
In fourth year	1,549,520.85	
In fifth year	1,549,520.85	
Total	**7,643,847.21**	**1,075,000.00**

VI. Research and development expenses

Item	Current year Expensed amount	Current year Capitalised amount	Prior year Expensed amount	Prior year Capitalised amount
Employee's salary	14,941,392.37		20,111,593.09	
Material fee	71,767.98		300,793.47	
Depreciation and amortization	19,353.92		2,373,984.48	
Utility bill	18,328.39		21,216.78	
Rental fees			32,561.60	
Others	758,269.27		171,563.07	
Total	**15,809,111.93**		**23,011,712.49**	

VII. Interests in other entities

1. Interests in subsidiaries

(1) Group structure

Name of subsidiary	Registered capital	Paid-in capital	Business Type	Operating location	Place of registration	Business nature	Shareholding (%)		Acquisition method
							Direct	Indirect	
CMAL BO Yu Transportation Co., Ltd. (重慶長安民生博宇運輸有限公司)	60,000,000.00	60,000,000.00	Limited liability (sole proprietorship) (foreign investment)	Chongqing	Chongqing	Logistics	100.00		Set up by investment
Fulu International Logistics Co., Ltd. (福路國際物流有限公司)	60,000,000.00	11,500,000.00	Limited liability (sole proprietorship) (foreign investment)	Chongqing	Chongqing	Logistics	100.00		Set up by investment
Chongqing Saimei Shuzhi Technology Co., Ltd. (重慶賽美數智科技有限公司)	50,000,000.00	50,000,000.00	Limited liability (sole proprietorship of foreign investment)	Chongqing	Chongqing	Logistics	100.00		Set up by investment
Chongqing Changzu Feiyue Technology Co., Ltd. (重慶長足飛越科技有限公司)	50,000,000.00	50,000,000.00	Limited liability (controlled by residents)	Chongqing	Chongqing	Sale of packaging materials	55.00		Set up by investment
Chongqing Future Supply Chain Management Logistics Co, Ltd. (重慶福集供應鏈管理有限公司)	30,000,000.00	30,000,000.00	Limited liability (sole proprietorship of foreign invested)	Chongqing	Chongqing	Logistics	100.00		Set up by investment
Chongqing Changxiang Supply chain Technology Co., Ltd. (重慶長享供應鏈科技有限公司)	20,000,000.00	20,000,000.00	Limited liability (controlled by residents)	Chongqing	Chongqing	Logistics	70.00		Set up by investment
Nanjing CMSC Logistics Co., Ltd. (南京長安民生住久物流有限公司)	100,000,000.00	100,000,000.00	Limited liability (Sino-foreign joint venture)	Nanjing	Nanjing	Logistics	67.00		Set up by investment
Changan Minsheng (Shanghai) Supply Chain Co., Ltd. (長安民生(上海) 供應鏈有限公司)	30,000,000.00	30,000,000.00	Limited liability (sole proprietorship by a legal person)	Shanghai	Shanghai	Logistics	100.00		Set up by investment
Hangzhou Changan Minsheng Logistics Co., Ltd. (杭州長安民生物流有限公司)	610,000,000.00	610,000,000.00	Limited liability (wholly owned by foreign investment)	Hangzhou	Hangzhou	Logistics and tire assembly	100.00		Set up by investment
Wuhan Changjiang Zhilian Port Development Co., Ltd (武漢長江智聯港口發展有限公司)	30,000,000.00	30,000,000.00	Other limited liability company	Wuhan	Wuhan	Logistics	55.12		Business combination not under common control
CCM Logistics Co., Ltd.	7,650,506.50	7,650,506.50	Company Limited	Thailand	Thailand	Logistics	44.00		Set up by investment

Note: The Company holds 44% of the voting rights of CCM Logistics Co., Ltd. but still controls the entity. This is because the Company's voting rights in the Board of Directors of CCM exceed the majority, satisfying the control criterion.

(2) Significant non-wholly owned subsidiaries

Name of subsidiary	Minority shareholders shareholding (%)	Profit and loss attributable to minority shareholders in the current period	Dividends declared to minority shareholders in this period	Balance of Minority interests at the end of the period
Nanjing CMSC Logistics Co., Ltd. (南京長安民生住久物流有限公司)	33.00	5,515,149.99	13,200,000.00	88,630,278.43

(3) Principal financial information of significant non-wholly owned subsidiaries

	Closing balance					
Name of subsidiary	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Nanjing CMSC Logistics Co., Ltd. (南京長安民生住久物流有限公司)	369,777,489.61	157,919,777.52	527,697,267.13	212,379,074.96	46,741,590.88	259,120,665.84

Continued (1) :

	Beginning balance					
Name of subsidiary	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Nanjing CMSC Logistics Co., Ltd. (南京長安民生住久物流有限公司)	387,184,767.06	131,684,056.50	518,868,823.56	183,638,959.57	42,770,433.86	226,409,393.43

Continued (2) :

	Current year			
Name of subsidiary	Operating income	Net profit	Total comprehensive income	Cash flows from operating activities
Nanjing CMSC Logistics Co., Ltd. (南京長安民生住久物流有限公司)	600,104,333.14	16,712,575.73	16,712,575.73	31,888,495.36

Continued (3) :

	Prior year			
Name of subsidiary	Opening income	Net profit	Total comprehensive income	Cash flows from operating activities
Nanjing CMSC Logistics Co., Ltd. (南京長安民生住久物流有限公司)	579,910,770.15	16,167,115.72	16,167,115.72	35,489,857.78

2. Changes in the scope of consolidation due to other reasons

New establishment of CCM Logistics Co., Ltd., a subsidiary located in Thailand, during the current period has caused changes in the scope of the consolidated financial statements.

3. Interests in joint arrangement or associates

(1) Significant joint ventures or associates

Joint ventures or associates Name of entity	Place of business	Place of registration	Business nature	Shareholding (%) Direct	Shareholding (%) Indirect	Accounting treatment of investment
I. Associates						
Chongqing Guoyuan Ro-Ro Terminal Company Limited (重慶果園滾裝碼頭有限公司)	Chongqing	Chongqing	Logistics	31.00		Equity method

(2) Main financial information of significant associates

Item	Chongqing Guoyuan Ro-Ro Terminal Company Limited (重慶果園滾裝碼頭有限公司) Closing balance	Beginning balance
Current assets	27,534,897.04	19,577,374.48
Including: Cash and cash equivalents	6,707,143.63	5,890,932.92
Non-current assets	362,709,825.92	372,979,700.94
Total Assets	**390,244,722.96**	**392,557,075.42**
Current liabilities	6,978,348.25	5,250,547.88
Non-current liabilities	171,744,416.64	176,055,159.00
Total liabilities	**178,722,764.89**	**181,305,706.88**
Net assets	**211,521,958.07**	**211,251,368.54**
Including: Minority interests		
Owners' equity attributable to parent company	211,521,958.07	211,251,368.54
Share of net assets calculated based on shareholding ratio	65,571,807.36	65,487,924.25
Adjustments	4,742,023.91	4,742,023.91
Including: Goodwill	4,742,023.91	4,742,023.91
Provision for impairment of long-term equity investments	-42,029,948.15	-42,029,948.15
Carrying value of equity investment in associates	28,283,883.12	28,200,000.00
Fair value of publicly quoted equity investments		

Continued:

Item	Chongqing Guoyuan Ro-Ro Terminal Company Limited (重慶果園滾裝碼頭有限公司) Current year	Prior year
Operating income	35,380,635.39	29,953,010.00
Net profit	148,249.83	-6,341,990.83
Total comprehensive income	148,249.83	-6,341,990.83
Dividends received by the company from associates in the current period		

VIII. Government grants

1. Government grants recorded in deferred income

Item	Beginning balance	Increase	Decrease	Closing balance
Government subsidies related to assets	7,545,505.88	11,600,339.17	5,562,724.92	13,583,120.13
Government subsidies related to income	4,887,534.28	1,550,000.00	1,848,577.76	4,588,956.52
Total	**12,433,040.16**	**13,150,339.17**	**7,411,302.68**	**18,172,076.65**

(1) Government grants recorded as deferred income and measured at gross amount method subsequently

Subsidy item	Beginning balance	Additions during the year	Amount recognized in profit or loss in the year	Other changes	Closing balance	Item presented in profit or loss in the year
Government subsidies related to assets						
Subsidies for the “Chongqing-Made Cars Going Global” Project		10,090,339.17			10,090,339.17	Other income
Supply chain system construction subsidy funds (supply chain system construction platform subsidy income)	1,352,931.06		296,646.23		1,056,284.83	Other income
Logistics market entity cultivation policy incentive funds	2,787,758.98	1,050,000.00	2,787,758.98		1,050,000.00	Other income
Supply Chain Intelligent Logistics Consolidation Centre Stereoscopic Warehouse Construction Project	619,615.05		105,330.00		514,285.05	Other income
Hangzhou Qiantang New District Fixed assets investment subsidy	535,200.79		34,320.66		500,880.13	Other income
Subsidy for Scrapping Old Operational Vehicles and Purchasing New Ones		460,000.00	88,669.05		371,330.95	Other income
5G+ collaborative manufacturing project	2,250,000.00		2,250,000.00			Other income
Sub-total	**7,545,505.88**	**11,600,339.17**	**5,562,724.92**		**13,583,120.13**	
Government subsidies related to income						
Liangjiang New Area Financial Subsidy	2,933,333.35		133,333.33		2,800,000.02	Other income
Government subsidies for land purchase	904,075.64		26,590.46		877,485.18	Other income
Ford after-sales parts D1, D2 site improvement project compensation	921,634.80		92,163.48		829,471.32	Other income
Hangzhou Changan Minsheng Auto Parts Manufacturing and Distribution Project	123,000.00		41,000.00		82,000.00	Other income
Application Demonstration Project of Regional Automotive Industry Ecological Circle Network Collaborative Manufacturing Shared Cloud Service Platform	5,490.49		5,490.49			Other income
Government Grants - Municipal Industry and Information Technology Special Fund		1,550,000.00	1,550,000.00			Other income
Sub-total	**4,887,534.28**	**1,550,000.00**	**1,848,577.76**		**4,588,956.52**	
Total	12,433,040.16	13,150,339.17	7,411,302.68		18,172,076.65	

2. Government grants recognized in income for the year by gross method

Types	Amount recognized in profit or loss for the current period	Amount recognized in profit or loss in the previous period	Reported items included in profit or loss
Government subsidies related to assets:			
Logistics market entity cultivation policy incentive funds	2,787,758.98	1,212,241.02	Other income
5G+ collaborative manufacturing project	2,250,000.00		Other income
Supply chain system construction subsidy funds (supply chain system construction platform subsidy income)	296,646.23	348,184.95	Other income
Supply Chain Intelligent Logistics Consolidation Centre Stereoscopic Warehouse Construction Project	105,330.00	105,330.00	Other income
Subsidy for Scrapping Old Operational Vehicles and Purchasing New Ones	88,669.05		Other income
Hangzhou Qiantang New District Fixed assets investment subsidy	34,320.66	361,882.71	Other income
Fixed Asset Grant Project for the Wheel Assembly Phase I Project of BMW Brilliance Automotive		40,232.38	Other income
Subtotals	**5,562,724.92**	**2,067,871.06**	
Government subsidies related to income:			
Chongqing Shuangqiao Economic and Technological Development Zone Finance Bureau Factory Rent Subsidy	3,760,900.00	2,150,969.60	Other income
Government Grants - Enterprise Application-type Support under the "One Enterprise, One Policy" Program	2,885,100.00		Other income
Employer Social Insurance Subsidies for Full-Time Public Service Programs	1,554,640.75		Other income
Government Grants - Municipal Industry and Information Technology Special Fund	1,550,000.00		Other income
Customs operation subsidy for Chongqing Shuangqiao Economic and Technological Development Zone Development Investment Group Co., Ltd	1,400,000.00	1,200,000.00	Other income
Employment subsidies	638,404.48	761,987.81	Other income
Stable employment subsidy	407,740.25	353,626.56	Other income
High-level Shipping Industry Support Fund	400,000.00		Other income
Subsidy for Scrapping Old Operational Vehicles and Purchasing New Ones	325,000.00		Other income
2025 Nanjing Industry and Information Technology Development Special Fund	312,500.00		Other income
2024 Zijin Mountain Talent Pioneer Program Foreign Talent Project Fund	300,000.00		Other income
2025 Nanjing Municipal Special Fund for the Development of Industry and Information Technology (District Supporting Fund)	187,500.00		Other income
Received daily funding for postdoctoral fellows from the Chongqing Municipal Human Resources and Social Security Bureau and full-time funding for the recruitment of workstations	160,000.00	130,000.00	Other income
Liangjiang New Area Financial Subsidy	133,333.33	133,333.33	Other income
Received rewards from Chongqing Liangjiang New Area Finance Bureau for high-tech enterprises in Liangjiang New Area	100,000.00	150,000.00	Other income
Ford after-sales parts D1, D2 site improvement project compensation	92,163.48	92,163.48	Other income
Received intellectual property patent funding from the Dazu District Market Supervision Administration of Chongqing in 2022	70,000.00	10,000.00	Other income
Enterprise Development Fund	64,000.00	421,994.00	Other income

Continued…

2. Government grants recognized in income for the year by gross method (continued)

Types	Amount recognized in profit or loss for the current period	Amount recognized in profit or loss in the previous period	Reported items included in profit or loss
Government subsidies related to income:			
Job Expansion Grant	61,913.82		Other income
2024 Nanjing Jiangning District Bureau of Commerce Special Policy Support Fund – "Open Level Enhancement" Initiative	50,000.00		Other income
Digital Empowerment Initiative 2022 Award	50,000.00		Other income
Award for Advanced Party Building in Non-Public Economic Organizations and Social Organizations	50,000.00		Non-operating income
Municipal Digital Industry Transformation Support Fund	48,700.00		Other income
Hangzhou Changan Minsheng Auto Parts Manufacturing and Distribution Project	41,000.00	41,000.00	Other income
Received subsidies from the Municipal Unemployment Insurance Office for the Unemployment Insurance Fund	27,072.00	9,003.00	Other income
Government subsidies for land purchase	26,590.46	26,590.46	Other income
Enterprise One-time Incentive	20,000.00		Other income
Party Building Demonstration Site Development Fund	16,000.00		Non-operating income
Application Demonstration Project of Regional Automotive Industry Ecological Circle Network Collaborative Manufacturing Shared Cloud Service Platform	5,490.49	344,509.51	Other income
Social Security Incentive	1,500.00	2,531,818.15	Other income
Tianjin Online Freight Platform Business Policy Return		2,390,000.00	Other income
Anshang Education Financial Support Funds		957,000.00	Other income
Received performance evaluation for the supervision of workplaces by Chongqing Shuangqiao Economic and Technological Investment Group		800,000.00	Other income
Chongqing Science and Technology Subsidy		430,000.00	Other income
National IV diesel vehicle elimination subsidy		337,650.00	Other income
Received the National High tech Policy Award from the Finance Bureau of Liangjiang New Area, Chongqing		300,000.00	Other income
Supporting industrial enterprises to accelerate the release of production capacity rewards in the first quarter of 2024		100,000.00	Other income
Government subsidies		15,427.00	Other income
Subsidies from the Human Resources and Social Security Bureau		3,000.00	Other income
Party Membership Fee Return of the Party Membership Fee Committee of Nanchang Xiaolan Economic and Technological Development Zone Management Committee		30,531.00	Non-operating income
Subtotals	**14,739,549.06**	**13,720,603.90**	
Total	**20,302,273.98**	**15,788,474.96**	

IX. Financial instrument and risk management

The Company's main financial instruments include cash and bank balances, notes receivable, accounts receivable, receivables financing, other receivables, non-current assets due within one year, other current assets, other equity instruments investment, notes payable, accounts payable, other payables, short-term loans, non-current liabilities due within one year, long term loans and lease liabilities. Details of each financial instrument have been disclosed in the relevant notes. The risks associated with these financial instruments and the Company's risk management policies to mitigate these risks are described below. The Company's management manages and monitors these risk exposures to ensure that the above risks are controlled within the defined scope.

1. Risk management objectives and policies

The main risks arising from the Company's financial instruments are credit risk, liquidity risk, and market risk (including interest rate risk and commodity price risk).

(1) Credit risk

Credit risk is the risk that a counterparty of financial assets will cause a financial loss for the Company by failing to discharge an obligation.

The Company managed the credit risk by groups. Credit risk mainly came from bank balances, notes receivable, accounts receivable and other receivables.

The bank deposits of our company are mainly held in state-owned banks and in financial institutions with a good reputation and high credit ratings. The Company expects that there is no significant credit risks exist on the bank deposit.

For notes receivable, accounts receivable and other receivables, the Company makes relevant policies to control credit risk exposures. The Company assesses the quality of customers' credit rating and set their credit limits and credit period based on the customers' financial position, credit history and other factors such as current market condition. The Company monitors the debtors' credit records regularly and ensures its overall credit risk within controllable range by written reminders, shorten or cancel credit periods to the debtors with bad credit history.

The Company's debtors of account receivables are customers distributed in different industries and geographical areas. The Company continuously performs credit assessments on the debtors and purchases credit guarantee insurance when necessary.

The maximum exposure to credit risk borne by the Company is the carrying amount of each financial asset in the balance sheet. The Company does not provide any other guarantee that may expose the Company to credit risk.

Accounts receivable and contract assets due from the top five customers of the Company accounted for 46.84% of total accounts receivable and contract assests (2024: 53.79%); other receivables due from the top five customers of the Company accounted for 18.23% (2024: 23.99%).

(2) Liquidity risk

Liquidity risk is the risk that the Company is short of funds to deliver cash or other financial assets or meet settlement obligations.

To manage liquidity risk, the Company maintains cash and cash equivalents at a level that the management considers adequate and monitors them so as to meet its operation demand as well as to reduce the effect of cash flow fluctuations. The management is responsible for monitoring the usefulness of bank loans to ensure they comply with the covenants in loan agreements. Meanwhile, the management obtains commitment from the principal financial institutions to provide enough surplus in reserve to satisfy the Company's short and long-term fund demands.

The Company finances working capital with funds arising from operations and bank and other borrowings. As at 31 December 2025, the available loan facilities for withdrawal by the Company are RMB1,634.47million (At 31 December 2024: RMB1,630.00million).

As at 31 December 2025, the analysis of the due date of the Company's financial liabilities and off-balance sheet guarantees by remaining undiscounted contractual cash flows are as follows (unit: RMB):

	Closing balance			
Item	Within a year	1-3 years	Over 3 years	Total
Financial liabilities:				
Short-term loans	17,821,452.67			17,821,452.67
Notes payable	669,339,446.88			669,339,446.88
Accounts payable	1,729,027,927.68			1,729,027,927.68
Other payables	441,767,963.88			441,767,963.88
Non-current liabilities due within one year	104,868,796.17			104,868,796.17
Other current liabilities (excluding deferred income)	10,730,935.27			10,730,935.27
Lease liabilities		86,421,383.90	229,638.53	86,651,022.43
Total	**2,973,556,522.55**	**86,421,383.90**	**229,638.53**	**3,060,207,544.98**

As at 31 December 2024, the analysis of due date of the Company's financial liabilities and off-balance sheet guarantees by remaining undiscounted contractual cash flows of are as follow (unit: RMB):

	Closing balance			
Item	Within a year	1-3 years	Over 3 years	Total
Financial liabilities:				
Short-term loans	12,062,465.76			12,062,465.76
Notes payable	496,060,939.76			496,060,939.76
Accounts payable	1,732,595,773.59			1,732,595,773.59
Other payables	352,309,223.32			352,309,223.32
Non-current liabilities due within one year	76,097,623.88			76,097,623.88
Other current liabilities (not including deferred income)	13,585,957.96			13,585,957.96
Lease liabilities		96,167,344.32	7,243,725.15	103,411,069.47
Total	**2,682,711,984.27**	**96,167,344.32**	**7,243,725.15**	**2,786,123,053.74**

The amount of financial liabilities disclosed above are undiscounted cash flow of contracts, so they may be different with those presented in the balance sheet.

(3) Market risk

The market risk of a financial instrument is the risk of fluctuation in the fair value or future cash flow due to changes in market price, including interest rate risk, foreign exchange rate risk and other pricing risks.

Interest rate risk

The interest rate risk is the risk of fluctuation in the fair value or future cash flow of financial instrument due to the changes of market interest rate. Interest rate risk can come from the recognized interest-bearing financial instruments and unrecognized financial instruments (such as loan commitments).

The interest rate risk of the Company mainly arises from interest bearing borrowings, such as long-term bank loans and bonds payable. A financial liability with floating interest rates causes interest rate risks in cash flow to the Company; and a financial liability with fixed interest rates causes interest rate risks in fair value to the Company. The Company determines the proportion of bank loans with fixed and floating interest rate according to current market situation and maintains the appropriate combination of the instruments with fixed and floating interest rate by regular review and monitoring.

The Company pays close attention to the effect of interest rate changes on the Company's interest rate risk. The Company does not adopt any interest rate hedge, but the management is responsible for monitoring interest rate risk and will consider hedging on significant interest rate risk. Rising interest rates will increase the cost of new interest-bearing debts and the interest expenses of interest-bearing debts with floating interest rates that the Company has not paid in full and will have a significant adverse impact on the Company's financial performance. The management will make timely adjustments based on the latest market conditions. These adjustments may be arrangements for interest rate swaps to reduce interest rate risk.

The interest-bearing financial instruments held by the Company are as follows (unit: RMB):

Item	Closing balance	Beginning balance
Fixed interest rate financial instruments		
Financial liabilities	192,056,964.70	185,554,446.58
Including: Short-term loans	17,821,452.67	12,062,465.76
Long-term loans due within one year	16,212,600.00	13,416,740.82
Lease liabilities due within one year	73,280,158.16	62,680,883.06
Lease liabilities	84,742,753.87	97,394,356.94
Financial assets	826,813,385.34	1,146,471,459.06
Including: Cash and bank balances	671,963,726.87	995,071,800.59
Other current assets		
Other non-current assets	154,849,658.47	151,399,658.47

For financial instruments held on the balance sheet date that expose the Company to fair value interest rate risk, the impact of net profit and shareholder's equity in the above sensitivity analysis assumes that the effect of remeasurement of financial instruments by the interest rate changes on the balance sheet date.

Foreign exchange rate risk

Foreign exchange rate risk is the risk of fluctuation of financial instrument fair value or future cash flow fluctuation due to the changes of foreign exchange rate. Foreign exchange rate risk can arise from financial instruments measured at foreign currencies other than the functional currency.

The main operations of the Company are within China and mainly settled in RMB. At as 31 December 2025, the RMB equivalent of the cash denominated in foreign currencies held by the Company was USD11,025,588.02, THB8,734,766.16 and JPY2,729.00 as detailed in Note V.58. Exchange rate changes had no material impact on the Company.

2. Capital management

The purpose of the Company's capital management policy is to ensure the Company is going concern so as to provide returns to the shareholders and benefit other stakeholders and maintain the optimal capital structure to reduce capital cost.

To maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to the shareholders, return capital to the shareholders, issue new shares or sell assets to reduce debts.

The Company monitors capital structure on the basis of asset-liability ratio (total liabilities divided by total assets). As at 31 December 2025, the Company's asset-liability ratio is 59.70% (As at 31 December 2024: 57.54%).

X. Fair value

The level in which fair value measurement is categorized is determined by the level of the fair value hierarchy of the lowest level input that is significant to the entire fair value measurement. The levels are defined as follows:

Level 1: unadjusted quoted prices in active market for identical assets or liabilities.

Level 2: inputs other than Level 1 inputs that are either directly (i.e. price) or indirectly (i.e. derived from the price) observable for underlying assets or liabilities.

Level 3: inputs that are unobservable for underlying assets or liabilities.

(1) Item and amount measured at fair value

As at 31 December 2025, assets and liabilities measured at fair value are as follows:

Item	Level 1 fair value measurement	Level 2 fair value measurement	Level 3 fair value measurement	Total
I. Recurring fair value measurement				
1. Receivables financing			693,329,034.27	693,329,034.27
2. Other equity instruments investment			75,200,066.76	75,200,066.76

(2) Quantitative information of important unobservable input values used in level 3 of fair value measurement

Content	Fair value at year end	Valuation techniques	Unobservable inputs	Range (weighted average)
Receivables financing	693,329,034.27	Book value	Cash flow, discount rate	0.00 discount rate
Other equity instruments investment	75,200,066.76	Net assets value	Net asset multiplier (revised price-book ratio)	N/A

(3) Reconciliation of fair value measurements categorized in Level 3 of the fair value hierarchy

Project (current amount)	Opening balance	Transfer to the third level	Transfer out of the third level	Total profit or loss for the current period: Included in profit or loss	Total profit or loss for the current period: Include in other comprehensive income	Purchase, issuance, sale, and settlement: Purchase	Purchase, issuance, sale, and settlement: Issue	Purchase, issuance, sale, and settlement: Sell	Purchase, issuance, sale, and settlement: Settlement	Ending balance	Changes in unrealized gains or losses recognized in profit or loss for assets held at the end of the reporting period
Other equity instrument investments	28,975,900.00				1,200,000.00					30,175,900.00	
Accounts receivable financing											
Total	28,975,900.00				1,200,000.00					30,175,900.00	

XI. Related party and related party transactions

1. Information on shareholders

On 26 May 2025, the Company completed the subscription for 40,000,000 new domestic shares. Consequently, 40,000,000 shares were duly allotted and issued to SIAMC who thereby became a shareholder of the Company.

As of 31 December 2025, the shareholding of the Group's shareholders were as follows: ChenZhi Automobile Technology Group Co., Ltd. (formerly China Changan Automobile Group Co., Ltd., renamed in June 2025 as ChenZhi Automobile Technology Group Co., Ltd.) held 20.40%, SIAMC held 19.80%, APLL held 16.03%, Minsheng Industrial held 12.76%, Ming Sung (HK) held 3.19%, and other shareholders held 27.82%.

In June 2025, China South Industries Group Co., Ltd., the original indirect controlling shareholder (de facto controller) of the Company, implemented a division upon approval by the State Council. In July 2025, China Changan Automobile was established. Following the division, the indirect controlling shareholder (de facto controller) of the Company changed to China Changan Automobile.

2. Subsidiaries of the Company

Details of subsidiaries refer to Note VII.1.

3. Joint ventures or associates of the Company

Details of joint ventures or associates refer to Note VII.3.

4. Other related parties of the Company

Related party name	Relationship with our group
APL Logistics (China) Ltd. (美集物流運輸(中國)有限公司)	Under the ultimate control of APLL
Minsheng Logistics Co., Ltd. (民生物流有限公司)	Ultimately controlled by Minsheng Industrial
Minsheng Shipping Co., Ltd. (民生輪船股份有限公司)	Ultimately controlled by Minsheng Industrial
Chongqing Minsheng Comprehensive Logistics Co., Ltd. (重慶民生綜合物流有限公司)	Ultimately controlled by Minsheng Industrial
Minsheng International Freight Forwarding Co., Ltd. (民生國際貨物運輸代理有限公司)	Ultimately controlled by Minsheng Industrial
Shanghai Minsheng Shipping Co., Ltd. (上海民生輪船有限公司)	Ultimately controlled by Minsheng Industrial
Tianjin Minsheng International Shipping Agency Co., Ltd. (天津民生國際船務代理有限公司)	Ultimately controlled by Minsheng Industrial
Minsheng International Container Transport Co., Ltd. (民生國際集裝箱運輸有限公司)	Ultimately controlled by Minsheng Industrial
Guangzhou Minsheng International Freight Forwarding Co., Ltd. (廣州民生國際貨物運輸代理有限公司)	Ultimately controlled by Minsheng Industrial
Ming Sung Industrial Co., (HK) Limited (香港民生實業有限公司)	Ultimately controlled by Minsheng Industrial
Shenzhen Minsheng Jiefukai Logistics Co., Ltd. (深圳民生捷富凱物流有限公司)	Ultimately controlled by Minsheng Industrial
Sichuan Changhong Minsheng Logistics Co., Ltd. (四川長虹民生物流股份有限公司)	Ultimately controlled by Minsheng Industrial
Minsheng Shipping Co., Ltd. Shanghai Branch (民生輪船有限公司上海分公司)	Ultimately controlled by Minsheng Industrial

Continued…

4. Other related parties of the Company (continued)

Related party name	Relationship with our group
China South Industries Group Financial Leasing Co., Ltd. (中國兵器裝備集團融資租賃有限責任公司)	Ultimately controlled by China Changan Automobile
Guizhou Wanyou Automobile Sales and Service Co., Ltd. (貴州萬友汽車銷售服務有限公司)	Ultimately controlled by China Changan Automobile
Chengdu Wanyou Automobile Trade Service Co., Ltd. (成都萬友汽貿服務有限公司)	Ultimately controlled by China Changan Automobile
Hunan Tianyan Machinery Co., Ltd. (湖南天雁機械有限責任公司)	Ultimately controlled by China Changan Automobile
Chongqing Wanyou Economic Development Co., Ltd. (重慶萬友經濟發展有限責任公司)	Ultimately controlled by China Changan Automobile
Chongqing Wanyou Economic Development Co., Ltd. Warehouseand Transportation Center (重慶萬友經濟發展有限責任公司倉交中心)	Ultimately controlled by China Changan Automobile
Jiangsu Wanyou Automobile Sales and Service Co., Ltd. (江蘇萬友汽車銷售服務有限公司)	Ultimately controlled by China Changan Automobile
Chongqing Wanyou Zhicheng Automobile Sales and Service Co., Ltd. (重慶萬友致誠汽車銷售服務有限公司)	Ultimately controlled by China Changan Automobile
Chongqing Wanyou Chengxing Automobile Sales and Service Co., Ltd. (重慶萬友誠行汽車銷售服務有限公司)	Ultimately controlled by China Changan Automobile
Chongqing Qingshan Industrial Co., Ltd. (重慶青山工業有限責任公司)	Ultimately controlled by China Changan Automobile
Chongqing Wanyou Ducheng Automobile Sales and Service Co., Ltd. (重慶萬友都成汽車銷售服務有限公司)	Ultimately controlled by China Changan Automobile
China South Industries Group Finance Co., Ltd. (兵器裝備集團財務有限責任公司)	Ultimately controlled by China Changan Automobile
Chongqing Wanyou Xingjian Automobile Sales and Service Co., Ltd. (重慶萬友行健汽車銷售服務有限公司)	Ultimately controlled by China Changan Automobile
Changan Automobile Finance Co., Ltd. (長安汽車金融有限公司)	Ultimately controlled by China Changan Automobile
Sichuan Ningjiang Shanchuan Machinery Co., Ltd. (四川甯江山川機械有限責任公司)	Ultimately controlled by China Changan Automobile
Yunnan Wanyou Automobile Sales and Service Co., Ltd. (雲南萬友汽車銷售服務有限公司)	Ultimately controlled by China Changan Automobile
Chongqing Wanyou Zunda Automobile Sales and Service Co., Ltd. (重慶萬友尊達汽車銷售服務有限公司)	Ultimately controlled by China Changan Automobile
Sichuan Jian'an Industrial Co., Ltd. (四川建安工業有限責任公司)	Ultimately controlled by China Changan Automobile
Chengdu Huachuan Denso Co., Ltd. (成都華川電裝有限責任公司)	Ultimately controlled by China Changan Automobile
Anhui Jian'an Chassis System Co., Ltd. (安徽建安底盤系統有限責任公司)	Ultimately controlled by China Changan Automobile
ChenZhi (Chongqing) Brake System Co., Ltd. (辰致(重慶)制動系統有限公司)	Ultimately controlled by China Changan Automobile
Chongqing Jianya Auto Parts Co., Ltd. (重慶建雅汽車零部件有限公司)	Ultimately controlled by China Changan Automobile
ChenZhi Automotive Technology Group Co., Ltd. (辰致汽車科技集團有限公司)	Ultimately controlled by China Changan Automobile
Harbin Dong'an Automotive Engine Manufacturing Co., Ltd. (哈爾濱東安汽車發動機製造有限公司)	Ultimately controlled by China Changan Automobile
Southern Intel Air Conditioning Co., Ltd. (南方英特空調有限公司)	Ultimately controlled by China Changan Automobile
Chongqing Construction Automotive Air Conditioner Co., Ltd. (重慶建設車用空調器有限責任公司)	Ultimately controlled by China Changan Automobile
ChenZhi (Chongqing) Lightweight Technology Co., Ltd. (辰致(重慶)輕量化科技有限公司)	Ultimately controlled by China Changan Automobile
Harbin Dong'an Automotive Power Co., Ltd. (哈爾濱東安汽車動力股份有限公司)	Ultimately controlled by China Changan Automobile

Continued…

4. Other related parties of the Company (continued)

Related party name	Relationship with our group
Southern Faurecia Automotive Parts Co., Ltd. (南方佛吉亞汽車部件有限公司)	Ultimately controlled by China Changan Automobile
ChenZhi (Chengdu) Intelligent Suspension Co., Ltd. (辰致(成都)智慧懸架有限公司)	Ultimately controlled by China Changan Automobile
Hunan Jiangbin Machine (Group) Co., Ltd. (湖南江濱機器(集團)有限責任公司)	Ultimately controlled by China Changan Automobile
Longchang Shanchuan Machinery Co., Ltd. (隆昌山川機械有限責任公司)	Ultimately controlled by China Changan Automobile
Chongqing Anfu Automobile Marketing Co., Ltd. (重慶安福汽車行銷有限公司)	Ultimately controlled by China Changan Automobile
Anhui Wanyou Automobile Sales and Service Co., Ltd. (安徽萬友汽車銷售服務有限公司)	Ultimately controlled by China Changan Automobile
Guizhou Wanfu Automobile Sales and Service Co., Ltd. (貴州萬福汽車銷售服務有限公司)	Ultimately controlled by China Changan Automobile
Yunnan Wanfu Automobile Sales and Service Co., Ltd. (雲南萬福汽車銷售服務有限公司)	Ultimately controlled by China Changan Automobile
Beijing Baiwang Changfu Automobile Sales and Service Co., Ltd. (北京百旺長福汽車銷售服務有限公司)	Ultimately controlled by China Changan Automobile
Beijing North Changfu Automobile Sales Co., Ltd. (北京北方長福汽車銷售有限責任公司)	Ultimately controlled by China Changan Automobile
United Prosperity Investment Co., Limited (中匯富通投資有限公司)	Ultimately controlled by China Changan Automobile
Dali Wanfu Automobile Sales and Service Co., Ltd. (大理萬福汽車銷售服務有限公司)	Ultimately controlled by China Changan Automobile
Chuxiong Wanfu Automobile Sales and Service Co., Ltd. (楚雄萬福汽車銷售服務有限公司)	Ultimately controlled by China Changan Automobile
China Changan Automobile Group Tianjin Sales Co., Ltd. (中國長安汽車集團天津銷售有限公司)	Ultimately controlled by China Changan Automobile
Honghe Wanfu Automobile Sales and Service Co., Ltd. (紅河萬福汽車銷售服務有限公司)	Ultimately controlled by China Changan Automobile
Chengdu Wanxing Automobile Sales and Service Co., Ltd. (成都萬星汽車銷售服務有限公司)	Ultimately controlled by China Changan Automobile
Chongqing Wanyou Longrui Automobile Sales and Service Co., Ltd. (重慶萬友龍瑞汽車銷售服務有限公司)	Ultimately controlled by China Changan Automobile
Faurecia (Chongqing) Automotive Parts Co., Ltd. (佛吉亞(重慶)汽車零部件有限公司)	Ultimately controlled by China Changan Automobile
ChenZhi Technology Co., Ltd. (辰致科技有限公司)	Ultimately controlled by China Changan Automobile
Guizhou Wanjia Automobile Sales and Service Co., Ltd. (貴州萬佳汽車銷售服務有限公司)	Ultimately controlled by China Changan Automobile
Wanyou Automobile Investment Co., Ltd. Chongqing Wanhe Automobile Sales Branch (萬友汽車投資有限公司重慶萬和汽車銷售分公司)	Ultimately controlled by China Changan Automobile
Chongqing Wanyou Zhunda Automobile Sales Service Co., Ltd. Shaanxi Branch (重慶萬友尊達汽車銷售服務有限公司陝西分公司)	Ultimately controlled by China Changan Automobile
Chengdu Qingshan Industrial Co., Ltd. (成都青山實業有限責任公司)	Ultimately controlled by China Changan Automobile
ChenZhi (Chongqing) Lightweight Technology Co., Ltd. Ya'an Branch (辰致(重慶)輕量化科技有限公司雅安分公司)	Ultimately controlled by China Changan Automobile
China Changan Automobile Group Co., Ltd. Ya'an Chassis System Branch (中國長安汽車集團有限公司雅安底盤系統分公司)	Ultimately controlled by China Changan Automobile
Chongqing Wanyou Zunda Automobile Sales & Service Co., Ltd. Guangdong Branch (重慶萬友尊達汽車銷售服務有限公司廣東分公司)	Ultimately controlled by China Changan Automobile
ChenZhi (Chongqing) Brake System Co., Ltd. Nanjing Branch (辰致(重慶)制動系統有限公司南京分公司)	Ultimately controlled by China Changan Automobile

Continued…

4. Other related parties of the Company (continued)

Related party name	Relationship with our group
Chongqing Qingshan Industrial Co., Ltd. Zhengzhou Branch (重慶青山工業有限責任公司鄭州分公司)	Ultimately controlled by China Changan Automobile
Chongqing Wanyou Zunda Automobile Sales & Service Co., Ltd. Jiangsu Branch (重慶萬友尊達汽車銷售服務有限公司江蘇分公司)	Ultimately controlled by China Changan Automobile
Sichuan Jian'an Industrial Co., Ltd. Dingzhou Jian'an Axle Branch (四川建安工業有限責任公司定州建安車橋分公司)	Ultimately controlled by China Changan Automobile
Sichuan Jian'an Industrial Co., Ltd. Chongqing Jian'an Chassis System Branch (四川建安工業有限責任公司重慶建安底盤系統分公司)	Ultimately controlled by China Changan Automobile
Faurecia (Chongqing) Automotive Parts Co., Ltd. Nanjing Branch (佛吉亞(重慶)汽車零部件有限公司南京分公司)	Ultimately controlled by China Changan Automobile
Changan Financial Leasing Co., Ltd. (長安融資租賃有限公司)	Ultimately controlled by China Changan Automobile
Chongqing Wanyou Zunda Automobile Sales & Service Co., Ltd. Hunan Branch (重慶萬友尊達汽車銷售服務有限公司湖南分公司)	Ultimately controlled by China Changan Automobile
Chongqing Wanyou Zunda Automobile Sales & Service Co., Ltd. Shandong Branch (重慶萬友尊達汽車銷售服務有限公司山東分公司)	Ultimately controlled by China Changan Automobile
Chongqing Wanyou Zunda Automobile Sales & Service Co., Ltd. Sichuan Branch (重慶萬友尊達汽車銷售服務有限公司四川分公司)	Ultimately controlled by China Changan Automobile
Sichuan Ningjiang Shanchuan Machinery Co., Ltd. Longchang Shock Absorber Branch (四川甯江山川機械有限責任公司隆昌減振器分公司)	Ultimately controlled by China Changan Automobile
ChenZhi Automotive Technology Group Co., Ltd. Chongqing Chassis System Branch (辰致汽車科技集團有限公司重慶底盤系統分公司)	Ultimately controlled by China Changan Automobile
Chongqing Wanyou Zunda Automobile Sales & Service Co., Ltd. Hebei Branch (重慶萬友尊達汽車銷售服務有限公司河北分公司)	Ultimately controlled by China Changan Automobile
Chongqing Construction Electromechanical Co., Ltd. (重慶建設機電有限責任公司)	Ultimately controlled by China Changan Automobile
Southern Faurecia Automotive Parts Co., Ltd. Haining Branch (南方佛吉亞汽車部件有限公司海寧分公司)	Ultimately controlled by China Changan Automobile
Southern Faurecia Automotive Parts Co., Ltd. Nanjing Branch (南方佛吉亞汽車部件有限公司南京分公司)	Ultimately controlled by China Changan Automobile
Chongqing Wanyou Economic Development Co., Ltd. Yuzhong Branch (重慶萬友經濟發展有限責任公司渝中分公司)	Ultimately controlled by China Changan Automobile
Chongqing Wanyou Economic Development Co., Ltd. Liangping Branch (重慶萬友經濟發展有限責任公司梁平分公司)	Ultimately controlled by China Changan Automobile
Chongqing Wanyou Economic Development Co., Ltd. Shizhu Branch (重慶萬友經濟發展有限責任公司石柱分公司)	Ultimately controlled by China Changan Automobile
Beijing North Changfu Automobile Sales Co., Ltd. Changzhi Branch (北京北方長福汽車銷售有限責任公司長治分公司)	Ultimately controlled by China Changan Automobile
China South Industries Group Commercial Factoring Co., Ltd. (中國兵器裝備集團商業保理有限公司)	Ultimately controlled by China Changan Automobile
Chongqing Wanyou Chenghang Automobile Sales & Service Co., Ltd. Yubei Branch (重慶萬友誠行汽車銷售服務有限公司渝北分公司)	Ultimately controlled by China Changan Automobile
Chongqing Wanyou Economic Development Co., Ltd. Hechuan Branch (重慶萬友經濟發展有限責任公司合川分公司)	Ultimately controlled by China Changan Automobile
Chongqing Wanyou Economic Development Co., Ltd. Hechuan Gravity Branch (重慶萬友經濟發展有限責任公司合川引力分公司)	Ultimately controlled by China Changan Automobile
Chongqing Wanyou Economic Development Co., Ltd. Changshou Automobile Trade City Branch (重慶萬友經濟發展有限責任公司長壽汽貿城分公司)	Ultimately controlled by China Changan Automobile

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4. Other related parties of the Company (continued)

Related party name	Relationship with our group
Chongqing Wanyou Economic Development Co., Ltd. Nan'an District Branch (重慶萬友經濟發展有限責任公司南岸區分公司)	Ultimately controlled by China Changan Automobile
Beijing North Changfu Automobile Sales Co., Ltd. Jingnan Changfu Branch (北京北方長福汽車銷售有限責任公司京南長福分公司)	Ultimately controlled by China Changan Automobile
Jiangsu Wanyou Automobile Sales & Service Co., Ltd. Shanghai Songjiang Branch (江蘇萬友汽車銷售服務有限公司上海松江分公司)	Ultimately controlled by China Changan Automobile
Jiangsu Wanyou Automobile Sales & Service Co., Ltd. New Energy Automobile Sales Qixia Branch (江蘇萬友汽車銷售服務有限公司新能源汽車銷售棲霞分公司)	Ultimately controlled by China Changan Automobile
Harbin Botong Automobile Parts Manufacturing Co., Ltd. (哈爾濱博通汽車部件製造有限公司)	Ultimately controlled by China Changan Automobile
Chongqing Anfu Automobile Marketing Co., Ltd. Maintenance Service Branch (重慶安福汽車行銷有限公司維修服務分公司)	Ultimately controlled by China Changan Automobile
Wanyou Automotive Investment Co., Ltd. (萬友汽車投資有限公司)	Ultimately controlled by China Changan Automobile
Chongqing Changan Automobile Co., Ltd. (重慶長安汽車股份有限公司)	Ultimately controlled by China Changan Automobile
Shenlan Automobile Sales (Chongqing) Co., Ltd. (深藍汽車銷售(重慶)有限公司)	Ultimately controlled by Changan Automobile
Hebei Changan Automobile Co., Ltd. (河北長安汽車有限公司)	Ultimately controlled by Changan Automobile
Deepal Automotive Technology Co., Ltd. (深藍汽車科技有限公司)	Ultimately controlled by Changan Automobile
Hefei Changan Automobile Co., Ltd. (合肥長安汽車有限公司)	Ultimately controlled by Changan Automobile
Chongqing Changan Automobile International Sales Service Co., Ltd. (重慶長安汽車國際銷售服務有限公司)	Ultimately controlled by Changan Automobile
Chongqing Changan Automobile Co., Ltd. Beijing Changan Automobile Co., Ltd. (重慶長安汽車股份有限公司北京長安汽車公司)	Ultimately controlled by Changan Automobile
Chongqing Changan Xing Automobile Co., Ltd. (重慶長安行汽車有限公司)	Ultimately controlled by Changan Automobile
Chongqing Chang'an Kaicheng Automotive Technology Co., Ltd. (重慶長安凱程汽車科技有限公司)	Ultimately controlled by Changan Automobile
Chongqing Lingyao Automobile Co., Ltd. (重慶鈴耀汽車有限公司)	Ultimately controlled by Changan Automobile
Chongqing Xingzhi Technology Co., Ltd. (重慶行智科技有限公司)	Ultimately controlled by Changan Automobile
Chongqing Changan Chelian Technology Co., Ltd. (重慶長安車聯科技有限公司)	Ultimately controlled by Changan Automobile
Hefei Chang'an Yixing Technology Co., Ltd. (合肥長安宜行科技有限公司)	Ultimately controlled by Changan Automobile
Chongqing Chehemei Technology Co., Ltd. (重慶車和美科技有限公司)	Ultimately controlled by Changan Automobile
Chongqing Chang'an Special Purpose Vehicle Co., Ltd. (重慶長安專用汽車有限公司)	Ultimately controlled by Changan Automobile
Hangzhou Chang'an Yixing Technology Co., Ltd. (杭州長安宜行科技有限公司)	Ultimately controlled by Changan Automobile
Nanjing Changan Automobile Co., Ltd. (南京長安汽車有限公司)	Ultimately controlled by Changan Automobile
Chongqing Changan Automobile Customer Service Co., Ltd. (重慶長安汽車客戶服務有限公司)	Ultimately controlled by Changan Automobile
Chongqing Changan Chelian Technology Co., Ltd. Jinhua Branch (重慶長安車聯科技有限公司金華分公司)	Ultimately controlled by Changan Automobile
Chongqing Changan Chelian Technology Co., Ltd. Jiaxing Branch (重慶長安車聯科技有限公司嘉興分公司)	Ultimately controlled by Changan Automobile
Chongqing Changan Chelian Technology Co., Ltd. Ningbo Branch (重慶長安車聯科技有限公司寧波分公司)	Ultimately controlled by Changan Automobile
Chongqing Changan Automobile Co., Ltd. Sales Company (重慶長安汽車股份有限公司銷售公司)	Ultimately controlled by Changan Automobile

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4. Other related parties of the Company (continued)

Related party name	Relationship with our group
Changan Auto Southeast Aisa Co., Ltd.	Ultimately controlled by Changan Automobile
Changan Automobile (Group) Co., Ltd. (長安汽車(集團)有限責任公司)	Ultimately controlled by Changan Automobile
Chongqing Anyi Automotive Technology Service Co., Ltd. (重慶安驛汽車技術服務有限公司)	Ultimately controlled by Changan Automobile
Changan Auto Sales(Thailand) Co., Ltd.	Ultimately controlled by Changan Automobile
Changan Ford Motor Co., Ltd. (長安福特汽車有限公司)	Changan Automobile's joint venture
Changan Mazda Automobile Sales Branch (長安馬自達汽車銷售分公司)	Changan Automobile's joint venture
Changan Mazda Automobile Co., Ltd. (長安馬自達汽車有限公司)	Changan Automobile's joint venture
Jiangling Motors Co.,Ltd. (江鈴汽車股份有限公司)	Changan Automobile's joint venture
Changan Mazda Engine Co., Ltd. (長安馬自達發動機有限公司)	Changan Automobile's joint venture
Changan Ford Motor Co., Ltd. Hangzhou Branch (長安福特汽車有限公司杭州分公司)	Changan Automobile's joint venture
Changan Ford Automobile Co., Ltd. Sales Branch (長安福特汽車有限公司銷售分公司)	Changan Automobile's joint venture
Changan Ford Motor Co., Ltd. Power System Branch (長安福特汽車有限公司動力系統分公司)	Changan Automobile's joint venture
Changan Ford Automobile Co., Ltd. Harbin Branch (長安福特汽車有限公司哈爾濱分公司)	Changan Automobile's joint venture
Changan Ford New Energy Vehicle Technology Co., Ltd. (長安福特新能源汽車科技有限公司)	Changan Automobile's joint venture
Zhongqi Chuangzhi Technology Co., Ltd. (中汽創智科技有限公司)	Changan Automobile's joint venture
Era Chang'an Power Battery Co., Ltd. (時代長安動力電池有限公司)	Changan Automobile's joint venture
Jiangling Motors Holdings Limited (江鈴控股有限公司)	Changan Automobile's joint venture
Avatr Technology (Chongqing) Co., Ltd. (阿維塔科技(重慶)股份有限公司)	Changan Automobile's joint venture
Avatr (Chongqing) Automobile Sales Service Co., Ltd. (阿維塔(重慶)汽車銷售服務有限公司)	Subsidiary of Changan Automobile's Joint Venture
Changan Ford New Energy Automobile Sales Service (Shenzhen) Co., Ltd. (長安福特新能源汽車銷售服務(深圳)有限公司)	Subsidiary of Changan Automobile's Joint Venture
Chongqing Ante Import and Export Trading Co., Ltd. (重慶安特進出口貿易有限公司)	Subsidiary of Changan Automobile's Joint Venture
Chongqing Anbo Automobile Sales Co., Ltd. (重慶安博汽車銷售有限公司)	Under the ultimate control of CSGC
Chongqing Shangfang Automotive Parts Co., Ltd. (重慶上方汽車配件有限責任公司)	Under the ultimate control of CSGC
Chongqing Construction Transmission Technology Co., Ltd. (重慶建設傳動科技有限公司)	Under the ultimate control of CSGC
Chongqing Huxi Motor Industry Co., Ltd. (重慶虎溪電機工業有限責任公司)	Under the ultimate control of CSGC
Hubei Huazhong Automobile Lamp Co., Ltd. (湖北華中車燈有限公司)	Under the ultimate control of CSGC
Chengdu Wanyou Filter Co., Ltd. (成都萬友濾機有限公司)	Under the ultimate control of CSGC
Hubei Huazhong Marelli Automotive Lighting Co., Ltd. (湖北華中馬瑞利汽車照明有限公司)	Under the ultimate control of CSGC
Chengde Sukeng Galaxy Automobile Parts Co., Ltd. (承德蘇墾銀河汽車零部件有限公司)	Under the ultimate control of CSGC

Continued…

4. Other related parties of the Company (continued)

Related party name	Relationship with our group
Chongqing Yihong Defense Technology Co., Ltd. (重慶益弘防務科技有限公司)	Under the ultimate control of CSGC
Chongqing Dajiang Jiexin Forging Co., Ltd. (重慶大江傑信鍛造有限公司)	Under the ultimate control of CSGC
Chongqing Hongyu Precision Industry Group Co., Ltd. (重慶紅宇精密工業集團有限公司)	Under the ultimate control of CSGC
Construction Industry Group (Yunnan) Co., Ltd. (建設工業集團(雲南)股份有限公司)	Under the ultimate control of CSGC
Chengdu Jialing Huaxi Optics Precision Machinery Co., Ltd. (成都嘉陵華西光學精密機械有限公司)	Under the ultimate control of CSGC
Chengdu Lingchuan Automotive Fuel Tank Co., Ltd. (成都陵川車用油箱有限公司)	Under the ultimate control of CSGC
Nanyang Lida Optoelectronics Co., Ltd. (南陽利達光電有限公司)	Under the ultimate control of CSGC
Chongqing Chang'an Smart City Operation and Management Co., Ltd. (重慶長安智慧城市運營管理有限公司)	Under the ultimate control of CSGC
Chongqing Hongyu Friction Products Co., Ltd. (重慶紅宇摩擦製品有限公司)	Under the ultimate control of CSGC
Chongqing Construction Tongda Industrial Co., Ltd. (重慶建設仝達實業有限公司)	Under the ultimate control of CSGC
Anhui Shenjian Technology Co., Ltd. (安徽神劍科技股份有限公司)	Under the ultimate control of CSGC
Chongqing Dajiang Industrial Co., Ltd. (重慶大江工業有限責任公司)	Under the ultimate control of CSGC
Chongqing Chang'an Property Management Co., Ltd. Ya'an Branch (重慶市長安物業管理有限公司雅安分公司)	Under the ultimate control of CSGC
China South Industries Group Automation Research Institute Co., Ltd. (中國兵器裝備集團自動化研究所有限公司)	Under the ultimate control of CSGC
Southern Industrial Technology Trading Co., Ltd. (南方工業科技貿易有限公司)	Under the ultimate control of CSGC
Chongqing Changan Intelligent City Operation Management Co., Ltd. Nanjing Branch (重慶長安智慧城市運營管理有限公司南京分公司)	Under the ultimate control of CSGC
Chongqing Changan Intelligent City Operation Management Co., Ltd. Sichuan Branch (重慶長安智慧城市運營管理有限公司四川分公司)	Under the ultimate control of CSGC
Chongqing Changan Intelligent City Operation Management Co., Ltd. Hangzhou Branch (重慶長安智慧城市運營管理有限公司杭州分公司)	Under the ultimate control of CSGC
Shaanxi Kunlun Machinery Equipment Manufacturing Co., Ltd. (陝西昆侖機械裝備製造有限責任公司)	Under the ultimate control of CSGC
China Weapon News Agency (中國兵器報社)	Under the ultimate control of CSGC
China South Industries Group Human Resources Development Center (中國兵器裝備集團人力資源開發中心)	Under the ultimate control of CSGC
Chongqing Changan Industry (Group) Co., Ltd. (重慶長安工業(集團)有限責任公司)	Under the ultimate control of CSGC
Chengdu Lingchuan Special Industry Co., Ltd. (成都陵川特種工業有限責任公司)	Under the ultimate control of CSGC
Chongqing Chang'an Construction Engineering Co., Ltd. (重慶長安建設工程有限公司)	Under the ultimate control of CSGC
Chongqing Chang'an Intelligent Industrial Technology Service Co., Ltd. (重慶長安智慧工業技術服務有限公司)	Under the ultimate control of CSGC
Wuhan Shengde Rixin Automobile Industry Park Co., Ltd. (武漢盛德日新汽車產業園有限公司)	Minority shareholder of Changjiang Zhilian
Hubei Hannan Port Industrial Co., Ltd. (湖北漢南港實業有限公司)	Minority shareholder of Changjiang Zhilian
Nanjing Baosteel Zhushang Metal Products Co., Ltd. (南京寶鋼住商金屬製品有限公司)	Related parties of Nanjing CMSC

5. Related party transactions

(1) Purchase or sale with related parties

① Purchase of goods/receiving of services

Related parties	Related party transaction content	Current amount incurred	Amount incurred in the previous period
Minsheng Logistics Co., Ltd. (民生物流有限公司)	Vehicle transportation business	137,192,426.63	167,446,294.95
Changan Ford Motor Co., Ltd. (長安福特汽車有限公司)	Vehicle transportation business		287,429.66
Changan Automobile Finance Co., Ltd. (長安汽車金融有限公司)	Vehicle transportation business		8,462.79
Minsheng Shipping Co., Ltd. (民生輪船股份有限公司)	Automotive raw material and component supply chain services	23,490,451.30	
Chongqing Minsheng Comprehensive Logistics Co., Ltd. (重慶民生綜合物流有限公司)	Automotive raw material and component supply chain services	20,896,503.20	19,640,914.59
Minsheng International Freight Forwarding Co., Ltd. (民生國際貨物運輸代理有限公司)	Automotive raw material and component supply chain services	9,037,580.20	21,141,701.47
Shanghai Minsheng Shipping Co., Ltd. (上海民生輪船有限公司)	Automotive raw material and component supply chain services	2,403,580.07	3,591,931.32
Tianjin Minsheng International Shipping Agency Co., Ltd. (天津民生國際船務代理有限公司)	Automotive raw material and component supply chain services	699,161.12	871,031.00
Minsheng International Container Transport Co., Ltd. (民生國際集裝箱運輸有限公司)	Automotive raw material and component supply chain services	696,998.70	490,031.60
Guangzhou Minsheng International Freight Forwarding Co., Ltd. (廣州民生國際貨物運輸代理有限公司)	Automotive raw material and component supply chain services	680,759.24	1,019,004.94
Wanyou Automobile Investment Co., Ltd. Chongqing Wanhe Automobile Sales Branch (萬友汽車投資有限公司重慶萬和汽車銷售分公司)	Automotive raw material and component supply chain services	595,550.00	
Chongqing Wanyou Zhunda Automobile Sales Service Co., Ltd. Shaanxi Branch (重慶萬友尊達汽車銷售服務有限公司陝西分公司)	Automotive raw material and component supply chain services	513,062.04	45,835.00
Chongqing Chang'an Special Purpose Vehicle Co., Ltd. (重慶長安專用汽車有限公司)	Automotive raw material and component supply chain services	471,200.00	
Deepal Automotive Technology Co., Ltd. (深藍汽車科技有限公司)	Automotive raw material and component supply chain services	427,390.97	
Chongqing Changan Automobile Co., Ltd. (重慶長安汽車股份有限公司)	Automotive raw material and component supply chain services	396,442.41	2,132,035.69
Anhui Shenjian Technology Co., Ltd. (安徽神劍科技股份有限公司)	Automotive raw material and component supply chain services	297,371.56	
Chongqing Dajiang Industrial Co., Ltd. (重慶大江工業有限責任公司)	Automotive raw material and component supply chain services	115,078.87	
Chengdu Qingshan Industrial Co., Ltd. (成都青山實業有限責任公司)	Automotive raw material and component supply chain services	71,515.60	41,717.41
Hefei Changan Automobile Co., Ltd. (合肥長安汽車有限公司)	Automotive raw material and component supply chain services	26,999.90	

Continued…

① Purchase of goods/receiving of services (continued)

Related parties	Related party transaction content	Current amount incurred	Amount incurred in the previous period
Chongqing Changan Automobile Co., Ltd. Beijing Changan Automobile Co., Ltd. (重慶長安汽車股份有限公司北京長安汽車公司)	Automotive raw material and component supply chain services	15,042.55	294.84
Hebei Changan Automobile Co., Ltd. (河北長安汽車有限公司)	Automotive raw material and component supply chain services		557,907.80
Changan Mazda Automobile Co., Ltd. (長安馬自達汽車有限公司)	Automotive raw material and component supply chain services		348,180.05
Changan Ford Motor Co., Ltd. (長安福特汽車有限公司)	Automotive raw material and component supply chain services		298,295.42
Chongqing Chang'an Property Management Co., Ltd. Ya'an Branch (重慶市長安物業管理有限公司雅安分公司)	Automotive raw material and component supply chain services		104,016.00
Chongqing Lingyao Automobile Co., Ltd. (重慶鈴耀汽車有限公司)	Automotive raw material and component supply chain services		81,499.00
China South Industries Group Automation Research Institute Co., Ltd. (中國兵器裝備集團自動化研究所有限公司)	Automotive raw material and component supply chain services		79,245.28
Southern Industrial Technology Trading Co., Ltd. (南方工業科技貿易有限公司)	Automotive raw material and component supply chain services		74,911.33
Chongqing Qingshan Industrial Co., Ltd. (重慶青山工業有限責任公司)	Automotive raw material and component supply chain services		607.17
Minsheng Logistics Co., Ltd. (民生物流有限公司)	Automotive raw material and component supply chain services		-8,182.65
Chongqing Chang'an Smart City Operation and Management Co., Ltd. (重慶長安智慧城市運營管理有限公司)	Security and cleaning services	13,729,979.21	13,473,705.29
Chongqing Changan Intelligent City Operation Management Co., Ltd. Nanjing Branch (重慶長安智慧城市運營管理有限公司南京分公司)	Security and cleaning services	1,049,420.70	1,576,907.38
Chongqing Changan Intelligent City Operation Management Co., Ltd. Sichuan Branch (重慶長安智慧城市運營管理有限公司四川分公司)	Security and cleaning services	41,426.75	117,806.15
Chongqing Changan Intelligent City Operation Management Co., Ltd. Hangzhou Branch (重慶長安智慧城市運營管理有限公司杭州分公司)	Security and cleaning services	-50,943.39	50,943.39
Chongqing Chang'an Property Management Co., Ltd. Ya'an Branch (重慶市長安物業管理有限公司雅安分公司)	Security and cleaning services		29,292.45
Jiangling Motors Holdings Limited (江鈴控股有限公司)	Lease	9,173,077.11	
Chongqing Minsheng Comprehensive Logistics Co., Ltd. (重慶民生綜合物流有限公司)	Lease	2,458,613.40	
Changan Ford Motor Co., Ltd. (長安福特汽車有限公司)	Lease	2,042,387.64	1,521,684.48
Changan Ford Motor Co., Ltd. Hangzhou Branch (長安福特汽車有限公司杭州分公司)	Lease	1,168,304.92	
Chongqing Changan Automobile Co., Ltd. (重慶長安汽車股份有限公司)	Lease	1,084,082.97	
Hefei Changan Automobile Co., Ltd. (合肥長安汽車有限公司)	Lease	512,589.72	655,787.38

Continued…

① Purchase of goods/receiving of services (continued)

Related parties	Related party transaction content	Current amount incurred	Amount incurred in the previous period
Hubei Hannan Port Industrial Co., Ltd. (湖北漢南港實業有限公司)	Lease	181,306.61	
Changan Mazda Automobile Co., Ltd. (長安馬自達汽車有限公司)	Lease	6,973.68	220,705.93
Chongqing Lingyao Automobile Co., Ltd. (重慶鈴耀汽車有限公司)	Lease	-26,550.56	843,217.64
Shaanxi Kunlun Machinery Equipment Manufacturing Co., Ltd. (陝西昆侖機械裝備製造有限責任公司)	Other	842,845.18	
Hebei Changan Automobile Co., Ltd. (河北長安汽車有限公司)	Other	585,233.49	
Chongqing Changan Automobile Co., Ltd. (重慶長安汽車股份有限公司)	Other	396,061.22	
China Weapon News Agency (中國兵器報社)	Other	396,226.42	-101,550.00
Deepal Automotive Technology Co., Ltd. (深藍汽車科技有限公司)	Other	120,300.88	
Changan Mazda Automobile Co., Ltd. (長安馬自達汽車有限公司)	Other	61,024.23	
Southern Industrial Technology Trading Co., Ltd. (南方工業科技貿易有限公司)	Other	56,099.05	14,150.94
Chongqing Anbo Automobile Sales Co., Ltd. (重慶安博汽車銷售有限公司)	Other	8,450.45	4,017.69
Chongqing Changan Automobile Co., Ltd. Beijing Changan Automobile Co., Ltd. (重慶長安汽車股份有限公司北京長安汽車公司)	Other	191.98	
China South Industries Group Human Resources Development Center (中國兵器裝備集團人力資源開發中心)	Other	-20,656.60	52,166.03

② Sales of goods/rendering of services

Related parties	Related party transaction content	Current amount incurred	Amount incurred in the previous period
Chongqing Changan Automobile Co., Ltd. (重慶長安汽車股份有限公司)	Vehicle transportation business	1,779,606,858.84	1,650,644,855.24
Shenlan Automobile Sales (Chongqing) Co., Ltd. (深藍汽車銷售(重慶)有限公司)	Vehicle transportation business	671,746,542.42	283,260,967.77
Changan Ford Motor Co., Ltd. (長安福特汽車有限公司)	Vehicle transportation business	322,294,781.72	376,667,026.49
Hebei Changan Automobile Co., Ltd. (河北長安汽車有限公司)	Vehicle transportation business	305,056,358.48	300,140,852.64
Avatr (Chongqing) Automobile Sales Service Co., Ltd. (阿維塔(重慶)汽車銷售服務有限公司)	Vehicle transportation business	177,685,818.56	
Changan Mazda Automobile Sales Branch (長安馬自達汽車銷售分公司)	Vehicle transportation business	126,737,071.49	
Deepal Automotive Technology Co., Ltd. (深藍汽車科技有限公司)	Vehicle transportation business	72,194,848.22	192,985,949.13
Hefei Changan Automobile Co., Ltd. (合肥長安汽車有限公司)	Vehicle transportation business	42,081,674.21	26,032,914.03
Changan Mazda Automobile Co., Ltd. (長安馬自達汽車有限公司)	Vehicle transportation business	22,919,189.45	136,969,644.28
Chongqing Changan Automobile International Sales Service Co., Ltd. (重慶長安汽車國際銷售服務有限公司)	Vehicle transportation business	6,587,488.02	17,333,791.62
Chongqing Changan Automobile Co., Ltd. Beijing Changan Automobile Co., Ltd. (重慶長安汽車股份有限公司北京長安汽車公司)	Vehicle transportation business	5,239,479.02	6,667,713.15
Chongqing Changan Xing Automobile Co., Ltd. (重慶長安行汽車有限公司)	Vehicle transportation business	4,292,605.77	4,478,463.91
Minsheng Logistics Co., Ltd. (民生物流有限公司)	Vehicle transportation business	3,897,520.02	288,765.23
China South Industries Group Financial Leasing Co., Ltd. (中國兵器裝備集團融資租賃有限責任公司)	Vehicle transportation business	3,715,886.18	16,752,680.84
Chongqing Chang'an Kaicheng Automotive Technology Co., Ltd. (重慶長安凱程汽車科技有限公司)	Vehicle transportation business	2,104,763.64	2,246,893.19
Guizhou Wanyou Automobile Sales and Service Co., Ltd. (貴州萬友汽車銷售服務有限公司)	Vehicle transportation business	1,304,668.96	2,116,858.50
Chongqing Lingyao Automobile Co., Ltd. (重慶鈴耀汽車有限公司)	Vehicle transportation business	903,211.32	2,500,555.89
Chengdu Wanyou Automobile Trade Service Co., Ltd. (成都萬友汽貿服務有限公司)	Vehicle transportation business	515,687.14	282,697.25
Hunan Tianyan Machinery Co., Ltd. (湖南天雁機械有限責任公司)	Vehicle transportation business	408,709.44	
Chongqing Wanyou Economic Development Co., Ltd. (重慶萬友經濟發展有限責任公司)	Vehicle transportation business	390,262.34	717,716.29
Chongqing Xingzhi Technology Co., Ltd. (重慶行智科技有限公司)	Vehicle transportation business	321,569.17	
Chongqing Wanyou Economic Development Co., Ltd. Warehouseand Transportation Center (重慶萬友經濟發展有限責任公司倉交中心)	Vehicle transportation business	141,494.12	
Chongqing Anbo Automobile Sales Co., Ltd. (重慶安博汽車銷售有限公司)	Vehicle transportation business	98,306.94	214,425.59
Jiangsu Wanyou Automobile Sales and Service Co., Ltd. (江蘇萬友汽車銷售服務有限公司)	Vehicle transportation business	92,834.39	108,406.27
Chongqing Wanyou Zhicheng Automobile Sales and Service Co., Ltd. (重慶萬友致誠汽車銷售服務有限公司)	Vehicle transportation business	71,935.94	107,738.53
Chongqing Wanyou Chengxing Automobile Sales and Service Co., Ltd. (重慶萬友誠行汽車銷售服務有限公司)	Vehicle transportation business	62,424.96	26,011.45
Chongqing Qingshan Industrial Co., Ltd. (重慶青山工業有限責任公司)	Vehicle transportation business	61,528.30	

Continued…

② Sales of goods/rendering of services (continued)

Related parties	Related party transaction content	Current amount incurred	Amount incurred in the previous period
Minsheng Shipping Co., Ltd. (民生輪船股份有限公司)	Vehicle transportation business	43,002.88	43,264.93
Chongqing Shangfang Automotive Parts Co., Ltd. (重慶上方汽車配件有限責任公司)	Vehicle transportation business	18,726.42	5,643.40
Chongqing Wanyou Ducheng Automobile Sales and Service Co., Ltd. (重慶萬友都成汽車銷售服務有限公司)	Vehicle transportation business	10,844.96	4,783.44
China South Industries Group Finance Co., Ltd. (兵器裝備集團財務有限責任公司)	Vehicle transportation business	6,737.61	
Chongqing Wanyou Xingjian Automobile Sales and Service Co., Ltd. (重慶萬友行健汽車銷售服務有限公司)	Vehicle transportation business	5,184.41	22,627.24
Chongqing Changan Chelian Technology Co., Ltd. (重慶長安車聯科技有限公司)	Vehicle transportation business	3,623.62	582,466.36
Avatr Technology (Chongqing) Co., Ltd. (阿維塔科技(重慶)股份有限公司)	Vehicle transportation business	4,947,495.51	6,892,913.12
Changan Ford New Energy Vehicle Technology Co., Ltd. (長安福特新能源汽車科技有限公司)	Vehicle transportation business		1,820,502.86
Hefei Chang'an Yixing Technology Co., Ltd. (合肥長安宜行科技有限公司)	Vehicle transportation business		630,106.41
Zhongqi Chuangzhi Technology Co., Ltd. (中汽創智科技有限公司)	Vehicle transportation business		629,744.01
Changan Automobile Finance Co., Ltd. (長安汽車金融有限公司)	Vehicle transportation business		397,071.56
Sichuan Ningjiang Shanchuan Machinery Co., Ltd. (四川甯江山川機械有限責任公司)	Vehicle transportation business		149,364.15
Chongqing Chehemei Technology Co., Ltd. (重慶車和美科技有限公司)	Vehicle transportation business		22,172.64
Yunnan Wanyou Automobile Sales and Service Co., Ltd. (雲南萬友汽車銷售服務有限公司)	Vehicle transportation business		20,124.52
Chongqing Chang'an Special Purpose Vehicle Co., Ltd. (重慶長安專用汽車有限公司)	Vehicle transportation business		18,084.91
Hangzhou Chang'an Yixing Technology Co., Ltd. (杭州長安宜行科技有限公司)	Vehicle transportation business	-299.96	583,382.76
Chongqing Xingzhi Technology Co., Ltd. (重慶行智科技有限公司)	Automotive raw material and component supply chain services	702,434,877.61	58,258,855.29
Chongqing Changan Automobile International Sales Service Co., Ltd. (重慶長安汽車國際銷售服務有限公司)	Automotive raw material and component supply chain services	553,415,070.50	802,846,903.46
Chongqing Changan Automobile Co., Ltd. (重慶長安汽車股份有限公司)	Automotive raw material and component supply chain services	529,377,139.92	264,844,857.35
Changan Ford Motor Co., Ltd. (長安福特汽車有限公司)	Automotive raw material and component supply chain services	330,003,467.50	878,196,826.93
Changan Mazda Automobile Co., Ltd. (長安馬自達汽車有限公司)	Automotive raw material and component supply chain services	206,197,227.77	189,139,765.08
Hefei Changan Automobile Co., Ltd. (合肥長安汽車有限公司)	Automotive raw material and component supply chain services	185,180,125.00	131,187,578.04
Hebei Changan Automobile Co., Ltd. (河北長安汽車有限公司)	Automotive raw material and component supply chain services	82,106,933.00	59,921,627.47
Jiangling Motors Holdings Limited (江鈴控股有限公司)	Automotive raw material and component supply chain services	80,247,482.42	77,693,666.36
Deepal Automotive Technology Co., Ltd. (深藍汽車科技有限公司)	Automotive raw material and component supply chain services	68,386,103.01	71,398,290.97

Continued…

② Sales of goods/rendering of services (continued)

Related parties	Related party transaction content	Current amount incurred	Amount incurred in the previous period
Chongqing Qingshan Industrial Co., Ltd. (重慶青山工業有限責任公司)	Automotive raw material and component supply chain services	62,782,626.97	53,673,281.21
Changan Auto Southeast Aisa Co., Ltd.	Automotive raw material and component supply chain services	54,059,070.00	
Chongqing Wanyou Zunda Automobile Sales and Service Co., Ltd. (重慶萬友尊達汽車銷售服務有限公司)	Automotive raw material and component supply chain services	52,991,858.85	40,266,292.91
Nanjing Changan Automobile Co., Ltd. (南京長安汽車有限公司)	Automotive raw material and component supply chain services	51,293,178.96	51,506,396.08
Chongqing Changan Automobile Customer Service Co., Ltd. (重慶長安汽車客戶服務有限公司)	Automotive raw material and component supply chain services	48,829,730.61	48,800,467.25
Shenlan Automobile Sales (Chongqing) Co., Ltd. (深藍汽車銷售(重慶)有限公司)	Automotive raw material and component supply chain services	47,008,001.62	29,035,765.08
Sichuan Jian'an Industrial Co., Ltd. (四川建安工業有限責任公司)	Automotive raw material and component supply chain services	38,945,257.36	56,923,613.53
Avatr (Chongqing) Automobile Sales Service Co., Ltd. (阿維塔(重慶)汽車銷售服務有限公司)	Automotive raw material and component supply chain services	26,880,091.35	
Sichuan Ningjiang Shanchuan Machinery Co., Ltd. (四川甯江山川機械有限責任公司)	Automotive raw material and component supply chain services	24,663,142.74	5,311,987.90
Chengdu Huachuan Denso Co., Ltd. (成都華川電裝有限責任公司)	Automotive raw material and component supply chain services	19,826,399.81	21,892,891.57
Anhui Jian'an Chassis System Co., Ltd. (安徽建安底盤系統有限責任公司)	Automotive raw material and component supply chain services	19,349,034.64	17,109,223.71
Changan Auto Sales(Thailand) Co., Ltd.	Automotive raw material and component supply chain services	14,840,217.43	
ChenZhi (Chongqing) Brake System Co., Ltd. (辰致(重慶)制動系統有限公司)	Automotive raw material and component supply chain services	17,961,223.32	13,448,650.70
Chongqing Jianya Auto Parts Co., Ltd. (重慶建雅汽車零部件有限公司)	Automotive raw material and component supply chain services	13,571,305.57	
Chongqing Changan Automobile Co., Ltd. Beijing Changan Automobile Co., Ltd. (重慶長安汽車股份有限公司北京長安汽車公司)	Automotive raw material and component supply chain services	10,407,119.89	18,402,701.98
Jiangling Motors Co.,Ltd. (江鈴汽車股份有限公司)	Automotive raw material and component supply chain services	7,140,568.01	9,769,454.05
Harbin Dong'an Automotive Engine Manufacturing Co., Ltd. (哈爾濱東安汽車發動機製造有限公司)	Automotive raw material and component supply chain services	6,295,252.07	2,465,125.65
Chongqing Lingyao Automobile Co., Ltd. (重慶鈴耀汽車有限公司)	Automotive raw material and component supply chain services	5,265,000.34	4,534,184.91
China Changan Automobile Group Co., Ltd. (中國長安汽車集團有限公司)	Automotive raw material and component supply chain services	4,746,198.45	2,907,919.21
ChenZhi Automotive Technology Group Co., Ltd. (辰致汽車科技集團有限公司)	Automotive raw material and component supply chain services	4,304,833.35	
Changan Ford New Energy Vehicle Technology Co., Ltd. (長安福特新能源汽車科技有限公司)	Automotive raw material and component supply chain services	3,797,027.15	6,648,871.62
Chongqing Construction Transmission Technology Co., Ltd. (重慶建設傳動科技有限公司)	Automotive raw material and component supply chain services	3,131,975.97	2,833,463.50
Changan Mazda Engine Co., Ltd. (長安馬自達發動機有限公司)	Automotive raw material and component supply chain services	2,932,267.95	3,295,470.32

Continued…

② Sales of goods/rendering of services (continued)

Related parties	Related party transaction content	Current amount incurred	Amount incurred in the previous period
Chongqing Huxi Motor Industry Co., Ltd. (重慶虎溪電機工業有限責任公司)	Automotive raw material and component supply chain services	2,827,711.15	1,379,196.35
Southern Intel Air Conditioning Co., Ltd. (南方英特空調有限公司)	Automotive raw material and component supply chain services	2,418,471.11	3,892,146.78
Hubei Huazhong Automobile Lamp Co., Ltd. (湖北華中車燈有限公司)	Automotive raw material and component supply chain services	2,408,787.27	2,223,279.50
Chengdu Wanyou Filter Co., Ltd. (成都萬友濾機有限公司)	Automotive raw material and component supply chain services	2,071,731.83	2,099,027.84
Chongqing Construction Automotive Air Conditioner Co., Ltd. (重慶建設車用空調器有限責任公司)	Automotive raw material and component supply chain services	1,896,972.37	1,096,348.19
Chongqing Shangfang Automotive Parts Co., Ltd. (重慶上方汽車配件有限責任公司)	Automotive raw material and component supply chain services	1,686,371.43	4,252,535.94
Changan Mazda Automobile Sales Branch (長安馬自達汽車銷售分公司)	Automotive raw material and component supply chain services	1,115,370.54	856,046.21
Hubei Huazhong Marelli Automotive Lighting Co., Ltd. (湖北華中馬瑞利汽車照明有限公司)	Automotive raw material and component supply chain services	1,112,865.18	3,255,737.49
ChenZhi (Chongqing) Lightweight Technology Co., Ltd. (辰致(重慶)輕量化科技有限公司)	Automotive raw material and component supply chain services	4,147,919.64	
Chengde Sukeng Galaxy Automobile Parts Co., Ltd. (承德蘇墾銀河汽車零部件有限公司)	Automotive raw material and component supply chain services	556,827.65	
Harbin Dong'an Automotive Power Co., Ltd. (哈爾濱東安汽車動力股份有限公司)	Automotive raw material and component supply chain services	361,577.26	215,121.37
Chongqing Yihong Defense Technology Co., Ltd. (重慶益弘防務科技有限公司)	Automotive raw material and component supply chain services	267,233.94	5,660.39
Hunan Tianyan Machinery Co., Ltd. (湖南天雁機械有限責任公司)	Automotive raw material and component supply chain services	248,298.33	
Chongqing Dajiang Jiexin Forging Co., Ltd. (重慶大江傑信鍛造有限公司)	Automotive raw material and component supply chain services	190,220.82	90,750.94
Chongqing Hongyu Precision Industry Group Co., Ltd. (重慶紅宇精密工業集團有限公司)	Automotive raw material and component supply chain services	174,738.89	
Southern Faurecia Automotive Parts Co., Ltd. (南方佛吉亞汽車部件有限公司)	Automotive raw material and component supply chain services	159,074.01	225,095.36
ChenZhi (Chengdu) Intelligent Suspension Co., Ltd. (辰致(成都)智慧懸架有限公司)	Automotive raw material and component supply chain services	156,695.73	
Hunan Jiangbin Machine (Group) Co., Ltd. (湖南江濱機器(集團)有限責任公司)	Automotive raw material and component supply chain services	123,877.42	
Construction Industry Group (Yunnan) Co., Ltd. (建設工業集團(雲南)股份有限公司)	Automotive raw material and component supply chain services	119,536.58	797,217.28
Chengdu Jialing Huaxi Optics Precision Machinery Co., Ltd. (成都嘉陵華西光學精密機械有限公司)	Automotive raw material and component supply chain services	87,361.34	16,823.31
Longchang Shanchuan Machinery Co., Ltd. (隆昌山川機械有限責任公司)	Automotive raw material and component supply chain services	47,613.33	56,972.02
Chengdu Lingchuan Automotive Fuel Tank Co., Ltd. (成都陵川車用油箱有限公司)	Automotive raw material and component supply chain services	36,072.23	57,894.16
Nanyang Lida Optoelectronics Co., Ltd. (南陽利達光電有限公司)	Automotive raw material and component supply chain services	28,603.78	44,056.62

Continued…

② Sales of goods/rendering of services (continued)

Related parties	Related party transaction content	Current amount incurred	Amount incurred in the previous period
Chongqing Anfu Automobile Marketing Co., Ltd. (重慶安福汽車行銷有限公司)	Automotive raw material and component supply chain services	5,231.49	6,467.88
Anhui Wanyou Automobile Sales and Service Co., Ltd. (安徽萬友汽車銷售服務有限公司)	Automotive raw material and component supply chain services	4,250.73	4,021.38
Guizhou Wanfu Automobile Sales and Service Co., Ltd. (貴州萬福汽車銷售服務有限公司)	Automotive raw material and component supply chain services	4,206.32	6,557.13
Yunnan Wanfu Automobile Sales and Service Co., Ltd. (雲南萬福汽車銷售服務有限公司)	Automotive raw material and component supply chain services	2,466.82	2,280.41
Beijing Baiwang Changfu Automobile Sales and Service Co., Ltd. (北京百旺長福汽車銷售服務有限公司)	Automotive raw material and component supply chain services	1,896.99	4,015.07
Beijing North Changfu Automobile Sales Co., Ltd. (北京北方長福汽車銷售有限責任公司)	Automotive raw material and component supply chain services	1,710.08	2,007.42
United Prosperity Investment Co., Limited (中匯富通投資有限公司)	Automotive raw material and component supply chain services	1,479.01	
Dali Wanfu Automobile Sales and Service Co., Ltd. (大理萬福汽車銷售服務有限公司)	Automotive raw material and component supply chain services	1,393.68	1,146.15
Chengdu Wanyou Automobile Trade Service Co., Ltd. (成都萬友汽貿服務有限公司)	Automotive raw material and component supply chain services	973.00	1,777.79
Chuxiong Wanfu Automobile Sales and Service Co., Ltd. (楚雄萬福汽車銷售服務有限公司)	Automotive raw material and component supply chain services	660.48	2,807.46
Chongqing Anbo Automobile Sales Co., Ltd. (重慶安博汽車銷售有限公司)	Automotive raw material and component supply chain services	605.73	533.45
China Changan Automobile Group Tianjin Sales Co., Ltd. (中國長安汽車集團天津銷售有限公司)	Automotive raw material and component supply chain services	350.16	334.33
Guizhou Wanyou Automobile Sales and Service Co., Ltd. (貴州萬友汽車銷售服務有限公司)	Automotive raw material and component supply chain services	340.58	
Honghe Wanfu Automobile Sales and Service Co., Ltd. (紅河萬福汽車銷售服務有限公司)	Automotive raw material and component supply chain services	222.47	26.78
Chengdu Wanxing Automobile Sales and Service Co., Ltd. (成都萬星汽車銷售服務有限公司)	Automotive raw material and component supply chain services	213.06	161.45
Chongqing Wanyou Longrui Automobile Sales and Service Co., Ltd. (重慶萬友龍瑞汽車銷售服務有限公司)	Automotive raw material and component supply chain services	50.56	902.78
Era Chang'an Power Battery Co., Ltd. (時代長安動力電池有限公司)	Automotive raw material and component supply chain services		14,836,246.61
Avatr Technology (Chongqing) Co., Ltd. (阿維塔科技(重慶)股份有限公司)	Automotive raw material and component supply chain services	27,477,511.86	9,281,622.55
Faurecia (Chongqing) Automotive Parts Co., Ltd. (佛吉亞(重慶)汽車零部件有限公司)	Automotive raw material and component supply chain services		1,268,527.39
Nanjing Baosteel Zhushang Metal Products Co., Ltd. (南京寶鋼住商金屬製品有限公司)	Automotive raw material and component supply chain services		580,311.27
ChenZhi Technology Co., Ltd. (辰致科技有限公司)	Automotive raw material and component supply chain services		43,860.00
Chongqing Chang'an Smart City Operation and Management Co., Ltd. (重慶長安智慧城市運營管理有限公司)	Automotive raw material and component supply chain services		43,067.89
Chongqing Hongyu Friction Products Co., Ltd. (重慶紅宇摩擦製品有限公司)	Automotive raw material and component supply chain services		9,229.64

Continued…

② Sales of goods/rendering of services (continued)

Related parties	Related party transaction content	Current amount incurred	Amount incurred in the previous period
Guizhou Wanjia Automobile Sales and Service Co., Ltd. (貴州萬佳汽車銷售服務有限公司)	Automotive raw material and component supply chain services		468.81
Chongqing Construction Tongda Industrial Co., Ltd. (重慶建設仝達實業有限公司)	Automotive raw material and component supply chain services	-732.98	831,587.44
Sichuan Jian'an Industrial Co., Ltd. (四川建安工業有限責任公司)	Sales of automotive parts packaging materials	18,626,909.64	15,948,765.49
Chongqing Jianya Auto Parts Co., Ltd. (重慶建雅汽車零部件有限公司)	Sales of automotive parts packaging materials	3,114,078.33	
Anhui Jian'an Chassis System Co., Ltd. (安徽建安底盤系統有限責任公司)	Sales of automotive parts packaging materials	1,935,014.74	251,358.76
Chengdu Huachuan Denso Co., Ltd. (成都華川電裝有限責任公司)	Sales of automotive parts packaging materials	405,769.39	1,866,686.03
Nanyang Lida Optoelectronics Co., Ltd. (南陽利達光電有限公司)	Sales of automotive parts packaging materials		32,000.00
Changan Ford Motor Co., Ltd. (長安福特汽車有限公司)	Car tyre assembly	692,057,814.03	279,576,204.70
Chongqing Changan Automobile Co., Ltd. (重慶長安汽車股份有限公司)	Car tyre assembly	7,567,959.20	2,888,759.60
Hefei Changan Automobile Co., Ltd. (合肥長安汽車有限公司)	Car tyre assembly	4,447,280.16	
Hebei Changan Automobile Co., Ltd. (河北長安汽車有限公司)	Car tyre assembly	3,361,696.56	
Nanjing Changan Automobile Co., Ltd. (南京長安汽車有限公司)	Car tyre assembly	2,988,832.22	
Chongqing Lingyao Automobile Co., Ltd. (重慶鈴耀汽車有限公司)	Rent	634,065.30	
Chongqing Changan Xing Automobile Co., Ltd. (重慶長安行汽車有限公司)	Rent	520,715.20	
Chongqing Chang'an Smart City Operation and Management Co., Ltd. (重慶長安智慧城市運營管理有限公司)	Rent	99,785.33	
Chongqing Changan Automobile International Sales Service Co., Ltd. (重慶長安汽車國際銷售服務有限公司)	Rent		1,427,418.76
Deepal Automotive Technology Co., Ltd. (深藍汽車科技有限公司)	Other	19,448,794.85	
Chongqing Changan Automobile Co., Ltd. (重慶長安汽車股份有限公司)	Other	3,616,770.18	22,905,085.52
Sichuan Jian'an Industrial Co., Ltd. (四川建安工業有限責任公司)	Other	1,964,499.92	
China South Industries Group Finance Co., Ltd. (兵器裝備集團財務有限責任公司)	Other	260,850.00	
Chongqing Changan Automobile Customer Service Co., Ltd. (重慶長安汽車客戶服務有限公司)	Other	105,350.00	
Chongqing Qingshan Industrial Co., Ltd. (重慶青山工業有限責任公司)	Other	56,400.00	
Changan Ford Motor Co., Ltd. (長安福特汽車有限公司)	Other	43,324.33	389,919.03
Avatr Technology (Chongqing) Co., Ltd. (阿維塔科技(重慶)股份有限公司)	Other	96,631.17	1,343,971.69
Hebei Changan Automobile Co., Ltd. (河北長安汽車有限公司)	Other	-35,500.00	390,500.00
Chongqing Changan Automobile International Sales Service Co., Ltd. (重慶長安汽車國際銷售服務有限公司)	Other	-243,119.27	

The pricing of services provided by the company to customers is mainly driven by the market. The price of outsourced logistics services is often determined through internal price comparison, while the price of newly outsourced logistics services is often determined through bidding.

(2) Rental with related party

① The Company as tenant

Landlord	Type of assets leased	Rental expense payable in current year	Rental expense payable in prior year
Hubei Hannan Port Industrial Co., Ltd. (湖北漢南港實業有限公司)	Premises, Wharf, Barge, building	7,459,552.00	3,377,671.95
Chongqing Minsheng Integrated Logistics Co., Ltd. (重慶民生綜合物流有限公司)	Factory building	3,913,922.27	1,805,311.36
Chengdu Qingshan Industrial Co., Ltd. (成都青山实业有限责任公司)	Premises	77,952.00	
Hebei Changan Automobile Co., Ltd. (河北長安汽車有限公司)	Land	33,736.59	30,951.00
Changan Ford Motor Co., Ltd. (長安福特汽車有限公司)	Factory building	12,729.61	716,188.23

Right-of-use assets newly added by The Company as a lessee in the current year:

Landlord	Type of assets leased	Increase	Increase in prior year
Chongqing Minsheng Integrated Logistics Co., Ltd. (重慶民生綜合物流有限公司)	Factory building	2,546,868.28	
Hebei Changan Automobile Co., Ltd. (河北長安汽車有限公司)	Land		89,453.23

Interest expenses of lease liabilities incurred by the Company as a leasee:

Landlord	Type of assets leased	Interest expense for this period	Interest expense in prior period
Hubei Hannan Port Industrial Co., Ltd. (湖北漢南港實業有限公司)	Premises, wharf, barge, building	1,255,712.85	1,527,608.89
Chongqing Minsheng Integrated Logistics Co., Ltd. (重慶民生綜合物流有限公司)	Factory building	311,895.00	331,164.65
Hebei Changan Automobile Co., Ltd. (河北長安汽車有限公司)	Land	1,797.28	927.63
Changan Ford Motor Co., Ltd. (長安福特汽車有限公司)	Factory building		3,747.31

(3) Remuneration of key management personnel

Key management personnel are responsible for formulating strategic goals, business plans, commanding and scheduling production and operation activities, mainly including the chairman, directors, board secretary, general manager, chief accountant, financial director, deputy general manager in charge of various affairs, and personnel performing similar functions.

The Company has 15 key management personnel in the current period and 15 key management personnel in the previous period. The salary payment is shown on the table below:

Item	Current year	Prior year
Remuneration of key management personnel	10,890,330.60	10,382,980.94

(4) Other related party transactions

Deposits with related party

Item	Amount of deposit	Deposit interest rate
China South Industries Group Finance Co., Ltd. (兵器裝備集團財務有限責任公司)	232,219,380.46	0.05%-1.15%

Interest income

Item	Current year	Prior year
China South Industries Group Finance Co., Ltd. (兵器裝備集團財務有限責任公司)	1,504,248.79	2,989,401.67

Factoring services

Item	Current year	Prior year
China South Industries Group Commercial Factoring Co., Ltd. (中國兵器裝備集團商業保理有限公司)		12,000,000.00

6. Receivables and payables with related parties

(1) Receivables from related parties

Item	Related party	Closing balance		Beginning balance	
		Book balance	Provision for bad debts	Book balance	Provision for bad debts
Accounts receivable	Chongqing Changan Automobile Co., Ltd. (重慶長安汽車股份有限公司)	442,181,374.71	6,325,287.78	526,730,962.56	6,106,035.99
Accounts receivable	Shenlan Automobile Sales (Chongqing) Co., Ltd. (深藍汽車銷售(重慶)有限公司)	219,005,282.31	131,403.17	181,718,203.17	145,374.56
Accounts receivable	Changan Ford Motor Co., Ltd. Hangzhou Branch (長安福特汽車有限公司杭州分公司)	109,900,661.98	68,370.16	94,071,301.19	75,257.04
Accounts receivable	Hebei Changan Automobile Co., Ltd. (河北長安汽車有限公司)	67,264,972.20	52,590.14	73,927,241.28	59,250.10
Accounts receivable	Chongqing Changan Automobile International Sales Service Co., Ltd. (重慶長安汽車國際銷售服務有限公司)	64,693,396.25	38,823.65		
Accounts receivable	Changan Ford Motor Co., Ltd. (長安福特汽車有限公司)	64,675,667.73	597,022.13	53,314,850.03	411,489.99
Accounts receivable	Changan Mazda Automobile Co., Ltd. (長安馬自達汽車有限公司)	49,112,014.55	29,467.21	30,409,220.39	24,327.38
Accounts receivable	Avatr (Chongqing) Automobile Sales Service Co., Ltd. (阿維塔(重慶)汽車銷售服務有限公司)	47,860,741.18	28,716.44	35,164,387.23	28,131.51
Accounts receivable	Deepal Automotive Technology Co., Ltd. (深藍汽車科技有限公司)	46,221,568.33	29,892.83	30,997,302.98	25,781.08
Accounts receivable	Chongqing Xingzhi Technology Co., Ltd. (重慶行智科技有限公司)	41,885,772.53	25,131.46		
Accounts receivable	Changan Mazda Automobile Sales Branch (長安馬自達汽車銷售分公司)	34,862,077.55	20,917.25	43,235,694.67	52,357.82
Accounts receivable	Jiangling Motors Holdings Limited (江鈴控股有限公司)	30,634,241.08	13,656,179.25	49,430,643.19	25,197,473.99
Accounts receivable	Changan Ford Automobile Co., Ltd. Sales Branch (長安福特汽車有限公司銷售分公司)	29,130,706.96	93,792.88	10,689,862.11	78,963.95
Accounts receivable	Hefei Changan Automobile Co., Ltd. (合肥長安汽車有限公司)	22,535,048.06	13,521.03	42,292,367.43	42,626.75
Accounts receivable	Chongqing Changan Automobile Customer Service Co., Ltd. (重慶長安汽車客戶服務有限公司)	21,615,620.73	12,969.37	6,664,646.95	5,331.72
Accounts receivable	Nanjing Changan Automobile Co., Ltd. (南京長安汽車有限公司)	15,104,767.63	9,786.15	36,309,936.85	29,047.95
Accounts receivable	Avatr Technology (Chongqing) Co., Ltd. (阿維塔科技(重慶)股份有限公司)	14,425,680.93	12,035.57	6,129,343.39	4,917.77
Accounts receivable	Sichuan Jian'an Industrial Co., Ltd. (四川建安工業有限責任公司)	12,881,517.43	15,049.29	10,611,732.56	20,273.98
Accounts receivable	Changan Auto Southeast Aisa Co., Ltd.	6,250,062.86	3,750.04		
Accounts receivable	ChenZhi (Chongqing) Brake System Co., Ltd. (辰致(重慶)制動系統有限公司)	8,210,112.03	62,292.39	4,667,661.59	442,657.94
Accounts receivable	Chongqing Jianya Auto Parts Co., Ltd. (重慶建雅汽車零部件有限公司)	7,487,841.51	4,492.70		
Accounts receivable	Chongqing Qingshan Industrial Co., Ltd. (重慶青山工業有限責任公司)	4,251,662.48	9,649.51	6,089,612.39	4,871.69
Accounts receivable	Sichuan Ningjiang Shanchuan Machinery Co., Ltd. (四川甯江山川機械有限責任公司)	4,095,812.11	36,429.89	474,736.85	379.79

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(1) Receivables from related parties (continued)

Item	Related party	Closing balance		Beginning balance	
		Book balance	Provision for bad debts	Book balance	Provision for bad debts
Accounts receivable	Anhui Jian'an Chassis System Co., Ltd. (安徽建安底盤系統有限責任公司)	3,887,489.96	6,565.24	6,742,591.57	5,470.77
Accounts receivable	Jiangling Motors Co.,Ltd. (江鈴汽車股份有限公司)	3,616,418.14	5,326.04	5,641,854.26	4,513.48
Accounts receivable	Chongqing Changan Automobile Co., Ltd. Beijing Changan Automobile Co., Ltd. (重慶長安汽車股份有限公司北京長安汽車公司)	3,012,423.55	9,774.83	4,233,153.46	3,421.35
Accounts receivable	Chengdu Huachuan Denso Co., Ltd. (成都華川電裝有限責任公司)	2,823,149.85	31,038.59	5,833,808.49	179,174.16
Accounts receivable	Chongqing Lingyao Automobile Co., Ltd. (重慶鈴耀汽車有限公司)	2,775,705.70	56,629.18	1,929,102.98	1,543.28
Accounts receivable	Changan Ford New Energy Vehicle Technology Co., Ltd. (長安福特新能源汽車科技有限公司)	2,215,439.41	1,329.26		
Accounts receivable	ChenZhi (Chongqing) Lightweight Technology Co., Ltd. Ya'an Branch (辰致(重慶)輕量化科技有限公司雅安分公司)	2,188,774.29	2,090.68		
Accounts receivable	Chongqing Wanyou Zhunda Automobile Sales Service Co., Ltd. Shaanxi Branch (重慶萬友尊達汽車銷售服務有限公司陝西分公司)	1,982,143.44	1,189.29	1,213,917.25	971.13
Accounts receivable	China Changan Automobile Group Co., Ltd. Ya'an Chassis System Branch (中國長安汽車集團有限公司雅安底盤系統分公司)	1,174,696.96	704.82	564,123.36	451.30
Accounts receivable	Chongqing Wanyou Zunda Automobile Sales & Service Co., Ltd. Guangdong Branch (重慶萬友尊達汽車銷售服務有限公司廣東分公司)	1,111,300.80	666.78		
Accounts receivable	Chongqing Changan Xing Automobile Co., Ltd. (重慶長安行汽車有限公司)	1,083,908.64	719.61	88,368.99	70.70
Accounts receivable	ChenZhi (Chongqing) Brake System Co., Ltd. Nanjing Branch (辰致(重慶)制動系統有限公司南京分公司)	921,429.89	552.86	568,133.87	454.51
Accounts receivable	Chongqing Construction Transmission Technology Co., Ltd. (重慶建設傳動科技有限公司)	886,116.90	531.67	289,775.09	231.82
Accounts receivable	Harbin Dong'an Automotive Engine Manufacturing Co., Ltd. (哈爾濱東安汽車發動機製造有限公司)	810,730.23	110,732.59	305,558.31	244.65
Accounts receivable	Chengdu Wanyou Filter Co., Ltd. (成都萬友濾機有限公司)	660,444.05	13,161.73	665,809.25	3,646.52
Accounts receivable	ChenZhi (Chongqing) Lightweight Technology Co., Ltd. (辰致(重慶)輕量化科技有限公司)	659,035.51	395.42		
Accounts receivable	Chongqing Qingshan Industrial Co., Ltd. Zhengzhou Branch (重慶青山工業有限責任公司鄭州分公司)	619,030.67	371.42		
Accounts receivable	Chongqing Shangfang Automotive Parts Co., Ltd. (重慶上方汽車配件有限責任公司)	573,498.52	3,291.18	822,400.13	657.92
Accounts receivable	Chongqing Wanyou Zunda Automobile Sales & Service Co., Ltd. Jiangsu Branch (重慶萬友尊達汽車銷售服務有限公司江蘇分公司)	548,387.91	329.03	396,158.15	316.93
Accounts receivable	Changan Mazda Engine Co., Ltd. (長安馬自達發動機有限公司)	523,873.76	314.32	830,792.31	664.63
Accounts receivable	Sichuan Jian'an Industrial Co., Ltd. Dingzhou Jian'an Axle Branch (四川建安工業有限責任公司定州建安車橋分公司)	482,484.71	289.49	972,660.42	778.13

Continued…

(1) Receivables from related parties (continued)

Item	Related party	Closing balance		Beginning balance	
		Book balance	Provision for bad debts	Book balance	Provision for bad debts
Accounts receivable	Hubei Huazhong Automobile Lamp Co., Ltd. (湖北華中車燈有限公司)	481,463.09	12,047.60		
Accounts receivable	Sichuan Jian'an Industrial Co., Ltd. Chongqing Jian'an Chassis System Branch (四川建安工業有限責任公司重慶建安底盤系統分公司)	471,789.91	1,604.09	4,240,627.83	3,432.82
Accounts receivable	Faurecia (Chongqing) Automotive Parts Co., Ltd. Nanjing Branch (佛吉亞(重慶)汽車零部件有限公司南京分公司)	467,764.99	280.66		
Accounts receivable	Changan Ford Motor Co., Ltd. Power System Branch (長安福特汽車有限公司動力系統分公司)	412,742.08	377.07	2,265,760.55	1,812.61
Accounts receivable	Changan Financial Leasing Co., Ltd. (長安融資租賃有限公司)	364,287.60	218.57		
Accounts receivable	Chongqing Wanyou Zunda Automobile Sales and Service Co., Ltd. (重慶萬友尊達汽車銷售服務有限公司)	290,211.96	174.13	74,026.23	59.22
Accounts receivable	Chongqing Chang'an Kaicheng Automotive Technology Co., Ltd. (重慶長安凱程汽車科技有限公司)	267,045.04	160.23	914,139.29	731.31
Accounts receivable	Chongqing Wanyou Zunda Automobile Sales & Service Co., Ltd. Hunan Branch (重慶萬友尊達汽車銷售服務有限公司湖南分公司)	247,700.26	148.62		
Accounts receivable	Southern Intel Air Conditioning Co., Ltd. (南方英特空調有限公司)	227,099.95	136.26	581,408.84	465.13
Accounts receivable	Hunan Tianyan Machinery Co., Ltd. (湖南天雁機械有限責任公司)	216,616.00	129.97		
Accounts receivable	Chongqing Wanyou Zunda Automobile Sales & Service Co., Ltd. Shandong Branch (重慶萬友尊達汽車銷售服務有限公司山東分公司)	171,638.76	102.98		
Accounts receivable	Chongqing Wanyou Zunda Automobile Sales & Service Co., Ltd. Sichuan Branch (重慶萬友尊達汽車銷售服務有限公司四川分公司)	160,952.66	96.57		
Accounts receivable	Hubei Huazhong Marelli Automotive Lighting Co., Ltd. (湖北華中馬瑞利汽車照明有限公司)	128,374.87	85,860.56	200,422.83	81,194.33
Accounts receivable	Minsheng Logistics Co., Ltd. (民生物流有限公司)	107,310.00	64.39	116,700.00	93.36
Accounts receivable	Sichuan Ningjiang Shanchuan Machinery Co., Ltd. Longchang Shock Absorber Branch (四川甯江山川機械有限責任公司隆昌減振器分公司)	100,457.67	100,457.67	100,457.67	100,457.67
Accounts receivable	Chongqing Dajiang Jiexin Forging Co., Ltd. (重慶大江傑信鍛造有限公司)	78,262.97	12,277.86	105,827.83	58,506.76
Accounts receivable	ChenZhi Automotive Technology Group Co., Ltd. Chongqing Chassis System Branch (辰致汽車科技集團有限公司重慶底盤系統分公司)	65,720.00	223.45		
Accounts receivable	Chengde Sukeng Galaxy Automobile Parts Co., Ltd. (承德蘇墾銀河汽車零部件有限公司)	62,270.80	37.36		
Accounts receivable	ChenZhi (Chengdu) Intelligent Suspension Co., Ltd. (辰致(成都)智慧懸架有限公司)	57,627.40	34.58	11,517.58	9.21
Accounts receivable	Chongqing Hongyu Precision Industry Group Co., Ltd. (重慶紅宇精密工業集團有限公司)	46,470.19	27.88		
Accounts receivable	Chongqing Wanyou Zunda Automobile Sales & Service Co., Ltd. Hebei Branch (重慶萬友尊達汽車銷售服務有限公司河北分公司)	44,125.87	26.48		

Continued…

(1) Receivables from related parties (continued)

		Closing balance		Beginning balance	
Item	Related party	Book balance	Provision for bad debts	Book balance	Provision for bad debts
Accounts receivable	Chongqing Construction Electromechanical Co., Ltd. (重慶建設機電有限責任公司)	43,105.49	43,105.49	43,105.49	43,105.49
Accounts receivable	Harbin Dong'an Automotive Power Co., Ltd. (哈爾濱東安汽車動力股份有限公司)	42,855.45	25.71	31,130.00	24.90
Accounts receivable	Chongqing Yihong Defense Technology Co., Ltd. (重慶益弘防務科技有限公司)	36,472.00	21.88	1,000.00	0.80
Accounts receivable	Hunan Jiangbin Machine (Group) Co., Ltd. (湖南江濱機器(集團)有限責任公司)	32,370.49	19.42		
Accounts receivable	China South Industries Group Finance Co., Ltd. (兵器裝備集團財務有限責任公司)	27,650.10	94.01		
Accounts receivable	Southern Faurecia Automotive Parts Co., Ltd. Haining Branch (南方佛吉亞汽車部件有限公司海寧分公司)	25,899.72	15.54	36,095.32	28.88
Accounts receivable	Nanyang Lida Optoelectronics Co., Ltd. (南陽利達光電有限公司)	15,320.01	52.09	66,160.00	742.73
Accounts receivable	Minsheng Shipping Co., Ltd. (民生輪船股份有限公司)	14,905.67	8.94		
Accounts receivable	Longchang Shanchuan Machinery Co., Ltd. (隆昌山川機械有限責任公司)	12,779.63	7.67		
Accounts receivable	Chongqing Construction Automotive Air Conditioner Co., Ltd. (重慶建設車用空調器有限責任公司)	12,580.93	7.55	54,858.70	43.89
Accounts receivable	Southern Faurecia Automotive Parts Co., Ltd. Nanjing Branch (南方佛吉亞汽車部件有限公司南京分公司)	4,995.54	3.00	1,816.56	1.45
Accounts receivable	Minsheng International Container Transport Co., Ltd. (民生國際集裝箱運輸有限公司)	4,200.00	4,200.00	4,200.00	4,200.00
Accounts receivable	Chongqing Wanyou Economic Development Co., Ltd. Yuzhong Branch (重慶萬友經濟發展有限責任公司渝中分公司)	2,409.00	1.45		
Accounts receivable	Chongqing Wanyou Economic Development Co., Ltd. Liangping Branch (重慶萬友經濟發展有限責任公司梁平分公司)	834.90	2.84		
Accounts receivable	Chongqing Wanyou Economic Development Co., Ltd. Shizhu Branch (重慶萬友經濟發展有限責任公司石柱分公司)	701.00	0.42		
Accounts receivable	Changan Ford New Energy Automobile Sales Service (Shenzhen) Co., Ltd. (長安福特新能源汽車銷售服務(深圳)有限公司)	394.00	394.00	394.00	394.00
Accounts receivable	Beijing North Changfu Automobile Sales Co., Ltd. Changzhi Branch (北京北方長福汽車銷售有限責任公司長治分公司)	158.00	0.09	37.00	0.03
Accounts receivable	Beijing Baiwang Changfu Automobile Sales and Service Co., Ltd. (北京百旺長福汽車銷售服務有限公司)	24.00	0.01	219.00	0.18
Accounts receivable	China South Industries Group Commercial Factoring Co., Ltd. (中國兵器裝備集團商業保理有限公司)	0.02	0.02	1,195.26	1,195.26
Accounts receivable	Era Chang'an Power Battery Co., Ltd. (時代長安動力電池有限公司)			4,201,536.84	19,747.22
Accounts receivable	Shenzhen Minsheng Jiefukai Logistics Co., Ltd. (深圳民生捷富凱物流有限公司)			1,319,874.95	6,203.41

Continued…

(1) Receivables from related parties (continued)

Item	Related party	Closing balance		Beginning balance	
		Book balance	Provision for bad debts	Book balance	Provision for bad debts
Accounts receivable	Faurecia (Chongqing) Automotive Parts Co., Ltd. Nanjing Branch (佛吉亞(重慶)汽車零部件有限公司南京分公司)			456,167.00	364.93
Accounts receivable	Hubei Huazhong Automobile Lamp Co., Ltd. (湖北華中車燈有限公司)			389,625.29	11,549.11
Accounts receivable	Chongqing Huxi Motor Industry Co., Ltd. (重慶虎溪電機工業有限責任公司)			352,064.74	281.65
Accounts receivable	Zhongqi Chuangzhi Technology Co., Ltd. (中汽創智科技有限公司)			164,330.08	772.35
Accounts receivable	Construction Industry Group (Yunnan) Co., Ltd. (建設工業集團(雲南)股份有限公司)			86,015.01	68.81
Accounts receivable	Chongqing Changan Chelian Technology Co., Ltd. Jinhua Branch (重慶長安車聯科技有限公司金華分公司)			85,144.50	68.12
Accounts receivable	Chongqing Changan Chelian Technology Co., Ltd. (重慶長安車聯科技有限公司)			42,014.80	33.61
Accounts receivable	Chongqing Changan Chelian Technology Co., Ltd. Jiaxing Branch (重慶長安車聯科技有限公司嘉興分公司)			36,969.66	29.58
Accounts receivable	Chongqing Changan Chelian Technology Co., Ltd. Ningbo Branch (重慶長安車聯科技有限公司寧波分公司)			29,160.00	23.33
Accounts receivable	Jiangsu Wanyou Automobile Sales and Service Co., Ltd. (江蘇萬友汽車銷售服務有限公司)			15,760.00	12.61
Accounts receivable	Chongqing Wanyou Economic Development Co., Ltd. Hechuan Branch (重慶萬友經濟發展有限責任公司合川分公司)			12,974.00	29.92
Accounts receivable	Chongqing Wanyou Economic Development Co., Ltd. Hechuan Gravity Branch (重慶萬友經濟發展有限責任公司合川引力分公司)			6,030.00	4.82
Accounts receivable	Chongqing Wanyou Economic Development Co., Ltd. Changshou Automobile Trade City Branch (重慶萬友經濟發展有限責任公司長壽汽貿城分公司)			2,632.00	9.21
Accounts receivable	Chongqing Wanyou Economic Development Co., Ltd. Nan'an District Branch (重慶萬友經濟發展有限責任公司南岸區分公司)			1,977.00	2.78
Accounts receivable	Chengdu Lingchuan Automotive Fuel Tank Co., Ltd. (成都陵川車用油箱有限公司)			1,867.81	6.54
Accounts receivable	Guizhou Wanfu Automobile Sales and Service Co., Ltd. (貴州萬福汽車銷售服務有限公司)			1,438.00	1.15
Accounts receivable	Chongqing Anfu Automobile Marketing Co., Ltd. (重慶安福汽車行銷有限公司)			939.00	0.75
Accounts receivable	Chongqing Wanyou Chenghang Automobile Sales & Service Co., Ltd. Yubei Branch (重慶萬友誠行汽車銷售服務有限公司渝北分公司)			346.00	0.28
Accounts receivable	Guizhou Wanjia Automobile Sales and Service Co., Ltd. (貴州萬佳汽車銷售服務有限公司)			301.00	0.24
Accounts receivable	Anhui Wanyou Automobile Sales and Service Co., Ltd. (安徽萬友汽車銷售服務有限公司)			260.00	0.21
Accounts receivable	Yunnan Wanfu Automobile Sales and Service Co., Ltd. (雲南萬福汽車銷售服務有限公司)			221.00	0.18

Continued…

(1) Receivables from related parties (continued)

		Closing balance		Beginning balance	
Item	Related party	Book balance	Provision for bad debts	Book balance	Provision for bad debts
Accounts receivable	Chongqing Wanyou Longrui Automobile Sales and Service Co., Ltd. (重慶萬友龍瑞汽車銷售服務有限公司)			101.00	0.08
Accounts receivable	Chongqing Anbo Automobile Sales Co., Ltd. (重慶安博汽車銷售有限公司)			89.00	0.07
Accounts receivable	Dali Wanfu Automobile Sales and Service Co., Ltd. (大理萬福汽車銷售服務有限公司)			59.00	0.05
Accounts receivable	Chuxiong Wanfu Automobile Sales and Service Co., Ltd. (楚雄萬福汽車銷售服務有限公司)			49.00	0.04
Accounts receivable	Beijing North Changfu Automobile Sales Co., Ltd. Jingnan Changfu Branch (北京北方長福汽車銷售有限責任公司京南長福分公司)			34.00	0.03
Accounts receivable	Honghe Wanfu Automobile Sales and Service Co., Ltd. (紅河萬福汽車銷售服務有限公司)			29.00	0.02
Accounts receivable	China Changan Automobile Group Tianjin Sales Co., Ltd. (中國長安汽車集團天津銷售有限公司)			15.00	0.01
Accounts receivable	ChenZhi Technology Co., Ltd. (辰致科技有限公司)			0.10	
Contract assets	Changan Ford Motor Co., Ltd. (長安福特汽車有限公司)	114,866,672.76	68,920.00	142,767,929.37	129,124.90
Contract assets	Chongqing Changan Automobile Co., Ltd. (重慶長安汽車股份有限公司)	92,146,657.21	55,287.99	37,171,124.19	29,736.90
Contract assets	Chongqing Changan Automobile International Sales Service Co., Ltd. (重慶長安汽車國際銷售服務有限公司)	77,960,326.20	46,776.20	265,000.00	212.00
Contract assets	Deepal Automotive Technology Co., Ltd. (深藍汽車科技有限公司)	47,710,397.07	28,626.24		
Contract assets	Chongqing Qingshan Industrial Co., Ltd. (重慶青山工業有限責任公司)	45,162,883.96	28,278.10	3,809,652.66	3,047.72
Contract assets	Hefei Changan Automobile Co., Ltd. (合肥長安汽車有限公司)	35,730,626.32	21,438.38	13,036,022.05	10,428.82
Contract assets	Changan Ford Motor Co., Ltd. Hangzhou Branch (長安福特汽車有限公司杭州分公司)	35,536,251.98	21,321.75	47,518,178.61	38,014.54
Contract assets	Hebei Changan Automobile Co., Ltd. (河北長安汽車有限公司)	31,907,989.73	19,144.79	1,872,887.50	1,498.31
Contract assets	Changan Mazda Automobile Co., Ltd. (長安馬自達汽車有限公司)	21,801,599.09	13,080.96	17,949,653.15	14,359.72
Contract assets	Sichuan Jian'an Industrial Co., Ltd. (四川建安工業有限責任公司)	11,236,092.74	6,741.66	4,163,109.71	3,330.49
Contract assets	Nanjing Changan Automobile Co., Ltd. (南京長安汽車有限公司)	9,055,178.41	5,433.11	7,767,581.00	6,214.06
Contract assets	Changan Mazda Automobile Sales Branch (長安馬自達汽車銷售分公司)	8,023,985.04	4,814.39	13,912,219.97	11,129.78
Contract assets	Avatr Technology (Chongqing) Co., Ltd. (阿維塔科技(重慶)股份有限公司)	7,221,739.08	4,333.04		
Contract assets	Chongqing Changan Automobile Customer Service Co., Ltd. (重慶長安汽車客戶服務有限公司)	6,558,268.47	3,934.96		
Contract assets	Chongqing Xingzhi Technology Co., Ltd. (重慶行智科技有限公司)	6,026,282.70	3,615.77		

Continued…

(1) Receivables from related parties (continued)

		Closing balance		Beginning balance	
Item	Related party	Book balance	Provision for bad debts	Book balance	Provision for bad debts
Contract assets	Anhui Jian'an Chassis System Co., Ltd. (安徽建安底盤系統有限責任公司)	4,828,729.32	2,897.24	556,136.05	444.91
Contract assets	Changan Ford Motor Co., Ltd. Power System Branch (長安福特汽車有限公司動力系統分公司)	4,071,027.30	2,442.62		
Contract assets	Avatr (Chongqing) Automobile Sales Service Co., Ltd. (阿維塔(重慶)汽車銷售服務有限公司)	3,687,076.29	2,212.25		
Contract assets	China Changan Automobile Group Co., Ltd. Ya'an Chassis System Branch (中國長安汽車集團有限公司雅安底盤系統分公司)	3,370,536.94	2,022.32	2,043,222.72	1,634.58
Contract assets	Changan Auto Southeast Aisa Co., Ltd.	2,339,786.38	1,403.87		
Contract assets	Changan Auto Sales (Thailand) Co., Ltd.	2,670,226.97	1,602.14		
Contract assets	ChenZhi Automotive Technology Group Co., Ltd. Chongqing Chassis System Branch (辰致汽車科技集團有限公司重慶底盤系統分公司)	1,967,038.43	1,180.22		
Contract assets	ChenZhi (Chongqing) Lightweight Technology Co., Ltd. Ya'an Branch (辰致(重慶)輕量化科技有限公司雅安分公司)	1,106,390.01	663.83		
Contract assets	Sichuan Jian'an Industrial Co., Ltd. Chongqing Jian'an Chassis System Branch (四川建安工業有限責任公司重慶建安底盤系統分公司)	652,000.00	391.20	208,451.56	166.76
Contract assets	Jiangling Motors Holdings Limited (江鈴控股有限公司)	644,827.68	2,063.45		
Contract assets	ChenZhi (Chongqing) Brake System Co., Ltd. (辰致(重慶)制動系統有限公司)	636,486.15	381.89		
Contract assets	Harbin Dong'an Automotive Engine Manufacturing Co., Ltd. (哈爾濱東安汽車發動機製造有限公司)	492,391.46	295.43		
Contract assets	Chongqing Changan Automobile Co., Ltd. Beijing Changan Automobile Co., Ltd. (重慶長安汽車股份有限公司北京長安汽車公司)	459,039.85	275.42	976,173.46	780.94
Contract assets	Jiangling Motors Co., Ltd. (江鈴汽車股份有限公司)	344,214.14	206.53	910,501.17	728.40
Contract assets	ChenZhi (Chongqing) Lightweight Technology Co., Ltd. (辰致(重慶)輕量化科技有限公司)	295,174.08	177.10		
Contract assets	Chongqing Jianya Auto Parts Co., Ltd. (重慶建雅汽車零部件有限公司)	286,157.82	171.69		
Contract assets	Changan Mazda Engine Co., Ltd. (長安馬自達發動機有限公司)	265,657.52	159.39	713,916.39	571.13
Contract assets	Chongqing Changan Xing Automobile Co., Ltd. (重慶長安行汽車有限公司)	248,237.63	148.94		
Contract assets	ChenZhi (Chongqing) Brake System Co., Ltd. Nanjing Branch (辰致(重慶)制動系統有限公司南京分公司)	216,153.03	129.69		
Contract assets	Minsheng Logistics Co., Ltd. (民生物流有限公司)	152,388.28	91.43		
Contract assets	Guizhou Wanyou Automobile Sales and Service Co., Ltd. (貴州萬友汽車銷售服務有限公司)	145,258.62	87.16	111,148.00	88.92
Contract assets	Chongqing Wanyou Economic Development Co., Ltd. Warehouseand Transportation Center (重慶萬友經濟發展有限責任公司倉交中心)	123,440.91	74.06		

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(1) Receivables from related parties (continued)

Item	Related party	Closing balance		Beginning balance	
		Book balance	Provision for bad debts	Book balance	Provision for bad debts
Contract assets	Shenlan Automobile Sales (Chongqing) Co., Ltd. (深藍汽車銷售(重慶)有限公司)	103,158.17	61.89		
Contract assets	Hubei Huazhong Automobile Lamp Co., Ltd. (湖北華中車燈有限公司)	84,016.35	50.41		
Contract assets	Hunan Tianyan Machinery Co., Ltd. (湖南天雁機械有限責任公司)	58,968.48	35.38		
Contract assets	Chongqing Wanyou Economic Development Co., Ltd. (重慶萬友經濟發展有限責任公司)	37,195.41	22.32	65,874.30	52.70
Contract assets	Changan Financial Leasing Co., Ltd. (長安融資租賃有限公司)	30,795.28	18.48		
Contract assets	Chengdu Huachuan Denso Co., Ltd. (成都華川電裝有限責任公司)	24,210.64	14.53	32,417.19	25.93
Contract assets	Jiangsu Wanyou Automobile Sales & Service Co., Ltd. Shanghai Songjiang Branch (江蘇萬友汽車銷售服務有限公司上海松江分公司)	19,614.18	11.77		
Contract assets	Chengdu Jialing Huaxi Optics Precision Machinery Co., Ltd. (成都嘉陵華西光學精密機械有限公司)	17,940.32	10.76		
Contract assets	Chongqing Construction Automotive Air Conditioner Co., Ltd. (重慶建設車用空調器有限責任公司)	9,237.75	5.54	9,331.28	7.47
Contract assets	Jiangsu Wanyou Automobile Sales & Service Co., Ltd. New Energy Automobile Sales Qixia Branch (江蘇萬友汽車銷售服務有限公司新能源汽車銷售棲霞分公司)	8,534.87	5.12		
Contract assets	Hunan Jiangbin Machine (Group) Co., Ltd. (湖南江濱機器(集團)有限責任公司)	4,304.36	2.58		
Contract assets	ChenZhi (Chengdu) Intelligent Suspension Co., Ltd. (辰致(成都)智慧懸架有限公司)	1,280.66	0.77		
Contract assets	Changan Ford New Energy Vehicle Technology Co., Ltd. (長安福特新能源汽車科技有限公司)	0.01		4,375,994.30	3,500.80
Contract assets	China South Industries Group Financial Leasing Co., Ltd. (中國兵器裝備集團融資租賃有限責任公司)			2,836,845.12	2,269.48
Contract assets	Changan Ford Automobile Co., Ltd. Sales Branch (長安福特汽車有限公司銷售分公司)			1,175,018.71	940.01
Contract assets	Hubei Huazhong Automobile Lamp Co., Ltd. (湖北華中車燈有限公司)			262,272.36	209.82
Contract assets	Chongqing Wanyou Zhicheng Automobile Sales and Service Co., Ltd. (重慶萬友致誠汽車銷售服務有限公司)			87,445.87	69.96
Contract assets	Era Chang'an Power Battery Co., Ltd. (時代長安動力電池有限公司)			78,783.82	370.28
Contract assets	Southern Faurecia Automotive Parts Co., Ltd. Haining Branch (南方佛吉亞汽車部件有限公司海寧分公司)			50,658.33	40.53
Contract assets	Chongqing Changan Chelian Technology Co., Ltd. Ningbo Branch (重慶長安車聯科技有限公司寧波分公司)			20,186.32	16.15
Contract assets	Minsheng Shipping Co., Ltd. (民生輪船股份有限公司)			14,000.91	11.20
Contract assets	Chongqing Anbo Automobile Sales Co., Ltd. (重慶安博汽車銷售有限公司)			13,769.48	11.02

Continued…

(1) Receivables from related parties (continued)

		Closing balance		Beginning balance	
Item	Related party	Book balance	Provision for bad debts	Book balance	Provision for bad debts
Contract assets	Sichuan Ningjiang Shanchuan Machinery Co., Ltd. (四川寧江山川機械有限責任公司)			5,029.00	4.02
Contract assets	Hangzhou Chang'an Yixing Technology Co., Ltd. (杭州長安宜行科技有限公司)			2,391.31	1.91
Contract assets	Chongqing Changan Chelian Technology Co., Ltd. Jinhua Branch (重慶長安車聯科技有限公司金華分公司)			1,426.42	1.14
Contract assets	Chongqing Construction Tongda Industrial Co., Ltd. (重慶建設仝達實業有限公司)			776.96	0.62
Prepayment	Hefei Changan Automobile Co., Ltd. (合肥長安汽車有限公司)	324,793.07	833.80	324,793.07	56.95
Prepayment	Chongqing Chang'an Special Purpose Vehicle Co., Ltd. (重慶長安專用汽車有限公司)	235,600.00			
Prepayment	Chongqing Changan Automobile Co., Ltd. (重慶長安汽車股份有限公司)	43,403.34	447.05	43,403.34	34.72
Prepayment	Chengdu Qingshan Industrial Co., Ltd. (成都青山實業有限責任公司)	29,798.19		29,798.19	
Prepayment	Sichuan Changhong Minsheng Logistics Co., Ltd. (四川長虹民生物流股份有限公司)	500.00			
Prepayment	Chongqing Changan Automobile International Sales Service Co., Ltd. (重慶長安汽車國際銷售服務有限公司)	160.00	1.38	7,620.00	2.51
Prepayment	Deepal Automotive Technology Co., Ltd. (深藍汽車科技有限公司)			5,319,673.96	
Prepayment	China South Industries Group Human Resources Development Center (中國兵器裝備集團人力資源開發中心)			112,590.00	
Prepayment	Southern Industrial Technology Trading Co., Ltd. (南方工業科技貿易有限公司)			68,503.00	
Other receivables	Changan Mazda Automobile Co., Ltd. (長安馬自達汽車有限公司)	5,591,281.28	40,600.38	5,591,281.28	114,782.88
Other receivables	Changan Ford Automobile Co., Ltd. Sales Branch (長安福特汽車有限公司銷售分公司)	2,000,000.00	24,000.00	2,026,992.17	126,348.46
Other receivables	Chongqing Changan Automobile Co., Ltd. (重慶長安汽車股份有限公司)	1,230,681.19	11,426.79	4,715,265.19	54,700.90
Other receivables	Sichuan Ningjiang Shanchuan Machinery Co., Ltd. (四川寧江山川機械有限責任公司)	810,000.00	3,461.00	800,000.00	3,280.00
Other receivables	Hebei Changan Automobile Co., Ltd. (河北長安汽車有限公司)	612,400.00	7,348.80	612,400.00	38,642.44
Other receivables	Nanjing Changan Automobile Co., Ltd. (南京長安汽車有限公司)	600,000.00	2,620.00	700,000.00	4,060.00
Other receivables	Chongqing Minsheng Comprehensive Logistics Co., Ltd. (重慶民生綜合物流有限公司)	530,587.14	2,377.79	371,635.20	2,155.48
Other receivables	Chongqing Lingyao Automobile Co., Ltd. (重慶鈴耀汽車有限公司)	400,000.00	4,030.00	400,000.00	19,340.00
Other receivables	Southern Industrial Technology Trading Co., Ltd. (南方工業科技貿易有限公司)	379,006.00	1,235.91	280,000.00	1,148.00
Other receivables	Chongqing Chang'an Special Purpose Vehicle Co., Ltd. (重慶長安專用汽車有限公司)	360,000.00	756.00		

Continued…

(1) Receivables from related parties (continued)

		Closing balance		Beginning balance	
Item	Related party	Book balance	Provision for bad debts	Book balance	Provision for bad debts
Other receivables	ChenZhi Technology Co., Ltd. (辰致科技有限公司)	324,958.69	32.50		
Other receivables	ChenZhi (Chongqing) Brake System Co., Ltd. (辰致(重慶)制動系統有限公司)	300,000.00	720.00		
Other receivables	Jiangling Motors Co., Ltd. (江鈴汽車股份有限公司)	260,000.00	546.00		
Other receivables	Minsheng Logistics Co., Ltd. (民生物流有限公司)	200,000.00	480.00		
Other receivables	Sichuan Changhong Minsheng Logistics Co., Ltd. (四川長虹民生物流股份有限公司)	190,000.00	399.00		
Other receivables	Changan Ford Motor Co., Ltd. (長安福特汽車有限公司)	174,597.47	388.32	2,183,486.91	11,520.42
Other receivables	Changan Ford Motor Co., Ltd. Hangzhou Branch (長安福特汽車有限公司杭州分公司)	150,000.00	360.00	46,920.65	258.06
Other receivables	Shanghai Minsheng Shipping Co., Ltd. (上海民生輪船有限公司)	100,000.00	1,200.00	100,000.00	6,310.00
Other receivables	Chongqing Wanyou Zhunda Automobile Sales Service Co., Ltd. Shaanxi Branch (重慶萬友尊達汽車銷售服務有限公司陝西分公司)	100,000.00	210.00		
Other receivables	Hefei Changan Automobile Co., Ltd. (合肥長安汽車有限公司)	78,941.81	947.30	78,941.81	4,981.23
Other receivables	Chongqing Ante Import and Export Trading Co., Ltd. (重慶安特進出口貿易有限公司)	43,982.23	527.79	43,982.23	2,740.09
Other receivables	Avatr Technology (Chongqing) Co., Ltd. (阿維塔科技(重慶)股份有限公司)	30,000.00	129.00	30,000.00	
Other receivables	Harbin Dong'an Automotive Engine Manufacturing Co., Ltd. (哈爾濱東安汽車發動機製造有限公司)	25,764.65	146.86	25,764.65	141.71
Other receivables	Chongqing Construction Automotive Air Conditioner Co., Ltd. (重慶建設車用空調器有限責任公司)	20,000.00	48.00	500.00	
Other receivables	Harbin Botong Automobile Parts Manufacturing Co., Ltd. (哈爾濱博通汽車部件製造有限公司)	20,000.00	42.00		
Other receivables	Chongqing Changan Chelian Technology Co., Ltd. (重慶長安車聯科技有限公司)	6,565.00	78.78	66,565.00	655.00
Other receivables	Chongqing Changan Intelligent City Operation Management Co., Ltd. Hangzhou Branch (重慶長安智慧城市運營管理有限公司杭州分公司)	3,924.00		7,848.00	
Other receivables	Ming Sung Industrial Co., (HK) Limited (香港民生實業有限公司)	2,960.12	35.52	7,142.43	
Other receivables	Chongqing Changan Industry (Group) Co., Ltd. (重慶長安工業(集團)有限責任公司)	2,000.00	24.00	2,000.00	124.60
Other receivables	Longchang Shanchuan Machinery Co., Ltd. (隆昌山川機械有限責任公司)	15.00	0.18		
Other receivables	Wuhan Shengde Rixin Automobile Industry Park Co., Ltd. (武漢盛德日新汽車產業園有限公司)			3,158,000.00	196,743.40
Other receivables	Shenzhen Minsheng Jiefukai Logistics Co., Ltd. (深圳民生捷富凱物流有限公司)			1,060,000.00	4,631.00
Other receivables	Changan Ford Motor Co., Ltd. Power System Branch (長安福特汽車有限公司動力系統分公司)			471,814.49	2,594.98

Continued…

(1) Receivables from related parties (continued)

Item	Related party	Closing balance		Beginning balance	
		Book balance	Provision for bad debts	Book balance	Provision for bad debts
Other receivables	Nanjing Baosteel Zhushang Metal Products Co., Ltd. (南京寶鋼住商金屬製品有限公司)			300,000.00	18,930.00
Other receivables	Deepal Automotive Technology Co., Ltd. (深藍汽車科技有限公司)			57,985.00	
Other receivables	Chengdu Lingchuan Special Industry Co., Ltd. (成都陵川特種工業有限責任公司)			26.54	0.01
Receivables financing	Hebei Changan Automobile Co., Ltd. (河北長安汽車有限公司)	200,942,124.70		188,097,596.44	
Receivables financing	Chongqing Changan Automobile Co., Ltd. (重慶長安汽車股份有限公司)	185,141,118.28		219,840,521.43	
Receivables financing	Shenlan Automobile Sales (Chongqing) Co., Ltd. (深藍汽車銷售(重慶)有限公司)	108,900,920.57		51,039,550.66	
Receivables financing	Hefei Changan Automobile Co., Ltd. (合肥長安汽車有限公司)	34,609,960.46		3,221,600.93	
Receivables financing	Avatr (Chongqing) Automobile Sales Service Co., Ltd. (阿維塔(重慶)汽車銷售服務有限公司)	24,278,185.00		2,651,884.41	
Receivables financing	Changan Mazda Automobile Co., Ltd. (長安馬自達汽車有限公司)	13,978,769.58			
Receivables financing	Nanjing Changan Automobile Co., Ltd. (南京長安汽車有限公司)	13,941,478.06			
Receivables financing	Deepal Automotive Technology Co., Ltd. (深藍汽車科技有限公司)	5,462,336.99		19,749,025.09	
Receivables financing	Changan Mazda Automobile Sales Branch (長安馬自達汽車銷售分公司)	5,386,193.23			
Receivables financing	Chongqing Qingshan Industrial Co., Ltd. (重慶青山工業有限責任公司)	4,330,723.04		14,677,766.24	
Receivables financing	Chongqing Changan Automobile Co., Ltd. Beijing Changan Automobile Co., Ltd. (重慶長安汽車股份有限公司北京長安汽車公司)	3,080,693.51		1,785,116.56	
Receivables financing	ChenZhi (Chongqing) Brake System Co., Ltd. (辰致(重慶)制動系統有限公司)	1,985,909.09		1,061,796.48	
Receivables financing	Chongqing Shangfang Automotive Parts Co., Ltd. (重慶上方汽車配件有限責任公司)	702,277.00		473,950.50	
Receivables financing	Anhui Jian'an Chassis System Co., Ltd. (安徽建安底盤系統有限責任公司)	393,810.00		96,711.72	
Receivables financing	Chengde Sukeng Galaxy Automobile Parts Co., Ltd. (承德蘇墾銀河汽車零部件有限公司)	350,845.39			
Receivables financing	Hubei Huazhong Automobile Lamp Co., Ltd. (湖北華中車燈有限公司)	289,855.00		568,382.84	
Receivables financing	Chongqing Lingyao Automobile Co., Ltd. (重慶鈴耀汽車有限公司)	280,271.37		210,954.72	
Receivables financing	Chongqing Dajiang Jiexin Forging Co., Ltd. (重慶大江傑信鍛造有限公司)	15,261.68		28,738.40	
Receivables financing	Avatr Technology (Chongqing) Co., Ltd. (阿維塔科技(重慶)股份有限公司)	33.43		4,592,358.86	
Receivables financing	Chongqing Chang'an Kaicheng Automotive Technology Co., Ltd. (重慶長安凱程汽車科技有限公司)			399,171.13	

Continued…

(1) Receivables from related parties (continued)

		Closing balance		Beginning balance	
Item	Related party	Book balance	Provision for bad debts	Book balance	Provision for bad debts
Notes receivable	Chongqing Changan Automobile Co., Ltd. (重慶長安汽車股份有限公司)	177,962,951.65		322,527.83	
Notes receivable	Chongqing Huxi Motor Industry Co., Ltd. (重慶虎溪電機工業有限責任公司)	1,727,510.04			
Notes receivable	Deepal Automotive Technology Co., Ltd. (深藍汽車科技有限公司)	1,723,087.34		2,257,765.80	
Notes receivable	Chengdu Huachuan Denso Co., Ltd. (成都華川電裝有限責任公司)	837,963.78			
Notes receivable	Hubei Huazhong Automobile Lamp Co., Ltd. (湖北華中車燈有限公司)	686,995.12			
Notes receivable	Sichuan Jian'an Industrial Co., Ltd. (四川建安工業有限責任公司)	520,884.90			
Notes receivable	Chongqing Dajiang Jiexin Forging Co., Ltd. (重慶大江傑信鍛造有限公司)	35,290.24			
Notes receivable	Hebei Changan Automobile Co., Ltd. (河北長安汽車有限公司)			5,000,000.00	
Notes receivable	Anhui Jian'an Chassis System Co., Ltd. (安徽建安底盤系統有限責任公司)			392,363.28	
Notes receivable	Avatr Technology (Chongqing) Co., Ltd. (阿維塔科技(重慶)股份有限公司)			296,245.64	
Notes receivable	ChenZhi (Chongqing) Brake System Co., Ltd. (辰致(重慶)制動系統有限公司)			96,100.72	
Notes receivable	Chongqing Qingshan Industrial Co., Ltd. (重慶青山工業有限責任公司)			9,118.00	

(2) Payables to related parties

Item	Related party	Closing balance	Beginning balance
Accounts payable	Minsheng Logistics Co., Ltd. (民生物流有限公司)	29,732,919.61	51,931,161.79
Accounts payable	Chongqing Minsheng Comprehensive Logistics Co., Ltd. (重慶民生綜合物流有限公司)	5,348,162.23	5,138,433.04
Accounts payable	Minsheng International Freight Forwarding Co., Ltd. (民生國際貨物運輸代理有限公司)	1,998,174.79	1,106,872.00
Accounts payable	Shaanxi Kunlun Machinery Equipment Manufacturing Co., Ltd. (陝西昆侖機械裝備製造有限責任公司)	842,845.18	
Accounts payable	Shanghai Minsheng Shipping Co., Ltd. (上海民生輪船有限公司)	555,752.74	909,688.91
Accounts payable	Tianjin Minsheng International Shipping Agency Co., Ltd. (天津民生國際船務代理有限公司)	98,049.12	189,209.00
Accounts payable	Hebei Changan Automobile Co., Ltd. (河北長安汽車有限公司)	85,000.00	139,928.43
Accounts payable	Minsheng International Container Transport Co., Ltd. (民生國際集裝箱運輸有限公司)	71,724.96	67,162.73
Accounts payable	Chongqing Wanyou Zhunda Automobile Sales Service Co., Ltd. Shaanxi Branch (重慶萬友尊達汽車銷售服務有限公司陝西分公司)	50,113.62	96,811.36
Accounts payable	Changan Mazda Automobile Co., Ltd. (長安馬自達汽車有限公司)	43,072.86	141,250.00
Accounts payable	Guangzhou Minsheng International Freight Forwarding Co., Ltd. (廣州民生國際貨物運輸代理有限公司)	35,000.00	494,160.84
Accounts payable	Hubei Hannan Port Industrial Co., Ltd. (湖北漢南港實業有限公司)		1,872,995.25
Accounts payable	Changan Ford Motor Co., Ltd. (長安福特汽車有限公司)		208,040.00
Accounts payable	Sichuan Jian'an Industrial Co., Ltd. (四川建安工業有限責任公司)		53,974.79
Contract liabilities	Changan Ford Automobile Co., Ltd. Sales Branch (長安福特汽車有限公司銷售分公司)	1,120,526.76	1,152,239.78
Contract liabilities	Chongqing Changan Automobile Co., Ltd. (重慶長安汽車股份有限公司)	489,645.43	700,419.96
Contract liabilities	Chongqing Changan Automobile International Sales Service Co., Ltd. (重慶長安汽車國際銷售服務有限公司)	197,431.87	203,019.57
Contract liabilities	Chongqing Lingyao Automobile Co., Ltd. (重慶鈴耀汽車有限公司)	182,981.71	14,424.58
Contract liabilities	Chongqing Changan Automobile Customer Service Co., Ltd. (重慶長安汽車客戶服務有限公司)	75,010.50	77,133.43
Contract liabilities	Changan Ford Motor Co., Ltd. (長安福特汽車有限公司)	65,181.77	305,951.07
Contract liabilities	Chengdu Huachuan Denso Co., Ltd. (成都華川電裝有限責任公司)	36,611.07	37,647.24
Contract liabilities	ChenZhi (Chongqing) Brake System Co., Ltd. (辰致(重慶)制動系統有限公司)	34,195.24	35,163.03
Contract liabilities	Chongqing Construction Automotive Air Conditioner Co., Ltd. (重慶建設車用空調器有限責任公司)	18,348.62	
Contract liabilities	Hubei Huazhong Marelli Automotive Lighting Co., Ltd. (湖北華中馬瑞利汽車照明有限公司)	6,121.87	
Contract liabilities	Chongqing Qingshan Industrial Co., Ltd. (重慶青山工業有限責任公司)	6,045.64	
Contract liabilities	Chongqing Shangfang Automotive Parts Co., Ltd. (重慶上方汽車配件有限責任公司)	3,353.07	3,447.97
Contract liabilities	Chongqing Changan Automobile Co., Ltd. Sales Company (重慶長安汽車股份有限公司銷售公司)	2,311.93	2,377.36

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(2) Payables to related parties (continued)

Item	Related party	Closing balance	Beginning balance
Contract liabilities	Chongqing Wanyou Economic Development Co., Ltd. Hechuan Branch (重慶萬友經濟發展有限責任公司合川分公司)	250.46	
Contract liabilities	Chongqing Anfu Automobile Marketing Co., Ltd. Maintenance Service Branch (重慶安福汽車行銷有限公司維修服務分公司)	119.27	122.64
Contract liabilities	Chengdu Wanyou Filter Co., Ltd. (成都萬友濾機有限公司)	27.53	0.01
Contract liabilities	Sichuan Ningjiang Shanchuan Machinery Co., Ltd. Longchang Shock Absorber Branch (四川甯江山川機械有限責任公司隆昌減振器分公司)	0.92	0.94
Contract liabilities	Changan Ford Automobile Co., Ltd. Harbin Branch (長安福特汽車有限公司哈爾濱分公司)	0.04	0.04
Contract liabilities	Changan Ford Motor Co., Ltd. Hangzhou Branch (長安福特汽車有限公司杭州分公司)		2,719,371.67
Contract liabilities	Sichuan Ningjiang Shanchuan Machinery Co., Ltd. (四川甯江山川機械有限責任公司)		15,047.17
Contract liabilities	China South Industries Group Commercial Factoring Co., Ltd. (中國兵器裝備集團商業保理有限公司)		1,127.58
Other payables	Chongqing Chang'an Smart City Operation and Management Co., Ltd. (重慶長安智慧城市運營管理有限公司)	3,452,156.26	2,794,021.79
Other payables	Minsheng Logistics Co., Ltd. (民生物流有限公司)	3,018,611.00	3,028,611.00
Other payables	Chongqing Changan Automobile Co., Ltd. (重慶長安汽車股份有限公司)	2,928,003.47	2,636,725.51
Other payables	Jiangling Motors Holdings Limited (江鈴控股有限公司)	1,957,010.52	
Other payables	Chongqing Minsheng Comprehensive Logistics Co., Ltd. (重慶民生綜合物流有限公司)	1,441,938.02	1,043,738.26
Other payables	Sichuan Jian'an Industrial Co., Ltd. (四川建安工業有限責任公司)	1,132,344.52	429,417.79
Other payables	ChenZhi Technology Co., Ltd. (辰致科技有限公司)	948,558.37	
Other payables	Hebei Changan Automobile Co., Ltd. (河北長安汽車有限公司)	873,851.69	72,024.00
Other payables	Minsheng Industrial (Group) Co., Ltd. (民生實業(集團)有限公司)	773,945.55	633,386.09
Other payables	Chongqing Chang'an Construction Engineering Co., Ltd. (重慶長安建設工程有限公司)	601,488.89	601,488.89
Other payables	Minsheng International Freight Forwarding Co., Ltd. (民生國際貨物運輸代理有限公司)	505,500.00	200,500.00
Other payables	Changan Ford Motor Co., Ltd. (長安福特汽車有限公司)	387,925.23	399,335.20
Other payables	Minsheng Shipping Co., Ltd. (民生輪船股份有限公司)	202,200.00	2,200.00
Other payables	Chongqing Lingyao Automobile Co., Ltd. (重慶鈴耀汽車有限公司)	150,820.32	217,429.90
Other payables	China South Industries Group Corporation Co., Ltd. (中國兵器裝備集團有限公司)	144,008.58	112,241.70
Other payables	Southern Industrial Technology Trading Co., Ltd. (南方工業科技貿易有限公司)	131,372.00	8,526.42
Other payables	Shanghai Minsheng Shipping Co., Ltd. (上海民生輪船有限公司)	100,000.00	100,000.00
Other payables	Chongqing Changan Intelligent City Operation Management Co., Ltd. Nanjing Branch (重慶長安智慧城市運營管理有限公司南京分公司)	100,000.00	100,000.00

Continued…

(2) Payables to related parties (continued)

Item	Related party	Closing balance	Beginning balance
Other payables	APL Logistics (China) Ltd. (美集物流運輸(中國)有限公司)	89,838.41	89,838.41
Other payables	Tianjin Minsheng International Shipping Agency Co., Ltd. (天津民生國際船務代理有限公司)	50,000.00	50,000.00
Other payables	Chongqing Qingshan Industrial Co., Ltd. (重慶青山工業有限責任公司)	48,275.00	48,275.00
Other payables	Chongqing Changan Industry (Group) Co., Ltd. (重慶長安工業(集團)有限責任公司)	30,000.00	280,628.31
Other payables	Chengdu Lingchuan Special Industry Co., Ltd. (成都陵川特種工業有限責任公司)	24,438.88	
Other payables	Chengdu Wanyou Automobile Trade Service Co., Ltd. (成都萬友汽貿服務有限公司)	20,706.85	20,706.85
Other payables	Chongqing Changan Automobile Co., Ltd. Beijing Changan Automobile Co., Ltd. (重慶長安汽車股份有限公司北京長安汽車公司)	17,582.48	17,582.48
Other payables	Chongqing Changan Intelligent City Operation Management Co., Ltd. Sichuan Branch (重慶長安智慧城市運營管理有限公司四川分公司)	10,350.00	118,392.00
Other payables	Chengdu Huachuan Denso Co., Ltd. (成都華川電裝有限責任公司)	7,764.12	
Other payables	Changan Auto Southeast Aisa Co., Ltd.	6,564.31	
Other payables	Chongqing Chang'an Intelligent Industrial Technology Service Co., Ltd. (重慶長安智慧工業技術服務有限公司)	2,826.05	2,826.05
Other payables	Chongqing Changan Intelligent City Operation Management Co., Ltd. Hangzhou Branch (重慶長安智慧城市運營管理有限公司杭州分公司)	2,616.00	53,559.39
Other payables	Minsheng Shipping Co., Ltd. Shanghai Branch (民生輪船有限公司上海分公司)	1,094.00	1,094.00
Other payables	Chongqing Wanyou Economic Development Co., Ltd. (重慶萬友經濟發展有限責任公司)	607.5	607.5
Other payables	Southern Intel Air Conditioning Co., Ltd. (南方英特空調有限公司)	500	500
Other payables	Minsheng International Container Transport Co., Ltd. (民生國際集裝箱運輸有限公司)	400	400
Other payables	Changan Automobile (Group) Co., Ltd. (長安汽車(集團)有限責任公司)	171.5	12
Other payables	Hubei Huazhong Automobile Lamp Co., Ltd. (湖北華中車燈有限公司)	150	150
Other payables	Deepal Automotive Technology Co., Ltd. (深藍汽車科技有限公司)	0.14	
Other payables	China South Industries Group Automation Research Institute Co., Ltd. (中國兵器裝備集團自動化研究所有限公司)		84,000.00
Other payables	China South Industries Group Commercial Factoring Co., Ltd. (中國兵器裝備集團商業保理有限公司)		62,465.76
Other payables	Chongqing Anyi Automotive Technology Service Co., Ltd. (重慶安驛汽車技術服務有限公司)		55,107.00
Other payables	China South Industries Group Human Resources Development Center (中國兵器裝備集團人力資源開發中心)		31,600.00
Other payables	Chongqing Chang'an Property Management Co., Ltd. Ya'an Branch (重慶市長安物業管理有限公司雅安分公司)		28,326.00
Other payables	Hubei Hannan Port Industrial Co., Ltd. (湖北漢南港實業有限公司)		21,605.91
Other payables	Chongqing Wanyou Zunda Automobile Sales and Service Co., Ltd. (重慶萬友尊達汽車銷售服務有限公司)		294.61
Other payables	Wanyou Automotive Investment Co., Ltd. (萬友汽車投資有限公司)		0.06

XII. Share-based payments

1. Information about share-based payments

The stock appreciation incentive plan (hereinafter referred to as the "Plan") of the Company was approved by the shareholders' meeting on 28 August 2020 and further revised and approved by the State-owned Assets Supervision and Administration Commission of the State Council of the People's Republic of China. The main purpose is to provide incentives for directors and eligible employees, and it will expire on 27 April 2026. On 27 April 2021, the Company approved the issuance of 4,861,400 shares of underlying stock to 29 eligible employees, accounting for 3% of the total issued share capital of the Company, which is 162,064,000 shares. The holders of stock appreciation rights may exercise them in stages within two years from the date of grant. The rights granted to eligible employees shall become effective after one-third of the term expires in each of the following three years.

Exercise Price: Determined by the directors of the Company at HKD 2.98. This is the closing price of the Company's H-shares listed on the stock exchange on the grant date (i.e., 27 April 2021) as quoted in the daily quotation sheet of the stock exchange, which was HKD 2.98.

The stock appreciation rights granted under this plan are expected to be assessed and exercised annually during the three accounting periods from 2021 to 2023. Performance appraisals and exercises will be conducted annually, with the Company's business performance objectives serving as the vesting conditions.

The Company has granted stock appreciation rights and does not have any outstanding equity options or other equity instruments at the end of the year.

The share appreciation rights ("SARs") granted by the Group on 27 April 2021, entered into the second effective period commencing on 27 April 2024. Pursuant to the Company's audit report, the performance targets for the second effective period of the SARS Plan have been satisfied. 28 grantees may exercise a total of 1,499,377 SARs during the second remaining term.

The SARs granted by the Group on 27 April 2021, entered into the third effective period commencing on 27 April 2025. However, as the Group's 2023 Return on Equity ("ROE") indicator failed to reach the 75th percentile level of the benchmarked enterprises and the industry average, the third effective period failed to satisfy the vesting conditions. Consequently, the 1,620,466 SARs corresponding to the third effective period (accounting for 1/3 of the total granted SARs) were cancelled and lapsed.

Detailed information regarding the satisfaction of the performance conditions for the second effective period and the non-satisfaction of the performance conditions for the third effective period is provided in the Company's Voluntary Announcement released on 24 September 2025.

XIII. Commitments and contingencies

1. Contingencies

As of 31 December 2025, the Company has no outstanding contingencies such as unresolved litigations, external guarantees, or other undisclosed matters that require disclosure.

XIV. Event after balance sheet date

1. Profit distribution subsequent to balance sheet date

Proposed profit distribution or dividends	20,206,400.00
Profits or dividends declared and distributed upon review and approval	

2. Other items subsequent to the balance sheet date

As of 27 March 2026, the Company has no other subsequent events that require disclosure.

XV. Other significant matters

1. Segment reporting

The Company's directors, as the primary decision-makers in the Company's operations, believe that the Company's business activities are associated with various individual operational divisions. These divisions include providing transportation services for complete vehicles, supply chain management services for automotive raw materials, transportation services for spare parts and non-automotive goods, sales of packaging materials, and tire processing.

Since over 90% of the Company's revenue is derived from customers located in Mainland China and over 90% of its assets are situated in Mainland China, there is no requirement to present more detailed geographical information.

2. Audit fees

Item	Current year	Prior year
Audit fee	1,380,000.00	1,280,000.00

3. Remuneration of Directors and Supervisors

The remuneration of Directors and Supervisors in 2025 is set out as follows:

Name	Remuneration, allowances, and subsidies.	Social insurance, housing provident funds, and enterprise annuity	Total
Executive Directors			
Xie Shikang	1,175,730.00	136,930.38	1,312,660.38
Wan Nianyong	1,175,730.00	136,930.38	1,312,660.38
Non-executive Directors			
Che Dexi			
Tan Hongbin			
Chen Wenbo			
Jin Jie			
Dong Shaojie			
Gu Daokun			
Independent Non-executive Directors			
Li Ming	120,000.00		120,000.00
Man Wing Pong	120,000.00		120,000.00
Chen Jing	120,000.00		120,000.00
Zuo Xinyu	9,920.63		9,920.63
Supervisors			
Deng Li	207,400.00	96,492.63	303,892.63
Liu Shasha	316,250.00	117,156.14	433,406.14
Wang Huaicheng			
Ang Lai Fern			
Yang Gang			

The remuneration of Directors and Supervisors in 2024 is set out as follows:

Name	Remuneration, allowances, and subsidies	Social insurance, housing provident funds, and enterprise annuity	Total
Executive Directors			
Xie Shikang	1,082,992.00	134,102.64	1,217,094.64
Wan Nianyong	1,082,992.00	134,102.64	1,217,094.64
Non-executive Directors			
Che Dexi			
Chen Wenbo			
Jin Jie			
Dong Shaojie			
Independent Non-executive Directors			
Li Ming	120,000.00		120,000.00
Man Wing Pong	120,000.00		120,000.00
Chen Jing	120,000.00		120,000.00
Supervisors			
Deng Li	356,400.00	127,505.64	483,905.64
Liu Shasha	295,500.00	124,082.64	419,582.64
Wang Huaicheng			
Ang Lai Fern			
Yang Gang			

4. Top five highest-paid individuals

The five individuals with the highest emoluments during the year include two directors of the Group, whose emoluments are set out in Note XV.3. The emoluments of the remaining three individuals (who are not directors or supervisors) with the highest emoluments are set out below:

Item	2025	2024
Salaries, allowances, and employee benefits	1,135,120.80	1,065,880.80
Performance bonuses	1,778,174.00	1,565,245.00
Social insurance, housing provident funds, and enterprise annuity	458,399.46	443,563.60

The number of individuals who are not directors or supervisors fall within the scope of the highest-paid employees is as follows:

Category	Number of individual 2025	2024
HKD 0-1,000,000.00	0	0
HKD 1,000,000.00-1,500,000.00	3	3

5. Significant litigation progress

(1) On 1 December 2021, Beijing Huayang Hongda Freight Service Co., Ltd. (hereinafter referred to as "Huayang Hongda") entered into a transportation contract with our company (valid from 1 December 2021 to 31 December 2022) to undertake after-sales logistics services. RMB300,000 bid bond previously paid by Huayang Hongda was converted into a performance bond upon contract execution, with the refund condition stipulated as "interest-free return after contract termination and smooth operational completion." In January 2022, Huayang Hongda requested early termination of the contract effective from February 2022, but failed to reach agreement on bond refund terms. Consequently, Huayang Hongda filed a lawsuit with Chongqing Free Trade Zone Court demanding refund of the RMB300,000 bond along with interest and legal fees. According to Civil Ruling No. (2024) Yu 0192 Min Chu 7923 issued by Chongqing Free Trade Zone People's Court on 30 July 2024, the court approved Huayang Hongda's asset preservation application and froze the company's bank deposit of RMB300,000. On 20 January 2025, the court rendered a first-instance judgment in favor of our company, dismissing all claims by Huayang Hongda. Following an appeal filed by Huayang Hongda, Chongqing Intermediate People's Court upheld the original ruling on 20 May 2025, rejecting the appeal.

(2) Chongqing Chuangpei Logistics Co., Ltd. (hereinafter referred to as "Chuangpei Logistics") entered into a "Finished Vehicle Road Transport Service Contract" with our company on 30 January 2019, and paid a deposit of RMB1 million. The aforementioned business relationship was terminated in July 2021. On 19 August 2021, Chuangpei Logistics transferred its creditor's rights against Chang' an Minbi Logistics to Chongqing Yangcheng Qiqi Logistics Co., Ltd. (hereinafter referred to as "Yangcheng Qiqi"). The validity of this debt transfer was confirmed by civil judgments (2022) Yu 8601 Min Chu No.315 and (2023) Yu 01 Min Zhong No.2814, which ordered our company to pay freight charges to Yangcheng Qiqi. We subsequently transferred the deposit to Yangcheng Qiqi, who subsequently sued us for the refund of the RMB1 million deposit. On 6 August 2025, the Chongqing Liangjiang New Area People's Court ruled that our company must pay Yangcheng Qiqi RMB989,800 plus litigation costs of RMB13,800, totaling RMB1,003,600. Our company has filed an appeal, and the final judgment has yet to be issued.

(3) In May 2022, Boyu Company, a subsidiary of our corporation, initiated the Taiji Group Pharmaceutical Logistics Transportation Project. In June 2022, its supplier Chongqing Hongshenghua An Pharmaceutical Logistics Co., Ltd. (hereinafter referred to as "Hongshenghua An") applied for factoring financing of accounts receivable from Yuanda Financial Leasing (Shenzhen) Co., Ltd. (hereinafter referred to as "Yuanda Leasing"). In December 2022, due to poor management by Hongshenghua An and failure to repay outstanding debts to Yuanda Leasing, the latter filed a lawsuit with the Jiangbei District People's Court of Chongqing, demanding Boyu Company to pay principal of RMB900,000 from accounts receivable financing, along with interest, overdue interest, factoring fees, legal fees, and litigation costs. The court ruled that Boyu Company must pay Yuanda Leasing the principal amount of RMB900,000, interest of RMB32,900, overdue interest and factoring fees totaling RMB18,000 within 15 days after the judgment took effect, with the total amount capped at RMB1.3398 million. Boyu Company appealed the decision. On 16 July 2025, the Chongqing Intermediate People's Court dismissed the appeal and upheld the original ruling. Boyu Company has since made the corresponding payments.

(4) Sichuan Jiashun Logistics Co., Ltd. (hereinafter referred to as Jiashun Logistics) filed a lawsuit against its Ya'an branch, claiming additional costs of RMB876,400 incurred during the pandemic supply chain disruptions and other logistical challenges during the partnership period. The plaintiff sought reimbursement from the branch and named the parent company as a co-defendant. On 13 June 2025, the Mingshan District People's Court of Ya'an City dismissed all claims in the lawsuit. Jiashun Logistics appealed the decision, but the Ya' an Intermediate People's Court upheld the original ruling on 24 September 2025.

XVI. Notes to significant items of financial statements of parent company

1. Notes receivable

Category	Closing balance Book balance	Closing balance Provision for bad debts	Closing balance Carrying amount	Beginning balance Book balance	Beginning balance Provision for bad debts	Beginning balance Carrying amount
Bank acceptance bill	192,090,159.72		192,090,159.72	37,825,182.42		37,825,182.42
Commercial acceptance bills	1,733,911.61		1,733,911.61			
Total	**193,824,071.33**		**193,824,071.33**	**37,825,182.42**		**37,825,182.42**

(1) Accounts receivable that has been endorsed or discounted by the group but have not yet matured at the end of the period

Types	Amount derecognized at year end	Amount not derecognized at year end
Bank acceptance bill		2,958,607.81

(2) Disclosure by method of provision for bad debts

Category	Closing balance				
	Book balance		Provision for bad debts		
	Amount	Ratio (%)	Amount	Expected credit loss rate (%)	Carrying amount
Provision for bad debts on an individual basis					
Provision for bad debts on a portfolio basis	193,824,071.33	100.00			193,824,071.33
Including:					
Bank acceptance bills	192,090,159.72	99.11			192,090,159.72
Commercial acceptance bills	1,733,911.61	0.89			1,733,911.61
Total	**193,824,071.33**	**100.00**			**193,824,071.33**

Continued:

Category	Beginning balance				
	Book balance		Provision for bad debts		
	Amount	Ratio (%)	Amount	Expected credit loss rate (%)	Carrying amount
Provision for bad debts on an individual basis					
Provision for bad debts on a portfolio basis	37,825,182.42	100.00			37,825,182.42
Including:					
Bank acceptance bills	37,825,182.42	100.00			37,825,182.42
Commercial acceptance bills					
Total	**37,825,182.42**	**100.00**			**37,825,182.42**

Bills receivable for which bad debt provision is made on a portfolio basis

Provision for bad debts on a portfolio basis: Bank acceptance bills

Item	Closing balance Notes receivable	Closing balance Provision for bad debts	Closing balance Expected credit loss rate (%)	Beginning balance Notes receivable	Beginning balance Provision for bad debts	Beginning balance Expected credit loss rate (%)
Bank acceptance bills	192,090,159.72			37,825,182.42		

Provision for bad debts on a portfolio basis: Commercial acceptance bills

Item	Closing balance Notes receivable	Closing balance Provision for bad debts	Closing balance Expected credit loss rate (%)	Beginning balance Notes receivable	Beginning balance Provision for bad debts	Beginning balance Expected credit loss rate (%)
Commercial acceptance bills	1,733,911.61					

2. Accounts receivable

(1) By ageing

Ageing	Closing balance	Beginning balance
0-3 months	1,404,024,867.03	1,299,446,214.90
4-6 months	21,615,153.44	16,075,056.46
7-12 months	8,417,958.54	11,982,522.79
1-2 years	6,698,755.21	1,337,066.63
2-3 years	940,216.25	846,859.33
Over 3 years	52,519,528.09	65,575,267.63
Subtotal	**1,494,216,478.56**	**1,395,262,987.74**
Less: Provision for bad debts	60,621,506.05	74,673,635.46
Total	**1,433,594,972.51**	**1,320,589,352.28**

(2) Disclosure by method of provision for bad debts

	Closing balance				
	Book balance		Provision for bad debts		
Category	Amount	Ratio (%)	Amount	Expected credit loss rate (%)	Carrying amount
Provision for bad debts on an individual basis	6,688,788.35	0.45	4,722,658.23	70.61	1,966,130.12
Provision for bad debts on a portfolio basis	1,487,527,690.21	99.55	55,898,847.82	3.76	1,431,628,842.39
Including:					
Receivable from independent customers	290,515,820.44	19.44	34,249,321.47	11.79	256,266,498.97
Receivables from related parties	1,193,220,549.25	79.86	21,649,526.35	1.81	1,171,571,022.90
Receivables from related parties	3,791,320.52	0.25			3,791,320.52
Total	**1,494,216,478.56**	**100.00**	**60,621,506.05**	**4.06**	**1,433,594,972.51**

Continued:

	Beginning balance				
	Book balance		Provision for bad debts		
Category	Amount	Ratio (%)	Amount	Expected credit loss rate (%)	Carrying amount
Provision for bad debts on individual basis	7,330,419.15	0.53	5,184,289.03	70.72	2,146,130.12
Provision for bad debts on portfolio basis	1,387,932,568.59	99.47	69,489,346.43	5.01	1,318,443,222.16
Including:					
Receivable from independent customers	248,143,370.12	17.78	36,447,351.59	14.69	211,696,018.53
Receivables from related parties	1,135,682,657.67	81.40	33,041,994.84	2.91	1,102,640,662.83
Receivables from related parties	4,106,540.80	0.29			4,106,540.80
Total	**1,395,262,987.74**	**100.00**	**74,673,635.46**	**5.35**	**1,320,589,352.28**

Provision for bad debts of accounts receivable on an individual basis

	Closing balance			
Name	Book balance	Provision for bad debts	Expected credit loss rate (%)	Basis for accrual
Golmud Jingbei Salt Industry Co., Ltd. (格爾木晶北鹽業有限公司)	4,882,401.08	3,417,680.76	70.00	According to the litigation conditions
Golmud North Economic and Trade Co., Ltd. (格爾木北方經貿有限公司)	1,671,365.98	1,169,956.19	70.00	According to the litigation conditions
Other Customers	135,021.29	135,021.29	100.00	Expected irretrievable
Total	**6,688,788.35**	**4,722,658.24**	**70.61**	

Accounts receivable for which provision for bad debts is made on a portfolio basis

Provision for bad debts on a portfolio basis: Receivable from independent customers

	Closing balance			Beginning balance		
Ageing	Book balance	Provision for bad debts	Expected credit loss rate (%)	Book balance	Provision for bad debts	Expected credit loss rate (%)
0-3 months	245,185,738.40	784,594.36	0.32	201,693,214.60	887,449.82	0.44
4-6 months	8,381,519.53	41,907.61	0.50	8,286,868.51	116,844.85	1.41
7-12 months	4,004,812.53	706,048.45	17.63	2,882,191.93	446,451.54	15.49
1-2 years	245,347.68	100,298.13	40.88	415,122.73	215,365.68	51.88
2-3 years	187,481.43	105,552.05	56.30	320,714.09	235,981.44	73.58
Over 3 years	32,510,920.87	32,510,920.87	100.00	34,545,258.26	34,545,258.26	100.00
Total	**290,515,820.44**	**34,249,321.47**	**11.79**	**248,143,370.12**	**36,447,351.59**	**14.69**

Provision for bad debts on a portfolio basis: Receivables from related parties

	Closing balance			Beginning balance		
Ageing	Book balance	Provision for bad debts	Expected credit loss rate (%)	Book balance	Provision for bad debts	Expected credit loss rate (%)
0-3 months	1,155,155,611.62	693,093.37	0.06	1,093,646,459.50	962,568.53	0.09
4-6 months	13,126,460.40	44,629.98	0.34	7,788,187.95	27,258.66	0.35
7-12 months	4,408,146.01	595,540.53	13.51	2,579,140.26	505,511.49	19.60
1-2 years	532,216.93	323,481.44	60.78	271,802.01	170,283.96	62.65
2-3 years	112,992.93	107,659.67	95.28	485,815.82	465,120.07	95.74
Over 3 years	19,885,121.36	19,885,121.36	100.00	30,911,252.13	30,911,252.13	100.00
Total	**1,193,220,549.25**	**21,649,526.35**	**1.81**	**1,135,682,657.67**	**33,041,994.84**	**2.91**

Provision for bad debts on a portfolio basis: Receivables from related parties of the Group

	Closing balance			Beginning balance		
Ageing	Book balance	Provision for bad debts	Expected credit loss rate (%)	Book balance	Provision for bad debts	Expected credit loss rate (%)
0-3 months	3,683,517.01			4,106,540.80		
4-6 months	107,803.51					
Total	**3,791,320.52**			**4,106,540.80**		

(3) Accrual, recovery or reversal of bad debt provision during the year

	Amount of provision for bad debts
Beginning balance	74,673,635.46
Provision for the year	-13,129,810.67
Recovered or reversal in the year	
Write-off in the year	928,796.67
Reverse in the year	-6,477.93
Closing balance	60,621,506.05

(4) Accounts receivable actually written off in this period

Item	Write-off amount
Accounts receivable actually written off	928,796.67

(5) Important accounts receivable write-off status

Unit Name	Accounts receivable Nature	Write-off amount	Reason for write-off	Verification procedures for performance	Is the payment generated from related party transactions
Chongqing Jiangjin District Changjiang Auto Parts Co., Ltd. (重慶市江津區長江汽配有限責任公司) and 3 other companies	trade receivables	926,847.42	Guowei Technology Co., Ltd. has declared bankruptcy; all remaining debtors have had their licenses revoked. The amount cannot be recovered	General Manager's Office Meeting	No
Jilin Dongguang Aowei Automobile Brake System Co., Ltd. (吉林東光奧威汽車制動系統有限公司)	trade receivables	1,949.25	The individual transaction amount is small and the claim cannot cover the collection costs	General Manager's Office Meeting	No
Total		**928,796.67**			

(6) Accounts receivable and contract assets due from the top five debtors

Accounts receivable and contract assets due from the top five debtors as of 31 December 2025 was totaling RMB1,106,259,981.10, which accounted for 55.33% of total accounts receivable and contract assets, and the corresponding provision for bad debts was totaling RMB7,294,190.45.

3. Other receivables

Item	Closing balance	Beginning balance
Interest receivable		
Dividends receivable		
Other receivables	97,014,224.93	69,440,151.56
Total	**97,014,224.93**	**69,440,151.56**

(1) Other receivables

① By ageing

Ageing	Closing balance	Beginning balance
0-6 months	34,798,099.88	27,291,218.74
7-12 months	14,712,281.11	8,419,891.62
1-2 years	16,670,240.56	6,486,758.32
2-3 years	4,584,817.82	6,420,460.75
Over 3 years	30,022,111.03	25,341,185.42
Subtotal	**100,787,550.40**	**73,959,514.85**
Less: Provision for bad debts	3,773,325.47	4,519,363.29
Total	**97,014,224.93**	**69,440,151.56**

② Disclosure by nature

	Closing balance			Beginning balance		
Item	Book balance	Provision for bad debts	Carrying amount	Book balance	Provision for bad debts	Carrying amount
Current accounts	7,052,032.94	1,041,993.20	6,010,039.74	27,949,452.82	3,693,839.03	24,255,613.79
Security deposits, deposit	45,792,784.96	274,314.62	45,518,470.34	35,446,848.59	800,203.13	34,646,645.46
Staff petty cash borrowing	109,158.30		109,158.30	384,090.00		384,090.00
Advances for taxes and expenses	43,446,832.58	2,633.10	43,444,199.48	1,146,934.45	6,593.95	1,140,340.50
Others	4,386,741.62	2,454,384.55	1,932,357.07	9,032,188.99	18,727.18	9,013,461.81
Total	**100,787,550.40**	**3,773,325.47**	**97,014,224.93**	**73,959,514.85**	**4,519,363.29**	**69,440,151.56**

③ Information of provision for bad debts

At 31 December 2025, provision for bad debts in Stage 1:

Category	Book balance	Expected credit loss rate in the next 12 months (%)	Provision for bad debts	Carrying amount
Provision for bad debts on an individual basis				
Provision for bad debts on a portfolio basis	97,322,927.02	0.32	308,702.09	97,014,224.93
Current accounts	6,006,230.44	0.53	31,790.69	5,974,439.75
Security deposits, deposit	45,660,284.96	0.60	271,814.61	45,388,470.35
Staff petty cash borrowing	42,966,659.51			42,966,659.51
Advances for taxes and expenses	1,057,483.16	0.25	2,633.11	1,054,850.05
Others	1,632,268.95	0.15	2,463.68	1,629,805.27
Total	**97,322,927.02**	**0.32**	**308,702.09**	**97,014,224.93**

At 31 December 2025, the Company had no other receivables classified as Stage 2.

At 31 December 2025, provision for bad debts in Stage 3:

Category	Book balance	Expected credit loss rate for the lifetime (%)	Provision for bad debts	Carrying amount
Provision for bad debts on individual basis	3,464,623.38	100.00	3,464,623.38	
Including:				
Changan Ford Motor Co., Ltd. (長安福特汽車有限公司)	2,183,486.91	100.00	2,183,486.91	
Changan Ford Motor Co., Ltd. Power System Branch (長安福特汽車有限公司動力系統分公司)	471,814.49	100.00	471,814.49	
Changan Ford Motor Co., Ltd. Hangzhou Branch (長安福特汽車有限公司杭州分公司)	46,920.65	100.00	46,920.65	
Changan Ford Automobile Co., Ltd. Sales Branch (長安福特汽車有限公司銷售分公司)	26,992.17	100.00	26,992.17	
BeiBen Heavy-Duty Automobile Group Co., Ltd. (北奔重型汽车集团有限公司)	22,050.00	100.00	22,050.00	
Hafei Automobile Co., Ltd. (哈飛汽車股份有限公司)	713,359.16	100.00	713,359.16	
Total	**3,464,623.38**	**100.00**	**3,464,623.38**	

At 31 December 2024, provision for bad debts in Stage 1:

Category	Book balance	Expected credit loss rate in the next 12 months (%)	Provision for bad debts	Carrying amount
Provision for bad debts on an individual basis				
Provision for bad debts on a portfolio basis	70,306,941.47	1.23	866,789.91	69,440,151.56
Current accounts	24,296,879.44	0.17	41,265.65	24,255,613.79
Security deposits, deposit	35,446,848.59	2.26	800,203.13	34,646,645.46
Employee Imprest Borrowings	384,090.00			384,090.00
Advances for taxes and expenses	1,146,934.45	0.57	6,593.95	1,140,340.50
Others	9,032,188.99	0.21	18,727.18	9,013,461.81
Total	**70,306,941.47**	**1.23**	**866,789.91**	**69,440,151.56**

At 31 December 2024, the Company had no other receivables classified as Stage 2.

At 31 December 2024, provision for bad debts in Stage 3:

Category	Book balance	Expected credit loss rate for the lifetime (%)	Provision for bad debts	Carrying amount
Provision for bad debts on individual basis	3,652,573.38	100.00	3,652,573.38	
Including:				
Changan Ford Motor Co., Ltd. (長安福特汽車有限公司)	2,183,486.91	100.00	2,183,486.91	
Changan Ford Motor Co., Ltd. Power System Branch (長安福特汽車有限公司動力系統分公司)	471,814.49	100.00	471,814.49	
Changan Ford Motor Co., Ltd. Hangzhou Branch (長安福特汽車有限公司杭州分公司)	46,920.65	100.00	46,920.65	
Changan Ford Automobile Co., Ltd. Sales Branch (長安福特汽車有限公司銷售分公司)	26,992.17	100.00	26,992.17	
Guowei Technology Co., Ltd. (國威科技有限公司)	10,000.00	100.00	10,000.00	
Jiangsu Weilong New Energy Vehicle Co., Ltd. (江蘇威龍新能源汽車有限公司)	200,000.00	100.00	200,000.00	
Hafei Automobile Co., Ltd. (哈飛汽車股份有限公司)	713,359.16	100.00	713,359.16	
Total	**3,652,573.38**	**100.00**	**3,652,573.38**	

④ Accrual, recovery or reversal of bad debt provision during the year

Provision for bad debts	Stage 1 Expected credit loss within the next 12 months	Stage 2 Expected credit loss for lifetime (no credit impairment occurred)	Stage 3 Expected credit loss for lifetime (credit impairment has occurred)	Total
Beginning balance	866,789.91		3,652,573.38	4,519,363.29
Movement of beginning balance during the period				
--Transfer to Stage 2				
--Transfer to Stage 3				
--Reverse to Stage 2				
--Reverse to Stage 1				
Provision for the year	-558,087.82		22,050.00	-536,037.82
Reversal in the year				
Transfer in the year				
Write-off in the year			210,000.00	210,000.00
Other movement				
Closing balance	**308,702.09**		**3,464,623.38**	**3,773,325.47**

⑤ Closing balance of other receivables from 5 top units by debtor

Item	Amount written off
Other receivables written off	210,000.00

Write-off of significant other receivables

Unit Name	Accounts receivable nature	Write off amount	Reason for verification	Verification procedures for performance	Is the payment generated from related party transactions
Jiangsu Weilong New Energy Vehicle Co., Ltd. (江蘇威龍新能源汽車有限公司)	Refund	200,000.00	The debtor has gone bankrupt, and the payment cannot be recovered.	General Manager's Office Meeting	No
Guowei Technology Co., Ltd. (國威科技有限公司)	Security deposit	10,000.00	The debtor has gone bankrupt, and the payment cannot be recovered.	General Manager's Office Meeting	No
Total		210,000.00			

⑥ Other receivables due from the top five debtors

Name of entity	Nature	Other receivables Closing balance	Ageing	Proportion to total other receivables (%)	Provision for bad debts Closing balance
Chain Management Logistics Co, Ltd. (重慶福集供應鏈管理有限公司)	Advances for taxes and expenses	19,917,082.82	0-6 months, 7-12 months, over 3 years	19.76	
Chongqing Saimei Shuzhi Technology Co., Ltd. (重慶賽美數智科技有限公司)	Advances for taxes and expenses	7,062,441.51	0-6 months, 7-12 months, 1-2years, over 3 years	7.01	
Changan Minsheng (Shanghai) Supply Chain Co., Ltd. (長安民生(上海) 供應鏈有限公司)	Advances for taxes and expenses	5,420,257.16	0-6 months, 7-12 months, over 3 years	5.38	
Hangzhou Changan Minsheng Logistics Co., Ltd. (杭州長安民生物流有限公司)	Advances for taxes and expenses	4,102,433.86	0-6 months, 7-12 months, 1-2years	4.07	
Flyd International Logistics Co., Ltd. (Jiangsu) (江苏飞力达国际物流股份有限公司)	Security deposits, deposit	4,000,000.00	0-6 months, 1-2years	3.97	11,876.00
Total		**40,502,215.35**		**40.19**	**11,876.00**

4. Long-term equity investment

Item	Closing balance Book balance	Closing balance Provision for impairment	Closing balance Carrying amount	Beginning balance Book balance	Beginning balance Provision for impairment	Beginning balance Carrying amount
Investment in subsidiaries	956,671,125.98		956,671,125.98	953,282,452.93		953,282,452.93
Investment in associates	70,313,831.27	42,029,948.15	28,283,883.12	70,229,948.15	42,029,948.15	28,200,000.00
Total	1,026,984,957.25	42,029,948.15	984,955,009.10	1,023,512,401.08	42,029,948.15	981,482,452.93

(1) Investment in subsidiaries

Investee	Beginning balance	Increase	Decrease	Closing balance	Provision for impairment in the year	Provision for impairment closing balance
CMAL BO Yu Transportation Co., Ltd. (重慶長安民生博宇運輸有限公司)	60,000,000.00			60,000,000.00		
Fulu International Logistics Co., Ltd. (福路國際物流有限公司)	11,500,000.00			11,500,000.00		
Chongqing Saimei Shuzhi Technology Co., Ltd. (重慶賽美數智科技有限公司)	50,000,000.00			50,000,000.00		
Chongqing Changzu Feiyue Technology Co., Ltd. (重慶長足飛越科技有限公司)	28,469,452.93			28,469,452.93		
Chongqing Future Supply Chain Management Logistics Co, Ltd. (重慶福集供應鏈管理有限公司)	30,000,000.00			30,000,000.00		
Chongqing Changxiang Supply chain Technology Co., Ltd. (重慶長享供應鏈科技有限公司)	14,000,000.00			14,000,000.00		
Nanjing CMSC Logistics Co., Ltd. (南京長安民生住久物流有限公司)	85,533,000.00			85,533,000.00		
Changan Minsheng (Shanghai) Supply Chain Co., Ltd. (長安民生(上海) 供應鏈有限公司)	30,000,000.00			30,000,000.00		
Hangzhou Changan Minsheng Logistics Co., Ltd. (杭州長安民生物流有限公司)	610,000,000.00			610,000,000.00		
Wuhan Changjiang Zhilian Port Development Co., Ltd (武漢長江智聯港口發展有限公司)	33,780,000.00			33,780,000.00		
CCM Logistics Co., Ltd.		3,388,673.05		3,388,673.05		
Total	953,282,452.93	3,388,673.05		956,671,125.98		

(2) Investment in associates and joint ventures

			Movement in the year									
Investee	Beginning balance	Beginning balance of provision for impairment	Additions in investment	Decrease in investment	Investment income/loss recognized under equity method	Adjustment of other comprehensive income	Changes of other equity	Announced distribution of cash dividend or profit	Provision for impairment	Other	Closing balance	Closing balance of provision for impairment
① Associates												
Chongqing Guoyuan Ro-Ro Terminal Company Limited (重慶果園滾裝碼頭有限公司)	28,200,000.00	42,029,948.15			45,957.81		37,925.31				28,283,883.12	42,029,948.15

Note: See note V.10 for details.

5. Operating income and operating cost

(1) Operating income and operating cost

	Current year		Prior year	
Item	Revenue	Cost	Revenue	Cost
Primary operations	7,850,656,578.31	7,653,294,978.05	6,631,927,582.13	6,462,003,550.11
Other operations	22,370,949.38	1,552,647.65	22,444,142.85	7,627,521.99
Total	7,873,027,527.69	7,654,847,625.70	6,654,371,724.98	6,469,631,072.10

(2) Operating revenue and operating costs based on the timing of goods transfer

	Current year			
	Transportation service		Others	
Item	Revenue	Cost	Revenue	Cost
Primary operations				
Including: Recognized at a point in time	7,850,656,578.31	7,653,294,978.05		
Other operations				
Including: Recognized at a point in time			22,370,949.38	1,552,647.65
Total	7,850,656,578.31	7,653,294,978.05	22,370,949.38	1,552,647.65

6. Investment income

Item	Current year	Prior year
Income from long-term equity investment by cost method	26,800,000.00	141,772,725.00
Income from long-term equity investment by equity method	45,957.81	159,411.85
Investment income generated from the disposal of long-term equity investments	3,236.51	2,000,000.00
Interest expenses for discounted acceptance bills derecognised		-1,103,078.96
Total	26,849,194.32	142,829,057.89

XVII. Supplement information

1. Schedule of non-recurring gains or losses

Item	Current year
Gain or loss on disposal of non-current assets, including the reversal of provisions for impairment of assets.	-552,986.56
Government grants that are included in the profit and loss (except for government grants that are closely related to the Group's normal business operations and that meet the national policy requirements and continue to enjoy a certain amount or quantitative basis according to certain standards)	20,302,273.98
Losses of various assets arising from force majeure events, including natural disasters	-494,500.00
Reversal of provision for impairment of receivables that are individually tested for impairment	658,895.80
Other non-operating income and expenses other than the above	-19,636,879.55
Total amount of non-recurring items	**276,803.67**
Less: effects of income tax on non-recurring items	401,787.93
Net amount of non-recurring items	**-124,984.26**
Less: Non-recurring items attributable to the minority shareholders (after tax)	1,852,435.50
Non-recurring items attributable to the shareholders of the Group	**-1,977,419.76**

2. Return on equity and earnings per share

Profits in reporting period	Weighted average net assets Rate of return (%)	Earnings per share: Basic earnings per share	Earnings per share: Diluted earnings per share
Net profit attributable to the shareholders of the Group	1.91	0.22	
Net profit attributable to ordinary shareholders of the Group after deducting non-recurring gains and losses	2.01	0.23	