中國外運

中國外運股份有限公司
SINOTRANS LIMITED

Stock Code: 00598HK 601598SH

2026 INTERIM REPORT

CUSTOMERS' SUCCESS OUR ACHIEVEMENT

Important Notice

1. The Board, Directors and members of the Senior Management of the Company warrant the truthfulness, accuracy and completeness of the contents in this Interim Report and confirm that there are no misrepresentations or misleading statements contained in or material omissions from this Interim Report, and accept several and joint legal responsibilities.

2. Absent Director

Position of the absent Director	Name of the absent Director	Reason for the absence of the Director	Name of the proxy
Director	Li Feng	Other engagement	Luo Li

3. This Interim Report is unaudited.

4. Zhang Yi, person in charge of the Company; Li Xiaoyan, Chief Financial Officer; and Wang Xueyan, person in charge of the Financial Department (person in charge of accounting), hereby make the statement that they warrant the financial statements contained in this Interim Report are true, accurate and complete.

5. Proposal for profit distribution or proposal for conversion of common reserve fund into share capital during the Reporting Period considered and approved by the Board.

   According to the authorisation of the General Meeting of Shareholders, as approved by the Board, the Company will distribute an interim dividend of RMB0.14 per share (tax included) in cash for 2026, based on the total share capital registered on the record date of the equity distribution. As at the date of this Report, the total share capital was 7,173,751,227 shares, based on which, the total amount of the interim dividend payment for 2026 is expected to be RMB1,004,325,171.78 (tax included).

6. Risk disclaimer of forward-looking statements

   ✓Applicable ☐Not applicable

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

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

   No

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

   No

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

   No

10. Significant risk alert

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

11. Others

    ✓Applicable ☐Not applicable

    The Company's 2026 interim financial report has been prepared in accordance with Accounting Standards for Business Enterprises published by the Ministry of Finance of the People's Republic of China and related provisions. Unless otherwise specified, the reporting currency in this Report is Renminbi ("RMB").

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

CONTENTS

Documents Available for Check

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

Highlights of the First Half of 2026

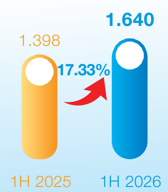
Revenue (RMB)

46.452 billion

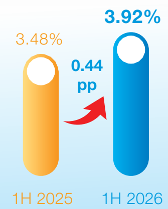
Net Profit Attributable to Shareholders of the Company (RMB)

1.725 billion

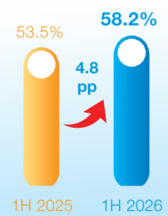
Net Profit Net of Non-recurring Profit or Loss Attributable to Shareholders of the Company (billion)



ROE, Net of Non-recurring Profit or Loss



Cash Dividend Payout Ratio



Segment Profit*

Contract Logistics

286 million 19.2%

Sea Freight Forwarding

562 million 10.2%

Railway Freight Forwarding

143 million 574.3%

Air Freight Forwarding

87 million 87.8%

Cross-Border E-Commerce Logistics

37 million 19.1%

* Segment profit = Segment operating profit – investment income

Chapter 1 Definitions

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

A Share(s)	the domestic listed Share(s) of the Company with nominal value of RMB1.00 each, which are listed on the SSE and traded in RMB
Articles of Association	the Articles of Association of Sinotrans Limited
Board	the Board of Directors of the Company
CG Code	code provisions of Corporate Governance Code as set out in Appendix C1 to the SEHK Listing Rules
China Merchants	China Merchants Group Limited (招商局集團有限公司), a wholly state-owned enterprise established under the laws of the PRC under direct control of the State-owned Assets Supervision and Administration Commission of the State Council, the actual controller of the Company, which aggregately holds 60.20% of the issued share capital of the Company as at the date of this Report
China Merchants Group	China Merchants and its subsidiaries
Companies Ordinance	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
Company Law	the Company Law of the People's Republic of China
Company or Sinotrans	Sinotrans Limited (中國外運股份有限公司), a joint stock limited company incorporated in the PRC with limited liability, whose H Shares are listed on the SEHK and A Shares are listed on the SSE
CSRC	China Securities Regulatory Commission
Director(s)	director(s) of the Company
Group	the Company and its subsidiaries
H Share(s)	the overseas listed Share(s) of the Company with nominal value of RMB1.00 each, which are listed on the Hong Kong Stock Exchange and traded in HK$

Chapter 1
Definitions

Hong Kong Stock Exchange/SEHK	The Stock Exchange of Hong Kong Limited
Model Code	the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 to the SEHK Listing Rules
Reporting Period/Period	the period from 1 January 2026 to 30 June 2026
SEHK Listing Rules	the Rules Governing the Listing of Securities on the SEHK
Senior Management/Management	the Group's major operating decision-makers
SFO	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
Share(s)	H Share(s) and A Share(s)
Sinotrans & CSC	Sinotrans & CSC Holdings Co., Ltd. (中國外運長航集團有限公司), a wholly state-owned enterprise established under the laws of the PRC, a wholly-owned subsidiary of China Merchants, a controlling shareholder of the Company, which aggregately holds 36.69% of the issued share capital of the Company as at the date of this Report
SSE	Shanghai Stock Exchange
SSE Listing Rules	Listing Rules of Shanghai Stock Exchange

Chapter 2
General Information and Key Financial Indicators

I. COMPANY INFORMATION

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

II. CONTACTS

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

III. BASIC INFORMATION

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

IV. INFORMATION DISCLOSURE AND PREPARATION LOCATIONS

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

V. OVERVIEW OF COMPANY STOCK

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

VI. OTHER INFORMATION

✓Applicable ☐Not applicable

Auditor appointed by the Company (Mainland China)	Name	BDO China Shu Lun Pan Certified Public Accountants LLP (a recognised public interest entity auditor under the Financial Reporting Council Ordinance)
	Office address	4/F, 61 Nanjing East Road, Huangpu District, Shanghai, China
Legal adviser appointed by the Company (Mainland China)	Name	Jia Yuan Law Offices
	Office address	F408, Ocean Plaza, No. 158 Fuxingmen Nei Dajie, Xicheng District, Beijing, China
Legal adviser appointed by the Company (Hong Kong, China)	Name	Baker & McKenzie
	Office address	14/F One Taikoo Place, 979 King's Road, Quarry Bay, Hong Kong, China
A-Share registrar of the Company	Name	China Securities Depository & Clearing Corp. Ltd. Shanghai Branch
	Office address	No. 188 Yanggao South Road, Pudong New Area, Shanghai, China
H-Share registrar of the Company	Name	Computershare Hong Kong Investor Services Limited
	Office address	Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, China
Business address in Hong Kong	Office address	13A, China Merchants Logistics Center, 38 Hong Wan Road, Tsing Yi, NT, Hong Kong, China

Chapter 2
General Information and Key Financial Indicators

VII. KEY ACCOUNTING DATA AND FINANCIAL INDICATORS OF THE COMPANY

(I) Key Accounting Data

Unit: RMB

Key accounting data	Reporting Period (January to June)	Corresponding period of last year	Change as compared to the corresponding period of last year (%)
Operating income	**46,452,265,091.25**	50,522,501,231.52	-8.06
Total profit	**2,371,376,531.30**	2,610,577,064.40	-9.16
Net profits attributable to shareholders of the Company	**1,724,919,016.93**	1,946,948,727.20	-11.40
Net profits net of non-recurring profit or loss attributable to shareholders of the Company	**1,639,913,404.86**	1,397,728,120.29	17.33
Net cash flows from operating activities	**-858,125,829.09**	167,722,861.82	-611.63

	As at the end of the Reporting Period	As at the end of last year	Change as compared to the end of last year (%)
Net assets attributable to shareholders of the Company	**41,318,679,379.47**	41,289,563,850.47	0.07
Total assets	**79,212,243,129.60**	78,347,869,453.49	1.10

(II) Key Financial Indicators

Key financial indicators	**Reporting Period (January to June)**	Corresponding period of last year	Change as compared to the corresponding period of last year (%)
Basic earnings per share (RMB)	**0.2404**	0.2707	-11.19
Diluted earnings per share (RMB)	**0.2404**	0.2704	-11.09
Basic earnings per share, net of non-recurring profit or loss (RMB)	**0.2286**	0.1943	17.65
Weighted average return on equity (%)	**4.12**	4.84	Decrease by 0.72 percentage point
Weighted average return on equity, net of non-recurring profit or loss (%)	**3.92**	3.48	Increase by 0.44 percentage point

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

✓Applicable ☐Not applicable

1. During the Reporting Period, the Group achieved operating income of RMB46,452 million, representing a year-on-year decrease of 8.06%, which was mainly because the Group optimized the strategic layout, and withdrew from certain cross-border e-commerce logistics and logistics e-commerce platform businesses, to achieve positive resource recovery.

2. The net profits net of non-recurring profit or loss attributable to shareholders of the Company during the Reporting Period amounted to RMB1,640 million, representing a year-on-year increase of 17.33%. Because the Group deepened the engagement with key industry customers by providing customized solutions in response to their supply chain changes, extending the service chain, enhancing cost control, and achieved substantial growth in profit of all major business segments.

3. Net cash flows from operating activities of the Group during the Reporting Period represented a net outflow of RMB858 million, as compared to a net inflow of RMB168 million in the corresponding period of last year. This was primarily attributable to the stepped surge in the sea freight rate index since February this year and the amount of freight that our Group has advanced for customers has increased significantly, which resulted in a higher net cash outflow from operating activities.

VIII. ACCOUNTING DATA DIFFERENCES BETWEEN DOMESTIC AND OVERSEAS ACCOUNTING STANDARDS

☐Applicable ✓Not applicable

IX. NON-RECURRING PROFIT OR LOSS ITEMS AND AMOUNTS

✓Applicable ☐Not applicable

Unit: RMB

Non-recurring profit or loss items	Amount
Profit or loss from disposal of non-current assets, including offsetting of asset impairment provision	**5,424,892.62**
Government subsidies recognized in profit or loss for the current period, except the government subsidies that are closely related to the Company's normal business operations, in line with the national policies and regulations, and in accordance with the determined criteria, and have a continuous impact on the Company's profit or loss	**77,205,273.74**
Profit or loss from changes in fair value of financial assets and liabilities held by non-financial corporations and profit or loss from the disposal of financial assets and liabilities, except for effective hedging business related to the Company's normal operations	**-1,266,456.16**
Reversal of provision for impairment of receivables subject to separate impairment tests	**4,786,438.60**
Other non-operating income and expenses other than the above items	**41,432,880.75**
Other profit or loss classified to non-recurring profit or loss	**4,346,302.18**
Less: Impact on income tax	**24,821,856.53**
Impact on minority interests (after tax)	**22,101,863.13**
Total	**85,005,612.07**

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

☐Applicable ✓Not applicable

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

✓Applicable ☐Not applicable

As at the end of the Reporting Period, the Company did not have any ongoing share incentive schemes or employee stock ownership plans. The scheme previously disclosed in prior year(s) has been completed, and no new grants, exercises, vesting, or transactions of Shares took place during the Reporting Period.

XI. OTHERS

☐Applicable ✓Not applicable

Chapter 3
Management Discussion and Analysis

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

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

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

1. Logistics

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

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

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

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

Chapter 3
Management Discussion and Analysis

2. Forwarding and related business

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

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

In respect of **air freight forwarding**, Sinotrans mainly provides professional air freight forwarding services such as pick-up and dispatch, customs declaration and inspection, warehousing, packaging, booking and handling, trunk air-line freight forwarding and trucking transit services. As a world-renowned air freight forwarding company, Sinotrans has accumulated extensive operational experience and established stable strategic cooperative relationships with major domestic and international airlines, core overseas agents and domestic logistics service providers to ensure the stability of the supply chain. At the same time, the Company provides customers with full-process, visualized and standardized end-to-end air freight products as well as supply chain logistics solutions through controllable capacity and resources.

In terms of **railway freight forwarding**, Sinotrans is a leading railway freight forwarding service provider in the PRC. It is able to provide customers with railway freight forwarding in containers, bulk cargo and in a variety of ways, including integrated whole supply chain services like domestic railway freight forwarding, international railway freight forwarding (including transit railway freight forwarding) and sea-rail multimodal transportation. The Company's self-operated cross-border railway express platform covers over 50 routes from Changsha, Shenyang, Shenzhen and other places (including 16 regular weekly routes). The Company continues to deepen its new strategic cooperative partnership with China Railway Container Transport Co., Ltd., developing time-efficient corridor products including the "Silk Road Express" and "Central Asia Land Bridge" to deliver one-stop, end-to-end services to customers.

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

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

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

3. E-commerce business

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

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

☐Applicable ✓Not applicable

Chapter 3
Management Discussion and Analysis

(II) Macroeconomic and Industry Development

1. *The global economic and trade landscape was being deeply adjusted, while the domestic economy remained generally stable*

The global economy has fallen into a complex pattern of "low growth + high uncertainty" as a result of the recurring geopolitical conflicts and rising energy prices. With the war in the Middle East disrupting the global economy and trade in the first half of this year, global energy and international supply chains suffered severe impacts. The International Monetary Fund (IMF) predicted that the global economic growth rate would be 3.0% in 2026, lower than the average growth rate of 3.5% from 2024 to 2025. The growth rate of **international trade** slowed down significantly with a trend of differentiation. The intertwined factors, including frequent geopolitical conflicts, intensifying strategic competition between major powers, and uncertainty over trade policies have accelerated the restructuring of supply chains, and may drag down global trade growth. The World Trade Organization (WTO) predicted that the growth rate of global goods trade would decrease from 4.6% in 2025 to 1.9% in 2026. From a regional perspective, the trend of trade differentiation has become increasingly prominent, with trade growth in North America continuing to slow down, Europe continuing to be under pressure, Asia maintaining its lead, and the Middle East appearing more fragile.

China's domestic economy had a strong start, with its development resilience continuing to manifest. In the first half of 2026, gross domestic product (GDP) amounted to RMB69.57 trillion, which represented a year-on-year increase of 4.7% based on constant prices. The economic operation was generally stable and progressed towards new and optimized development, demonstrating the strong resilience and vitality of China's economy. Meanwhile, external instabilities and uncertainties persist, and the contradiction between strong domestic supply and weak demand remains prominent, indicating that the foundation for the continued economic recovery still requires consolidation. **In terms of trade**, the total value of China's goods imports and exports in the first half of 2026 was USD3.67 trillion, representing a year-on-year increase of 21.2%, of which exports were USD2.12 trillion, representing a year-on-year increase of 17.6%; and imports were USD1.55 trillion, representing a year-on-year increase of 26.6%. In terms of trading partners, in the first half of the year, China's imports from and exports to countries and regions along the "Belt and Road" Initiative totaled USD1.87 trillion, representing a year-on-year increase of 19%, accounting for 50.9% of China's total import and export value. Imports and exports to Latin America, Africa, and the EU increased by 20.3%, 24%, and 14.2% respectively. In terms of traded goods, exports of electromechanical products reached USD1.35 trillion, representing a year-on-year increase of 24.5%, accounting for 63.5% of China's total export value, representing an increase of 3.5 percentage points over the same period last year. Exports of high-tech products and self-owned brands increased by 39% and 25.4% respectively. In terms of green and low-carbon development, China's exports of green energy-related products such as lithium batteries and wind turbines increased by 37.6% and 35.6% respectively.

2. *China's logistics industry remained generally stable, with structural optimization and upgrading, and steady improvement in quality and efficiency*

China's logistics industry remained generally stable, showing a basic trend of "stable total volume, optimized structure, and improved quality and efficiency". In the first half of 2026, China's logistics demand maintained steady growth, with the total value of social logistics in China reaching RMB181.1 trillion, representing a year-on-year increase of 5.1% calculated at comparable prices. The efficiency of logistics operations rebounded and improved, with the total revenue of the logistics industry reaching RMB7.2 trillion, representing a year-on-year increase of 4.7%. The efficiency of logistics operations improved steadily. The ratio of total social logistics costs to GDP was 13.9%, representing a decrease of 0.1 percentage point over the same period last year.

On the demand side, the growth rate of logistics demand in fields including high-end manufacturing, high-tech industries, and livelihood-related consumption was significantly faster than that of traditional basic logistics. The characteristics of transformation towards high-end, internationalization, and greening became increasingly prominent, representing important drivers for the expansion of logistics demand and the improvement of quality. **On the supply side**, the logistics supply capacity was steadily enhanced, the channel and network operations became smoother, and the supply structure continued to be optimized. Railway freight volume and quality both increased, with key materials strongly guaranteed. International logistics channels were expanded and upgraded, with the resilience of cross-border transportation being prominent. The scale of air logistics expanded steadily, and the supply structure continued to shift towards high-end services. E-commerce logistics and warehousing supply were collaboratively upgraded, while the last-mile service network was continuously optimized. **On the cost side**, logistics costs were generally stable with a slowing trend, with a change in the structural sources of cost reduction compared with the previous year. Cost savings mainly came from the transportation and management stages, while the pressure of cost increase in the storage stage tended to rise. Meanwhile, the foundation for demand recovery is not yet solid, price competition in certain fields remains fierce, and logistics operations continue to face structural pressure.

3. *Top-level design of policies continued to be implemented, and the development of a modern logistics system progressed further*

Industry policies were introduced intensively. Led by the "15th Five-Year" plan, the top-level design anchored the overall direction of modern logistics network development. Policies focused on four main lines, namely, opening-up, business innovation, cost reduction and efficiency enhancement, and infrastructure synergy, striving to enhance the resilience of global industrial chains and supply chains, accelerating the cultivation of new logistics business models and patterns, and facilitating the development of a high-quality modern logistics system. Meanwhile, the integrated collaborative construction of "six networks" was coordinated and advanced, aiming to establish a modern logistics operation network that connects internal and external markets, integrates digitalization and intelligence, and features high efficiency and low cost. A series of national policies and deployments have clarified the development direction for industry enterprises in terms of medium- and long-term business planning, market expansion, and infrastructure investment, fostered expectations of continuous policy benefits, and provided clear guidance for corporate strategic positioning.

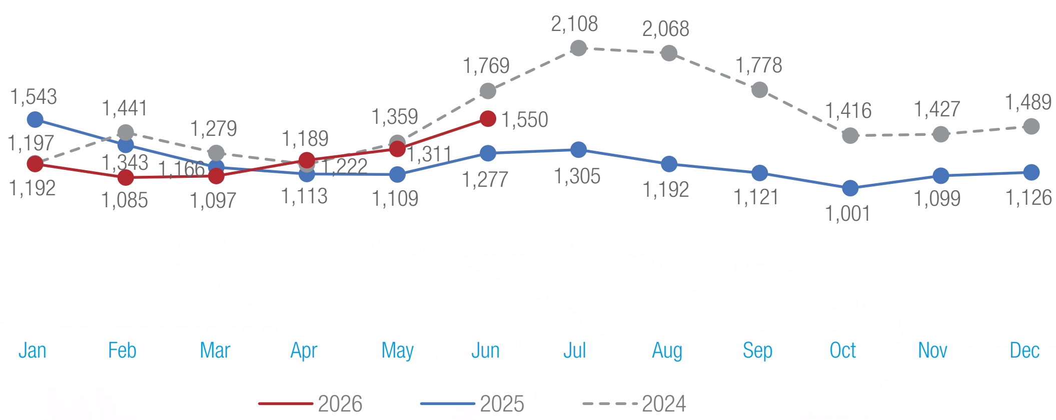
Chapter 3
Management Discussion and Analysis

4. *The tension between supply and demand in the shipping market intensified, with freight rates rising*

In the first half of 2026, the global container shipping market showed a pattern of front-loaded demand and rising freight rates. **On the demand side**, the surge in container shipping demand was driven by multiple factors, including the "rush shipping" triggered by adjustments to U.S. tariff policies, as well as robust exports of new energy and electromechanical products. **On the supply side**, the capacity growth rate of the global overall capacity in the first half of the year was 2%, and the pace of new ship delivery was flat. Meanwhile, affected by Red Sea rerouting, Panama Canal transit restrictions, and intermittent closures of the Strait of Hormuz, vessel sailing distances were lengthened and turnover efficiency decreased, exacerbating the periodic shortage of effective capacity. **In terms of freight rates**, driven by multiple stimuli including geopolitical conflicts, cost increases, and "front-loading" demand, container freight rates rose. In June 2026, the China Containerized Freight Index (CCFI) rose to 1,550.31 points, representing a year-on-year increase of 21.36%. The Shanghai Containerized Freight Index (SCFI) rose by more than 90% cumulatively in the first half of the year. The West Coast America Service route rose by more than 180% during the year, the Europe Service route rose by more than 90%, and the growth of Southeast Asian Service routes was relatively moderate.

From January to June 2026, China's port container throughput was 183 million TEUs, representing a year-on-year growth of 5.9% (6.9% in the same period of last year); and China's port cargo throughput was 9,074 million tonnes, representing a year-on-year growth of 2.0%, with foreign trade cargo throughput increasing by 4.3% year-on-year.

CCFI (Monthly average)



5. *The supply-demand tension in global air freight, with the freight rates operating at high levels*

On the demand side, air cargo demand in the first half of 2026 was stronger than expected at the beginning of the year. According to IATA (International Air Transport Association), in June 2026, global air cargo demand, measured in cargo tonne-kilometers (CTKs), increased by 8.5% year-on-year from June 2025 (international demand grew by 9.6%). By region, all regions recorded year-on-year growth in demand, with North America contributing the most, posting a growth rate of 13.1%. **On the supply side**, in June 2026, air cargo capacity, measured in available cargo tonne-kilometers (ACTKs), grew by 4.4% year-on-year from June 2025 (international capacity rose by 4.9%), trailing the pace of demand growth. By region, all regions recorded year-on-year capacity growth except for Africa, which saw a decline of 7.1%. Besides, 92 new international cargo routes were opened nationwide in the first half of 2026, and the weekly flight volume in the summer and autumn flight season reached 5,184 flights. However, the number of domestic all-cargo aircraft remained at 249. The shortage of wide-body freighter capacity will persist throughout 2026. **In terms of freight rates**, global freight rates generally operated at high levels in the first half of 2026, and the Baltic Air Freight Index rose by 31.1% year-on-year as of the end of June. Driven by tariff front-loading surge, inventory replenishment, and capacity shortage, freight rates on American routes continued to skyrocket, while freight rates of European routes showed moderate growth. On the cost side, international aviation fuel prices fell from elevated levels in May, and maintained a downward trend in June, which eased the cost pressure on airlines and provided room for freight rate corrections. **In terms of business models**, air logistics enterprises accelerated the shift from capacity procurement to autonomous and controllable capacities, and increased their efforts in air freight routes. The industry focused on high-value-added direct customers by transitioning from excessive reliance on cross-border e-commerce to diversified drivers such as semiconductors and AI hardware, and provided end-to-end solutions.

In the first half of 2026, the national civil aviation cargo and mail transportation volume totaled 5.073 million tonnes, representing a year-on-year increase of 6.0%. Of which, the International cargo and mail transportation volume amounted to 2.32 million tonnes, representing a year-on-year increase of 13.9%.

6. *International railway express maintained rapid growth with strong demand*

In the first half of 2026, the China-Europe Railway Express launched a total of 11,186 trains and transported 1.1221 million TEUs of cargo, representing a year-on-year increase of 20.2% and 16.4%, respectively. The China-Europe Railway Express has launched exceeding 130 thousand trains in total, with a transported cargo value exceeding USD520 billion. Among the three major corridors of West, Middle, and East, there are a total of 93 scheduled routes for the China-Europe Railway Express, forming a diversified corridor pattern with North, Middle, and South lines running in parallel overseas. Among them, the volume of the South corridor railway express has improved steadily, with the train service frequency reaching more than 2 trains per day on average. Since the beginning of this year, the number of trains launched by 14 China-Europe Railway Express hub cities accounted for 83% of the total across the country, and the number of outbound and inbound trains was basically balanced, with the comprehensive heavy container rate stable at 100%. 22 full-timetable China-Europe Railway Express trains were launched steadily between 9 cities in China and 6 cities in Europe, with the total running time significantly reduced and the average value per container increasing by 41%. The China-Europe Railway Express transported goods in 53 categories and more than 50,000 kinds of commodities, and high-value-added goods including automobiles and auto parts, mechanical equipment, and electronic and electrical products have become the main sources of exports for the China-Europe Railway Express.

China-Asia Railway Express launched 7,373 trains and transported 585.8 thousand TEUs of goods, representing a year-on-year increase of 0.3% and 3.6%, respectively. Among them, a total of 19.8 thousand TEUs were transported via the China-Vietnam Railway (Pingxiang Port), representing a year-on-year decrease of 13%, while a total of 125.6 thousand TEUs were transported via the China-Laos Railway (Mohan Port), representing a year-on-year increase of 4.7%.

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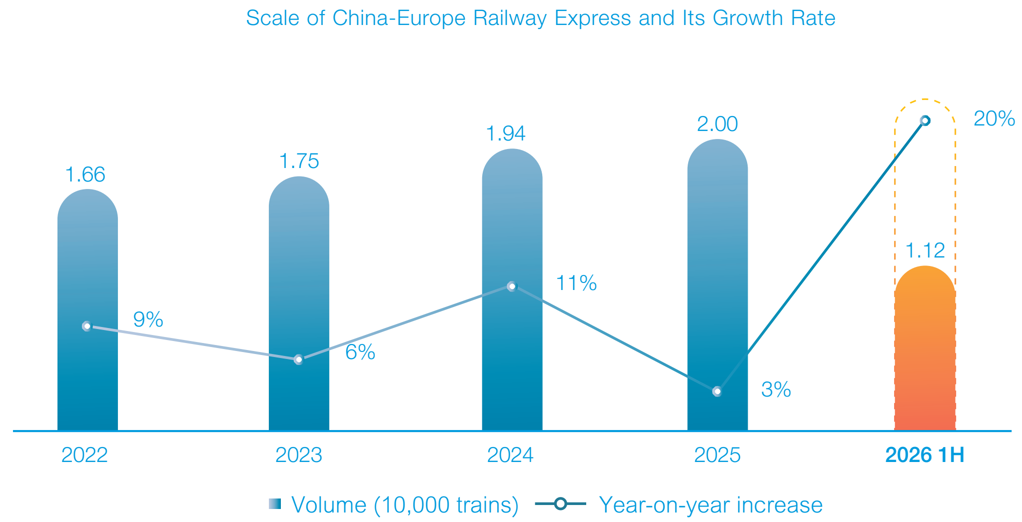

7. *Cross-border e-commerce logistics shifted from "scale expansion" to "quality competition"*

Cross-border e-commerce entered a new stage of compliance, intelligence and regional diversification in 2026. According to eMarketer forecasts, total global retail e-commerce sales are expected to reach USD6.88 trillion in 2026, representing a year-on-year increase of 7.2%. According to data from the General Administration of Customs, in the first quarter of 2026, the total import and export value of China's cross-border e-commerce reached RMB618.46 billion, accounting for 5.22% of the total foreign trade value. In the first half of this year, China's cross-border e-commerce export and overseas warehouses business recorded a substantial growth of 3.3 times. New business forms and models represented by cross-border e-commerce and overseas warehouses have become a strong support for the high-quality development of China's foreign trade.

Meanwhile, tightening global regulations have forced business transformation, while the implementation of multi-dimensional domestic policies continues to reduce costs and enhance efficiency. **Internationally**, the EU abolished the tax exemption policy for parcels below EUR150 starting from 1 July 2026, and levied a fixed tariff of EUR3 per parcel. According to forecasts by relevant institutions, the cost of low-unit-price direct mail model may rise by 10%-30%; the U.S. proposed to abolish the "importer of record" model and raise the minimum importer bond amount to USD100,000 to crack down on "DDP (Delivered Duty Paid)" routes; emerging markets such as South Africa also strengthened requirements on platform responsibilities. Major consumer markets such as Europe and the United States are simultaneously tightening tariffs, regulatory rules and access standards, systematically raising compliance thresholds for cross-border e-commerce and forcing enterprises to shift from "low-price direct mail volume expansion" to "localized compliant operations". **Domestically**, 12 new cross-border e-commerce comprehensive pilot zones were added, achieving nationwide coverage; the processing time for export tax rebates was compressed to within 3 working days; Shenzhen launched the online registration system for "tax exemption without invoice"; the policy for cross-customs-district returns was promoted, under which returned goods are exempt from import tariffs, import value-added tax and consumption tax. With the reform of "streamlining administration, delegating power, and improving services" as the main focus, domestic policies systematically reduce costs and improve efficiency for cross-border e-commerce enterprises, release institutional dividends, and guide the healthy and orderly development of the industry through measures such as expanding the coverage of comprehensive pilot zones, compressing tax rebate time limits, and promoting tax exemption without invoice and cross-customs-district returns.

II. DISCUSSION AND ANALYSIS OF BUSINESS PERFORMANCE

(I) Overall Operations during the Reporting Period

In the first half of 2026, the growth of global economy slowed down, with pronounced regional disparities, while high-tech products emerged as a key growth driver. Factors like recurring international geopolitical conflicts, alongside rising energy and freight costs, accelerated the restructuring of supply chains. The domestic economy continued to demonstrate underlying resilience; however, the imbalance between ample supply and sluggish demand remained conspicuous, and the foundation for sustained recovery and improvement calls for further consolidation.

Faced with the complex and challenging external environment, Sinotrans maintained its strategic focus, deepened reforms and responded proactively. In the first half of the year, the Company achieved revenue of RMB46.452 billion, net profit attributable to shareholders of the Company of RMB1.725 billion, and net profit net of non-recurring profit or loss attributable to shareholders of the Company of RMB1.640 billion, which represented a year-on-year increase of 17.33%; profitability of the major business segments were further improved with the total segment profit amounting to RMB1.856 billion, representing a year-on-year increase of 15.62%; the Company's debt-to-asset ratio was 44.2%, and the interest-bearing debt ratio was reduced to 19.6%, indicating a sound overall financial structure and good fundamental operations.

Product development achieving breakthroughs and gaining traction

Focusing on its development goals for the three-tier product system encompassing basic services, channel products, and solutions, the Company built a market-competitive product system. **In terms of basic services**, efforts were focused on promoting the systematic upgrade of space booking, operation control, and warehousing, initiating the construction of space booking centers, trailer operation control centers, and trunk line operation control centers, while gradually advancing the development of a standardized and intensive product library. **In terms of solutions**, industry-level solutions for automotive, communications electronics, etc. were iteratively upgraded, and solutions for marine engineering and equipment manufacturing gained customers' recognition. **In terms of channel products**, business volumes of water freight products such as the "GBA River-Sea Express (大灣區江海達)" and "Southeast Asia Express (東南亞捷運通)", as well as end-to-end air express products on China-Europe and China-US routes, achieved breakthroughs; "Silk Road Express (絲路快線)" realized weekly scheduled operations, with a total of 125 trains dispatched; "GBA Cross-border Green Express (灣區跨境綠運通)" accumulated over 14,000 vehicle trips, while "Guangdong-Shanghai Green Express (粵滬綠運通)" has recorded 2,912 vehicle trips cumulatively since launching in April.

In-depth advancement of the strategic marketing system development

The Company continued to deepen its strategic marketing system, with dynamic management carried out across the "10+N" key sectors, revenue from core direct customers in the first half of the year increased by 4.9% year-on-year, and accounted for 56% of the total revenue of the Company. **The Company vigorously advanced industry-oriented marketing**, successfully delivering a number of benchmark projects in areas such as going global of automotive industry, overseas warehousing for construction machinery, and green energy storage. The **"major projects, major clients, major contracts" strategy produced tangible results**, the Company successfully won the bids of multiple key engineering projects characterized by large investment scales, extended construction timelines, and high demands on supply chain services.

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Continuous enhancement of operational capabilities

The Company continued to deepen the development of its intensive operation system, while network-wide synergy efficiency kept improving. In this regard, demand aggregation was channeled through the CRM (Customer Relationship Management) system as the single point of entry, enabling a full-process online closed loop of "opportunities lead to contracts". In the first half of the year, collaborative usage of warehouse space among second-tier subsidiaries increased by approximately 70,000 square meters. Space booking volume for foreign trade trunk lines at the South China Operation Control Center (華南運控中心) grew by 22% year-on-year. On the IT front, capability digitalization drove the ongoing construction and integration of core IT systems, with operating system functions upgraded and optimized across six business lines including water freight, air freight, land freight, trucking, warehousing, and customs clearance, and the systems covering business operations, management and other functions successively launched in overseas entities.

Initial results of technology-driven initiatives

The Company focused on two directions of digital-intelligent logistics and green logistics, while actively promoting the "integration of business and digital-intelligence", deepening multi-level business collaborations with customers, and enhancing strategic customer stickiness through differentiated low-carbon services. **In digital-intelligent logistics**, till July, the document recognition volume on the Documents Hub (單證通) platform approached 5 million documents, and construction commenced on Sinotrans' first overseas automated warehouse of industrial manufacturing in Dubai; highway operation mileage for L4 autonomous driving approached 4 million kilometers. **In green logistics**, the green energy replenishment network was improved, the industry's first green air freight product backed by SAF environmental attributes was launched, and GLEC 3.2 standard certification was completed for the carbon calculator.

Steady progress in overseas reform

Anchored by the main theme of high-quality development, the Company's overseas business focused on two key priorities, namely end-to-end integrated operations and local capability building, and delivered solid results in supporting industrial going-global initiatives and executing local delivery for strategic clients. In the first half of the year, overseas revenue reached RMB3.29 billion, up 2.5% year-on-year. Notably, KLG actively navigated multiple headwinds, revenue increased by 11.4% year-on-year, and profit generated from its operations increased by 26.8% year-on-year, indicating continuously improvement of service capabilities.

Strengthened organizational management foundation

In the first half of the year, the Company took penetrating management as its core approach and continued to enhance management efficiency. **In terms of enhancing management effectiveness**, the decline in operating costs outpaced the decline in revenue, with gross margin (including other income) up 0.9 percentage point year-on-year to 8.1%, and the selling expenses and administrative expenses decreased by RMB42.85 million in total, representing a decline of 2.14% year-on-year, demonstrating clear cost control results. **In terms of strengthening risk control effectiveness**, the Company advanced standardized business management, and pushed the risk prevention and control threshold further forward to safeguard the Company's steady operations. **In terms of enhancing safety effectiveness**, the Company deepened risk identification and control as well as hidden hazard inspection and remediation, resolutely drove the dynamic elimination of major hazards, and accelerated the digital-intelligent transformation of work safety, keeping the work safety situation stable in the first half of the year.

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

Logistics

In the first half of 2026, the external revenue from the Group's logistics business amounted to RMB14,422 million, representing an increase of 0.69% from RMB14,323 million of the corresponding period of last year; the segment profit amounted to RMB360 million, representing an increase of 13.25% from RMB318 million of the corresponding period of last year. This was mainly because the Group orderly exited certain business of non-sustainable profit, accelerated expansion into high value-added sectors and overseas markets, and promoted resource optimization and refined operation in project logistics, driving a year-on-year increase in the number of engineering projects and achieving a moderate growth in revenue from logistics; through deeply cultivating key industry clients, providing customized solutions centered on changes in their supply chains, extending service chains, and strengthening cost control, the growth rate of segment profit exceeded that of revenue.

Forwarding and Related Business

In the first half of 2026, the external revenue from the Group's forwarding and related business amounted to RMB29,937 million, representing an increase of 1.04% from RMB29,628 million of the corresponding period of last year; the segment profit amounted to RMB1,434 million, representing an increase of 18.04% from RMB1,215 million of the corresponding period of last year. This was mainly because in the first half of 2026, the rise in sea and air freight rates partially offset the impact of geopolitical conflicts on the market, the growth rate of self-operated liner trains outperformed the market, and operational quality and efficiency was significantly enhanced, driving a slight increase in revenue from forwarding and related business; the Company further expanded profit growth through multiple measures such as strengthening internal synergies within the Group, developing channel products, and conducting centralized booking procurement.

E-commerce Business

In the first half of 2026, the external revenue from the Group's e-commerce business amounted to RMB2,092 million, representing a decrease of 68.16% from RMB6,571 million for the corresponding period of last year; the segment profit was RMB62 million, representing a decrease of 14.53% from RMB72 million for the corresponding period of last year. This was mainly attributable to the fact that, to effectively respond to the impact of complex external factors such as a sharp rise in fuel costs and the e-commerce tariff reform in EU, the Group proactively optimized the layout of its scheduled cargo flight routes and focused on developing premium core routes, proactively exited certain cross-border e-commerce logistics and logistics e-commerce platform businesses, thereby achieving positive resource recovery and resulting in a smaller decrease in segment profit than in revenue.

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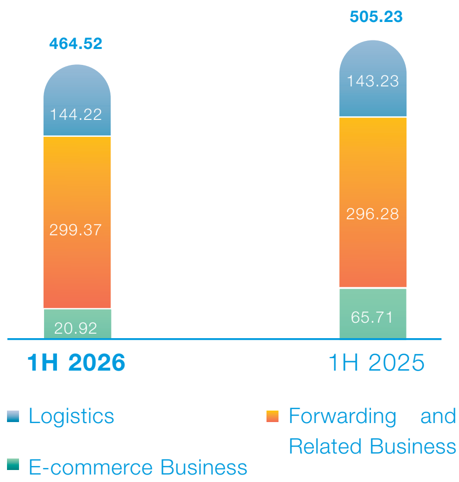
Financial Performance of Business Segments

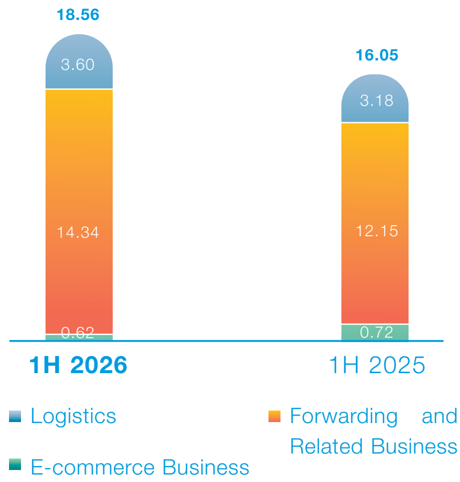
Revenue

Unit: RMB in hundred million



Segment Profit

Unit: RMB in hundred million



RMB in hundred million		1H 2026	1H 2025
Logistics			
Contract Logistics	Revenue	**101.49**	109.97
	Segment Profit	**2.86**	2.40
Project Logistics	Revenue	**33.79**	24.30
	Segment Profit	**0.40**	0.16
Chemical Logistics	Revenue	**8.80**	9.75
	Segment Profit	**0.31**	0.46
Forwarding and Related Business			
Sea Freight Forwarding	Revenue	**218.04**	210.99
	Segment Profit	**5.62**	5.10
Air Freight Forwarding	Revenue	**37.59**	39.78
	Segment Profit	**0.87**	0.46
Railway Freight Forwarding	Revenue	**47.38**	43.17
	Segment Profit	**1.43**	0.21
Shipping Agency	Revenue	**8.73**	8.55
	Segment Profit	**3.28**	2.83
Storage and Yard Operation	Revenue	**19.67**	19.36
	Segment Profit	**1.67**	2.03
*Air Channel**	*Revenue*	***49.64***	*79.69*
	Segment Profit	***1.24***	*0.77*
E-commerce Business			
Cross-border E-commerce Logistics	Revenue	**12.05**	39.92
	Segment Profit	**0.37**	0.31
Logistics Equipment Sharing Platform	Revenue	**0.60**	0.72
	Segment Profit	**0.19**	0.27
Logistics E-commerce Platform	Revenue	**17.82**	36.73
	Segment Profit	**0.06**	0.15

* Air Channel = Air Freight Forwarding + Cross-border Ecommerce Logistics

(III) The Volume of Principal Business

In the first half of 2026, the volume of contract logistics was 22.679 million tonnes (24.218 million tonnes in 1H 2025); the volume of project logistics was 3.781 million tonnes (3.414 million tonnes in 1H 2025); the volume of chemical logistics was 2.117 million tonnes (2.033 million tonnes in 1H 2025).

In the first half of 2026, the volume of sea freight forwarding was 8.201 million TEUs (7.912 million TEUs in 1H 2025); the volume of air freight forwarding was 397 thousand tonnes (411 thousand tonnes in 1H 2025); the volume of rail freight forwarding was 417 thousand TEUs (214 thousand TEUs in 1H 2025); the volume of shipping agency was 41,248 vessel calls (36,327 vessel calls in 1H 2025); the volume of storage and yard operation was 12.664 million tonnes (12.787 million tonnes in 1H 2025).

In the first half of 2026, the volume of cross-border e-commerce logistics was 24 thousand tonnes (47 thousand tonnes in 1H 2025); the volume of logistics e-commerce platform was 970 thousand TEUs (1.898 million TEUs in 1H 2025); the volume of logistics equipment sharing platform was 81 thousand TEUs/day (85 thousand TEUs/day in 1H 2025).

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

☐Applicable ✓Not applicable

III. ANALYSIS OF CORE COMPETITIVENESS DURING THE REPORTING PERIOD

✓Applicable ☐Not applicable

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

The Company has an extensive and comprehensive domestic and overseas service network. The domestic service network covers 32 provinces, autonomous regions, municipalities and special administrative regions in China. Domestically, the Group has approximately 14 million sq.m. of land resources, including approximately 4.9 million sq.m. of warehouses, approximately 2.4 million sq.m. of container yards and stations and 11 river terminals with more than 4,400 meters of river shoreline resources. The self-owned overseas network of the Group covers 45 countries and regions with 72 self-owned institutions worldwide, providing customers with access to global logistics services.

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

During the "15th Five-Year" period, the Company will further consolidate its development foundation. To strive for full-link service and network-wide operation under its customer-centric approach, the Company continues to establish a new carrier model characterized by "strong product mix capability, strong full-process delivery capability, and robust ecological aggregation capability". Under the strategic guidance, the Company deepens strategic cooperation with customers, enhances customer service capabilities, promotes product channel construction and innovation, promotes digital transformation towards deeper and more practical implementation, continuously improves its overseas positioning, and increases network construction and investment in resources, to further develop a network-wide operation system of strong customer relationships, strong product capabilities and resilient operations.

(III) Strong Capabilities for Logistics Solutions

The Company is committed to building a highly adaptable and flexible supply chain logistics service system. It focuses on key industries, including consumer products, automobile and new energy, high-tech and electronics, medical and health, industrial products, engineering, energy, chemicals, etc., and provides tailor-made comprehensive, full-chain global trade compliance logistics solutions and efficient, reliable and resilient supply chain support to numerous industry-leading customers and their upstream and downstream partners. The Company has accumulated extensive operational experience in enhancing the efficiency of cargo and equipment deployment in all aspects of customers' production, manufacturing and engineering projects, thus ensuring that production resources around the world are delivered to their destinations punctually and accurately.

At the same time, the Company focuses on deep specialization, intensive operations, digital empowerment, and green transformation, laying a solid foundation for high-quality development. The Company focuses on the deep cultivation of key industries, including continuously building and iterating integrated industry solutions, promoting standardized products construction, deepening its strategic marketing penetration management, optimizing customer tiering, improving digital marketing capabilities, thereby constructing differentiated professional barriers. The Company builds an intensive operations system through pilot programs based on core resources, establishing a real-time monitoring system for key indicators, normalizing the governance of less-efficient businesses, and enhancing cost control. The Company systematically advances R&D and application of digital and intelligent technologies and the deep integration of AI and logistics business. The Company builds a green transport capacity system on a large scale, innovating low-carbon services, and opening up zero-carbon smart trunk routes, turning sustainable development into our important competitive strength. Meanwhile, by tapping into the logistics network resources across the whole country and the world, the Company fully utilizes the collaborative advantages of network-wide operation and multimodal transport to provide customers with stable and reliable end-to-end protection, and demonstrates rapid response capability in international channel development.

(IV) Leading Supply Chain Logistics Service Model

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

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

With eighty years of history and experience, the Group has established good brand recognition in the logistics industry at home and abroad and has been granted many important awards in the industry. From an international perspective, according to the latest industry rankings released by Armstrong & Associates, a world-renowned third-party logistics market research institution, Sinotrans' sea freight forwarding ranked first globally, its air freight forwarding ranked sixth globally, and its third-party logistics ranked ninth globally. From a domestic perspective, as an AAAAA logistics enterprise rated by the China Federation of Logistics & Purchasing, Sinotrans has consecutively ranked first in both the Top 100 Logistics Enterprises in China and the Top 100 International Freight Forwarding Logistics in China, and has been awarded as the "Most Competitive (Influential) Logistics Enterprises in China" for many times. As the leading third-party logistics service provider in China, the Company has a good reputation and image among both customers and suppliers. On the one hand, Sinotrans has established long-term and stable cooperative relationships with many well-known domestic enterprises and multinational corporations, and has been well recognized by customers. On the other hand, based on its own stable customer resources and strong logistics service capabilities, Sinotrans maintains good and stable partnerships with many suppliers, such as internationally renowned shipping companies and airlines.

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

Sinotrans has essentially established smart logistics service capabilities covering end-to-end business scenarios, with technological applications now comprehensively upgrading towards "AI+". With the "AI + Logistics" initiative advancing forward, the Company continues to develop high-quality business datasets and an intelligent agent matrix, with a view to implementing multiple new AI applications in core fields such as business operations and customer service. Simultaneously, the Company has launched scenario testing and data accumulation for embodied intelligent equipment to advance the integration of artificial intelligence into the entire business chain, and collaborates with customers and industrial partners to co-develop an AI ecosystem. Furthermore, commercialization of autonomous driving in all scenarios continues to break through. As of the end of June 2026, the cumulative commercial operation mileage of L4 autonomous driving on highways approached 4 million kilometers. The "Guangdong-Shanghai" Green Express product was launched to open up the smart trunk corridor connecting the Guangdong-Hong Kong-Macao Greater Bay Area to the Yangtze River Delta. The Beijing-Tianjin-Tanggu trunk route continues to explore the "1+N" fleet autonomous driving solution. The digitalized operation system for transport capacity continues to iterate and optimize, steadily transforming towards a new transport capacity service model of "Autonomous Driving as a Service".

In addition, Sinotrans continuously built and improved a complete green logistics value system in fields such as carbon emission management, new energy application, green packaging, and circular logistics. Relying on its own fleet and cooperative transport capacity network, the Company continues to promote the transformation towards new energy. In combination with our strategic positioning in the power and energy field, the Company reinforces a solid green energy supply capability and continues to consolidate its first-mover leading advantage in green logistics in the industry. In the first half of 2026, our "Green Express" cross-border business has an operating mileage of over 100,000 kilometers, with a cumulative emission reduction of approximately 128 tonnes. The launched "Guangdong-Shanghai" Green Express product has created a 1,500-kilometer zero-carbon smart road transportation corridor. Meanwhile, the first green air freight product based on "Environmental Attribute SAF" was launched.

IV. MAJOR BUSINESS CONDITIONS DURING THE REPORTING PERIOD

(I) Analysis on Principal Businesses

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

Unit: RMB

Item	Amount for the current period	Amount for the corresponding period of last year	Change (%)
Operating income	**46,452,265,091.25**	50,522,501,231.52	-8.06
Operating cost	**43,451,934,232.28**	47,420,616,690.36	-8.37
Selling expenses	**481,746,328.50**	495,280,494.50	-2.73
Administrative expenses	**1,474,657,693.75**	1,503,973,468.71	-1.95
Finance costs	**212,453,993.81**	60,511,947.36	251.09
Research and development expenses	**70,126,087.78**	42,121,724.37	66.48
Net cash flows from operating activities	**-858,125,829.09**	167,722,861.82	-611.63
Net cash flows from investment activities	**-493,662,245.58**	-1,097,635,192.47	N/A
Net cash flows from financing activities	**-2,575,046,647.20**	-823,741,753.93	N/A

The change in operating income and operating costs was mainly because the Group optimized its strategic layout and proactively exited from certain cross-border e-commerce logistics and the logistics e-commerce platform businesses, achieving positive resource recovery.

The change in selling expenses was mainly due to the Group's strengthening control over sales expenses, leading to a year-on-year decrease in selling expenses.

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

The change in finance costs was mainly due to the impact of the depreciation of USD against RMB, coupled with a high comparative base resulting from large foreign exchange gains generated by the appreciation of the Belarusian Ruble in the same period of the previous year.

The change in research and development expenses was mainly due to the impact of increasing investment in innovative research and development.

The change in net cash flows from operating activities was due to a stepped surge in the sea freight rate index since February this year, which led to a substantial increase in advanced freight payment amounts for customers by the Group, resulting in an increase in net cash outflows from operating activities.

The change in net cash flows from investment activities was due to a year-on-year decrease of RMB470 million in external equity and asset investments in the Reporting Period, including the investment of RMB260 million for a 20% share in BOC Sinotrans Warehousing and Logistics Closed-end Infrastructure Securities Investment Fund in the previous year.

The change in net cash flows from financing activities was mainly due to the completion of the 2025 final dividend payout of RMB1.112 billion in the first half of this year and the fact that repayments of borrowings exceeded new borrowings during the Reporting Period.

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

☐Applicable ✓Not applicable

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

☐Applicable ✓Not applicable

(III) Analysis of Assets and Liabilities

✓Applicable ☐Not applicable

1. *Assets and Liabilities*

Unit: RMB

Item	**Amount at the end of the period**	Amount at the end of the period as a percentage of total assets (%)	Amount at the end of the previous period	Amount at the end of the previous period as a percentage of total assets (%)	Year-on-year change (%)
Other current assets	**732,000,710.31**	0.92	538,410,882.29	0.69	35.96
Development expenditure	**245,874,326.96**	0.31	371,856,139.08	0.47	-33.88
Other non-current assets	**32,987,895.14**	0.04	184,495,740.76	0.24	-82.12
Short-term borrowings	**544,639,975.11**	0.69	1,345,531,402.61	1.72	-59.52
Bills payable	**70,227,921.40**	0.09	213,825,864.89	0.27	-67.16

Other descriptions

The change in other current assets was mainly due to the Group reassessed the liquidity classification of deductible input VAT during the current period. In accordance with the expected period over which the economic benefits are anticipated to be realized, such amounts have been reclassified from taxes payable to other current assets.

The change in development expenditure was mainly due to certain R&D projects reaching the intended usable state and being transferred to intangible assets in the period.

The change in other non-current assets was mainly due to the current-period reassessment of the liquidity classification of deductibleinput VAT resulted in its reclassification to other current assets.

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

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

2. *Overseas Assets*

✓Applicable ☐Not applicable

(1) *Asset Size*

Including: overseas assets were RMB20.577 billion, accounting for 25.98% of total assets.

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

☐Applicable ✓Not applicable

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

✓Applicable ☐Not applicable

Details are set out in Note VIII. (22) of the Financial Statements in "Chapter 8 Financial Report" of this Report.

4. Other Descriptions

☐Applicable ✓Not applicable

(IV) Analysis of Investments

1. Overall Analysis of External Equity Investments

✓Applicable ☐Not applicable

The Group's long-term equity investment at the end of the Reporting Period amounted to RMB7.487 billion, representing an increase of RMB766 million as compared to RMB6.721 billion at the beginning of the year, representing an increase of 11.40%, which was mainly due to the adjustments to the carrying value of long-term equity investments based on the operating conditions of joint ventures and associates such as DHL-Sinotrans International Air Courier Ltd., Jiangsu Jiangyin Port Group Co., Ltd. and Shenzhen Haixing Harbor Development Co., Ltd. during the Reporting Period.

(1) Major equity investment

☐Applicable ✓Not applicable

(2) Major non-equity investment

☐Applicable ✓Not applicable

(3) Financial assets at fair value

✓Applicable ☐Not applicable

Unit: RMB

Asset	Opening balance	Gains and losses from changes in fair value for the Reporting Period	Accumulated changes in fair value recognised in equity	Impairment accrued during the Reporting Period	Acquisition during the Reporting Period	Disposal/ Redemption during the Reporting Period	Other changes	Closing balance
Equity securities	1,061,924,371.83	-1,266,456.16	-198,458,607.43					862,199,308.24
Others	2,100,904,714.92		-228,520.50				-101,621,817.40	1,999,054,377.02
Total	3,162,829,086.75	-1,266,456.16	-198,687,127.93				-101,621,817.40	2,861,253,685.26

Securities Investment

✓Applicable ☐Not applicable

Unit: RMB

Type of securities	Stock code	Stock abbreviation	Initial investment cost	Source of funds	Opening carrying amount	Gains and losses from changes in fair value during the Reporting Period	Accumulated changes in fair value recognised in equity	Acquisition during the Reporting Period	Disposal during the Reporting Period	Investment gains or losses during the Reporting Period	Closing carrying amount	Accounting subjects
Equity securities	SH601111	Air China	8,076,871.60	Self-financing	27,028,673.89		-9,576,862.04				17,451,811.85	Other equity instrument investments
Equity securities	HK02618	JD Logistics	184,647,154.48	Self-financing	103,147,724.00	-1,054,336.00	-38,763.00				102,054,625.00	Other non-current financial assets
Equity securities	SH600179	Antong Holdings	600,694,401.37	Self-financing	931,633,793.76	-186,154.08	-188,840,992.48				742,606,647.20	Held-for-trading financial assets, other equity instrument investments
Equity securities	SZ001872	China Merchants Port	15,570.07	Self-financing	51,840.98		-1,989.91				49,851.07	Held-for-trading financial assets
Equity securities	SZ002766	Soling	121,222.65	Self-financing	62,339.20	-25,966.08					36,373.12	Held-for-trading financial assets
Total	/	/	793,555,220.17	/	1,061,924,371.83	-1,266,456.16	-198,458,607.43				862,199,308.24	/

Explanation on securities investment

☐Applicable ✓Not applicable

Private fund investment

☐Applicable ✓Not applicable

Derivatives investment

☐Applicable ✓Not applicable

(V) Disposal of Major Assets and Equity

☐Applicable ✓Not applicable

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

✓Applicable ☐Not applicable

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

✓Applicable ☐Not applicable

Unit: RMB

Name of company	Type of company	Principal activities	Registered capital	Total assets	Net assets	Revenue	Operating profit	Net profit
Sinotrans Logistics Co., Ltd.	Subsidiary	Logistics	1,444,000,000.00	22,798,363,830.64	9,725,314,296.23	7,330,933,194.17	163,211,213.18	123,839,104.41
Sinotrans Air Transportation Development Co., Ltd.	Subsidiary	Air freight forwarding and cross-border e-commerce logistics	905,481,720.00	10,615,749,871.56	7,679,041,705.29	4,587,230,492.24	55,454,885.22	18,152,516.39
Sinotrans South China Co., Ltd.	Subsidiary	Freight forwarding, logistics, and storage and terminal services	1,349,668,931.90	12,206,035,524.87	4,744,770,328.20	6,746,772,667.67	358,787,110.66	272,937,132.35
Sinotrans Eastern Company Limited	Subsidiary	Freight forwarding, logistics, and storage and terminal services	1,120,503,439.18	8,408,917,046.99	3,898,794,936.76	6,777,998,221.10	279,436,696.66	214,035,423.99
Sinotrans Central China Co., Ltd.	Subsidiary	Freight forwarding, logistics, and storage and terminal services	1,000,000,000.00	7,655,988,752.26	2,818,578,204.91	7,241,830,540.72	306,874,837.29	235,963,747.03
Sinotrans Changjiang Co., Ltd.	Subsidiary	Freight forwarding, logistics, and storage and terminal services	969,665,712.00	5,055,171,957.25	2,529,799,776.39	3,964,168,516.96	201,108,929.47	153,408,150.97
DHL-Sinotrans International Air Courier Ltd.	Joint venture	International express service	USD14,500,000	6,746,393,727.50	4,367,847,646.54	8,691,030,997.18	1,855,052,002.30	1,401,352,996.63

Acquisition and disposal of subsidiaries during the Reporting Period

☐Applicable ✓Not applicable

Other explanations

✓Applicable ☐Not applicable

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

(VII) Structured Entities Controlled by the Company

☐Applicable ✓Not applicable

V. OTHER DISCLOSURES

(I) Potential Risks

✓Applicable ☐Not applicable

1. *External Political and Economic Risks*

The lack of momentum in global macroeconomic growth, the turbulent geopolitical situation, the continuous escalation and spillover of regional conflicts in the Middle East to key shipping lanes, the frequent adjustments of global trade rules and tariff policies, high trade barriers, and the pressure on the stability of international logistics channels and supply chains have increased the complexity, severity, and uncertainty of the external environment, which may adversely affect the operating performance of the Company.

Countermeasures: The Company will maintain its strategic focus, strengthen the construction of key routes and channels for sea, air, and land transportation, continue to track macroeconomic dynamics and deepen the analysis of industry policies, and optimize strategic directions and business strategies in a timely manner. The Company will optimize the network and resource layout, focus on key regions for market expansion and business enhancement, and improve the business structure. Meanwhile, by focusing on market demand, the Company will deepen industry insights and customer marketing management to ensure operational resilience in a complex and volatile external environment.

2. *Overseas Business Risk*

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

Countermeasures: The Company will improve its overseas risk control and compliance system. By refining arrangements such as organizational responsibilities, institutional frameworks, and resource safeguards, the Company will strengthen the control of country-specific risks in overseas projects at source, prudently conduct risk assessments for new projects, and adopt multiple measures to prevent and control relevant risks. On the other hand, the Company will steadily advance the positioning in key overseas logistics nodes and core assets, thereby establishing a resilient and efficient overseas logistics service network, strengthening its resource control, and enhancing overseas local delivery capabilities. Furthermore, by utilizing the coordinated engagement with the domestic logistics network, the Company strives to establish an overseas logistics operation system of “channel + hub + network”, so as to continuously improve risk prevention and control capabilities and the standard of international management practices.

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3. Market Changes and Competition Risks

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

Countermeasures: The Company will strengthen the synergistic coordination and cooperation of logistics resources, promote complementary capabilities and innovative upgrades, and build differentiated competitive capabilities, thereby solidifying its market position. By building a product matrix of basic services, channel products, and solutions, the Company will upgrade traditional logistics services into logistics products through process-oriented and standardized methods to enhance business operational competitiveness. In addition, focusing on key industries, the Company will strategically position itself in emerging industries such as green technology and digital intelligence technology, forge professional industry solutions, and enhance service adaptation capabilities and value creativity.

4. Credit Receivable Risk

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

Countermeasures: The Company focuses on the refined management and control of accounts receivable, continues to adjust the customer structure, and strengthens the systematic management for the whole chain from credit granting to payment collection. The Company will strictly control accounts receivable that exceed the credit period and credit limit. By optimizing customer rating and credit models and improving information technology means, the Company will closely track the risks during the performance process and monitor the credit status of the customer, forming a management mechanism of "scientific planning beforehand, strict control during the process, and closed-loop management afterwards". At the same time, the Company will increase the collection of overdue accounts receivable and improve the efficiency of customer payment collection, thereby effectively reducing the risk of bad debts.

5. Technological Innovation Risk

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

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

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

Currently, global economic growth momentum continues to weaken, while trade protectionism has intensified. Spillover risks from international geopolitical conflicts have risen, with uncertainties persisting over the long term, posing ongoing challenges to supply chain security and stability. The domestic economy rests on a solid foundation and exhibits strong resilience, as domestic industrial integration and the dual-circulation foreign trade model continue to deepen. For the first time, the logistics network was incorporated into the national "Six Networks (六張網)" coordinated major infrastructure deployment, underscoring the strategic value of logistics as the lifeblood of the real economy. That said, the logistics market still faces headwinds, including weak effective demand and insufficient inventory replenishment momentum across manufacturing and consumer sectors. In the second half of the year, the Company will stay firmly focused on its transformational roadmap, namely "accumulating demands, centralizing capacity procurement, digitalizing capabilities, and forging product", as it reinforces its fundamentals, pursues reform breakthroughs, and strives to secure a strong opening for the 15th "Five-Year Plan".

Expanding Markets

Firstly, the Company will deepen its operation of systems to release organizational efficiency. By leveraging the in-depth operation of its strategic marketing system, the Company will drive sustained revenue growth from major industry clients as planned. It will also complete the full rollout of the CRM system across major business units, and pilot a closed-loop demand aggregation framework. **Secondly**, the Company will scale up market expansion efforts and intensify client acquisition. It will iterate and introduce new industry-specific solutions, accelerate their replication and promotion, and drive the development of differentiated service capabilities while upgrading collaboration models with major clients in key industries.

Building Product System

The Company will unswervingly position product system development as the core pillar of its business model transformation, and will consistently advance the construction of its three-tier product system. It will comprehensively enhance the market competitiveness and industry influence of its channel products, ensuring to promote key products construction across water freight, air freight, land freight, trucking, and multimodal transport as planned. It will also innovate products by focusing on strategic channels and evolving supply chain trends, seizing market opportunities and making forward-looking deployments.

Optimizing Resources

Firstly, the Company will comprehensively drive the digital-intelligent transformation and upgrading of resource management. It will coordinate and complete the overall architecture design, system research and development, and pilot launch of the resource management platform, and establish a resource inventory catalog. **Secondly, the Company will drive deeper efficiency gains from existing resources.** In terms of intensive warehouse operations, it will continue to promote internal collaborative usage of warehouses, unlocking the intensive operational value of existing assets. It will systematically map out transformation and upgrading pathways for warehouse business models to improve existing warehouse asset returns. **Thirdly, the Company will solidify the core foundation for end-to-end integrated digital fulfilment.** It will drive the implementation of centralized space booking reforms to enhance booking processing capabilities, accelerate the construction of collection and distribution operation control centers, and iteratively optimize collection and distribution business systems.

Reducing Costs

The Company will continue to deepen the separation of procurement and sales across water freight, air freight, railway freight, and trucking, while advancing the development of operation control centers and space booking platforms to achieve structural cost reductions through intensive procurement. It will also leverage digital tools to optimize centralized expense management and drive the transformation of expense control from post-event accounting to full-lifecycle closed-loop management.

Expanding Overseas Operations

The Company will continue to strengthen its cross-border trucking operations in the Indo-China Peninsula and advance the development of the Malaysia logistics center project. Leveraging its European air transportation route resources, it will improve the collection and distribution network at overseas hubs, focus on strategic client needs, and enhance local delivery capabilities. In the China-Europe and China-Central Asia corridors, it will deepen strategic cooperation with railway capacity providers to strengthen end-to-end operations and local service capabilities. It will also reinforce business synergies and pursue the development of cross-border multimodal transport corridors in the Middle East and Africa.

Strengthening Technologies

In terms of deepening "AI+" applications, the Company will strengthen the promotion of its AI application portal, actively carry out R&D and testing of embodied intelligent equipment at its automation innovation center, and achieve breakthroughs in the deployment of loading and unloading robots. **In terms of accelerating green development**, it will deeply explore customer needs to develop industry-specific green logistics solutions, further enhance the energy replenishment network, expand autonomous driving application scenarios, continue to promote the large-scale operation of new energy commercial vehicles, and gradually build a green logistics product and solution system.

Strengthening Risk Control

In terms of finance, the Company will strengthen exchange rate management, optimize fund pool allocation, enhance cross-border capital efficiency, conduct regular screening of underperforming businesses, and adjust resource allocation. **In terms of compliance**, it will strictly abide by the bottom line of compliance, continue to advance penetrating oversight, with a focus on developing rule-based models in key areas. **In terms of work safety**, it will drive the elimination of major hazards, reinforce emergency response teams, and ensure that the work safety situation remains stable and continues to improve.

(III) Other Disclosures

✓Applicable ☐Not applicable

1. *Income Tax*

During the Reporting Period, the Group's income tax expenses amounted to RMB501 million, representing an increase of 3.11% as compared to RMB486 million for the corresponding period of last year. The main reason was the increase in taxable income during the Reporting Period.

2. *Capital Expenditures*

During the Reporting Period, the Group's capital expenditure amounted to RMB755 million, among which RMB195 million was used for the construction of infrastructures, ports and terminals facilities and other projects; RMB368 million was used to purchase land and software; RMB180 million was used to purchase assets such as machinery, containers and vehicles; and RMB12 million was used for renovation and improvement of assets.

3. *Investment in Securities*

As at 30 June 2026, the listed equity investments held by the Group were RMB862 million, the details of which are set out in Note VIII. (2), (11) and (12) to the Financial Statements under "Chapter 8 Financial Report" of this Report.

4. *Contingent Liabilities and Guarantees*

As at 30 June 2026, contingent liabilities mainly comprised outstanding lawsuits of the Group arising from its ordinary course of business amounting to RMB251 million (as at 31 December 2025: RMB128 million). Please see "XII. MATERIAL CONTRACTS AND PERFORMANCE — (II) Significant Guarantees Performed and Unfulfilled During the Reporting Period" under "Chapter 5 Significant Matters" of this Report for details of the guarantees.

5. *Borrowings and Bonds*

As at 30 June 2026, the Group's total borrowings amounted to RMB3,289 million (as at 31 December 2025: RMB4,330 million), which comprised RMB2,152 million denominated in RMB and RMB1,137 million in Euro. Of the above borrowings, RMB781 million was bank borrowings payable within a year.

As at 30 June 2026, the Group's total bonds payable amounted to RMB4,068 million (as at 31 December 2025: RMB4,064 million). Of the above bonds, RMB68 million was payable within a year.

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Details of borrowings and bonds of the Group as at 30 June 2026 are set out in Note VIII. 24, 33 and 34 to the Financial Statements under “Chapter 8 Financial Report” of this Report.

6. Charges on Assets

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

7. Debt-to-Asset Ratio

As at 30 June 2026, the debt-to-asset ratio of the Group was 44.16% (as at 31 December 2025: 43.78%), which was calculated by dividing total liabilities by total assets of the Group as at 30 June 2026.

8. Government Subsidies

During the Reporting Period, government subsidies received by the Group in relation to income amounted to RMB898 million in total, details of which are set out in Note X to the Financial Statements under “Chapter 8 Financial Report” of this Report.

9. Employees

Number of employees: 31,474 as at 30 June 2026 (as at 31 December 2025: 31,953).

Training plan: During the Reporting Period, the offline training of the Group accumulated to 530,428 hours with 29,463 person times, while 159,437 online courses were completed (642,366.34 learning hours in total). The training contents of the Group mainly included strategy and corporate culture, safety in production, employee basic work skills, employee business knowledge, management skills and leadership improvement, new employee induction, overseas talent training, employee self-learning, etc. With the development of the Group, to ensure the constant elevation of the staff quality, the Group will increase the employees’ access to training and continuously review and improve the training courses to meet the requirement of the business operation and the development needs of our workforce.

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

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

10. *Interim Dividend*

(1) *Interim dividend plan and schedule*

Pursuant to the authorization of the 2025 Annual General Meeting, the Board has considered and approved the Resolution in Relation to Profit Distribution Plan for the First Half of 2026 at the 27th meeting of the fourth session of the Board. The Company will distribute the interim dividend of RMB0.14 per share (tax included) in cash for 2026, based on the total share capital registered on the record date of the equity distribution. As at the date of this Interim Report, the total share capital was 7,173,751,227 shares, based on which, the total interim dividend payout is expected to be RMB1,004,325,171.78 (tax included), accounting for 58.22% of the net profit attributable to the shareholders of the Company in the consolidated financial statements for the first half of 2026. For details, please refer to the Announcement on the Profit Distribution Plan for the First Half of 2026 disclosed by the Company on the website of the SSE (www.sse.com.cn).

Pursuant to the Articles of Association of the Company, cash dividends payable to the holders of A Shares of the Company shall be paid in RMB, and cash dividends payable to the holders of H Shares of the Company shall be calculated and declared in RMB, and paid in HK$ or RMB. The interim dividend of 2026 for H Shares will be paid in HK$. The exchange rate in HK$ is the central parity rate of RMB to HK$ published by the People's Bank of China on the trading day before the date of approved distribution dividend by the Board (24 August 2026), namely RMB1.00=HK$1.1555. Accordingly, the amount of 2026 interim dividend for each H Share of the Company is approximately HK$0.1618. The interim dividend will be paid on or before 20 October 2026 to the Shareholders as registered on the record date.

The record date of H shareholders for the interim dividend is at the close of business on 15 September 2026. For determining the entitlement to the interim dividend, the register of members of the Company will be closed from 10 September 2026 to 15 September 2026, both days inclusive. For H Shareholders to qualify for the interim dividend, all share transfers accompanied by the relevant share certificates must be lodged with the Company's H Share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on 9 September 2026, for registration.

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

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

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

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

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

11. *Foreign Exchange Risk*

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

12. *Repurchase, Sale or Redemption of Securities*

Neither the Company nor any of its subsidiaries repurchased, sold or redeemed any listed securities of the Company during the Reporting Period.

Chapter 4
Corporate Governance, Environment and Society

I. CHANGES OF DIRECTORS AND SENIOR MANAGEMENT OF THE COMPANY

✓Applicable ☐Not applicable

Name	Position	Changes	Reason for Change
Li Feng (Note 3)	Director	Elected	Work re-allocation
Sun Jianfeng (Note 3)	Director	Elected	Work re-allocation
Zhang Zhiyi (Note 4)	General Counsel (Chief Compliance Officer)	Appointed	Work re-allocation
Yang Guofeng (Note 1)	Director	Resigned	Work re-allocation
Yu Zhiliang (Note 2)	Director	Resigned	To focus on his other personal commitments
Li Shichu (Note 4)	General Counsel (Chief Compliance Officer)	Resigned	Work re-allocation

Details of changes of Directors and Senior Management of the Company

✓Applicable ☐Not applicable

1. In July 2026, the Board received the resignation letter from Mr. Yang Guofeng. Due to the work re-allocation, Mr. Yang Guofeng resigned as a Director with effect from 17 July 2026. Accordingly, Mr. Yang Guofeng also ceased to be a member of the Strategy and Sustainable Development Committee of the Board.

2. In June 2026, the Board received the resignation letter from Mr. Yu Zhiliang, that Mr. Yu Zhiliang resigned as a Director with effect from 3 June 2026, in order to focus on his other personal commitments. Accordingly, Mr. Yu also ceased to be a member of the Strategy and Sustainable Development Committee of the Board.

3. On 7 August 2026, the 2026 first extraordinary general meeting of the Company considered and approved “Proposal on the Election of the Directors”, at which Mr. Li Feng and Mr. Sun Jianfeng were elected as Directors, with a term of office from the date of the approval of the Shareholders at the general meeting of the Company to the date of conclusion of the fourth session of the Board. Each of Mr. Li Feng and Mr. Sun Jianfeng obtained legal advice pursuant to Rule 3.09D of the SEHK Listing Rules on 17 July 2026, and confirmed that he has understood his responsibilities as a Director.

4. In April 2026, the Board received the resignation letter from Mr. Li Shichu, due to the work re-allocation, Mr. Li Shichu resigned as the General Counsel (Chief Compliance Officer) with effect from 28 April 2026. On 28 April 2026, the 24th meeting of the fourth session of the Board considered and approved the “Proposal on the Appointment of General Counsel (Chief Compliance Officer) of the Company”, approving to appoint Ms. Zhang Zhiyi as the General Counsel (Chief Compliance Officer) of the Company, with a term of office from the date of the approval of the Board to the date of conclusion of the fourth session of the Board.

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

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

Whether to distribute or to convert	Yes
Number of bonus share per 10 shares (share)	0
Amount of dividend per 10 shares (tax included)	1.40
Number of shares converted per 10 shares (share)	0

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

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

(II) Implementation of the Profit Distribution Plan for the Year 2025

The 2025 Annual Profit Distribution Plan of the Company has been considered and approved at the 2025 Annual General Meeting of the Company on 29 May 2026, to distribute 2025 final dividend to all shareholders on the basis of 7,173,751,227 Shares of the total share capital registered on the record date for the dividend distribution, totalling RMB1,112 million . The aforesaid cash dividend was distributed on 29 June 2026.

On 20 October 2025, the Company distributed the 2025 interim dividend of RMB1,041 million in total.

Thus, the Company’s total cash dividend distribution in 2025 was RMB2,153 million. The Company’s annual cash dividend for 2025 was approximately RMB2,632 million (tax included) in aggregate (including the distributed 2025 interim dividend, the 2025 final dividend and the cash used for Share repurchases in 2025), accounting for 65.45% of the net profit attributable to shareholders of the Company in the 2025 annual consolidated statement.

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

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

☐Applicable ✓Not applicable

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

Equity incentives

☐Applicable ✓Not applicable

Other explanations

☐Applicable ✓Not applicable

Employee share ownership scheme

☐Applicable ✓Not applicable

Other incentives

☐Applicable ✓Not applicable

IV. CORPORATE GOVERNANCE

During the Reporting Period, the Company strictly abided by the Company Law, the Securities Law, the Code of Corporate Governance for Listed Companies in China promulgated by the CSRC and other applicable laws and regulations, as well as the requirements on corporate governance by the SSE and SEHK, kept improving its corporate governance structure and enhanced the level of corporate governance. The Company has reviewed and adopted the principles and provisions of the CG Code as set out in Appendix C1 of the SEHK Listing Rules during the period from 1 January 2026 to 30 June 2026 as our code on corporate governance, and has complied with all code provisions set out in the CG Code.

(I) The Board

The Company has published the list of the Board members with their roles and positions on the websites of SEHK, SSE and the Company. Each Director of the Company acknowledges his/her responsibilities as a Director and is aware of the Company's operation procedure, business activities and development. During the Reporting Period, the Company convened 4 Board meetings and considered/heard 37 resolutions such as periodic reports, the profit distribution, appointment of senior management, and joint investment with related party.

(II) Changes in Information of Directors and Senior Management

As at 30 June 2026, the Company's Board of Directors consisted of 11 directors, namely Mr. Zhang Yi (Chairman); Mr. Gao Xiang, Mr. Yang Guofeng, Ms. Luo Li, Mr. Huang Chuanjing, Mr. Jerry Hsu and Mr. Gong Weiguo (all being Directors); and Ms. Wang Xiaoli, Ms. Ning Yaping, Mr. Cui Xinjian and Mr. Cui Fan (all being independent non-executive Directors).

In 2026, the Company has changed 2 Directors and 1 Senior Management. For details, please refer to "I. CHANGES OF DIRECTORS AND SENIOR MANAGEMENT OF THE COMPANY" in this chapter. Other than the above mentioned information, there were no disclosable changes regarding the Directors or the Senior Management as required by the Rule 13.51B of the SEHK Listing Rules during the Reporting Period.

(III) Strategy and Sustainable Development Committee

As at 30 June 2026, Strategy and Sustainable Development Committee comprised the Chairman Mr. Zhang Yi (being the chairman), Mr. Gao Xiang, Mr. Yang Guofeng (both being Directors), and Mr. Cui Xinjian (being independent non-executive Director). During the Reporting Period, the Strategy and Sustainable Development Committee held 2 meetings, at which it considered and approved the ESG Report of 2025, etc.

Note: Mr. Yu Zhiliang and Mr. Yang Guofeng resigned as the members of the Strategy and Sustainable Development Committee on 3 June 2026 and 17 July 2026, respectively. Mr. Sun Jianfeng and Mr. Huang Chuanjing were appointed as the members of the Strategy and Sustainable Development Committee on 25 August 2026.

(IV) Audit Committee

As at 30 June 2026, the Audit Committee comprised all independent non-executive directors, namely Ms. Ning Yaping (being the chairman), Ms. Wang Xiaoli, Mr. Cui Xinjian and Mr. Cui Fan. During the Reporting Period, the Company convened 5 meetings of the Audit Committee, considered and approved proposals such as periodic reports, internal control evaluation report and appointment of auditor, etc.. The Audit Committee of the Company has reviewed the unaudited consolidated interim financial statements of the Group for the six months ended 30 June 2026, and BDO China Shu Lun Pan Certified Public Accountants LLP, the Company's auditor, has conducted the review of the aforesaid interim financial statements in accordance with Review Standard for Chinese Certified Public Accountants No. 2101 Review of Financial Statements.

Note: Mr. Sun Jianfeng and Mr. Huang Chuanjing were appointed as members of the Audit Committee on 25 August 2026.

(V) Remuneration Committee

As at 30 June 2026, the Remuneration Committee comprised all independent non-executive Directors, namely Mr. Cui Fan (being the chairman), Ms. Wang Xiaoli, Ms. Ning Yaping and Mr. Cui Xinjian. During the Reporting Period, the Company convened 2 Remuneration Committee meetings, considered and approved the proposals on performance assessment and remuneration payment of Director and Senior Management, etc..

(VI) Nomination Committee

As at 30 June 2026, the Nomination Committee comprised Chairman and all independent non-executive Directors of the Board, namely Mr. Cui Xinjian (being the chairman), Mr. Zhang Yi, Ms. Wang Xiaoli, Ms. Ning Yaping and Mr. Cui Fan. During the Reporting Period, the Company convened 1 Nomination Committee meeting, considered and approved the proposal on the appointment of General Counsel (Chief Compliance Officer).

(VII) Model Code for Securities Transactions by Directors

The Company has adopted the Model Code contained in Appendix C3 to the SEHK Listing Rules as the code of conduct for securities transactions by the Company's Directors. The Directors have confirmed, following specific enquiries made by the Company, that they have complied with the required standards set out in the Model Code and the Company's code of conduct regarding securities transactions by Directors for the six months from 1 January 2026 to 30 June 2026.

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

☐Applicable ✓Not applicable

Other Information

☐Applicable ✓Not applicable

Chapter 4
Corporate Governance, Environment and Society

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

✓Applicable ☐Not applicable

In the first half of 2026, Sinotrans continued to leverage China Merchants Charitable Foundation as its professional and unified public welfare platform. Focusing on industry-led development, improving public services, strengthening industrial training, and enhancing rural governance, the Company prioritized supporting partner counties including Qichun in Hubei, and Yecheng and Shache in Xinjiang, in developing specialty industries, establishing demonstration sites for rural revitalization, and comprehensively advancing the rural revitalization agenda. The main initiatives are summarized as follows:

(I) Qichun Industrial and Talent Revitalization Projects and Livelihood Support Projects

The annual plan is to invest RMB2.2 million in five sub-projects: (i) supporting tea-producing areas in Qichun County with brand building, organic certification, and market promotion to facilitate the marketization of Qichun's organic tea industry and increase farmers' income; (ii) donating biological low-carbon microbial agents for rice and other crops to promote green and low-carbon agriculture in Qichun; (iii) providing tea industry skills training in Qichun to build a talent pool for the organic tea sector; (iv) funding the development of Qichun Youth Night School, which offers diversified courses in vocational skills, cultural literacy, innovation, and entrepreneurship, to meet the needs of young people in Qichun for self-improvement and social integration, thereby supporting rural revitalization and talent development; and (v) supporting the construction of smart campuses in Qichun to upgrade school infrastructure, enhance informatization and intelligent management capabilities, and improve the sense of achievement and well-being among teachers and students.

(II) Yecheng (Xinjiang) Cultural Revitalization Project

The annual plan is to invest RMB600 thousand to support inter-school basketball tournaments at Yecheng Middle School, thereby promoting local cultural exchange and integration.

(III) Shache (Xinjiang) Industrial Revitalization Project

The annual plan is to invest RMB7.2 million in two sub-projects: (i) supporting the construction of the Badam Ecological Demonstration Park in Alerle Township, Shache, including a new technology demonstration orchard, renovation of old orchards, and improvement of agricultural, cultural, and tourism facilities in the core area to promote integrated agricultural tourism development. Through the promotion of technologies such as dwarf-density planting, bio-organic fertilizers, biological pest control, and intercropping, the project aims to make the township's 30,000 mu of Badam orchards ecologically organic, high-quality, and high-yield; and (ii) building on previous training in agriculture, forestry, and live-stream e-commerce, introducing innovative training content focused on "smart agriculture + digital marketing" under the theme of technology-enabled ecological agriculture. This includes drone operation and certification training, as well as specialized AI live-streaming courses, with a target of training 3,000 participants to help transform traditional farmers into operators of eco-tech agriculture. In addition, the project will track previous trainees, select outstanding participants for follow-up practical training, and connect them with e-commerce platforms to facilitate agricultural product sales.

Chapter 5
Significant Matters

I. PERFORMANCE OF COMMITMENTS

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

✓Applicable ☐Not applicable

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

Chapter 5
Significant Matters

Note 1: The covenantor shall maintain mutual independence with the Company in terms of personnel, finance, assets, business and organization in accordance with the provisions of the relevant laws, regulations and normative documents.

Note 2: The covenantor undertakes to avoid and reduce related-party transactions with the Company. For related party transactions that are unavoidable or where there are sufficient reasons, the covenantor shall sign a standard and formal related-party transaction agreement, shall perform the transactions in accordance with fair and reasonable market prices, and shall fulfil the related-party transaction decision-making process and information disclosure obligation; the covenantor shall not prejudice the legitimate interests of the Company and other non-related shareholders through related-party transactions. The covenantor undertakes to procure corporates under its control (except the Company) to comply with the aforementioned commitment.

Note 3: The covenantor undertakes to accelerate the development of the principal business of the Company; to boost the profitability of the Company; to enhance the internal management of the Company and cost control; to continuously improve corporate governance so as to provide institutional safeguard for the development of the Company; to further improve the profit distribution system and strengthen the investor return mechanism.

Note 4: The covenantor undertakes not to go beyond its power and interfere with the operation management activities of the Company and not to impair the interests of the Company.

Note 5: The covenantors undertake to perform their duties faithfully and diligently to protect lawful interests of the Company and all Shareholders; not to transfer benefits to other entities or individuals without compensation or on unfair terms; to constrain the consumption if it is business-related; not to invest or spend the Company's assets outside the performance of their duties; that the Board shall formulate salary system which is in line with the implementation of the return remedial measures; that if a share option policy shall be implemented, the conditions for exercising the option under the policy to be announced shall be in line with the implementation of the return remedial measures; that if the CSRC promulgates new rules for regulating return remedial measures and their commitments, the covenantors shall issue supplementary commitments.

Note 6: Except in the case of special circumstances, the Company may distribute dividend in cash, provided that the Company is profitable in that year and the aggregate undistributed profit is positive. The profits distributed in cash for each year shall not be less than 10% of the distributable realized profit in that year. In connection with the dividend payment, the Board shall put forward a policy of differentiated cash dividend distribution according to the circumstances, pursuant to the procedures set forth in the Articles of Association.

Note 7: The covenantor shall take effective measures to avoid horizontal competition. The covenantor has some subsidiaries that are engaged in integrated logistics business (the "Excluded Companies"). As at the date of this letter of commitment, the Excluded Companies have blemishes in terms of their asset ownership, subject qualification, profitability and other aspects, and, therefore, do not meet the requirement for injection to the Company. The covenantor undertakes to gradually realize the withdrawal of the Excluded Companies from integrated logistics business operation within three years from the listing date of A shares of the Company so as to thoroughly resolve the issue of substantial competition. Except for the companies entrusted to the Company, there is no competition between the covenantor and other companies under its control and the Company. The covenantor and other companies under its control do not, directly or indirectly, engage in any business or activity, in any form, that competes with or may compete with the principal business of the Company. During the period when the covenantor is the controlling shareholder of the Company, if the regulatory authority or the Company believes that there is substantial competition between the covenantor and the Company, the covenantor shall offer the Company the right of first refusal. The commitment of controlling shareholder, Sinotrans & CSC, to gradually realize the withdrawal of the Excluded Companies from integrated logistics business operation within three years from the listing date of A shares of the Company so as to thoroughly resolve the issue of substantial competition has been postponed until 17 January 2025, which has been approved by the general meeting. The above commitment has been fully performed within the extended period. For details, please refer to the relevant announcements of the Company dated 27 October 2021, 11 November 2021 and 30 November 2021 disclosed on the websites of the SSE (www.sse.com.cn) and the SEHK (www.hkexnews.hk).

Note 8: The covenantor shall take effective measures to avoid horizontal competition. There is no competition between the covenantor and other companies under its control (China Merchants and its subsidiaries) and the Company. The covenantor and other companies under its control do not, directly or indirectly, engage in any business or activity, in any form, that competes with or may compete with the principal business of the Company. During the period where the covenantor is the actual controller of the Company, if the regulatory authority or the Company believes that there is substantial horizontal competition between the covenantor and the Company, the covenantor shall offer the Company the right of first refusal.

Note 9: The covenantor shall fully support and facilitate the Company and its subsidiaries to achieve completeness of the certificates of title for assets including lands, estates and properties. After the completion of the merger by absorption, where the Company suffers actual loss from the problem that exists in the land use rights and the ownership of property assets held prior to the merger by absorption, or where there are indemnities, penalties, taxes or other fees that arise from the operation of defective land use rights and property assets by the Company and its subsidiaries after the merger by absorption, the covenantor undertakes to fully compensate the Company and its subsidiaries in a timely manner by way of cash within 30 days after the Company has determined the actual loss or relevant fees legally.

Note 10: The covenantor shall fully support and facilitate the Company and its subsidiaries to achieve completeness of the certificates of title for assets including lands and properties. After the completion of the merger by absorption, where the Company and its subsidiaries suffer actual loss from the problems that exist in the land use rights and the ownership of property assets held prior to the merger by absorption, the Company and its subsidiaries shall be fully compensated in a timely manner by way of cash within 180 days after the Company and its subsidiaries have determined the relevant fees legally.

Note 11: After the completion of the merger by absorption, if the Company suffers loss or assumes any responsibility from the payment issue of social insurance or housing provident fund prior to the merger by absorption, the covenantor undertakes to assume the corresponding indemnity after determining that loss or responsibility legally.

Note 12: For the full text of the above commitments, please refer to the "Section I Important Statements and Tips" in the "Announcement on the Listing through the merger by absorption of Sinoair by Sinotrans Limited and the Financial Statements for the Third Quarter of 2018" issued by the Company on the website of SSE (www.sse.com.cn) on 15 January 2019.

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

☐Applicable ✓Not applicable

III. IRREGULAR GUARANTEES

☐Applicable ✓Not applicable

IV. AUDIT OF THE INTERIM REPORT

☐Applicable ✓Not applicable

Chapter 5
Significant Matters

V. CHANGE OF ACCOUNTING FIRM

As ShineWing Certified Public Accountants LLP has served as the Company's auditor for eight consecutive years, in accordance with the Administrative Measures for the Selection and Appointment of Accounting Firms by State-owned Enterprises and Listed Companies (《國有企業、 上市公司選聘會計師事務所管理辦法》) and other relevant regulations, the Company appointed BDO China Shu Lun Pan Certified Public Accountants LLP as the Company's auditor for financial reports and internal control for the year 2026. The total audit fee is estimated to be RMB13.10 million, and authorized the Board and its authorized person (i.e., the chairman of the Board) to adjust the estimated fee within the range of -5% to 5% in accordance with the scope of audit services and actual workload. The above matter has been reviewed and approved by the Company's 2025 Annual General Meeting on 29 May 2026.

BDO China Shu Lun Pan Certified Public Accountants LLP has reviewed the Company's 2026 interim report.

VI. CHANGES AND HANDLING OF MATTERS INVOLVED IN NONSTANDARD AUDIT OPINIONS OF INTERIM REPORT IN THE LAST YEAR

☐Applicable ✓Not applicable

VII. MATTERS RELATED TO BANKRUPTCY AND REORGANIZATION

☐Applicable ✓Not applicable

VIII. MAJOR LITIGATION AND ARBITRATION MATTERS

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

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

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

☐Applicable ✓Not applicable

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

☐Applicable ✓Not applicable

XI. MATERIAL RELATED PARTY TRANSACTIONS

(I) Material Related Party Transactions

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

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

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

☐Applicable ✓Not applicable

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

✓Applicable ☐ Not applicable

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

Unit: RMB hundred million

Categories	The estimated annual caps of 2024	The estimated annual caps of 2025	The estimated annual caps of 2026	Actual amount of the Reporting Period
Provision of transportation and logistics services	25.00	32.50	42.25	2.30
Receiving of transportation and logistics services	35.00	45.50	59.15	7.17
The lease of properties and storage facilities as the lessee from the related party	6.50	7.48	8.60	1.35
The lease of properties and storage facilities as the lessor to the related party	0.40	0.46	0.53	0.05
The lease of containers and other equipment as the lessee from the related party	0.18	0.21	0.23	0.004
The lease of containers and other equipment as the lessor to the related party	2.00	2.30	2.65	0.22

(2) On 26 October 2023, the Board considered and approved the resolution on the renewal of the continuing related party transaction between the Company and China Merchants Bank from 2024 to 2026, and the maximum outstanding balance of deposits placed by the Group with China Merchants Bank is RMB6 billion and the maximum outstanding balance of loans granted by China Merchants Bank to the Group is RMB10 billion. During the Reporting Period, the Group's maximum daily deposit balance at China Merchants Bank was RMB1,317 million, and the Group's outstanding loan balance granted by China Merchants Bank to the Group was RMB396 million.

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

3. Events Not Disclosed in the Temporary Announcements

☐Applicable ✓Not applicable

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

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

☐Applicable ✓Not applicable

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

☐Applicable ✓Not applicable

3. Events Not Disclosed in the Temporary Announcements

☐Applicable ✓Not applicable

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

☐Applicable ✓Not applicable

(IV) Material Related Party Transactions involving Joint External Investments

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

☐Applicable ✓Not applicable

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

✓Applicable ☐Not applicable

On 29 January 2026, SINOTRANS (HK) LOGISTICS LIMITED (SINOTRANS HK), a subsidiary of the Company, entered into the Joint Venture Agreement with CNDI Investment Holdings Korlátolt Felelősségű Társaság (CNDI Hungary) to jointly invest in and establish the joint venture in Hungary, which is aimed at acquiring a Hungarian warehouse. Pursuant to the Joint Venture Agreement, the registered capital of the Joint Venture is EUR10,000 (equivalent to RMB83,349). SINOTRANS HK and CNDI Hungary will contribute EUR4,000 (equivalent to RMB33,339.60) and EUR6,000 (equivalent to RMB50,009.40), respectively, holding 40% and 60% of the quotas of the Joint Venture, respectively. The Joint Venture will not become a subsidiary of the Company, and therefore its financial results will not be consolidated into the accounts of the Company. Subject to the investments to be implemented by the Joint Venture, the Maximum Capital Commitment to be contributed by the parties to the Joint Venture is EUR49,832,148 (equivalent to RMB415,345,970.37), which will be contributed by the parties in proportion to their respective quota holdings. Wherein, SINOTRANS HK intends to contribute no more than EUR19,932,859.20 (equivalent to RMB166,138,388.15) with self-owned funds.

As of the date of this Report, the foresaid Joint Venture has completed the acquisition of the Hungarian warehouse, for which the Company contributed EUR 9.148 million (equivalent to RMB72.2607 million) in accordance with the shareholding ratio.

3. Events Not Disclosed in the Temporary Announcements

☐Applicable ✓Not applicable

(V) Claims and Liabilities with Related Parties

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

☐Applicable ✓Not applicable

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

☐Applicable ✓Not applicable

3. *Events Not Disclosed in the Temporary Announcements*

✓Applicable ☐Not applicable

Unit: RMB

	Capital provided to related parties			Capital provided by related parties to listed company		
Related party	Balances at the beginning of the Reporting Period	Amount of the transaction	Balances at the end of the Reporting Period	Balances at the beginning of the Reporting Period	Amount of the transaction	Balances at the end of the Reporting Period
Other companies controlled by the same parent company and ultimate controlling party	5,964,631,717.43	-1,740,745,626.42	4,223,886,091.01	814,145,013.29	112,994,421.41	927,139,434.70
Joint ventures and associates	1,553,158,572.26	620,591,131.85	2,173,749,704.11	667,496,273.92	-31,353,761.50	636,142,512.42
Total	7,517,790,289.69	-1,120,154,494.57	6,397,635,795.12	1,481,641,287.21	81,640,659.91	1,563,281,947.12
Reasons for related claims and debts	Balances with related companies.					
The impact of related claims and debts on the Company	Related claims and debts are conducted based on the time agreed under the contract or agreement in accordance with the financial settlement process and have no material effect on the operation results and financial position of the Company.					

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

✓Applicable ☐Not applicable

On 26 October 2023, the Company renewed the Financial Services Agreement with China Merchants Group Finance Co., Ltd. (Finance Company, a company owned as to 51% by China Merchants and 49% by Sinotrans & CSC as at the date of this Report), the term of which is from 1 January 2024 to 31 December 2026. According to the agreement, the maximum daily outstanding balance of the deposit placed by the Group with the Finance Company each year (excluding loan amounts provided by the Finance Company) is RMB6 billion, the maximum daily outstanding balance of the loan (including accrued interests and handling fees) granted by the Finance Company to the Group is RMB10 billion and the annual cap for other financial services fees at the Finance Company shall not exceed RMB20 million. During the Reporting Period, the Group's maximum daily deposit balance at the Finance Company and maximum daily outstanding loan balance granted by the Finance Company to the Group were RMB5,878 million and RMB26 million respectively, and the total fees of other financial services were RMB96 thousand. The above-mentioned daily related party transaction has been reviewed and approved by the Company's Extraordinary General Meeting on 15 December 2023. For details, please refer to relevant announcements dated 26 October 2023 and 15 December 2023 published by the Company on the websites of SSE (www.sse.com.cn) and SEHK (www.hkexnews.hk).

On 7 May 2026, the Company entered into the Financial Services Agreement with China Merchants International Finance Co., Ltd. (International Finance Company, an indirectly wholly-owned subsidiary of China Merchants), the term of which is from 7 May 2026 to 6 May 2029. Under the Financial Services Agreement, the maximum daily outstanding balance of deposits placed by the Group with the International Finance Company (excluding loan proceeds advanced by the International Finance Company) shall not exceed RMB500 million, the maximum daily outstanding balance of loans granted by the International Finance Company to the Group (including accrued interests and handling charges) shall not exceed RMB1 billion, and the highest applicable percentage ratio of the total fees payable by the Company to the International Finance Company in respect of the provision of other financial services is below the de minimis threshold as stipulated under Rule 14A.76(1) of the SEHK Listing Rules. During the Reporting Period, the Group's maximum daily deposit balance at International Finance Company and maximum daily outstanding loan balance granted by the International Finance Company to the Group were RMB451 million and RMB0 respectively, and the total fees of other financial services was RMB0. The above-mentioned daily related party transaction has been reviewed and approved by the Company's Board Meeting on 7 May 2026. For details, please refer to relevant announcements dated 7 May 2026 published by the Company on the websites of SSE (www.sse.com.cn) and SEHK (www.hkexnews.hk).

Chapter 5
Significant Matters

1. Deposit Business

✓Applicable ☐Not applicable

Unit: RMB

Related party	Related relationship	The cap of daily outstanding deposit balance	Deposit interest rate range	Balances at the beginning of the Reporting Period	Amount of the transaction of the period: Total deposits of the Reporting Period	Amount of the transaction of the period: Total withdrawals of the Reporting Period	Balances at the end of the Reporting Period
China Merchants Group Finance Co., Ltd.	Other company controlled by the same parent company and ultimate controlling party	6,000,000,000.00	0.7%-3%	5,838,359,951.91	7,761,686,302.88	9,992,019,528.43	3,608,026,726.36
China Merchants International Finance Co., Ltd.	Other company controlled by the same parent company and ultimate controlling party	500,000,000.00	3.59%-3.61%		450,550,327.05		450,550,327.05
Total	/	/	/	5,838,359,951.91	8,212,236,629.93	9,992,019,528.43	4,058,577,053.41

2、 Loan

✓Applicable ☐Not applicable

Unit: RMB

Related party	Related relationship	The cap of daily outstanding loan balance	Loan interest rate range	Balances at the beginning of the Reporting Period	Amount of the transaction of the period: Total loans of the Reporting Period	Amount of the transaction of the period: Total repayments of the Reporting Period	Balances at the end of the Reporting Period
China Merchants Group Finance Co., Ltd.	Other company controlled by the same parent company and ultimate controlling party	10,000,000,000.00	2.4%-2.6%	25,518,272.22	5,000,000.00	5,005,272.22	25,513,000.00
Total	/	/	/	25,518,272.22	5,000,000.00	5,005,272.22	25,513,000.00

3、 *Credit or other financial business*

✓Applicable ☐Not applicable

Unit: RMB

Related party	Related relationship	Business type	Total	Actual amount
China Merchants Group Finance Co., Ltd.	Other company controlled by the same parent company and ultimate controlling party	Comprehensive Credit	8,000,000,000.00	25,513,000.00

4. *Other explanation*

☐Applicable ✓Not applicable

(VII) Other Material Related Party Transactions

☐Applicable ✓Not applicable

(VIII) Others

☐Applicable ✓Not applicable

XII. MATERIAL CONTRACTS AND PERFORMANCE

(I) Entrustment, Contracting and Leasing

☐Applicable ✓Not applicable

Chapter 5
Significant Matters

(II) Material Guarantees Performed and Outstanding During the Reporting Period

✓Applicable ☐Not applicable

Unit: RMB

Guarantors	Relation between the guarantors and the listed company	The guaranteed party	The guaranteed amount	Date of the guarantee (the date of the agreement)	Guarantee beginning date	Guarantee maturity date	Type of guarantee	Details of the principal debt	Collateral (if any)	Whether the guarantee has been fulfilled	Is the guarantee overdue	Guarantee overdue amount	Counter Guarantee situation	Guarantee provided to the related parties	Related relationships
External guarantee of the Company (excluding those provided to subsidiaries)															
Sinotrans South China Co., Ltd.	Wholly-owned subsidiary	Shenzhen Haixing Harbor Development Co., Ltd.	395,401,170.24	1 July 2019	1 July 2019	1 July 2037	Financing guarantee/ Joint liability guarantee	Normal	Nil	No	No	0	No	Yes	Associate
Total guaranteed amount during the Reporting Period (excluding guarantees provided to subsidiaries)															-14,121,470.35
Total guaranteed balance as at the end of the Reporting Period (A) (excluding guarantees provided to subsidiaries)															395,401,170.24
Guarantees provided by the Company and its subsidiaries to subsidiaries															
Total guaranteed amount to subsidiaries during the Reporting Period															-313,020,325.12
Total guaranteed balance to subsidiaries as at the end of the Reporting Period (B)															1,197,939,258.52
Total guarantees (including guarantees to subsidiaries) provided by the Company															
Total guaranteed amount (A+B)															1,593,340,428.76
Total guaranteed amount as a percentage of the net assets of the Company (%)															3.6
Of which:															
Guaranteed amount provided for shareholders, actual controller and their related parties (C)															
Debt guaranteed amount provided directly or indirectly to parties with gearing ratio exceeding 70% (D)															1,197,939,258.52
Total guaranteed amount in excess of 50% of net assets (E)															
Total guaranteed amount of the above three items (C+D+E)															1,197,939,258.52
Statement on the contingent joint liability in connection with unexpired guarantees							Nil								
Details of guarantee							In addition to the above guarantees, the Company and its subsidiaries provide guarantees for the credit lines applied for by companies within the scope of the consolidated statements. As at 30 June 2026, the total credit guarantees were RMB3.833 billion.								

(III) Other Material Contracts

☐Applicable ✓Not applicable

XIII. PROGRESS STATEMENT ON THE USE OF RAISED FUNDS

☐Applicable ✓Not applicable

XIV. EXPLANATION OF OTHER SIGNIFICANT MATTERS

☐Applicable ✓Not applicable

Chapter 6
Changes of Shares and Particulars of Shareholders

I. CHANGES IN SHARE CAPITAL

(I) Table of Changes in Shares

1. *Table of Changes in Shares*

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

2. *Description of Share Changes*

☐Applicable ✓Not applicable

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

☐Applicable ✓Not applicable

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

☐Applicable ✓Not applicable

(II) Changes in Restricted Shares

☐Applicable ✓Not applicable

Chapter 6
Changes of Shares and Particulars of Shareholders

II. PARTICULARS OF SHAREHOLDERS

(I) Number of Shareholders:

Total number of ordinary Shareholders at the end of the Reporting Period (shareholders)	35,656
Of which: Total number of A Shares Shareholders	35,532
Total number of H Shares Shareholders	124
Total number of preferred Shareholders with restored voting rights at the end of the Reporting Period (shareholders)	/

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

Unit: Share

Shareholding of the Top 10 Shareholders (Excluding Shares Lent through Refinancing)							
Name of Shareholders (Full Name)	Increase or Decrease during the Reporting Period	Number of Shares Held at the End of the Reporting Period	Percentage (%)	Number of Restricted Shares	Pledged, Marked or Frozen Status	Pledged, Marked or Frozen Number	Nature of Shareholders
Sinotrans & CSC Holdings Co., Ltd.	0	2,525,339,831	35.20	0	Nil	0	State-owned legal person
HKSCC NOMINEES LIMITED	49,800	1,978,687,589	27.58	0	Unknown	Unknown	Overseas legal person
China Merchants Group Limited	0	1,600,597,439	22.31	0	Nil	0	State-owned legal person
China Life Insurance Co., Ltd. – Traditional – General Insurance Products – 005L – CT001 SH (中國人壽保險股份有限公司－傳統－普通保險產品－005L－CT001滬)	-19,514,576	81,627,371	1.14	0	Nil	0	Unknown
Guosen Securities Co., Ltd.	5,507,400	43,765,408	0.61	0	Nil	0	State-owned legal person
China Life Insurance (Group) Company – Traditional – General Insurance Products – Hong Kong Stock Connect (Innovative Strategy)(中國人壽保險(集團)公司－傳統－普通保險產品－港股通(創新策略))	0	42,173,780	0.59	0	Nil	0	Unknown
China Southern Airlines Group Capital Holdings Company Limited (中國南航集團資本控股有限公司) (Note)	0	36,057,264	0.50	0	Nil	0	State-owned legal person
DHL GLOBAL MANAGEMENT GMBH	0	35,616,000	0.50	0	Unknown	Unknown	Overseas legal person
Bank of China Co., Ltd –E Fund CSI Dividend Exchange-Traded Open-End Index Securities Investment Fund (中國銀行－易方達中證紅利交易型開放式指數證券投資基金)	7,619,473	24,694,622	0.34	0	Nil	0	Unknown
Hong Kong Securities Clearing Company Limited (香港中央結算有限公司)	4,308,291	24,658,435	0.34	0	Nil	0	Overseas legal person

Chapter 6
Changes of Shares and Particulars of Shareholders

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

Name of Shareholder	Number of Shares without Restrictions	Type and Number of Shares	
		Type	Number
Sinotrans & CSC Holdings Co., Ltd.	2,525,339,831	Ordinary shares denominated in RMB	2,525,339,831
HKSCC NOMINEES LIMITED	1,978,687,589	Shares listed overseas	1,978,687,589
China Merchants Group Limited	1,600,597,439	Ordinary shares denominated in RMB	1,600,597,439
China Life Insurance Co., Ltd. – Traditional – General Insurance Products – 005L – CT001 SH (中國人壽保險股份有限公司－傳統－普通保險產品－005L－CT001 滬)	81,627,371	Ordinary shares denominated in RMB	81,627,371
Guosen Securities Co., Ltd.	43,765,408	Ordinary shares denominated in RMB	43,765,408
China Life Insurance (Group) Company – Traditional – General Insurance Products – Hong Kong Stock Connect (Innovative Strategy)(中國人壽保險(集團)公司－傳統－普通保險產品－港股通(創新策略))	42,173,780	Ordinary shares denominated in RMB	42,173,780
China Southern Airlines Group Capital Holdings Company Limited (中國南航集團資本控股有限公司) (Note)	36,057,264	Ordinary shares denominated in RMB	36,057,264
DHL GLOBAL MANAGEMENT GMBH	35,616,000	Shares listed overseas	35,616,000
Bank of China Co., Ltd –E Fund CSI Dividend Exchange-Traded Open-End Index Securities Investment Fund (中國銀行－易方達中證紅利交易型開放式指數證券投資基金)	24,694,622	Ordinary shares denominated in RMB	24,694,622
Hong Kong Securities Clearing Company Limited (香港中央結算有限公司)	24,658,435	Ordinary shares denominated in RMB	24,658,435
Explanations of the repurchase of special accounts among the top 10 shareholders	Nil		
Explanation of the above-mentioned shareholders' entrusted voting rights, been entrusted voting rights, and waiver of voting rights	Nil		
Explanations on the related-party relations or acting in concert among the above shareholders	China Merchants and its subsidiary held a total of 4,125,937,270 A Shares of the Company		
Explanations on the shares and voting rights restored of preferred shareholders	Nil		

Note: According to the disclosure of interests forms submitted by China Southern Airlines Group Co., Ltd. ("China Southern Airlines Group") and its subsidiary China Southern Airlines Group Capital Holdings Co., Ltd. ("China Southern Airlines Group Capital") on the website of the SEHK, as at 20 May 2026, China Southern Airlines Group held 303,299,000 H Shares of the Company through China Southern Airlines Group Capital. Such Shares are included in the Shares held by HKSCC NOMINEES LIMITED as shown in the above table.

Shareholders holding more than 5% of the shares, top 10 shareholders and top 10 holders of unrestricted shares' participation in refinancing and securities lending business

☐Applicable ✓Not applicable

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

☐Applicable ✓Not applicable

Shareholdings of top 10 Shareholders with restrictions and conditions of such restrictions

☐Applicable ✓Not applicable

Chapter 6
Changes of Shares and Particulars of Shareholders

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

As at 30 June 2026, so far as the Directors of the Company were aware, the following parties (other than Directors and chief executives) had interests and short positions in the Shares of the Company which were required to be disclosed to the Company and Hong Kong Stock Exchange pursuant to the provisions in Divisions 2 and 3 of Part XV of the SFO, or to be recorded in the register kept by the Company pursuant to Section 336 of the SFO.

Name	Corporate interests	Class of Shares	Percentage in total issued Share capital	Percentage in issued H Share capital
China Merchants (Note 1)	4,125,937,270 (L)	A Shares	57.51%	–
	192,478,000 (L)	H Shares	2.68%	9.55%
China Southern Airlines Group Co., Ltd. (Note 2)	303,299,000 (L)	H Shares	4.23%	15.04%
LSV ASSET MANAGEMENT (Note 3)	120,879,600 (L)	H Shares	1.69%	6.00%

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

1. As at 30 June 2026, China Merchants held 60.20% of the Company's total issued shares. China Merchants directly held 1,600,597,439 A Shares (long position), indirectly held 2,525,339,831 A Shares (long position) and 106,683,000 H Shares (long position) through Sinotrans & CSC (its direct wholly owned subsidiary) and Sinotrans (Hong Kong) Holdings Limited (its indirect wholly owned subsidiary), respectively, and indirectly held 85,795,000 H Shares (long position) through China Merchants Innovation and Technology (Hong Kong) Co., Ltd. (its direct wholly owned subsidiary).

2. According to the Disclosure of Interests Form submitted by China Southern Airlines Group Co., Ltd. on the website of Hong Kong Stock Exchange, 303,299,000 H Shares (long position) are interests of a corporation controlled by a substantial shareholder, namely China Southern Airlines Group Capital.

3. According to the Disclosure of Interests Form submitted by LSV ASSET MANAGEMENT on the website of Hong Kong Stock Exchange, LSV ASSET MANAGEMENT held 91,793,600 H Shares (long position) in the capacity of investment manager. 29,086,000 H Shares (long position) are deemed interests through its general partnership interests in certain limited partnerships.

Save as disclosed above, as at 30 June 2026, so far as the Directors were aware, there were no other parties (other than Directors or chief executives) who had any interests or short positions in the Shares of the Company which would fall to be recorded in the register kept by the Company pursuant to Section 336 of the SFO and disclosed to the Company and Hong Kong Stock Exchange pursuant to the provisions in Divisions 2 and 3 of Part XV of the SFO.

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

☐Applicable ✓Not applicable

III. PARTICULARS OF DIRECTORS AND SENIOR MANAGEMENT

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

✓Applicable ☐Not applicable

Unit: Shares

Name	Position	Number of Shares Held at the Beginning of the Reporting Period	Number of Shares Held at the End of the Reporting Period	Increase or Decrease during the Reporting Period	The Reasons of Changes
Li Shichu	Vice President, Secretary of the Board and Company Secretary	384,434	288,334	-96,100	Reduced the shareholding in the secondary market.
Wang Dupeng	Vice President	385,634	289,334	-96,300	Reduced the shareholding in the secondary market.

Other situation explanations

✓Applicable ☐Not applicable

On 23 December 2025, the Company issued the "Announcement regarding the Share Reduction Plan of Certain Senior Management". Mr. Li Shichu and Mr. Wang Dupeng completed their respective reduction plans during the periods from 20 January 2026 to 23 January 2026, and from 20 January 2026 to 27 January 2026, respectively. For details, please refer to relevant announcements dated 23 December 2025 and 28 January 2026 published by the Company on the websites of SSE (www.sse.com.cn) and SEHK (www.hkexnews.hk).

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

☐Applicable ✓Not applicable

(III) Other Information

✓Applicable ☐Not applicable

Chapter 6
Changes of Shares and Particulars of Shareholders

1. Interests and Short Positions of the Directors and Chief Executive

As at 30 June 2026, so far as the Directors were aware, the interests or short positions of the Directors, chief executive or their associates in the shares or debentures of the Company or any associated corporation of the Company which were required to be notified to the Company and Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are deemed to have under such provisions of the SFO), or which were required pursuant to Section 352 of the SFO to be recorded in the register kept by the Company referred to therein, or which were required to be notified to the Company and Hong Kong Stock Exchange pursuant to the Model Code were as follows:

Name	Position	Category of Shares	Nature of interests	Number of Shares interested (Note 1)	Approximate percentage of the total number of the relevant class of Shares of the Company as at 30 June 2026 (%)	Approximate percentage of the issued share capital of the Company as at 30 June 2026 (%)
Gao Xiang	Director, President, Chief Digital Officer	A Shares	Beneficial Owner	509,600 (L) (Note 2)	0.0099	0.0071

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

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

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

IV. CHANGES OF CONTROLLING SHAREHOLDERS OR ACTUAL CONTROLLERS

☐Applicable ✓Not applicable

V. PARTICULARS OF PREFERRED SHARES

☐Applicable ✓Not applicable

Chapter 7
Particulars of Bonds

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

✓Applicable ☐Not applicable

(I) Corporate Bonds (Including Enterprise Bonds)

✓Applicable ☐Not applicable

1. *Basic Information of Corporate Bonds*

Unit: RMB in Hundred million

Name of bond	Short name	Code	Date of issuance	Value date	Latest sell-back date after 31 August 2026	Maturity date	Balance of bond	Interest rate (%)	Manner of payment of principal and interest	Transaction site	Lead underwriter	Trustee	Investor suitability arrangements (if any)	Trading mechanism	Whether there is a risk of terminating the listing transaction
Sinotrans Limited 2021 Corporate Bonds Publicly Issued to Professional Investors (First Tranche)	21 Sinotrans 01	188446	23 July 2021	26 July 2021	-	26 July 2026	0.20	26 July 2021 to 25 July 2024, Coupon rate: 3.15%; 26 July 2024 to 25 July 2026, Coupon rate: 2.15%	Annual interest, no compound interest, repayment of principal upon maturity	SSE	CITIC Securities Company Limited, China Merchants Securities Company Limited	CITIC Securities Company Limited	Issued to professional institutional investor	Match transaction, click to transaction, inquiry and transaction, bidding transaction, negotiated transaction	No
Sinotrans Limited 2025 Technological Innovation Corporate Bonds Publicly Issued to Professional Investors (First Tranche)	25 Sinotrans K1	242340	20 January 2025	21 January 2025	-	21 January 2028	20.00	1.79	Annual interest, no compound interest, repayment of principal upon maturity	SSE	CITIC Securities Company Limited, China Merchants Securities Company Limited	CITIC Securities Company Limited	Issued to professional institutional investor	Match transaction, click to transaction, inquiry and transaction, bidding transaction, negotiated transaction	No

Note: The corporate bond "21 Sinotrans 01" completed the repayment of principal and interest on 27 July 2026, and was delisted on 27 July 2026.

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

☐Applicable ✓Not applicable

Chapter 7
Particulars of Bonds

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

☐Applicable ✓Not applicable

3. *Adjustment of Credit Rating Results*

☐Applicable ✓Not applicable

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

✓Applicable ☐Not applicable

Bond Code	Bond abbreviation	Status	Implementation	Changes	Whether there are any modifications	Situation of the modifications	Reasons for the modifications	Whether the modifications have been approved by the authority	The impact of the modifications on the rights and interests of bond investors
188446 242340	21 Sinotrans 01 25 Sinotrans K1	After the issuance of the Corporate Bonds, the Company has formulated safeguard measures for the use of funds as planned, the safe payment of interest and redemption of bonds, the details of which are set out in the Note.	During the Reporting Period, the debt repayment plan and other debt repayment safeguard measures have not been changed and are implemented normally, which are in line with the relevant undertakings in the prospectus.	Nil	No	N/A	N/A	N/A	N/A

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

(II) Proceeds from Corporate Bonds

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

✓ All of the Company's corporate bonds didn't involve the use of proceeds or rectification during the Reporting Period

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

✓Applicable ☐Not applicable

1. *The Company as an Issuer of Convertible Corporate Bonds*

☐Applicable ✓Not applicable

2. *The Company as an Issuer of Green Corporate Bonds*

☐Applicable ✓Not applicable

3. *The Company as an Issuer of Renewable Corporate Bonds*

☐Applicable ✓Not applicable

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

☐Applicable ✓Not applicable

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

☐Applicable ✓Not applicable

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

☐Applicable ✓Not applicable

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

✓Applicable ☐Not applicable

Unit: RMB in hundred million

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

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

☐Applicable ✓Not applicable

9. The Company as an Issuer of Relief Corporate Bonds

☐Applicable ✓Not applicable

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

☐Applicable ✓Not applicable

11. Other Special-purpose Corporate Bonds

☐Applicable ✓Not applicable

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

✓Applicable ☐Not applicable

1. *Non-operating Fund Occupation and Lending*

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

As at the beginning of the Reporting Period, the balance of the Company's consolidated lending/borrowing receivables from other parties not directly attributable to operating activities (the "Non-operating Fund Occupation and Lending"): RMB29.05 million;

During the Reporting Period, increased amount of Non-operating Fund Occupation and Lending: RMB0 million; amount recovered: RMB8.15 million.

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

☐Yes ✓No

As at the end of the Reporting Period, total amount of Non-operating Fund Occupation and Lending not recovered: RMB20.90 million.

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

As at the end of the Reporting Period, the ratio of the consolidated Non-operating Fund Occupation and Lending not recovered to the consolidated net assets: 0.05%

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

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

✓Fully implemented ☐Not fully implemented ☐Not applicable

Chapter 7
Particulars of Bonds

2. *Debt Situation*

(1) Interest-bearing debts and the related changes

1.1 Debt structure of the Company

The balance of the Company's interest-bearing debts (not in its consolidated statements) amounted to RMB4,989 million as at the beginning of the Reporting Period and RMB4,608 million as at the end of the Reporting Period, indicating a decrease of 7.64%.

Unit: RMB in hundred million

Categories of interest-bearing debts	Past due	Maturity Within one year (inclusive)	Over one year (exclusive)	Aggregate amount	Proportion in interest bearing debts (%)
Corporate credit bonds		0.68	40.00	40.68	88.27
Bank loans			0.67	0.67	1.45
Loans of non-bank financial institutions					
Other interest-bearing debts		0.23	4.51	4.74	10.28
Total		0.91	45.17	46.08	100.00

In the corporate credit bonds subsisting as at the end of the Reporting Period, the balance of corporate bonds is RMB2,017 million, the balance of enterprise bonds is RMB0, and the balance of the debt financing instruments of non-financial enterprises is RMB2,051 million.

1.2 Structure of consolidated interest-bearing debts

The balance of the Company's interest-bearing debts included in the consolidated statements amounted to RMB11,279 million as at the beginning of the Reporting Period and RMB10,803 million as at the end of the Reporting Period, indicating a decrease of 4.22% during the Reporting Period.

Unit: RMB in hundred million

Categories of interest-bearing debts	Past due	Maturity Within one year (inclusive)	Over one year (exclusive)	Aggregate amount	Proportion in interest bearing debts (%)
Corporate credit bonds		0.68	40.00	40.68	37.65
Bank loans		7.73	22.57	30.30	28.05
Loans of non-bank financial institutions		0.08	2.51	2.59	2.40
Other interest-bearing debts		7.83	26.63	34.46	31.90
Total		16.32	91.71	108.03	100.00

In the consolidated corporate credit bonds subsisting as at the end of the Reporting Period, the balance of corporate bonds was RMB2,017 million, the balance of enterprise bonds was RMB0, and the balance of the debt financing instruments of non-financial enterprises was RMB2,051 million.

1.3 Overseas bonds

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

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

☐Applicable ✓Not applicable

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

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

☐Applicable ✓Not applicable

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

☐Applicable ✓Not applicable

Chapter 7
Particulars of Bonds

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

✓Applicable ☐Not applicable

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

Unit: RMB in hundred million

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

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

☐Applicable ✓Not applicable

Overdue bonds unredeemed

☐Applicable ✓Not applicable

Explanations of overdue bonds

☐Applicable ✓Not applicable

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

☐Applicable ✓Not applicable

3. Adjustment of Credit Rating Results

☐Applicable ✓Not applicable

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

✓Applicable ☐Not applicable

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

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

☐Applicable ✓Not applicable

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

☐Applicable ✓Not applicable

(VII) Circumstances of Non-compliance with Regulations and Agreements

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

☐Applicable ✓Not applicable

(VIII) Key Accounting Data and Financial Indicators

✓Applicable ☐Not applicable

Unit: RMB

Main indicators	**As at the end of the Reporting Period**	As at the end of last year	Changes as compared to the end of last year (%)
Current ratio	**1.57**	1.60	-1.88
Quick ratio	**1.57**	1.59	-1.26
Debt-asset ratio (%)	**44.16**	43.78	Increased by 0.38 percentage points

	Reporting Period (January to June)	Corresponding period of last year	Changes as compared to the corresponding period of last year (%)
Net profits net of non-recurring profit or loss attributable to the parent company	**1,639,913,404.86**	1,397,728,120.29	17.33
EBITDA to total debt ratio	**0.36**	0.33	9.09
Interest coverage ratio	**15.17**	16.38	-7.39
Cash interest coverage ratio	**-3.89**	10.93	-135.58
EBITDA interest coverage ratio	**23.04**	24.21	-4.83
Loan repayment ratio (%)	**100.00**	100.00	0.00
Interest payment ratio (%)	**100.00**	100.00	0.00

Note: The decrease of the cash interest coverage ratio was primarily attributable to the negative net cash flows from operating activities in the Reporting Period (representing a year-on-year decrease of RMB 1,026 million).

II. PARTICULARS OF CONVERTIBLE CORPORATE BONDS

☐Applicable ✓Not applicable

Consolidated Statement of Financial Position

As at June 30, 2026
(Amounts are expressed in RMB unless otherwise stated)

ASSETS	Notes VIII	Closing balance	Opening balance
Current assets:			
Cash and bank balances	(1)	**12,790,616,949.70**	17,009,624,398.71
Including: Deposits with finance companies	(1)	**4,058,577,053.41**	5,838,359,951.91
Financial assets held for trading	(2)	**817,543.79**	1,031,653.86
Derivative financial assets			
Bills receivable	(3)	**109,213,403.25**	145,998,568.41
Accounts receivable	(4)	**16,023,852,762.31**	13,068,313,858.71
Receivables financing	(5)	**391,160,647.76**	492,782,465.16
Prepayments	(6)	**5,949,758,174.29**	4,976,092,603.77
Centralized management of receivables			
Other receivables	(7)	**3,075,800,620.97**	2,716,117,194.20
Including: Interest receivable	(7)	**1,216,659.76**	1,216,659.76
Dividends receivable	(7)	**3,297,417.73**	25,933,308.50
Inventories	(8)	**58,180,533.12**	59,990,700.73
Including: Raw materials	(8)	**29,792,956.69**	33,288,259.52
Goods in stock (finished goods)	(8)	**11,090,594.53**	9,061,218.41
Data resources			
Contract assets			
Assets held for sale			
Non-current assets due within one year			
Other current assets	(9)	**732,000,710.31**	538,410,882.29
Total current assets		**39,131,401,345.50**	39,008,362,325.84

Consolidated Statement of Financial Position

As at June 30, 2026
(Amounts are expressed in RMB unless otherwise stated)

ASSETS	Notes VIII	Closing balance	Opening balance
Non-current asset:			
Debt investments			
Other debt investments			
Long-term receivables			
Long-term equity investments	(10)	**7,486,749,431.19**	6,721,434,703.68
Other equity instrument investments	(11)	**1,153,377,639.45**	1,351,795,493.97
Other non-current financial assets	(12)	**1,315,897,854.26**	1,317,219,473.76
Investment properties	(13)	**2,399,043,963.52**	2,592,913,504.53
Fixed assets	(14)	**14,847,919,631.35**	14,943,686,990.86
Including: Original value of fixed assets	(14)	**27,776,731,711.49**	27,417,590,076.64
Accumulated depreciation	(14)	**12,504,642,414.66**	12,039,019,065.91
Provision for impairment of fixed assets	(14)	**424,297,594.64**	434,889,413.51
Construction in progress	(15)	**1,162,714,654.33**	974,087,781.92
Right-of-use assets	(16)	**2,837,222,994.49**	2,483,239,638.76
Intangible assets	(17)	**6,506,498,219.61**	6,226,604,696.51
Including: Data resources			
Development expenditure	IX.2	**245,874,326.96**	371,856,139.08
Including: Data resources			
Goodwill	(18)	**1,499,789,978.07**	1,572,269,976.12
Long-term prepaid expense	(19)	**197,636,343.01**	208,170,784.77
Deferred tax assets	(20)	**395,128,852.72**	391,732,202.93
Other non-current assets	(21)	**32,987,895.14**	184,495,740.76
Total non-current assets		**40,080,841,784.10**	39,339,507,127.65
Total assets		**79,212,243,129.60**	78,347,869,453.49

The notes form an integral part of the financial statements.

Zhang Yi	**Li Xiaoyan**	**Wang Xueyan**
Person-in-charge of the Company	Person-in-charge of accounting work	Person-in-charge of Accounting Department

Consolidated Statement of Financial Position

As at June 30, 2026
(Amounts are expressed in RMB unless otherwise stated)

LIABILITIES AND SHAREHOLDERS' EQUITY	Notes VIII	Closing balance	Opening balance
Current liabilities:			
Short-term borrowings	(24)	**544,639,975.11**	1,345,531,402.61
Financial liabilities held for trading			
Derivative financial liabilities			
Bills payable	(25)	**70,227,921.40**	213,825,864.89
Accounts payable	(26)	**14,689,174,129.27**	12,746,239,901.23
Advances from customers			
Contract liabilities	(27)	**4,448,728,850.75**	4,494,710,741.23
Employee benefits payable	(28)	**1,804,765,772.93**	2,059,497,358.98
Including: Wages payable		**1,672,212,256.48**	1,913,206,164.19
Welfare payable		**625,088.09**	81,438.06
Taxes and dues payable	(29)	**518,380,788.12**	519,488,871.20
Other payables	(30)	**1,689,975,062.71**	1,795,853,447.26
Including: Interest payable			
Dividends payable	(30)	**19,373,469.14**	12,950,281.88
Liabilities held for sale			
Non-current liabilities due within one year	(31)	**1,017,225,927.82**	1,095,263,564.96
Other current liabilities	(32)	**163,990,089.08**	177,621,130.11
Total current liabilities		**24,947,108,517.19**	24,448,032,282.47
Non-current liabilities:			
Long-term borrowings	(33)	**2,508,504,770.21**	2,523,539,379.01
Bonds payable	(34)	**3,999,583,387.62**	3,999,104,347.06
Lease liabilities	(35)	**2,638,434,407.94**	2,469,442,381.37
Long-term payables	(36)	**24,715,030.29**	24,715,030.29
Long-term employee benefits payable	(37)	**3,470,978.92**	3,485,618.90
Estimated liabilities	(38)	**50,701,558.08**	67,593,194.84
Deferred income	(39)	**516,021,556.46**	431,588,952.20
Deferred tax liabilities	(20)	**292,459,895.10**	335,919,666.00
Other non-current liabilities			
Total non-current liabilities		**10,033,891,584.62**	9,855,388,569.67
Total liabilities		**34,981,000,101.81**	34,303,420,852.14

Consolidated Statement of Financial Position

As at June 30, 2026
(Amounts are expressed in RMB unless otherwise stated)

LIABILITIES AND SHAREHOLDERS' EQUITY	Notes VIII	Closing balance	Opening balance
Shareholders' equity:			
Share capital	(40)	**7,173,751,227.00**	7,173,751,227.00
Other equity instruments			
Capital reserves	(41)	**6,136,431,573.92**	6,136,339,715.04
Less: Treasury shares			
Other comprehensive income	(42)	**-536,717,480.35**	56,364,002.03
Including: Translation difference of the financial statements in foreign currency	(42)	**-744,219,738.98**	-317,391,834.06
Special reserves	(43)	**194,026,762.75**	184,909,186.99
Surplus reserves	(44)	**2,624,104,346.20**	2,624,104,346.20
Including: Statutory surplus reserves	(44)	**2,624,104,346.20**	2,624,104,346.20
Discretionary surplus reserves			
Undistributed profits	(45)	**25,727,082,949.95**	25,114,095,373.21
Total equity attributable to shareholders of the Company		**41,318,679,379.47**	41,289,563,850.47
Non-controlling interests		**2,912,563,648.32**	2,754,884,750.88
Total shareholders' equity		**44,231,243,027.79**	44,044,448,601.35
Total liabilities and shareholders' equity		**79,212,243,129.60**	78,347,869,453.49

The notes form an integral part of the financial statements.

Zhang Yi	**Li Xiaoyan**	**Wang Xueyan**
Person-in-charge of the Company	Person-in-charge of accounting work	Person-in-charge of Accounting Department

Statement of Financial Position of the Company

As at June 30, 2026
(Amounts are expressed in RMB unless otherwise stated)

ASSETS	Notes XVIII	Closing balance	Opening balance
Current assets:			
Cash and bank balances	(1)	**3,208,349,346.63**	7,148,809,833.25
Including: Deposits with finance companies	(1)	**383,097,583.50**	2,973,261,072.36
Financial assets held for trading			
Derivative financial assets			
Bills receivable			2,000,000.00
Accounts receivable	(2)	**857,747,697.66**	760,328,196.13
Receivables financing	(3)	**23,198,946.82**	26,487,882.94
Prepayments		**231,263,341.07**	150,167,305.70
Centralized management of receivables		**3,340,083.06**	743,278.23
Other receivables	(4)	**14,299,807,899.59**	13,370,358,386.71
Including: Interest receivable			
Dividends receivable	(4)	**34,027,542.11**	42,213,357.07
Inventories		**53,857.15**	53,857.15
Including: Raw materials			
Goods in stock (finished goods)			
Data resources			
Contract assets			
Assets held for sale			
Non-current assets due within one year		**280,140,871.08**	268,375,540.26
Other current assets		**101,698,144.49**	88,409,397.65
Total current assets		**19,005,600,187.55**	21,815,733,678.02

Statement of Financial Position of the Company

As at June 30, 2026
(Amounts are expressed in RMB unless otherwise stated)

ASSETS	Notes XVIII	Closing balance	Opening balance
Non-current asset:			
Debt investments		**2,395,637,386.14**	2,458,901,797.54
Other debt investments			
Long-term receivables			
Long-term equity investments	(5)	**20,804,045,149.16**	20,113,761,356.57
Other equity instrument investments		**741,875,327.60**	930,716,320.08
Other non-current financial assets		**1,910,435,699.53**	1,910,435,699.53
Investment properties		**7,951,081.30**	8,192,190.52
Fixed assets		**11,959,041.47**	11,892,813.14
Including: Original value of fixed assets		**121,768,921.22**	120,164,952.71
Accumulated depreciation		**109,854,478.39**	108,277,533.17
Provision for impairment of fixed assets			
Construction in progress		**28,541,640.87**	36,163,899.77
Right-of-use assets		**391,436,939.09**	401,590,478.75
Intangible assets		**247,290,954.83**	116,346,406.33
Including: Data resources			
Development expenditure		**183,169,908.14**	313,788,307.68
Including: Data resources			
Goodwill			
Long-term prepaid expense		**3,001,525.15**	3,393,030.69
Deferred tax assets			
Other non-current assets			
Total non-current assets		**26,725,344,653.28**	26,305,182,300.60
Total assets		**45,730,944,840.83**	48,120,915,978.62

The notes form an integral part of the financial statements.

Zhang Yi	Li Xiaoyan	Wang Xueyan
Person-in-charge of the Company	Person-in-charge of accounting work	Person-in-charge of Accounting Department

Statement of Financial Position of the Company

As at June 30, 2026
(Amounts are expressed in RMB unless otherwise stated)

LIABILITIES AND SHAREHOLDERS' EQUITY	Notes XVIII	Closing balance	Opening balance
Current liabilities:			
Short-term borrowings	(6)		375,846,936.26
Financial liabilities held for trading			
Derivative financial liabilities			
Bills payable			
Accounts payable		**556,380,003.85**	432,041,715.44
Advances from customers			
Contract liabilities		**159,334,735.99**	96,065,249.78
Employee benefits payable		**128,139,165.19**	132,959,279.02
Including: Wages payable		**112,422,453.23**	118,322,529.18
Welfare payable			
Taxes and dues payable		**11,060,136.60**	2,829,383.01
Other payables		**13,205,090,682.19**	14,696,622,542.52
Including: Interest payable			
Dividends payable			
Liabilities held for sale			
Non-current liabilities due within one year		**90,806,349.16**	85,489,893.25
Other current liabilities			
Total current liabilities		**14,150,811,072.98**	15,821,854,999.28
Non-current liabilities:			
Long-term borrowings	(7)	**67,000,000.00**	67,000,000.00
Bonds payable		**3,999,583,387.62**	3,999,104,347.06
Lease liabilities		**450,885,949.61**	461,792,337.40
Long-term payables			
Long-term employee benefits payable			
Estimated liabilities			
Deferred income			
Deferred tax liabilities		**35,489,652.61**	82,699,900.73
Other non-current liabilities			
Total non-current liabilities		**4,552,958,989.84**	4,610,596,585.19
Total liabilities		**18,703,770,062.82**	20,432,451,584.47

Statement of Financial Position of the Company

As at June 30, 2026
(Amounts are expressed in RMB unless otherwise stated)

LIABILITIES AND SHAREHOLDERS' EQUITY	Notes XVIII	Closing balance	Opening balance
Shareholders' equity:			
Share capital		**7,173,751,227.00**	7,173,751,227.00
Other equity instruments			
Capital reserves	(8)	**10,259,644,388.33**	10,259,644,388.33
Less: Treasury shares			
Other comprehensive income		**50,844,629.77**	192,475,374.13
Including: Translation difference of the financial statements in foreign currency			
Special reserves		**8,639,073.67**	6,895,342.30
Surplus reserves		**2,624,104,346.20**	2,624,104,346.20
Including: Statutory surplus reserves		**2,624,104,346.20**	2,624,104,346.20
Discretionary surplus reserves			
Undistributed profits	(9)	**6,910,191,113.04**	7,431,593,716.19
Total shareholders' equity		**27,027,174,778.01**	27,688,464,394.15
Total liabilities and shareholders' equity		**45,730,944,840.83**	48,120,915,978.62

The notes form an integral part of the financial statements.

Zhang Yi	Li Xiaoyan	Wang Xueyan
Person-in-charge of the Company	Person-in-charge of accounting work	Person-in-charge of Accounting Department

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended June 30, 2026
(Amounts are expressed in RMB unless otherwise stated)

Item	Notes VIII	Current period	Prior period
I. Total operating income		**46,452,265,091.25**	50,522,501,231.52
Including: Operating income	(46)	**46,452,265,091.25**	50,522,501,231.52
II. Total operating cost		**45,838,887,869.39**	49,688,947,022.58
Including: Operating costs	(46)	**43,451,934,232.28**	47,420,616,690.36
Tax and surcharges	(47)	**147,969,533.27**	166,442,697.28
Selling expenses	(48)	**481,746,328.50**	495,280,494.50
Administrative expenses	(49)	**1,474,657,693.75**	1,503,973,468.71
Research and development expenses	(50)	**70,126,087.78**	42,121,724.37
Finance costs	(51)	**212,453,993.81**	60,511,947.36
Including: Interest expenses	(51)	**160,069,093.44**	165,888,001.44
Interest income	(51)	**98,145,769.88**	74,720,895.19
Net exchange loss (net gains denoted by "-")		**129,656,340.07**	-53,863,941.56
Add: Other income	(52)	**913,731,917.19**	698,665,363.77
Investment income (loss denoted by "-")	(53)	**849,428,350.51**	1,168,103,837.04
Including: Share of results of associates and joint ventures	(53)	**814,287,795.53**	687,496,907.41
Income from derecognition of financial assets measured at amortized cost			
Gain from changes in fair value (loss denoted by "-")	(54)	**-1,266,456.16**	7,362,419.73
Credit impairment loss (loss denoted by "-")	(55)	**-53,506,607.21**	-118,787,438.84
Impairment of assets (loss denoted by "-")	(56)	**-40,520.98**	
Income from disposal of assets (loss denoted by "-")	(57)	**7,248,397.72**	5,912,389.77
III. Operating profit (loss denoted by "-")		**2,328,972,302.93**	2,594,810,780.41
Add: Non-operating income	(58)	**65,708,754.44**	35,397,131.45
Less: Non-operating expenses	(59)	**23,304,526.07**	19,630,847.46
IV. Total profit (total loss denoted by "-")		**2,371,376,531.30**	2,610,577,064.40
Less: Income tax expenses	(60)	**500,708,713.99**	485,616,006.10
V. Net profit (net loss denoted by "-")		**1,870,667,817.31**	2,124,961,058.30
(I) Classified by the continuity of operations			
1. Net profit from continuing operations (net loss denoted by "-")		**1,870,667,817.31**	2,124,961,058.30
2. Net profit from discontinued operations (net loss denoted by "-")			
(II) Classified by attribution of ownership			
1. Net profit attributable to shareholders of the Company (net loss denoted by "-")		**1,724,919,016.93**	1,946,948,727.20
2. Profit or loss attributable to non-controlling interests (net loss denoted by "-")		**145,748,800.38**	178,012,331.10

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended June 30, 2026
(Amounts are expressed in RMB unless otherwise stated)

Item	Notes VIII	Current period	Prior period
VI. Other comprehensive income, net of tax		**-601,910,490.43**	70,374,182.48
Other comprehensive income attributable to shareholders of the Company, net of tax		**-593,081,482.38**	68,523,484.49
(I) Other comprehensive income not to be subsequently reclassified to profit or loss		**-148,813,390.89**	-43,268.95
1. Change in amount arising from re-measurement of the defined benefit plan			
2. Other comprehensive income not to be reclassified to profit or loss under the equity method			
3. Changes in fair value of other equity instrument investments		**-148,813,390.89**	-43,268.95
4. Changes in fair value attributable to changes in credit risk			
5. Others			
(II) Other comprehensive income to be subsequently reclassified to profit or loss		**-444,268,091.49**	68,566,753.44
1. Other comprehensive income to be reclassified to profit or loss under the equity method		**-17,440,186.57**	38,429,307.53
2. Changes in fair value of other debt investments			
3. Reclassification of financial assets			
4. Credit impairment provision of other debt investments			
5. Cash flow hedge reserve			
6. Translation difference of the financial statements in foreign currency		**-426,827,904.92**	30,137,445.91
7. Others			
Other comprehensive income attributable to non-controlling interests, net of tax		**-8,829,008.05**	1,850,697.99
VII. Total comprehensive income		**1,268,757,326.88**	2,195,335,240.78
Total comprehensive income attributable to shareholders of the Company		**1,131,837,534.55**	2,015,472,211.69
Total comprehensive income attributable to non-controlling interests		**136,919,792.33**	179,863,029.09
VIII. Earnings per share:			
(I) Basic earnings per share	(61)	**0.2404**	0.2707
(II) Diluted earnings per share	(61)	**0.2404**	0.2704

The notes form an integral part of the financial statements.

Zhang Yi	Li Xiaoyan	Wang Xueyan
Person-in-charge of the Company	Person-in-charge of accounting work	Person-in-charge of Accounting Department

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

For the six months ended June 30, 2026
(Amounts are expressed in RMB unless otherwise stated)

Item	Notes XVIII	Current period	Prior period
I. Operating income	(10)	**1,275,818,443.52**	2,135,820,447.85
Less: Operating costs	(10)	**1,217,144,373.87**	2,053,345,007.68
Tax and surcharges		**440,309.92**	348,328.79
Selling expenses		**44,483,663.82**	32,586,882.34
Administrative expenses		**130,918,695.05**	136,748,363.39
Research and development expenses		**22,937,704.35**	16,291,759.94
Finance costs	(11)	**7,759,693.50**	26,215,937.16
Including: Interest expenses		**74,657,479.89**	85,050,545.65
Interest income		**73,756,915.96**	68,372,490.22
Net exchange loss (net gains denoted by “-”)		**6,100,806.19**	7,441,365.70
Add: Other income		**738,586.98**	666,038.43
Investment income (loss denoted by “-”)	(12)	**736,758,625.28**	617,981,782.41
Including: Share of results of associates and joint ventures		**698,453,696.29**	457,936,033.12
Income from derecognition of financial assets measured at amortized cost			
Gain from changes in fair value (loss denoted by “-”)			
Credit impairment loss (loss denoted by “-”)		**1,546,151.08**	-31,535,738.94
Impairment of assets (loss denoted by “-”)			
Income from disposal of assets (loss denoted by “-”)		**5,057.74**	11,716.37
II. Operating profit (loss denoted by “-”)		**591,182,424.09**	457,407,966.82
Add: Non-operating income		**200,247.65**	420,263.06
Less: Non-operating expenses		**60,848.57**	10,488.11
III. Total profit (total loss denoted by “-”)		**591,321,823.17**	457,817,741.77
Less: Income tax expenses		**792,986.13**	213.28
IV. Net profit (net loss denoted by “-”)		**590,528,837.04**	457,817,528.49
1. Net profit from continuing operations (net loss denoted by “-”)		**590,528,837.04**	457,817,528.49
2. Net profit from discontinued operations (net loss denoted by “-”)			

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

For the six months ended June 30, 2026
(Amounts are expressed in RMB unless otherwise stated)

Item	Notes XVIII	Current period	Prior period
V. Other comprehensive income, net of tax		**-141,630,744.36**	
(I) Other comprehensive income not to be subsequently reclassified to profit or loss		**-141,630,744.36**	
1. Change in amount arising from re-measurement of the defined benefit plan			
2. Other comprehensive income not to be reclassified to profit or loss under the equity method			
3. Changes in fair value of other equity instrument investments		**-141,630,744.36**	
4. Changes in fair value attributable to changes in credit risk			
5. Others			
(II) Other comprehensive income to be subsequently reclassified to profit or loss			
1. Other comprehensive income to be reclassified to profit or loss under the equity method			
2. Changes in fair value of other debt investments			
3. Reclassification of financial assets			
4. Credit impairment provision of other debt investments			
5. Cash flow hedge reserve			
6. Translation difference of the financial statements in foreign currency			
7. Others			
VI. Total comprehensive income		**448,898,092.68**	457,817,528.49

The notes form an integral part of the financial statements.

Zhang Yi Person-in-charge of the Company	Li Xiaoyan Person-in-charge of accounting work	Wang Xueyan Person-in-charge of Accounting Department

Consolidated Statement of Cash Flows

For the six months ended June 30, 2026
(Amounts are expressed in RMB unless otherwise stated)

Item	Notes VIII	Current period	Prior period
I. Cash flows from operating activities:			
Cash received from sales of goods and provision of services		**47,544,908,728.78**	50,370,488,613.09
Tax rebate received		**462,223.07**	164,077,227.87
Cash received from other operating activities	(62)	**1,115,707,886.87**	1,155,838,511.39
Sub-total of cash inflows from operating activities		**48,661,078,838.72**	51,690,404,352.35
Cash paid for goods and services		**43,611,479,973.41**	45,310,695,580.60
Cash paid to and on behalf of employees		**4,033,421,361.16**	4,180,717,609.29
Cash paid for taxes and dues		**991,450,040.54**	1,225,383,274.41
Cash paid for other operating activities	(62)	**882,853,292.70**	805,885,026.23
Sub-total of cash outflows from operating activities		**49,519,204,667.81**	51,522,681,490.53
Net cash flows from operating activities		**-858,125,829.09**	167,722,861.82
II. Cash flows from investment activities:			
Cash received from disposal of investments		**12,500,000.00**	1,943,904.17
Cash received from investment income		**72,978,509.50**	13,394,732.63
Net cash received from disposal of fixed assets, intangible assets, and other long-term assets		**64,398,886.72**	55,072,496.17
Net cash received from disposal of subsidiaries and other operating units			
Cash received from other investment activities	(62)	**23,242,833.10**	44,844,890.55
Sub-total of cash inflows from investment activities		**173,120,229.32**	115,256,023.52
Cash paid for acquisition of fixed assets, intangible assets, and other long-term assets		**569,371,798.10**	828,310,816.30
Cash paid for investments		**97,410,676.80**	304,690,000.00
Net cash paid for acquisition of subsidiaries and other operating units			
Cash paid for other investment activities	(62)		79,890,399.69
Sub-total of cash outflows from investment activities		**666,782,474.90**	1,212,891,215.99
Net cash flows from investment activities		**-493,662,245.58**	-1,097,635,192.47

Consolidated Statement of Cash Flows

For the six months ended June 30, 2026
(Amounts are expressed in RMB unless otherwise stated)

Item	Notes VIII	Current period	Prior period
III. Cash flows from financing activities:			
Cash received from capital contributions		**10,500,000.00**	2,975,000.00
Including: Cash received by subsidiaries from capital contributions of non-controlling interests		**10,500,000.00**	2,975,000.00
Cash received from borrowings		**386,970,852.07**	3,271,751,030.32
Cash received from other financing activities	(62)		71,000,855.00
Sub-total of cash inflows from financing activities		**397,470,852.07**	3,345,726,885.32
Cash paid for repayment of debts		**1,251,189,417.44**	3,004,689,403.23
Cash paid for distribution of dividends, profits, or settlement of interest	(63)	**1,253,706,823.47**	178,518,423.75
Including: Dividends and profits paid by the subsidiaries to non-controlling interests		**71,330,919.90**	112,566,673.26
Cash paid for other financing activities	(62)	**467,621,258.36**	986,260,812.27
Sub-total of cash outflows from financing activities		**2,972,517,499.27**	4,169,468,639.25
Net cash flows from financing activities		**-2,575,046,647.20**	-823,741,753.93
IV. Effect of foreign exchange rate changes		**-227,480,810.43**	11,823,505.98
V. Net increase in cash and cash equivalents	(63)	**-4,154,315,532.30**	-1,741,830,578.60
Add: Balance of cash and cash equivalents at the beginning of the period		**16,889,324,770.55**	13,440,376,824.37
VI. Balance of cash and cash equivalents at the end of the period	(63)	**12,735,009,238.25**	11,698,546,245.77

The notes form an integral part of the financial statements.

Zhang Yi	Li Xiaoyan	Wang Xueyan
Person-in-charge of the Company	Person-in-charge of accounting work	Person-in-charge of Accounting Department

Statement of Cash Flows of the Company

For the six months ended June 30, 2026
(Amounts are expressed in RMB unless otherwise stated)

Item	Notes XVIII	Current period	Prior period
I. Cash flows from operating activities:			
Cash received from sales of goods and provision of services		**1,260,832,701.02**	1,900,900,742.82
Tax rebate received			
Cash received from other operating activities		**72,118,797.10**	96,613,273.41
Sub-total of cash inflows from operating activities		**1,332,951,498.12**	1,997,514,016.23
Cash paid for goods and services		**1,167,403,720.51**	2,031,353,135.57
Cash paid to and on behalf of employees		**141,262,934.02**	157,352,380.73
Cash paid for taxes and dues		**1,966,576.68**	1,289,648.76
Cash paid for other operating activities		**107,435,496.16**	131,469,967.03
Sub-total of cash outflows from operating activities		**1,418,068,727.37**	2,321,465,132.09
Net cash flows from operating activities		**-85,117,229.25**	-323,951,115.86
II. Cash flows from investment activities:			
Cash received from disposal of investments			
Cash received from investment income		**58,554,119.15**	459,006.00
Net cash received from disposal of fixed assets, intangible assets, and other long-term assets		**13,913.15**	363,717.36
Net cash received from disposal of subsidiaries and other operating units			
Cash received from other investment activities		**51,499,080.58**	82,369,016.62
Sub-total of cash inflows from investment activities		**110,067,112.88**	83,191,739.98
Cash paid for acquisition of fixed assets, intangible assets, and other long-term assets		**29,233,953.91**	26,745,495.20
Cash paid for investments		**5,000,000.00**	358,340,000.00
Net cash paid for acquisition of subsidiaries and other operating units			
Cash paid for other investment activities		**938,123,529.08**	640,256,870.32
Sub-total of cash outflows from investment activities		**972,357,482.99**	1,025,342,365.52
Net cash flows from investment activities		**-862,290,370.11**	-942,150,625.54

Statement of Cash Flows of the Company

For the six months ended June 30, 2026
(Amounts are expressed in RMB unless otherwise stated)

Item	Notes XVIII	Current period	Prior period
III. Cash flows from financing activities:			
Cash received from capital contributions			
Cash received from borrowings			2,350,460,000.00
Cash received from other financing activities			182,468,060.48
Sub-total of cash inflows from financing activities			2,532,928,060.48
Cash paid for repayment of debts		**375,660,000.00**	1,980,000,000.00
Cash paid for distribution of dividends, profits, or settlement of interest		**1,171,910,602.41**	6,610,452.50
Cash paid for other financing activities		**1,433,906,874.22**	513,302,429.88
Sub-total of cash outflows from financing activities		**2,981,477,476.63**	2,499,912,882.38
Net cash flows from financing activities		**-2,981,477,476.63**	33,015,178.10
IV. Effect of foreign exchange rate changes		**-14,152,364.12**	-5,588,355.51
V. Net increase in cash and cash equivalents	(13)	**-3,943,037,440.11**	-1,238,674,918.81
Add: Balance of cash and cash equivalents at the beginning of the period		**7,136,473,226.68**	5,506,139,347.79
VI. Balance of cash and cash equivalents at the end of the period	(13)	**3,193,435,786.57**	4,267,464,428.98

The notes form an integral part of the financial statements.

Zhang Yi	Li Xiaoyan	Wang Xueyan
Person-in-charge of the Company	Person-in-charge of accounting work	Person-in-charge of Accounting Department

Consolidated Statement of Changes in Equity

For the six months ended June 30, 2026
(Amounts are expressed in RMB unless otherwise stated)

Item	Amount in current period — Equity attributable to shareholders of the Company													
	Share capital	Other equity instruments — Preferred shares	Other equity instruments — Perpetual bonds	Other equity instruments — Others	Capital reserves	Less: Treasury shares	Other comprehensive income	Including: Translation difference of the financial statements in foreign currency	Special reserves	Surplus reserves	Undistributed profits	Subtotal	Non-controlling interests	Total shareholders' equity
I. Closing balance of the prior period	7,173,751,227.00				6,136,339,715.04		56,364,002.03	-317,391,834.06	184,909,186.99	2,624,104,346.20	25,114,095,373.21	41,289,563,850.47	2,754,884,750.88	44,044,448,601.35
Add: Changes in accounting policies														
Correction of prior errors														
Business combination under common control														
Others														
II. Balance at the beginning of current period	7,173,751,227.00				6,136,339,715.04		56,364,002.03	-317,391,834.06	184,909,186.99	2,624,104,346.20	25,114,095,373.21	41,289,563,850.47	2,754,884,750.88	44,044,448,601.35
III. Increases/decreases in current period (decreases denoted by "-")					91,858.88		-593,081,482.38	-426,827,904.92	9,117,575.76		612,987,576.74	29,115,529.00	157,678,897.44	186,794,426.44
(I) Total comprehensive income							-593,081,482.38	-426,827,904.92			1,724,919,016.93	1,131,837,534.55	136,919,792.33	1,268,757,326.88
(II) Capital contributed and reduced by shareholders					91,858.88							91,858.88	101,141,555.05	101,233,413.93
1. Ordinary shares contributed by shareholders													11,686,497.75	11,686,497.75
2. Capital invested by holders of other equity instruments														
3. Amount of share-based payments included in shareholders' equity														
4. Others					91,858.88							91,858.88	89,455,057.30	89,546,916.18
(III) Profit distribution											-1,111,931,440.19	-1,111,931,440.19	-81,363,224.69	-1,193,294,664.88
1. Appropriation of surplus reserves														
2. Accrual of general risk reserve														
3. Distribution to shareholders											-1,111,931,440.19	-1,111,931,440.19	-81,363,224.69	-1,193,294,664.88
4. Others														

Consolidated Statement of Changes in Equity

For the six months ended June 30, 2026
(Amounts are expressed in RMB unless otherwise stated)

Item	Amount in current period													
	Equity attributable to shareholders of the Company													
		Other equity instruments												
	Share capital	Preferred shares	Perpetual bonds	Others	Capital reserves	Less: Treasury shares	Other comprehensive income	Including: Translation difference of the financial statements in foreign currency	Special reserves	Surplus reserves	Undistributed profits	Subtotal	Non-controlling interests	Total shareholders' equity
(IV) Internal transfers of shareholders' equity														
1. Share capital transferred from capital reserves														
2. Share capital transferred from surplus reserves														
3. Recovery of losses														
4. Transfer of changes in defined benefit plans into retained earnings														
5. Transfer of other comprehensive income into retained earnings														
6. Others														
(V) Appropriation and use of special reserves									9,117,575.76			9,117,575.76	980,774.75	10,098,350.51
1. Appropriation of special reserves									40,240,100.63			40,240,100.63	2,355,118.30	42,595,218.93
2. Use of special reserves									-31,122,524.87			-31,122,524.87	-1,374,343.55	-32,496,868.42
(VI) Others														
IV. Balance at the end of current period	7,173,751,227.00				6,136,431,573.92		-536,717,480.35	-744,219,738.98	194,026,762.75	2,624,104,346.20	25,727,082,949.95	41,318,679,379.47	2,912,563,648.32	44,231,243,027.79

The notes form an integral part of the financial statements.

Zhang Yi	Li Xiaoyan	Wang Xueyan
Person-in-charge of the Company:	Person-in-charge of accounting work:	Person-in-charge of Accounting Department:

Consolidated Statement of Changes in Equity

For the six months ended June 30, 2026
(Amounts are expressed in RMB unless otherwise stated)

Item	Amount in prior period													
	Equity attributable to shareholders of the Company													
		Other equity instruments												
	Share capital	Preferred shares	Perpetual bonds	Others	Capital reserves	Less: Treasury shares	Other comprehensive income	Including: Translation difference of the financial statements in foreign currency	Special reserves	Surplus reserves	Undistributed profits	Subtotal	Non-controlling interests	Total shareholders' equity
I. Closing balance of the prior period	7,294,216,875.00				6,633,448,432.77	174,944,256.65	-124,006,478.09	-211,520,552.91	143,045,162.87	2,371,553,765.05	23,424,281,261.35	39,567,594,762.30	2,473,083,456.19	42,040,678,218.49
Add: Changes in accounting policies														
Correction of prior errors														
Business combination under common control														
Others														
II. Balance at the beginning of current period	7,294,216,875.00				6,633,448,432.77	174,944,256.65	-124,006,478.09	-211,520,552.91	143,045,162.87	2,371,553,765.05	23,424,281,261.35	39,567,594,762.30	2,473,083,456.19	42,040,678,218.49
III. Increases/decreases in current period (decreases denoted by "-")					-22,006,644.91	372,614,213.10	68,523,484.49	30,137,445.91	16,582,802.37		908,515,908.01	599,001,336.86	232,552,184.10	831,553,520.96
(I) Total comprehensive income							68,523,484.49	30,137,445.91			1,946,948,727.20	2,015,472,211.69	179,863,029.09	2,195,335,240.78
(II) Capital contributed and reduced by shareholders					-22,006,644.91	372,614,213.10						-394,620,858.01	147,053,273.91	-247,567,584.10
1. Ordinary shares contributed by shareholders					15,821,931.81							15,821,931.81	55,097,355.00	70,919,286.81
2. Capital invested by holders of other equity instruments														
3. Amount of share-based payments included in shareholders' equity					-22,612,716.58							-22,612,716.58	-104,489.91	-22,717,206.49
4. Others					-15,215,860.14	372,614,213.10						-387,830,073.24	92,060,408.82	-295,769,664.42

Consolidated Statement of Changes in Equity

For the six months ended June 30, 2026
(Amounts are expressed in RMB unless otherwise stated)

Item	Amount in prior period													
	Equity attributable to shareholders of the Company													
		Other equity instruments												
	Share capital	Preferred shares	Perpetual bonds	Others	Capital reserves	Less: Treasury shares	Other comprehensive income	Including: Translation difference of the financial statements in foreign currency	Special reserves	Surplus reserves	Undistributed profits	Subtotal	Non-controlling interests	Total shareholders' equity
(III) Profit distribution											-1,038,432,819.19	-1,038,432,819.19	-94,755,189.91	-1,133,188,009.10
1. Appropriation of surplus reserves														
2. Accrual of general risk reserve														
3. Distribution to shareholders											-1,038,392,561.89	-1,038,392,561.89	-94,721,050.22	-1,133,113,612.11
4. Others											-40,257.30	-40,257.30	-34,139.69	-74,396.99
(IV) Internal transfers of shareholders' equity														
1. Share capital transferred from capital reserves														
2. Share capital transferred from surplus reserves														
3. Recovery of losses														
4. Transfer of changes in defined benefit plans into retained earnings														
5. Transfer of other comprehensive income into retained earnings														
6. Others														
(V) Appropriation and use of special reserves									16,582,802.37			16,582,802.37	391,071.01	16,973,873.38
1. Appropriation of special reserves									48,176,627.89			48,176,627.89	2,015,478.62	50,192,106.51
2. Use of special reserves									-31,593,825.52			-31,593,825.52	-1,624,407.61	-33,218,233.13
(VI) Others														
IV. Balance at the end of current period	7,294,216,875.00				6,611,441,787.86	547,558,469.75	-55,482,993.60	-181,383,107.00	159,627,965.24	2,371,553,765.05	24,332,797,169.36	40,166,596,099.16	2,705,635,640.29	42,872,231,739.45

The notes form an integral part of the financial statements.

Zhang Yi	Li Xiaoyan	Wang Xueyan
Person-in-charge of the Company:	Person-in-charge of accounting work:	Person-in-charge of Accounting Department:

Statement of Changes in Equity of the Company

For the six months ended June 30, 2026
(Amounts are expressed in RMB unless otherwise stated)

Item	Amount in current period											
		Other equity instruments										
	Share capital	Preferred shares	Perpetual bonds	Others	Capital reserves	Less: Treasury shares	Other comprehensive income	Including: Translation difference of the financial statements in foreign currency	Special reserves	Surplus reserves	Undistributed profits	Total shareholders' equity
I. Closing balance of the prior period	7,173,751,227.00				10,259,644,388.33		192,475,374.13		6,895,342.30	2,624,104,346.20	7,431,593,716.19	27,688,464,394.15
Add: Changes in accounting policies												
Correction of prior errors												
Others												
II. Balance at the beginning of current period	7,173,751,227.00				10,259,644,388.33		192,475,374.13		6,895,342.30	2,624,104,346.20	7,431,593,716.19	27,688,464,394.15
III. Increases/decreases in current period (decreases denoted by "-")							-141,630,744.36		1,743,731.37		-521,402,603.15	-661,289,616.14
(I) Total comprehensive income							-141,630,744.36				590,528,837.04	448,898,092.68
(II) Capital contributed and reduced by shareholders												
1. Ordinary shares contributed by shareholders												
2. Capital invested by holders of other equity instruments												
3. Amount of share-based payments included in shareholders' equity												
4. Others												
(III) Profit distribution											-1,111,931,440.19	-1,111,931,440.19
1. Appropriation of surplus reserves												
2. Distribution to shareholders											-1,111,931,440.19	-1,111,931,440.19
3. Others												

Statement of Changes in Equity of the Company

For the six months ended June 30, 2026
(Amounts are expressed in RMB unless otherwise stated)

Item	Amount in current period											
	Share capital	Other equity instruments: Preferred shares	Other equity instruments: Perpetual bonds	Other equity instruments: Others	Capital reserves	Less: Treasury shares	Other comprehensive income	Including: Translation difference of the financial statements in foreign currency	Special reserves	Surplus reserves	Undistributed profits	Total shareholders' equity
(IV) Internal transfers of shareholders' equity												
1. Share capital transferred from capital reserves												
2. Share capital transferred from surplus reserves												
3. Recovery of losses												
4. Transfer of changes in defined benefit plans into retained earnings												
5. Transfer of other comprehensive income into retained earnings												
6. Others												
(V) Appropriation and use of special reserves									1,743,731.37			1,743,731.37
1. Appropriation of special reserves									3,217,563.32			3,217,563.32
2. Use of special reserves									-1,473,831.95			-1,473,831.95
(VI) Others												
IV. Balance at the end of current period	7,173,751,227.00				10,259,644,388.33		50,844,629.77		8,639,073.67	2,624,104,346.20	6,910,191,113.04	27,027,174,778.01

The notes form an integral part of the financial statements.

Zhang Yi Person-in-charge of the Company	Li Xiaoyan Person-in-charge of accounting work	Wang Xueyan Person-in-charge of Accounting Department

Statement of Changes in Equity of the Company

For the six months ended June 30, 2026
(Amounts are expressed in RMB unless otherwise stated)

Item	Amount in prior period											
	Share capital	Other equity instruments			Capital reserves	Less: Treasury shares	Other comprehensive income	Including: Translation difference of the financial statements in foreign currency	Special reserves	Surplus reserves	Undistributed profits	Total shareholders' equity
		Preferred shares	Perpetual bonds	Others								
I. Closing balance of the prior period	7,294,216,875.00				10,716,935,076.39	174,944,256.65	-55,624,328.05		5,442,533.15	2,371,553,765.05	7,238,071,288.67	27,395,650,953.56
Add: Changes in accounting policies												
Correction of prior errors												
Others												
II. Balance at the beginning of current period	7,294,216,875.00				10,716,935,076.39	174,944,256.65	-55,624,328.05		5,442,533.15	2,371,553,765.05	7,238,071,288.67	27,395,650,953.56
III. Increases/decreases in current period (decreases denoted by "-")					-6,778,251.85	372,614,213.10			509,476.93		-580,575,033.40	-959,458,021.42
(I) Total comprehensive income											457,817,528.49	457,817,528.49
(II) Capital contributed and reduced by shareholders					-6,778,251.85	372,614,213.10						-379,392,464.95
1. Ordinary shares contributed by shareholders					15,938,954.64							15,938,954.64
2. Capital invested by holders of other equity instruments												
3. Amount of share-based payments included in shareholders' equity					-22,717,206.49							-22,717,206.49
4. Others						372,614,213.10						-372,614,213.10
(III) Profit distribution											-1,038,392,561.89	-1,038,392,561.89
1. Appropriation of surplus reserves												
2. Distribution to shareholders											-1,038,392,561.89	-1,038,392,561.89
3. Others												

Statement of Changes in Equity of the Company

For the six months ended June 30, 2026
(Amounts are expressed in RMB unless otherwise stated)

Item	Amount in prior period											
	Share capital	Other equity instruments: Preferred shares	Other equity instruments: Perpetual bonds	Other equity instruments: Others	Capital reserves	Less: Treasury shares	Other comprehensive income	Including: Translation difference of the financial statements in foreign currency	Special reserves	Surplus reserves	Undistributed profits	Total shareholders' equity
(IV) Internal transfers of shareholders' equity												
1. Share capital transferred from capital reserves												
2. Share capital transferred from surplus reserves												
3. Recovery of losses												
4. Transfer of changes in defined benefit plans into retained earnings												
5. Transfer of other comprehensive income into retained earnings												
6. Others												
(V) Appropriation and use of special reserves									509,476.93			509,476.93
1. Appropriation of special reserves									2,108,312.25			2,108,312.25
2. Use of special reserves									-1,598,835.32			-1,598,835.32
(VI) Others												
IV. Balance at the end of current period	7,294,216,875.00				10,710,156,824.54	547,558,469.75	-55,624,328.05		5,952,010.08	2,371,553,765.05	6,657,496,255.27	26,436,192,932.14

The notes form an integral part of the financial statements.

Zhang Yi Person-in-charge of the Company	Li Xiaoyan Person-in-charge of accounting work	Wang Xueyan Person-in-charge of Accounting Department

2026 Interim Notes to the Financial Statements

(Amounts are expressed in RMB unless otherwise stated)

I. GENERAL INFORMATION OF THE COMPANY

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

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

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

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

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

I. GENERAL INFORMATION OF THE COMPANY (CONTINUED)

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

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

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

II. BASIS FOR THE PREPARATION

The Group has evaluated its ability to continue as a going concern for the 12 months from 30 June 2026 and has not identified any events or circumstances that may cast significant doubt over its ability to continue as a going concern. Therefore, the financial statements are prepared on a going concern basis according to the actual transactions and events that occurred, in accordance with the Accounting Standards for Business Enterprises and other relevant regulations issued by the Ministry of Finance (hereinafter referred to as "Accounting Standards for Business Enterprises"), the relevant disclosures required by the Preparation Rules for Information Disclosure by Companies Offering Securities to the Public No. 15 – General Provisions on Financial Reports (2023 Revision) of CSRC and relevant provisions, and the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange of Hong Kong, and based on the accounting policies and accounting estimates as described in "Note IV. Significant Accounting Policies and Accounting Estimates of the Company".

III. STATEMENT OF COMPLIANCE WITH ACCOUNTING STANDARDS FOR BUSINESS ENTERPRISES

The financial statements prepared by the Company comply with the Accounting Standards for Business Enterprises, and present truly and completely the consolidated and the Company's financial position as at 30 June 2026, as well as the consolidated and the Company's financial performance and cash flows between January and June 2026.

IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES OF THE COMPANY

1. ACCOUNTING YEAR

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

2. OPERATING CYCLE

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

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

3. FUNCTIONAL CURRENCY

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

4. ACCOUNTING BASIS AND MEASUREMENT

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

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

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

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

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

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

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

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

5. METHODS FOR DETERMINING MATERIALITY CRITERIA AND BASIS FOR SELECTION

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

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

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

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

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

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

6. BUSINESS COMBINATION

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

1) Business combination involving entities under common control

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

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

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

2) Business combination not involving entities under common control

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

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

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

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

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

7. GOODWILL

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

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

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

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

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

1) Criteria for judging control

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

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

(1) The purpose and design of the investee;

(2) What the relevant activities of the investee are and how decisions are made in relation to those activities;

(3) Whether the rights obtained by the Group give the Group the current ability to dominate relevant activities;

(4) Whether the Group is exposed to the risk of or has the right to, variable returns as a result of its involvement in the underlying activities of the investee;

(5) Whether the Group has the ability to influence the amount of the return by using its power over the investee.

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

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

2) The preparation of consolidated financial statements

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

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

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

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

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

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

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

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

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

2) The preparation of consolidated financial statements (Continued)

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

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

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

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

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

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

9. JOINT ARRANGEMENT

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

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

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

10. CASH AND CASH EQUIVALENTS

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

11. FINANCIAL INSTRUMENTS

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

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

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

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

11. FINANCIAL INSTRUMENTS (Continued)

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

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

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

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

1) Classification and measurement of financial assets

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

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

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

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

11. FINANCIAL INSTRUMENTS (Continued)

1) Classification and measurement of financial assets (Continued)

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

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

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

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

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

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

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

11. FINANCIAL INSTRUMENTS (Continued)

1) Classification and measurement of financial assets (Continued)

(1) Financial assets at amortized cost

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

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

- For purchased or originated credit-impaired financial assets, the Group calculates its interest income from the initial recognition of the financial asset based on the amortized cost of the financial asset and the effective interest rate adjusted for credit;

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

(2) Financial assets at fair value through other comprehensive income

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

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

11. FINANCIAL INSTRUMENTS (Continued)

1) Classification and measurement of financial assets (Continued)

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

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

(3) Financial assets at fair value through profit or loss

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

2) Impairment of financial instruments

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

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

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

11. FINANCIAL INSTRUMENTS (Continued)

2) Impairment of financial instruments (Continued)

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

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

(1) Significant increase in credit risk

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

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

11. FINANCIAL INSTRUMENTS (Continued)

2) Impairment of financial instruments (Continued)

(1) Significant increase in credit risk (Continued)

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

1) Whether there is a significant change in the internal price index caused by the change of credit risk.

2) If an existing financial instrument is originated or issued as a new financial instrument at the balance sheet date, whether the interest rate or other terms of the financial instrument have changed significantly (such as more stringent contract terms, increased collateral or security or higher yield, etc.).

3) Whether the external market indicators of the credit risk of the same financial instrument or similar financial instrument with the same expected duration have changed significantly. These indicators include credit spreads, the price of credit default swaps for borrowers, the length and extent to which the fair value of financial assets is less than its amortized cost, and other market information related to borrowers (such as the price changes of borrowers' debt instruments or equity instruments).

4) Whether there is any significant change in the actual or expected external credit rating of the financial instruments.

5) Whether the actual or expected internal credit rating of the debtor is downgraded.

6) Adverse changes in business, financial, or economic conditions that are expected to result in a significant change in the ability of the debtor to meet its obligations.

7) Whether the actual or expected operating results of the debtor have changed significantly.

8) Whether the credit risk of other financial instruments issued by the same debtor increases significantly.

9) Whether there has been a significant adverse change in the regulatory, economic, or technological environment of the debtor.

10) Whether there has been a significant change in the value of the collateral or the quality of the collateral or credit enhancement provided by a third party as collateral for a debt. These changes are expected to reduce the debtor's financial incentive to repay the debt within the time limit specified in the contract or affect the probability of default.

11) Whether there is a significant change in the borrower's economic motivation to repay the loan within the agreed term.

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

11. FINANCIAL INSTRUMENTS (Continued)

2) Impairment of financial instruments (Continued)

(1) Significant increase in credit risk (Continued)

12) Anticipated changes to the loan contract, including whether the anticipated breach of contract may result in the release or amendment of contractual obligations, the granting of interest-free periods, interest rate hikes, the demand for additional collateral or security, or other changes to the contractual framework of the financial instrument.

13) Whether the expected performance and repayment behavior of the debtor changes significantly.

14) Whether the Group has changed the credit management method of financial instruments.

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

(2) Credit-impaired financial assets

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

1) The issuer or debtor has major financial difficulties.

2) Breaches of contract by the debtor, such as breach or delay in payment of interest or principal.

3) The creditor gives the debtor concessions that would not be made under any other circumstances for economic or contractual reasons in connection with the debtor's financial difficulties.

4) The debtor is likely to go bankrupt or undergo other financial restructuring.

5) The financial difficulties of the issuer or debtor result in the disappearance of the active market of the financial asset.

6) Purchase or originate a financial asset at a substantial discount that reflects a credit loss.

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

11. FINANCIAL INSTRUMENTS (Continued)

2) Impairment of financial instruments (Continued)

(2) Credit-impaired financial assets (Continued)

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

(3) Determination of expected credit losses

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

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

- For financial assets, the credit loss shall be the present value of the difference between the contractual cash flow to be collected by the Group and the expected cash flow to be collected.

- For lease receivables, the credit loss shall be the present value of the difference between the contractual cash flow to be collected by the Group and the expected cash flow to be collected.

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

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

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

11. FINANCIAL INSTRUMENTS (Continued)

2) Impairment of financial instruments (Continued)

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

Item	Accrual method	Types of portfolio	Basis/criteria for portfolio determination
Bills receivable	Accrual on an individual basis	——	When bills receivable are involved in disputes or litigations, or when the debtor is in operating difficulties, reorganization, or bankruptcy, the Group accrues credit losses on an individual basis
	Accrual by portfolio	Commercial acceptance bills portfolio	The commercial acceptances bills held by the Group are mainly from customers with good credit and have maintained long-term and stable cooperation with the Group, which have similar credit risk characteristics
Receivables financing	Accrual by portfolio	Bank acceptance bills portfolio	The acceptors of bank acceptance bills held by the Group at fair value through other comprehensive income are mainly large commercial banks and listed commercial banks with high credit ratings, and such bank acceptance bills have similar credit risk characteristics
Accounts receivable	Accrual on an individual basis	——	When accounts receivables are involved in disputes or litigations, or when the debtor is in operating difficulties, reorganization, or bankruptcy, the Group accrues credit losses on an individual basis
	Accrual by portfolio	Low-risk portfolio	The accounts receivable in the Group's low-risk portfolio are mainly accounts receivable from related parties, joint ventures, associates, and their subsidiaries within the scope of China Merchants' consolidated financial statements, etc., which have similar credit risk characteristics
		Aging portfolio	The Group's aging portfolio consists of accounts receivable other than low-risk portfolio items and items with credit losses accrued on an individual basis, the aging, of which determined based on transaction dates, reflects their credit risk characteristics

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

11. FINANCIAL INSTRUMENTS (Continued)

2) Impairment of financial instruments (Continued)

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

Item	Accrual method	Types of portfolio	Basis/criteria for portfolio determination
Other receivables	Accrual on an individual basis (phase III)	——	When other receivables are involved in disputes or litigations, or when the debtor is in operating difficulties, reorganization, or bankruptcy, the Group accrues credit losses on an individual basis
	Accrual by portfolio (phase I and phase II)	Low-risk portfolio (phase I)	Other receivables in the Group's low-risk portfolio are mainly receivables from government entities, related entities within the scope of China Merchants' consolidated statements of operations, joint ventures, associates and their subsidiaries, etc., as well as deposits, guarantees, reserves, and advances, which have similar credit risk characteristics
		Aging portfolio (phase I and phase II)	The Group's aging portfolio of other receivables is other receivables except for low-risk portfolio items and items with credit loss accrued on an individual basis, the aging, of which determined on the basis of the date of incurrence, reflects their credit risk characteristics

(5) Write-off of financial assets

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

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

11. FINANCIAL INSTRUMENTS (Continued)

3) Transfer of financial assets

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

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

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

- For the transferred financial assets at fair value, the book value of the related liabilities is equal to the book value of the continued involvement in the transferred financial assets minus the fair value of rights retained by the Group (if the Group retains the relevant rights due to the transfer of financial assets) and the obligations undertaken by the Group (if the Group assumes the relevant obligations due to the transfer of financial assets). The fair value of the right and obligation shall be the fair value measured on an independent basis.

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

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

11. FINANCIAL INSTRUMENTS (Continued)

3) Transfer of financial assets (Continued)

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

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

4) Classification of financial liabilities and equity instruments

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

(1) Classification, recognition, and measurement of financial liabilities

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

1) Financial liabilities at fair value through profit or loss

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

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

11. FINANCIAL INSTRUMENTS (Continued)

4) Classification of financial liabilities and equity instruments (Continued)

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

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

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

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

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

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

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

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

11. FINANCIAL INSTRUMENTS (Continued)

4) Classification of financial liabilities and equity instruments (Continued)

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

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

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

2) Other financial liabilities

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

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

3) Financial guarantee contract

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

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

11. FINANCIAL INSTRUMENTS (Continued)

4) Classification of financial liabilities and equity instruments (Continued)

(2) Derecognition of financial liabilities

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

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

(3) Equity instruments

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

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

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

11. FINANCIAL INSTRUMENTS (Continued)

5) Derivative instruments and embedded derivative instruments

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

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

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

(1) The economic characteristics and risks of embedded derivative instruments are not closely related to the ones of the main contract;

(2) Separate instruments with the same terms as the embedded derivative instruments comply with the definition of derivative instruments;

(3) Mixed contracts are not measured at fair value through profit or loss.

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

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

11. FINANCIAL INSTRUMENTS (Continued)

6) Offset of financial assets and financial liabilities

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

7) Compound instrument

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

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

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

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

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

12. INVENTORIES

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

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

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

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

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

2) Criteria for recognizing and providing for provision for value reduction of inventories

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

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

The inventories held by the Group mainly consist of fuel for vehicles and vessels, spare parts, and packaging used in the course of providing transportation and logistics services, which have low unit prices and small overall amounts and are not material to the Group. At the end of the period, the Group does not make provisions for value reduction of inventories that are still in their normal useful life and are functioning normally; for inventories that have exceeded their useful life or have been destroyed, the Group makes provisions for value reduction of inventories on a lot-by-lot basis or by individual inventory items.

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

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

13. LONG-TERM EQUITY INVESTMENTS

1) Criteria for determining joint control and significant influence

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

2) Determination of initial investment cost

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

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

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

13. LONG-TERM EQUITY INVESTMENTS (Continued)

2) Determination of initial investment cost (Continued)

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

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

3) Subsequent measurement and profit or loss recognition method

(1) Long-term equity investment accounted for using the cost method

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

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

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

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

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

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

13. LONG-TERM EQUITY INVESTMENTS (Continued)

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

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

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

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

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

13. LONG-TERM EQUITY INVESTMENTS (Continued)

4) Disposed of long-term equity investment

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

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

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

13. LONG-TERM EQUITY INVESTMENTS (Continued)

4) Disposed of long-term equity investment (Continued)

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

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

14. INVESTMENT PROPERTIES

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

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

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

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

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

(Amounts are expressed in RMB unless otherwise stated)

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

15. FIXED ASSETS AND DEPRECIATION

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

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

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

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

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

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

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

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

16. CONSTRUCTION IN PROGRESS

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

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

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

17. INTANGIBLE ASSETS

1) Intangible assets

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

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

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

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

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

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

17. INTANGIBLE ASSETS (Continued)

2) Research and development expenditures

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

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

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

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

(1) Completion of an intangible asset so that it can be used or sold is technically feasible.

(2) Intention to complete the intangible asset for use or for sale.

(3) How intangible assets generate economic benefits include proving the existence of a market for the products produced by using the intangible assets or the existence of a market for the intangible assets themselves. If the intangible assets are for internal use, their usefulness should also be demonstrated.

(4) Having sufficient technical, financial, and other resources to support the completion of the development of the intangible assets, and having the ability to use or sell the intangible assets.

(5) Expenditure attributable to the development stage of the intangible asset can be measured reliably.

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

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

18. LONG-TERM PREPAID EXPENSE

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

19. IMPAIRMENT OF NON-FINANCIAL ASSETS OTHER THAN GOODWILL

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

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

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

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

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

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

19. IMPAIRMENT OF NON-FINANCIAL ASSETS OTHER THAN GOODWILL (Continued)

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

20. ESTIMATED LIABILITIES

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

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

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

21. EMPLOYEE BENEFITS

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

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

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

21. EMPLOYEE BENEFITS (Continued)

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

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

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

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

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

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

21. EMPLOYEE BENEFITS (Continued)

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

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

22. SHARE-BASED PAYMENT

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

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

As at 30 June 2026 and 31 December 2025, the Group doesn't have any equity instruments that have been granted but not yet vested.

23. BONDS PAYABLE

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

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

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

24. REVENUE RECOGNITION

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

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

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

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

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

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

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

24. REVENUE RECOGNITION (Continued)

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

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

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

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

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

The Group's related businesses acting as a principal usually are point-to-point logistic services to customers. Customers obtain and consume the economic interests brought by the performance at the same time with the Group's performance. Therefore, the Group recognizes the realization of revenue in accordance with the progress of the performance for the above services. The Group recognizes revenue for its related businesses carried out as an agent when the relevant agency act is completed.

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

24. REVENUE RECOGNITION (Continued)

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

A contract asset is a right to receive consideration for goods or services that the Group has transferred to a customer and that is dependent on factors other than the passage of time. For the accounting policy regarding contract asset impairment, please refer to Note IV. 11.2. The Group's unconditional (that is, time-dependent) right to collect considerations from customers is presented separately as receivables.

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

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

The cost of obtaining a contract

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

The cost of performing a contract

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

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

25. GOVERNMENT GRANTS

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

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

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

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

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

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

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

26. BORROWING COSTS

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

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

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

27. INCOME TAXES

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

1) Current income tax

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

2) Deferred tax assets and deferred tax liabilities

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

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

27. INCOME TAXES (Continued)

2) Deferred tax assets and deferred tax liabilities (Continued)

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

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

The Group recognizes deferred tax liabilities arising from taxable temporary differences related to investments in subsidiaries, associates, and joint ventures unless the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. For deductible temporary differences related to investments in subsidiaries, associates, and joint ventures, the Group recognizes a deferred tax asset only when it is probable that the temporary differences will reverse in the foreseeable future and it is probable that future taxable income will be available against which the deductible temporary differences can be utilized.

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

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

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

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

27. INCOME TAXES (Continued)

3) Offset of income taxes

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

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

28. FOREIGN CURRENCY OPERATIONS AND TRANSLATION OR FOREIGN CURRENCY STATEMENTS

1) Foreign currency operations

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

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

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

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

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

28. FOREIGN CURRENCY OPERATIONS AND TRANSLATION OR FOREIGN CURRENCY STATEMENTS (Continued)

2) Translation of foreign currency statements

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

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

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

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

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

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

29. LEASES

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

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

1) The Group as lessee

(1) Separation of leases

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

(2) Right-of-use asset

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

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

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

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

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

29. LEASES (Continued)

1) The Group as lessee (Continued)

(3) Lease liabilities

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

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

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

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

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

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

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

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

29. LEASES (Continued)

1) The Group as lessee (Continued)

(4) Short-term leases and low-value asset leases

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

(5) Lease modification

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

- The lease modification expands the scope of the lease by adding the right to use one or more leased assets;

- The increased consideration is equal to the separate price of the expanded portion of the lease, adjusted for that contract.

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

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

2) The Group as lessor

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

(1) Separation of leases

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

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

29. LEASES (Continued)

2) The Group as lessor (Continued)

(2) Classification of leases

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

(3) The Group records operating lease business as a lessor

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

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

(4) The Group records finance lease business as a lessor

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

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

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

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

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

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

29. LEASES (Continued)

2) The Group as lessor (Continued)

(5) Sublease

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

(6) Lease modification

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

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

- The modification expands the scope of the lease by adding the right to use one or more leased assets.

- The increased consideration is equal to the separate price of the expanded portion of the lease, adjusted for that contract.

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

- Where the lease would have been classified as an operating lease had the modification been effective at the lease start date, the Group accounts for the lease as a new lease from the effective date of the lease modification and the book value of the leased asset is the net lease investment before the effective date of the lease modification.

- Had the modification been effective at the lease start date, the lease would have been classified as a finance lease, and the Group would have accounted for it in accordance with the provisions of Accounting Standards for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments on the modification or renegotiation of contracts.

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

29. LEASES (Continued)

3) Sale and leaseback transactions

(1) The Group as seller and lessee

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

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

(2) The Group as buyer and lessor

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

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

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

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

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

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

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

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

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

2) Recognition criteria and presentation of discontinued operations

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

(1) The component represents a separate major business or a major area of operations.

(2) The component is part of a single coordinated plan to dispose of a separate major business or a separate major area of operations.

(3) The component is a subsidiary acquired exclusively for resale.

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

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

31. SAFETY PRODUCTION COSTS

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

32. ASSET SECURITISATION BUSINESS

When a financial asset is transferred, it is judged on the basis of the transfer of substantially all the risks and rewards of ownership of the relevant financial asset. If substantially all the risks and rewards of ownership of the relevant financial asset have been transferred, the corresponding financial asset is derecognized. If substantially all the risks and rewards of ownership of the relevant financial asset have not been transferred but have been retained, the financial asset is not derecognized. If substantially all the risks and rewards of ownership of the relevant financial asset have been neither transferred nor retained, derecognition is determined based on the extent of control over the financial asset. If control over the financial asset is relinquished, the financial asset is derecognized; if control over the financial asset is not relinquished, the financial asset is recognized to the extent of its continuing involvement in the financial asset, and the related liability is recognized accordingly.

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

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

33. NON-MONETARY ASSET EXCHANGE

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

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

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

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

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

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

34. DEBT RESTRUCTURING

1) Recording debt restructuring obligations as a debtor

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

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

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

If a debt restructuring is carried out by using multiple assets to pay off debts or by means of a combination, equity instruments and restructured debts shall be recognized and measured according to the above-mentioned methods. The difference between the book value of the settled debts and the book value of the transferred assets and the sum of the recognized amounts of the equity instruments and restructured debts shall be included in the current profits and losses.

2) Recording debt restructuring obligations as a creditor

When a debt restructuring is carried out by means of settlement of a debt with assets or conversion of a debt into an equity instruments, the Group recognizes the related assets when they meet the definition and recognition criteria.

For a debt restructuring in which assets are used to pay off debts, assets other than the transferred financial assets are initially recognized at cost. The cost of inventory includes the fair value of the abandoned creditors' rights and other costs directly attributable to the assets, such as taxes, transportation costs, handling charges, insurance premiums, etc., incurred to enable the assets to reach their current position and state. The cost of an investment in an associate or joint venture includes the fair value of the abandoned creditors' rights and other costs directly attributable to the asset, such as taxes. The cost of investment properties includes the fair value of the abandoned creditor's rights and other costs such as taxes that are directly attributable to the assets. The cost of a fixed asset includes the fair value of the abandoned creditors' rights and other costs directly attributable to the asset, such as taxes, transportation costs, handling charges, installation costs, and professional services fees, incurred before making the asset available for the intended use. The cost of a biological asset includes the fair value of the abandoned creditors' rights and other costs attributable to the asset, such as taxes, transportation costs, and insurance premiums. The cost of an intangible asset includes the fair value of the abandoned creditors' rights and other costs that are directly attributable to the asset such as taxes, incurred before making the asset available for the intended use. The difference between the fair value and the book value of the abandoned creditors' rights should be recognized in the current profits and losses.

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

34. DEBT RESTRUCTURING (Continued)

2) Recording debt restructuring obligations as a creditor (Continued)

When a debt restructuring that converts debt into an equity instrument results in the Group converting creditor's rights into an equity investment in an associate or joint venture, the Group measures the cost of its initial investment at the fair value of the abandoned creditors' rights and other costs directly attributable to the asset, such as taxes. The difference between the fair value and the book value of the abandoned creditors' rights is recognized in the current profits and losses.

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

If a debt restructuring is carried out by using multiple assets to pay off debts or by means of a combination, firstly, the transferred financial assets and creditor's rights restructured are recognized and measured in accordance with the Accounting Standards for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments, and then the net amount of the fair value of the abandoned creditors' rights after deducting the recognized amounts of the transferred financial assets and the creditor's rights restructured are allocated in proportion to the fair value of each asset other than the transferred financial assets, and on this basis, the cost of each asset is determined separately in accordance with the above method. The difference between the fair value and the book value of the abandoned creditors' rights is recognized in the current profits and losses.

35. KEY ASSUMPTIONS AND UNCERTAINTY IN CRITICAL ACCOUNTING JUDGMENTS AND ACCOUNTING ESTIMATES

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

1) Determine the lease term of a lease contract with a renewal option

For a lease contract signed as a lessee with the renewal option, the Group uses judgments to determine the lease term of the lease contract. The assessment of whether it is reasonably certain that the Group will exercise this option affects the length of the lease term, which in turn has a significant impact on the amount of the lease liability and right-of-use asset recognized under the lease, and also significantly impact profit or loss at the point in time of the disposal in sale and leaseback transactions that constitute sales.

In determining the lease term for a sale and leaseback transaction, the Group must consider all relevant facts and circumstances regarding the economic benefits arising from exercising or not exercising the option, all of which involve management judgment.

2) Goodwill impairment

As at 30 June 2026, the book value of goodwill was RMB1,499,789,978.07. The Group conducts impairment tests on goodwill at least annually. When conducting impairment tests for goodwill, the recoverable amount of each asset group and combination of asset groups within the Group that generates goodwill is primarily determined based on the present value of projected future cash flows. Calculating the present value of future cash flows requires the use of management's forecasts regarding future operations and the application of an appropriate discount rate. These matters all involve management judgment.

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

35. KEY ASSUMPTIONS AND UNCERTAINTY IN CRITICAL ACCOUNTING JUDGMENTS AND ACCOUNTING ESTIMATES (Continued)

3) Impairment of non-current assets other than financial assets (other than goodwill and long-term equity investments)

The Group determines at the balance sheet date whether there is any indication that non-current assets other than financial assets may be impaired, and performs impairment tests on those assets when there is an indication of impairment. In addition, intangible assets with indefinite useful lives are tested for impairment annually. The recoverable amount of an asset or asset group is determined based on the higher of the value in use of the asset or asset group and the net amount of its fair value less disposal expenses. In estimating its value in use, the future cash flows of the asset or asset group are projected and discounted using a discount rate. The management makes an accounting estimate on the use of the asset and forecasts future cash flows on a reasonable and informed basis, and determines the present value of the future cash flows using a discount rate that reflects the time value of money in the current market and the specific risks associated with the asset.

4) Recognition of expected credit losses

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

5) Recognition of deferred tax assets

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

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

35. KEY ASSUMPTIONS AND UNCERTAINTY IN CRITICAL ACCOUNTING JUDGMENTS AND ACCOUNTING ESTIMATES (Continued)

6) Fair value of financial instruments

For financial instruments which lack an active market, the Group adopts a valuation method to determine their fair value. Valuation methods make the best use of observable market information; when observable market information is not available, an estimate is made of the significant unobservable information included in the valuation method. Observable input values refer to input values that can be obtained from market data. The input values reflect the assumptions that market participants use to price related assets or liabilities. Unobservable input values refer to input values that cannot be obtained from market data. The input values shall be determined based on the best available information on the assumptions used by market participants in pricing the relevant assets or liabilities.

7) Taxation

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

8) Contingent liabilities

The Group is faced with numerous legal disputes in the course of its going concern, the outcome of which is subject to a significant degree of uncertainty. When the economic benefits associated with a particular legal dispute are considered to be likely to flow out and the amount can be measured reliably, the Group's management makes provisions for them based on professional legal advice. Significant contingent liabilities faced by the Group, other than those considered to be highly unlikely to result in an outflow of economic benefits, are disclosed in Note XIV.2. The management uses judgments to determine whether provisions should be made for related legal disputes or whether they should be disclosed as contingent liabilities.

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

36. SIGNIFICANT CHANGES IN ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

1) CHANGES IN ACCOUNTING POLICIES AND EFFECTS

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

2) CHANGES IN ACCOUNTING ESTIMATES AND EFFECTS

There are no material changes in accounting estimates of the Group during the period.

3) CORRECTION OF PRIOR ERRORS AND IMPACT

There are no material corrections of prior errors of the Group during the period.

4) OTHER ADJUSTMENTS

There are no other adjustments disclosed by the Group during the period.

(Amounts are expressed in RMB unless otherwise stated)

V. TAXES

1. MAIN TAX CATEGORIES AND RATES

Tax categories	Tax bases	Tax rates
Value-added tax	Taxable value-added amount (the balance of the output tax less deductible input tax)	0%, 3%, 5%, 6%, 9%, 12%, 13%
Urban maintenance & construction tax	Turnover tax payable	1%, 5%, 7%
Education surcharge and local education surcharge	Turnover tax payable	3%, 2%
Stamp duty	Registered capital, capital reserve, economic contract amount, etc.	0.05%, 0.03%, etc.
Property tax	Taxable residual value and rental income of properties	1.2%, 12%
Urban land use tax	The actual area of the land occupied	RMB0.6-30/㎡
Enterprise income tax *(Note)*	Taxable income	0-38%

Note: The enterprise income tax of the Company and its subsidiaries was calculated at the local current tax rate. The income tax rate of the Group's subsidiaries located in Mainland China is mainly 25%, and the preferential tax rate is applicable to some subsidiaries. The income tax rates of main subsidiaries in the countries or regions outside the mainland of the PRC are as follows:

Country or region	Applicable income tax rate
Hong Kong, China	16.5%
Japan	38%
South Korea	20.9%
Belarus	18%
Netherlands	25.8%

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

V. TAXES (CONTINUED)

2. SIGNIFICANT TAX PREFERENCES AND APPROVALS

1) Enterprise income tax

(1) According to the Announcement on the Continuation of Enterprise Income Tax Policy for Western Development (the Ministry of Finance, State Taxation Administration and the National Development and Reform Commission Announcement No. 23 of 2020), from 1 January 2021 to 31 December 2030, the enterprises established in Western China whose main business is the industrial projects specified in the Catalogue of Encouraging Industries in Western China and whose main business revenue accounts for more than 60% of the total revenue of the enterprises may pay their enterprise income tax at the reduced tax rate of 15%. During the reporting period, some branches and subsidiaries of the Group located in Western China enjoyed a preferential income tax rate of 15%.

(2) According to the Circular of the Ministry of Finance and the State Taxation Administration on the Preferential Policies on Enterprise Income Tax in Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone (Cai Shui [2024] No. 13) and the Circular of the Ministry of Finance and the State Taxation Administration on Extension of the Implementation of Preferential Polices on Enterprise Income Tax in Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone (Cai Shui [2026] No.3), for enterprises located in the Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone (as specified in the Overall Development Plan for Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone approved by State Council in December 2023), that mainly engage in industries specified in the Catalogue of Preferential Policies on Enterprise Income Tax in the Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone (2021 Edition), and whose main business income accounts for 60% or more of their total income, are entitled to a enterprise income tax rate of 15%. The preferential policy shall be effective until 31 December 2027. During the reporting period, certain branches and subsidiaries of the Group located in Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone were entitled to a preferential enterprise income tax rate of 15%.

(3) Pursuant to the Announcement on Tax Policies Relating to Further Supporting the Development of Micro and Small Enterprises and Individual Businesses (Announcement No. 12 of 2023 by the Ministry of Finance and the State Taxation Administration), the policy of calculating the taxable income of small micro-profit enterprises at a reduced rate of 25% and paying the enterprise income tax at a rate of 20% will be extended until 31 December 2027. During the reporting period, the Group's small and micro-enterprises meeting the conditions were entitled to the aforementioned income tax incentives.

(4) According to the Notice of the State Taxation Administration on the Implementation of Several Tax Collection Issues under the Enterprise Income Tax Law (GSH [2010] No. 79) and Article 26 of the Enterprise Income Tax Law of the People's Republic of China, any dividends, bonuses, and other equity investment gains between resident enterprises are exempted from the enterprise income tax. The Group is exempted from the enterprise income tax on dividends, bonuses and other equity investment gains between resident enterprises.

V. TAXES (CONTINUED)

2. SIGNIFICANT TAX PREFERENCES AND APPROVALS (Continued)

1) Enterprise income tax (Continued)

(5) Pursuant to the Circular of the Ministry of Finance and the State Taxation Administration on Improving the Corporate Income Tax Policy for Accelerated Depreciation of Fixed Assets (Cai Shui [2014] No. 75), the Circular of the Ministry of Finance and the State Taxation Administration on Further Improving the Corporate Income Tax Policy for Accelerated Depreciation of Fixed Assets (Cai Shui [2015] No. 106), and the Announcement of the Ministry of Finance and the State Taxation Administration on Corporate Income Tax Policies Concerning Deductions for Equipment and Appliances (No. 37 of 2023, the Ministry of Finance and the State Taxation Administration), the Group calculates depreciation for fixed assets that meet the specified requirements using the shortened depreciation period method or recognizes them as one-time costs and expenses in the current period, deducting them when calculating taxable income.

(6) In accordance with No. 326 of the Decree of the President of the Republic of Belarus dated 30 June 2014, the occupants in the Great Stone Industrial Park are exempted from income tax on their profits from the sales of independently manufactured goods in the Great Stone Industrial Park for ten calendar years from the date of registration in Belarus; upon expiration of the period of ten calendar years from the date of registration, the profit taxes are paid at half of the tax rate set out in the Decree of the President during the next ten calendar years. In the reporting period, the profits from the sales of self-produced goods (projects, services) in the Great Stone Industrial Park by JSC China Merchants CHN-BLR Commerce and Logistics Company, a subsidiary of the Group, (hereinafter referred to as "China Merchants CHN-BLR Commerce") are exempted from the enterprise income tax.

(7) In accordance with the Notice of the Ministry of Finance and the State Taxation Administration on Certain Issues of Enterprise Income Tax Treatment of Enterprise Reorganization Business (Cai Shui [2009] No. 59), the Notice of the Ministry of Finance and the State Taxation Administration on Enterprise Income Tax Treatment Issues Related to the Promotion of Enterprise Restructuring (Cai Shui [2014] No. 109) and the Announcement of the State Taxation Administration on the Administration of Enterprise Income Tax for the Transfer of Assets (Equity) (the State Taxation Administration Announcement [2015] No. 40) on the application of special tax treatment, during the reporting period, the Group met the requirements of applying the special tax treatment for the internal equity and asset transfers required in the aforesaid notices and announcements, without an adjustment on the tax base of the related assets and liabilities.

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

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(Amounts are expressed in RMB unless otherwise stated)

V. TAXES (CONTINUED)

2. SIGNIFICANT TAX PREFERENCES AND APPROVALS (Continued)

2) Value-added tax

(1) In accordance with the Notice on Comprehensively Launching a Pilot Project for the Levy of Value-added Tax in Place of Business Tax (Cai Shui [2016] No. 36), the international freight forwarding business operated by the Group enjoys the tax concession of exemption from the VAT.

(2) According to the Interim Measures for the Administration of Value-added Tax Collection on the Provision of Real Estate Operation and Lease Services by Taxpayers, general taxpayers may choose to apply the simplified tax method to the leasing of their properties acquired before 30 April 2016 and calculate the tax payable at a tax rate of 5%. During the reporting period, the Group's real estate leasing business that met the aforesaid conditions was subject to the value-added tax at a rate of 5%.

(3) According to the Business Tax to VAT Cross-border Taxable Acts VAT Exemption Administration Measures (for Trial Implementation), logistics auxiliary services (except warehousing services and collection and delivery services) sold to offshore units that are consumed entirely outside the country are exempt from the VAT. Subsidiaries of the Group engaged in the above business are entitled to this tax benefit.

3) Other taxes

(1) Pursuant to the Announcement on Further Supporting the Development of Micro and Small Enterprises and Individual Businesses (Announcement No. 12 of 2023 by the Ministry of Finance and the State Taxation Administration), from 1 January 2023 to 31 December 2027, small-scale VAT taxpayers, small low-profit enterprises and individual businesses are subject to half reduction in resource tax (excluding water resource tax), urban maintenance and construction tax, property tax, urban land use tax, stamp duty (excluding stamp duty on securities transactions), arable land occupation tax, education surcharge and local education surcharge. Certain subsidiaries of the Group were entitled to the above tax incentives during the reporting period.

(2) According to the Announcement on Continuing the Implementation of Preferential Policies on Urban Land Use Tax for Land for Bulk Commodity Warehousing Facilities of Logistics Enterprises (the Ministry of Finance and the State Taxation Administration Announcement No. 5 of 2023), from 1 January 2023 to 31 December 2027, the urban land use tax for land for bulk commodity warehousing facilities owned (including self-use and leasing) or leased by logistics enterprises will be reduced by 50% of the applicable tax standard of the land class to which the land belongs. Certain subsidiaries of the Group were entitled to the above tax incentives during the reporting period.

(3) According to the Announcement on Continuing the Implementation of Preferential Policies on Property Tax and Urban Land Use Tax for Agricultural Products Wholesale Markets and Agricultural Trade Markets (the Ministry of Finance and the State Taxation Administration Announcement No. 50 of 2023), the property tax and urban land use tax are provisionally exempted for the property and land (including those owned and leased, the same below) specifically used for the operations of agricultural products in the agricultural products wholesale markets and agricultural trade markets; the property and land used for the operations of agricultural products in the agricultural products wholesale markets and agricultural trade markets that also deal with other products shall be exempted from property tax and urban land use tax based on the ratio of the area of the trading site for other products to that of the agricultural products, and the preferential policy shall be effective until 31 December 2027. Certain subsidiaries of the Group were entitled to the above tax incentives during the reporting period.

(Amounts are expressed in RMB unless otherwise stated)

VI. BUSINESS COMBINATION AND CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION OF MAIN SUBSIDIARIES INCLUDED IN THE SCOPE OF CONSOLIDATION FOR THE PERIOD

1) Structure of the enterprise group

No.	Company name	Grade	Enterprise type	Place of registration	Main business location	Nature of business	Paid-in capital	Total subscribed shareholding ratio of the Group (%)	Total paid-in shareholding ratio of the Group (%)	voting ratio of the Group (%)	Investment amount	Acquisition method
1	Sinotrans South China Co., Ltd.	2nd	1	Guangzhou, Guangdong Province	Guangzhou, Guangdong Province	Freight forwarding, logistics and storage and terminal services	1,349,668,931.90	100.00	100.00	100.00	1,357,000,272.00	1
2	Sinotrans Eastern Company Limited	2nd	1	Shanghai	Shanghai	Freight forwarding, logistics and storage and terminal services	1,120,503,439.18	100.00	100.00	100.00	1,125,351,942.12	1
3	Sinoair	2nd	1	Beijing	Beijing	Air freight forwarding and courier services	905,481,720.00	100.00	100.00	100.00	5,857,687,626.31	1
4	Sinotrans Changjiang Co., Ltd.	2nd	1	Nanjing, Jiangsu Province	Nanjing, Jiangsu Province	Freight forwarding and logistics	969,665,712.00	89.00	89.00	89.00	1,005,055,831.24	1
5	Sinotrans Central China Co., Ltd.	2nd	1	Qingdao, Shandong Province	Qingdao, Shandong Province	Freight forwarding, logistics and storage and terminal services	1,000,000,000.00	100.00	100.00	100.00	1,012,201,545.72	1
6	Sinotrans Chemical International Logistics Co., Ltd.	2nd	1	Shanghai	Shanghai	Integrated logistics	339,554,483.66	59.20	59.20	59.20	200,483,231.42	1
7	Sinotrans Fujian Co., Ltd.	2nd	1	Xiamen, Fujian Province	Xiamen, Fujian Province	Freight forwarding, storage and terminal services and others	223,257,965.92	100.00	100.00	100.00	223,439,062.43	1
8	Trade Sky International Limited	2nd	3	HKSAR	HKSAR	Transportation	171,374,160.00	100.00	100.00	100.00	341,057,315.76	1
9	Sinotrans North China Co., Ltd.	2nd	1	Tianjin	Tianjin	Freight forwarding	140,193,047.50	100.00	100.00	100.00	142,440,174.06	1
10	Sinotrans Hubei Company Limited	2nd	1	Wuhan, Hubei Province	Wuhan, Hubei Province	Freight forwarding and logistics	120,000,000.00	100.00	100.00	100.00	121,293,756.85	1
11	Sinotrans Heavy-lift Logistics Co., Ltd	2nd	1	Jinan, Shandong Province	Jinan, Shandong Province	Lifting and transportation	103,600,000.00	100.00	100.00	100.00	134,970,549.35	3
12	Wide Shine Development Limited	2nd	3	HKSAR	HKSAR	Container leasing	79,287,945.35	100.00	100.00	100.00	430,372,292.05	2

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VI. BUSINESS COMBINATION AND CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

1. GENERAL INFORMATION OF MAIN SUBSIDIARIES INCLUDED IN THE SCOPE OF CONSOLIDATION FOR THE PERIOD (Continued)

1) Structure of the enterprise group (Continued)

No.	Company name	Grade	Enterprise type	Place of registration	Main business location	Nature of business	Paid-in capital	Total subscribed shareholding ratio of the Group (%)	Total paid-in shareholding ratio of the Group (%)	voting ratio of the Group (%)	Investment amount	Acquisition method
13	Sinotrans Northeast Co. Ltd	2nd	1	Dalian, Liaoning Province	Dalian, Liaoning Province	Freight forwarding and logistics	150,000,000.00	100.00	100.00	100.00	152,454,479.67	1
14	China Marine Shipping Agency Co., Ltd.	2nd	1	Beijing	Beijing	Freight forwarding	30,000,000.00	100.00	100.00	100.00	30,826,351.49	1
15	Sinotrans Chongqing Co., Ltd.	2nd	1	Chongqing	Chongqing	Freight forwarding	60,869,000.00	100.00	100.00	100.00	82,970,583.09	1
16	Sinotrans Brazil Co., Ltd.	2nd	3	Brazil	Brazil	Integrated logistics	2,065,554.43	100.00	100.00	100.00	2,048,791.82	1
17	SINOTRANS (HK) LOGISTICS LIMITED	2nd	3	HKSAR	HKSAR	Freight forwarding and logistics	530,557.66	100.00	100.00	100.00		2
18	Sanawat Al-Khier Company For General Trading And Marine Services	2nd	3	Iraq	Iraq	Integrated logistics	292,842.00	100.00	100.00	100.00	282,680.25	1
19	Sinotrans Logistics Co., Ltd.	2nd	1	Shenzhen, Guangdong Province	Shenzhen, Guangdong Province	Logistics	1,346,761,911.29	100.00	100.00	100.00	4,739,916,352.12	2
20	Sinotrans Innovative Technology Co., Ltd.	2nd	1	Shenzhen, Guangdong Province	Shenzhen, Guangdong Province	Integrated logistics	100,000,000.00	100.00	100.00	100.00	100,438,555.10	1
21	Sinotrans Cold Chain Logistics Co., Ltd.	2nd	1	Shenzhen, Guangdong Province	Shenzhen, Guangdong Province	Logistics	216,000,000.00	100.00	100.00	100.00	217,614,987.47	1
22	China Merchants Great Stone Investment Consulting (Shenzhen) Co., Ltd.	2nd	1	Shenzhen, Guangdong Province	Shenzhen, Guangdong Province	Logistics	701,410,000.00	42.00	42.00	100.00	294,993,173.33	1
23	Sinotrans Logistics Investment Holdings Co., Ltd.	2nd	1	Beijing	Beijing	Logistics	433,110,000.00	100.00	100.00	100.00	747,599,486.54	2
24	SE LOGISTICS HOLDING B.V.	2nd	3	Netherlands	Netherlands	Logistics	7,780.50	100.00	100.00	100.00	1,114,884,640.36	3

(Amounts are expressed in RMB unless otherwise stated)

VI. BUSINESS COMBINATION AND CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

1. GENERAL INFORMATION OF MAIN SUBSIDIARIES INCLUDED IN THE SCOPE OF CONSOLIDATION FOR THE PERIOD (Continued)

1) Structure of the enterprise group (Continued)

No.	Company name	Grade	Enterprise type	Place of registration	Main business location	Nature of business	Paid-in capital	Total subscribed shareholding ratio of the Group (%)	Total paid-in shareholding ratio of the Group (%)	voting ratio of the Group (%)	Investment amount	Acquisition method
25	Sinotrans Overseas Development Co., Ltd.	2nd	3	HKSAR	HKSAR	Freight forwarding	10,611.78	100.00	100.00	100.00	3,980,986.34	1
26	Sinotrans Engineering Logistics Co., Ltd.	2nd	1	Nantong, Jiangsu Province	Nantong, Jiangsu Province	Logistics	280,000,000.00	100.00	100.00	100.00	280,000,000.00	1
27	Sinotrans Southwest (Chongqing) Logistics Development Co., Ltd.	2nd	1	Chongqing	Chongqing	Freight forwarding	100,000,000.00	100.00	100.00	100.00	100,036,504.04	1

Notes: (1) Enterprise type: 1. domestic non-financial subsidiary; 2. domestic financial subsidiary; 3. overseas subsidiary; 4. public institution; 5. infrastructure unit.

(2) Acquisition method: 1. establishment with investment; 2. business combination involving entities under common control; 3. business combination not involving entities under common control; 4. others.

Description of the discrepancy between the shareholding ratio held in subsidiaries and the voting ratio: China Merchants Great Stone Investment Consulting (Shenzhen) Co., Ltd. (hereinafter referred to as "China Merchants Great Stone Investment Company") was jointly invested and established by China Merchants Yingkai Investment Development (Shenzhen) Co., Ltd. (hereinafter referred to as "China Merchants Yingkai Company") and Sinotrans Logistics Co., Ltd., (hereinafter referred to as "Sinotrans Logistics Ltd.") with shareholdings of 58% and 42% respectively. Under the Equity Escrow Agreement of China Merchants Great Stone Investment Consulting (Shenzhen) Co., Ltd. entered into between the Company and China Merchants Yingkai Company, China Merchants Yingkai Company entrusted the Company with the exercise of voting rights corresponding to 58% of the shares in its sole discretion, and the Group was able to dominate the relevant activities of China Merchants Great Stone Investment Company and enjoy variable returns, and therefore included it in the scope of consolidation.

The Group did not have any cases of exercising voting rights as a proxy or entrusting others to exercise voting rights on behalf of the Group in its capacity as a primarily responsible party as of the end of the period.

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VI. BUSINESS COMBINATION AND CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

1. GENERAL INFORMATION OF MAIN SUBSIDIARIES INCLUDED IN THE SCOPE OF CONSOLIDATION FOR THE PERIOD (Continued)

2) Major non-wholly-owned subsidiaries

For the six months ended 30 June, 2026

Company name	**Shareholding ratio of non-controlling interests (%)**	**Profits and losses attributable to non-controlling interests in the period**	**Dividends paid to non-controlling interests in the period**	**Cumulative non-controlling interests at the end of the period**
Sinotrans Changjiang Co.,Ltd. (hereinafter referred to as "Sinotrans Changjiang Company")	**11.00**	**15,727,923.40**		**238,978,265.64**

For the six-month period ended 30 June, 2025

Company name	Shareholding ratio of non-controlling interests (%)	Profits and losses attributable to non-controlling interests in the period	Dividends paid to non-controlling interests in the period	Cumulative non-controlling interests at the end of the period
Sinotrans Changjiang Company	11.00	14,823,527.19		209,383,736.04

(Amounts are expressed in RMB unless otherwise stated)

VI. BUSINESS COMBINATION AND CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

1. GENERAL INFORMATION OF MAIN SUBSIDIARIES INCLUDED IN THE SCOPE OF CONSOLIDATION FOR THE PERIOD (Continued)

3) Key financial information of major non-wholly-owned subsidiaries

	Closing balance						Opening balance					
Company name	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Sinotrans Changjiang Company	4,381,345,288.61	673,826,668.64	5,055,171,957.25	2,331,569,277.61	193,802,903.25	2,525,372,180.86	4,067,822,819.59	714,582,799.88	4,782,405,619.47	2,208,715,978.07	208,374,775.30	2,417,090,753.37

	Current period				Prior period			
Company name	Operating income	Net profits	Total comprehensive income	Net cash flows from operating activities	Operating income	Net profits	Total comprehensive income	Net cash flows from operating activities
Sinotrans Changjiang Company	3,964,168,516.96	153,408,150.97	153,408,150.97	51,781,990.01	4,476,887,135.22	356,103,363.21	356,103,363.21	81,073,650.35

2. The Group had no structured entities included in the scope of consolidation at period-end.

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(Amounts are expressed in RMB unless otherwise stated)

VII. CHANGES IN THE SCOPE OF CONSOLIDATION

1. DISPOSAL OF SUBSIDIARIES

1) Business combination not under common control that occurred during current period

Name of the acquiree	Point of acquisition of entity	Cost of acquisition of entity	Shareholding acquisition ratio (%)	Acquisition method	Purchase date	Basis for determining the purchase date	Revenue of the acquiree from the purchase date to the end of the year	Net profit of the acquiree from the purchase date to the end of the year	Net cash flows of the acquiree from the purchase date to the end of the year
Jiangsu Sinotrans Xiangtai Supply Chain Management Co., Ltd.	—	—	—	—	2026/4/1	Note 1	1,663,192.77	-2,556,804.04	-5,421,179.31
Shanghai Wai-Hong Yishida International Logistics Co., Ltd.	—	—	—	—	2026/5/28	Note 2	310,481.10	-29,254.04	306,619.72

Notes:

1) Jiangsu Sinotrans Xiangtai Supply Chain Management Co., Ltd. (hereinafter referred to as "Jiangsu Xiangtai Company") is a company jointly invested and established by the subsidiaries of the Group, namely, Sinotrans Eastern and Jiangsu Taizhou Port Core Port Area Investment Co., Ltd.. The Group holds 51% of the shares. Although the Group held a majority of the voting rights before the date of acquisition, the Group was not capable of dominating the relevant activities of Jiangsu Xiangtai Company according to the arrangement of the Articles of Association, and therefore the equity method of accounting was adopted. On 28 October 2025, the shareholders' meeting of Jiangsu Xiangtai Company approved the capital reduction arrangement of Jiangsu Taizhou Port Core Port Area Investment Co., Ltd. and made amendments to the Articles of Association. On 1 April 2026, upon the completion of capital reduction of Jiangsu Taizhou Port Core Port Area Investment Co., Ltd., shares of Jiangsu Xiangtai Company held by the Group increased to 51%. In accordance with the amended Articles of Association, the Group was able to dominate the relevant activities of Jiangsu Xiangtai Company and enjoy variable returns from 1 April 2026 onwards, and therefore 1 April 2026 has been determined as the purchase date.

2) Before the purchase date, Shanghai Wai-hong Iseda International Logistics Co., Ltd. (hereinafter referred to as "Shanghai Wai-hong Company") was held by Sinotrans Eastern with 80% shares, Sinotrans (Shanghai) Group Co., Ltd. with 15% shares, Shanghai Waigaoqiao Free Trade Zone United Development Co., Ltd. with 10% shares and Shanghai International Port Group Logistics Co., Ltd. with 15% shares. Although the Group held a majority of the voting rights before the date of acquisition, the Group was not capable of dominating the relevant activities of Shanghai Wai-hong Company according to the arrangement of the Articles of Association, and therefore the equity method of accounting was adopted. On 28 May 2026, the shareholders' meeting of Shanghai Wai-hong Company approved the exit arrangement of Shanghai Waigaoqiao Free Trade Zone United Development Co., Ltd. and Shanghai International Port Group Logistics Co., Ltd., while on 28 May 2026, it made amendments to the Articles of Association. In accordance with the amended Articles of Association, the Group is able to dominate the relevant activities of Shanghai Wai-hong Company and enjoy variable returns from 28 May 2026 onwards, and therefore 28 May 2026 has been determined as the purchase date.

VII. CHANGES IN THE SCOPE OF CONSOLIDATION (CONTINUED)

1. DISPOSAL OF SUBSIDIARIES (Continued)

2) Consideration and goodwill

	Jiangsu Xiangtai Company	Shanghai Wai-Hong Company
Consideration		
– Cash		
– Fair value of non-cash assets		
– Fair value of liabilities incurred or assumed		
– Fair value of equity interest issued		
– Fair value of contingent consideration		
– Fair value of equity interests held prior to the date of acquisition at the date of acquisition	47,299,623.76	40,562,097.14
Total consideration	47,299,623.76	40,562,097.14
Less: Share of the fair value of identifiable net assets acquired	47,230,204.64	35,574,070.22
Goodwill/the amount that consideration less than the share of the fair value of identifiable net assets acquired	69,419.12	4,988,026.92

Method for determining the fair value of the consolidations:

The method of determining the fair value of equity interests held prior to the date of acquisition at the date of acquisition is detailed in Note VII.1. (3).

The Group has not assumed any performance commitments or contingent consideration variances with counterparties in the above business combinations.

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VII. CHANGES IN THE SCOPE OF CONSOLIDATION (CONTINUED)

1. DISPOSAL OF SUBSIDIARIES (Continued)

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

	Jiangsu Xiangtai Company		Shanghai Wai-Hong Company	
	Fair value at the purchase date	Book value at the purchase date	Fair value at the purchase date	Book value at the purchase date
Assets:	313,337,249.50	309,331,167.28	54,052,776.39	19,677,638.19
Cash and bank balances	16,619,086.92	16,619,086.92	6,623,746.18	6,623,746.18
Trade and other receivables	5,642,856.31	5,642,856.31	1,244,409.76	1,244,409.76
Fixed assets	237,964,631.94	235,702,976.69	3,745,156.04	1,777,912.63
Intangible assets	50,662,407.52	48,917,980.55	42,439,464.41	10,031,569.62
Other assets	2,448,266.81	2,448,266.81		
Liabilities:	185,545,505.11	184,543,984.55	9,585,188.62	991,404.07
Loans	80,031,445.52	80,031,445.52		
Trade and other payables	61,062,739.03	61,062,739.03	991,404.07	991,404.07
Deferred tax liabilities	1,001,520.56		8,593,784.55	
Deferred revenue	43,449,800.00	43,449,800.00		
Net assets	127,791,744.39	124,787,182.73	44,467,587.77	18,686,234.12
Less: Non-controlling interests	80,561,539.75	79,089,304.54	8,893,517.55	3,737,246.82
Net assets acquired	47,230,204.64	45,697,878.19	35,574,070.22	14,948,987.30

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

The fair value of the identifiable assets and liabilities of Jiangsu Xiangtai Company at the date of acquisition was determined based on the asset appraisal report (Guozhonglian Ping Appraisal Report [2026] No. 2-1578) issued by Guozhonglian Asset Appraisal, Land and Real Estate Valuation Co., Ltd., as well as considering the changes of net assets from the valuation date to the date of acquisition.

The fair value of the identifiable assets and liabilities of Shanghai Wai-hong Company at the date of acquisition was determined based on the asset appraisal report (Hu Cai Rui Ping Appraisal Report [2026] No. 1026) issued by Shanghai Cairui Asset Appraisal Co., Ltd., as well as considering the changes of net assets from the valuation date to the date of acquisition.

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

(Amounts are expressed in RMB unless otherwise stated)

VII. CHANGES IN THE SCOPE OF CONSOLIDATION (CONTINUED)

1. DISPOSAL OF SUBSIDIARIES (Continued)

4) Supplementary Information on Business Combination Achieved in Stages

Name of the acquiree	Point of purchase of equity previously held prior to the acquisition date	Shares of equity previously held prior to the acquisition date (%)	Purchase costs of equity previously held prior to the acquisition date	Purchase methods of equity previously held prior to the acquisition date	Book value of equity previously held prior to the acquisition date at the acquisition date	Fair value of equity previously held prior to the acquisition date at the acquisition date	Gains or losses arising from the remeasurement of equity previously held prior to the acquisition date	Method and key assumptions for determining the fair value of equity previously held prior to the acquisition date at the acquisition date	Amount transferred to investment income or retained earnings from other comprehensive income related to equity previously held prior to the acquisition date
Jiangsu Xiangtai Company	2021/4/28	49.00	98,000,000.00	Set-up	45,970,979.36	47,299,623.76	1,328,644.40	Note	
Shanghai Wai-Hong Company	2016/1/28	60.00	56,268,343.25	Purchase	42,722,170.97	40,562,097.14	-2,160,073.83	Note	

Note: Guozhonglian Asset Appraisal, Land and Real Estate Valuation Co., Ltd. and Shanghai Cairui Asset Appraisal Co., Ltd were engaged by the Group to appraise the value of 100% equity interests in Jiangsu Xiangtai Company and Shanghai Wai-hong Company, respectively. As the assets of Jiangsu Xiangtai Company and Shanghai Wai-hong Company were mainly land use rights, buildings and equipment, the valuer used the asset-based approach for appraisal, which is not included in the impact of the factors of the control premium and the synergy effect with the Group. Accordingly, the fair value at the acquisition date of the equity held by the Group in Jiangsu Xiangtai Company and Shanghai Wai-hong Company prior to the acquisition date is calculated and determined based on the aforementioned appraisal results.

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

2. CHANGES OF THE CONSOLIDATION SCOPE FOR OTHER REASONS

Compared to the previous period, the Group added 2 fourth level subsidiaries during the current period due to newly set-up, including Wuxi Xin'an Port Co., Ltd. and Sinotrans Tieji (Xi'an) International Logistics Co., Ltd.

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VII. CHANGES IN THE SCOPE OF CONSOLIDATION (CONTINUED)

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

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

No.	Company name	Subscription shareholding ratio (%)	Voting ratio (%)	Registered capital	Investment amount	Grade (Note)	Reasons for not being included in the scope of consolidation
1	Sinotrans Suzhou Logistics Center Co., Ltd.	51.00	51.00	RMB 175 million	RMB 97,898,300	Directly held by the Company	As agreed in the Articles of Incorporation of Sinotrans Suzhou Logistics Center Co., Ltd., certain major operating and investment decisions of the company are subject to unanimous approval by all shareholders. As the Group cannot unilaterally control Sinotrans Suzhou Logistics Center Co., Ltd., it has not been included in the consolidation scope.
2	Xinjiang New Railway Sinotrans Logistics Co., Ltd.	51.00	51.00	RMB 10 million	RMB 5.1 million	2nd	As agreed in the Articles of Incorporation of Xinjiang New Railway Sinotrans Logistics Co., Ltd., a resolution of the shareholders' meeting shall be valid only if approved by shareholders representing more than two-thirds of the voting rights. The Group does not hold more than two-thirds of the voting rights and cannot separately control Xinjiang New Railway Sinotrans Logistics Co., Ltd. Therefore, it was not included in the scope of consolidation.

(Amounts are expressed in RMB unless otherwise stated)

VIII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

1. CASH AND BANK BALANCES

Item	Closing balance	Opening balance
Cash on hand	**6,314,733.42**	3,953,365.50
Cash at banks	**8,622,724,579.37**	11,052,340,230.88
Other cash and bank balances	**117,759,909.46**	120,299,628.16
Including: Deposited in external financial institutions	**103,000,583.50**	114,970,850.42
Deposited in finance companies	**14,759,325.96**	5,328,777.74
Deposits with finance companies	**4,043,817,727.45**	5,833,031,174.17
Total	**12,790,616,949.70**	17,009,624,398.71
Including: Total amount deposited abroad	**3,318,864,462.02**	4,493,004,661.80

Note: At the end of the period, there were no restrictions on the repatriation of the Group's funds deposited overseas, except for those subject to the regular exchange controls of the local countries or regions.

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

Item	Closing balance	Opening balance
Interest receivable	**20,999,391.55**	15,259,031.87
Funds deposited subject to restrictions on the litigation	**19,815,197.95**	81,846,846.53
Guarantee money	**7,182,140.82**	7,461,753.42
Others	**7,610,981.13**	15,731,996.34
Total	**55,607,711.45**	120,299,628.16

Note: The period-end funds deposited subject to restrictions on the litigation primarily involve a supply chain integrated service contract dispute for cross-border e-commerce bonded business in which the Group's subsidiary, Sinotrans Ningbo Logistics Co., Ltd., was involved in. As a result, the People's Court of Beilun District, Ningbo, froze RMB10,941,697.95.

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VIII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2. FINANCIAL ASSETS HELD FOR TRADING

Item	Closing balance	Opening balance
Financial assets classified as measured at fair value through profit or loss	**817,543.79**	1,031,653.86
Including: Equity instrument investments	**817,543.79**	1,031,653.86

3. BILLS RECEIVABLE

1) Classification of bills receivable

Category	Closing balance	Opening balance
Commercial acceptance bills	**109,213,403.25**	145,998,568.41

2) Bills receivable with credit loss provision on a portfolio basis

	Closing balance					Opening balance				
	Book balance		Credit loss provision			Book balance		Credit loss provision		
Category	Amount	Proportion (%)	Amount	Expected credit loss ratio (%)	Book value	Amount	Proportion (%)	Amount	Expected credit loss ratio (%)	Book value
Credit loss provisions by portfolio	**109,213,403.25**	**100.00**			**109,213,403.25**	145,998,568.41	100.00			145,998,568.41

VIII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

3. BILLS RECEIVABLE (Continued)

2) Bills receivable with credit loss provision on a portfolio basis (Continued)

(1) Bills receivable with credit loss provision on a portfolio basis

Portfolio name	Closing balance Book balance	Credit loss provision	Expected credit loss ratio (%)
Commercial acceptance bills portfolio	**109,213,403.25**		

Note: The commercial acceptance bills held by the Group are mainly from customers with good credit and have maintained long-term and stable cooperation with the Group. As at 30 June 2026 and 31 December 2025, there were no commercial acceptance bills held by the Group subject to significant credit risk and resulted in significant losses due to default (bills receivable are expected to be collected in full), and the Group did not make provisions for credit losses based on materiality considerations.

3) There were no pledged bills receivable at the end of current period.

4) Bills receivable that have been endorsed or discounted at period-end and are not yet due at the balance sheet date

Type	Amount derecognized at the end of the period	Amount not derecognized at the end of the period
Commercial acceptance bills		103,338,277.89

5) No bills receivable actually written off during the current period.

6) There were no bills transferred to accounts receivable due to non-performance by the drawer at the end of current period.

7) There were no outstanding amounts due from shareholders holding more than 5% (including 5%) voting shares of the Company at the end of current period.

8) The maturity date of the bills receivable mentioned above are all within 360 days.

(Amounts are expressed in RMB unless otherwise stated)

VIII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. ACCOUNTS RECEIVABLE

1) Overall status of accounts receivable

Item	Closing balance	Opening balance
Accounts receivable	**16,849,881,217.04**	13,844,714,248.63
Less: Credit loss provision	**826,028,454.73**	776,400,389.92
Total	**16,023,852,762.31**	13,068,313,858.71

2) Overall aging of accounts receivable

Item	Closing balance			Opening balance		
	Book balance	Proportion (%)	Credit loss provision	Book balance	Proportion (%)	Credit loss provision
Within 1 year (including 1 year)	**16,054,650,129.16**	**95.28**	**230,006,242.20**	13,111,232,476.07	94.70	213,144,900.63
1 to 2 years (including 2 years)	**429,367,726.66**	**2.55**	**240,720,428.32**	454,417,786.38	3.28	292,517,772.77
2 to 3 years (including 3 years)	**150,034,077.34**	**0.89**	**144,184,629.57**	60,351,631.19	0.44	56,737,490.77
Over 3 years	**215,829,283.88**	**1.28**	**211,117,154.64**	218,712,354.99	1.58	214,000,225.75
Total	**16,849,881,217.04**	**100.00**	**826,028,454.73**	13,844,714,248.63	100.00	776,400,389.92

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VIII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. ACCOUNTS RECEIVABLE (Continued)

3) Classification of accounts receivable by credit loss provision method

	Closing balance					Opening balance				
	Book balance		Credit loss provision			Book balance		Credit loss provision		
Category	Amount	Proportion (%)	Amount	Proportion (%)	Book value	Amount	Proportion (%)	Amount	Proportion (%)	Book value
Credit loss provisions on an individual basis	428,642,301.91	2.54	395,170,235.71	92.19	33,472,066.20	391,871,423.43	2.83	372,677,876.90	95.10	19,193,546.53
Credit loss provisions by portfolio	16,421,238,915.13	97.46	430,858,219.02	2.62	15,990,380,696.11	13,452,842,825.20	97.17	403,722,513.02	3.00	13,049,120,312.18
Including:										
Low-risk portfolio	210,954,210.90	1.26			210,954,210.90	201,361,202.58	1.45			201,361,202.58
Aging portfolio	16,210,284,704.23	96.20	430,858,219.02	2.66	15,779,426,485.21	13,251,481,622.62	95.72	403,722,513.02	3.05	12,847,759,109.60
Total	16,849,881,217.04	100.00	826,028,454.73		16,023,852,762.31	13,844,714,248.63	100.00	776,400,389.92		13,068,313,858.71

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VIII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. ACCOUNTS RECEIVABLE (Continued)

3) Classification of accounts receivable by credit loss provision method (Continued)

Including: Material accounts receivable with individual credit loss provisions

Company name	Closing balance			
	Book balance	Credit loss provision	Expected credit loss ratio (%)	Reasons for accrual
Entity 1	42,313,551.15	33,850,840.92	80.00	Involved in litigation and expected to be partially unrecoverable
Entity 2	39,964,263.07	39,964,263.07	100.00	Involved in litigation and not expected to be recovered
Entity 3	29,448,872.97	28,753,115.42	97.64	Involved in litigation and expected to be partially unrecoverable
Entity 4	27,742,345.17	27,742,345.17	100.00	Difficulty in fund flow and not expected to be recovered
Entity 5	26,620,209.85	26,620,209.85	100.00	Involved in litigation and not expected to be recovered
Entity 6	23,344,715.34	23,344,715.34	100.00	Business operating difficulties and not expected to be recovered
Entity 7	22,362,015.81	2,285,654.39	10.22	Experiencing operating difficulties and expected to be partially unrecoverable.
Entity 8	18,098,313.34	18,098,313.34	100.00	Involved in litigation and not expected to be recovered
Entity 9	14,006,677.21	14,006,677.21	100.00	Business operating difficulties and not expected to be recovered
Entity 10	13,914,786.12	9,970,783.72	71.66	Involved in litigation and expected to be partially unrecoverable
Entity 11	9,577,095.80	9,577,095.80	100.00	Involved in litigation and not expected to be recovered
Entity 12	8,835,366.00	8,835,366.00	100.00	Involved in litigation and not expected to be recovered
Entity 13	7,918,279.12	7,918,279.12	100.00	Business operating difficulties and not expected to be recovered
Entity 14	7,509,254.60	7,509,254.60	100.00	No enforceable property after application for enforcement
Entity 15	7,494,356.91	7,494,356.91	100.00	Involved in disputes, and not expected to be recovered
Entity 16	7,368,702.99	7,368,702.99	100.00	Involved in litigation and not expected to be recovered
Entity 17	7,336,041.46	7,336,041.46	100.00	Experiencing operating difficulties and expected to be partially unrecoverable
Entity 18	7,002,410.16	7,002,410.16	100.00	Involved in litigation and not expected to be recovered
Entity 19	6,805,207.54	6,805,207.54	100.00	Involved in litigation and not expected to be recovered
Entity 20	6,752,274.69	6,752,274.69	100.00	Involved in litigation and not expected to be recovered
Entity 21	6,706,283.62	6,706,283.62	100.00	No enforceable property after application for enforcement
Entity 22	6,204,569.75	6,204,569.75	100.00	Bankruptcy reorganization and not expected to be recovered
Entity 23	5,986,773.35	5,986,773.35	100.00	Bankruptcy reorganization and not expected to be recovered
Entity 24	5,714,343.08	5,714,343.08	100.00	Difficulty in fund flow and not expected to be recovered
Entity 25	5,598,547.35	5,598,547.35	100.00	Involved in litigation and not expected to be recovered
Total	364,625,256.45	331,446,424.85		

(Amounts are expressed in RMB unless otherwise stated)

VIII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. ACCOUNTS RECEIVABLE (Continued)

4) Accounts receivable of low-risk portfolio

Item	Closing balance		
	Book balance	Credit loss provision	Expected credit loss ratio (%)
Accounts receivable from related parties	210,954,210.90		

5) Accounts receivable of aging portfolio

Item	Closing balance		
	Book balance	Credit loss provision	Expected credit loss ratio (%)
Within 1 year (including 1 year)	15,841,934,301.02	229,657,203.28	1.45
1 to 2 years (including 2 years)	278,273,202.76	115,984,270.91	41.68
2 to 3 years (including 3 years)	41,400,814.49	36,540,358.87	88.26
Over 3 years	48,676,385.96	48,676,385.96	100.00
Total	16,210,284,704.23	430,858,219.02	——

6) Credit loss provision for accounts receivable accrued, recovered, or reversed during current period

Item	Opening balance	Amount of change during the period				Closing balance
		Accrual	Recovery or reversal	Carry-forward or write-off	Other changes	
Current period	776,400,389.92	59,111,826.14	4,755,238.60		-4,728,522.73	**826,028,454.73**
Prior period	545,188,204.76	255,504,133.55	8,068,982.11	19,861,624.51	3,638,658.23	**776,400,389.92**

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VIII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. ACCOUNTS RECEIVABLE (Continued)

7) Material credit loss provisions recovered or reversed during current period

Company name	Book balance of accounts receivable	Reason for recovery or reversal	Basis for determining original credit loss provisions	Accumulated amount of credit loss provision recognized before recovery or reversal	Recovered or reversal amount
Entity 1	——	Collection	Facing operational difficulties and not expected to be recovered	750,000.00	750,000.00
Entity 2	——	Collection	Facing operational difficulties and not expected to be recovered	2,393,246.25	2,393,246.25
Others	——	Collection	Involved in litigation, business disputes, and not expected to be recovered	4,359,131.38	1,611,992.35
Total				**7,502,377.63**	**4,755,238.60**

8) No accounts receivable of the Group actually written off during the current period.

9) There were no outstanding amounts due from shareholders holding more than 5% (including 5%) voting shares of the Company at the end of current period.

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VIII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. ACCOUNTS RECEIVABLE (Continued)

10) Top five in terms of accounts receivable

Company name	Relationship with the Group	Book balance	Aging	As a percentage of total accounts receivable (%)	Credit loss provision
Entity 1	Client	289,758,501.29	Within 1 year	1.72	4,201,498.27
Entity 2	Client	243,157,206.06	Within 1 year	1.44	3,525,779.49
Entity 3	Client	213,845,009.92	Within 1 year, 1 to 2 years	1.27	3,145,989.58
Entity 4	Client	116,173,280.42	Within 1 year	0.69	1,681,337.79
Entity 5	Client	111,588,996.45	Within 1 year	0.66	1,618,040.45
Total		974,522,994.14		5.78	14,172,645.58

11) The Group had no accounts receivable involving government grants at the end of current period.

5. RECEIVABLES FINANCING

1) Classification of receivables financing

Category	Closing balance	Opening balance
Bank acceptance bills	**391,160,647.76**	492,782,465.16

2) There were no bank acceptance bills due to defective endorsement, etc. at the end of current period.

3) There were no pledged receivables financing at the end of current period.

VIII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. RECEIVABLES FINANCING (Continued)

4) Receivables financing that have been endorsed or discounted at period-end and are not yet due at the balance sheet date

Category	Amount derecognized at the end of the period	Amount not derecognized at the end of the period
Bank acceptance bills	**1,151,656,442.45**	

Note: The Group determines whether the bank acceptance bills receivable should be derecognized upon endorsement or discounting based on the credit risk rating of the acceptance bank. As the acceptance banks of the bank acceptance bills obtained by the Group are mainly large commercial banks and listed joint-stock commercial banks with high credit rating, other bank acceptance bills do not account for a significant proportion and have small individual amounts and a large quantity. The Group derecognizes the bank acceptance bills upon endorsement or discounting based on the materiality principle, unless public information indicates that there are significant abnormal changes in the credit risk of the acceptance banks.

5) There were no receivables financings at the end of current period that were transferred to accounts receivable as a result of the non-performance of the issuer.

6) Credit loss provision for receivables financing

	Closing balance					Opening balance				
	Book balance		Credit loss provision			Book balance		Expected credit loss ratio (%)		
Category	Amount	Proportion (%)	Amount	Expected credit loss ratio (%)	Book value	Amount	Proportion (%)	Amount	Credit loss provision	Book value
Credit loss provisions by portfolio	**391,160,647.76**	**100.00**			**391,160,647.76**	492,782,465.16	100.00			492,782,465.16

VIII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. RECEIVABLES FINANCING (Continued)

6) Credit loss provision for receivables financing (Continued)

Receivables financing with credit loss provision on a portfolio basis

Type	Closing balance		
	Book balance	Credit loss provision	Expected credit loss ratio (%)
Bank acceptance bills portfolio	**391,160,647.76**		

Note: As at 31 June 2026 and 31 December 2025, there were no bank acceptance bills held by the Group subject to significant credit risk and resulted in significant losses due to default of the banks (receivables financing are expected to be collected in full).

7) Changes in receivables financing and fair value movements during current period

Bank acceptance bills held by the Group at fair value through other comprehensive income are mainly accepted by large commercial banks and listed joint-stock commercial banks with high credit rating, with maturities of usually no more than 6 months and very low credit risk. At the balance sheet date, the book value of the bank acceptance bills receivable approximates the fair value.

8) There were no outstanding amounts due from shareholders holding more than 5% (including 5%) voting shares of the Company at the end of current period.

9) The maturity date of the bank acceptance bills mentioned above is all within 360 days.

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VIII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

6. PREPAYMENTS

1) The aging of prepayments is analyzed as follows:

Item	Closing balance			Opening balance		
	Amount	Proportion (%)	Impairment provision	Amount	Proportion (%)	Impairment provision
Within 1 year (including 1 year)	**5,806,766,589.75**	**97.60**		4,815,229,758.79	96.76	
1 to 2 years (including 2 years)	**69,671,805.74**	**1.17**		91,462,816.69	1.84	
2 to 3 years (including 3 years)	**34,646,539.52**	**0.58**		35,656,762.12	0.72	
Over 3 years	**38,673,239.28**	**0.65**		33,743,266.17	0.68	
Total	**5,949,758,174.29**	**100.00**		4,976,092,603.77	100.00	

2) Material prepayments aged over one year are as follows:

Company name	Closing balance	Aging	Reasons for non-settlement
Entity 1	**6,867,748.07**	1 to 2 years, 2 to 3 years	Business not completed
Entity 2	**6,586,697.61**	1 to 2 years	Business not completed
Entity 3	**6,206,122.56**	2 to 3 years	Business not completed
Total	**19,660,568.24**		

(Amounts are expressed in RMB unless otherwise stated)

VIII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

6. PREPAYMENTS (Continued)

3) Top five entities in terms of prepayments

Company name	Book balance	As a percentage of the total prepayments (%)	Impairment provision
Entity 1	409,434,070.83	6.88	
Entity 2	287,255,591.70	4.83	
Entity 3	112,245,863.14	1.89	
Entity 4	84,849,799.99	1.43	
Entity 5	65,535,159.90	1.10	
Total	**959,320,485.56**	**16.13**	

4) There were no outstanding amounts due from shareholders holding more than 5% (including 5%) voting shares of the Company at the end of current period.

(Amounts are expressed in RMB unless otherwise stated)

VIII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. OTHER RECEIVABLES

Item	Closing balance	Opening balance
Interest receivable	**1,216,659.76**	1,216,659.76
Dividends receivable	**3,297,417.73**	25,933,308.50
Other receivables	**3,071,286,543.48**	2,688,967,225.94
Total	**3,075,800,620.97**	2,716,117,194.20

1) Interest receivable

Classification of interest receivable

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

(Amounts are expressed in RMB unless otherwise stated)

VIII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. OTHER RECEIVABLES (Continued)

2) Dividends receivable

Details of dividends receivable

Investee	Opening balance	Credit loss provision	Increase due to changes in the scope of consolidation	Increase in current period	Decrease in current period	Closing balance	Reason for non-recovery	Aging	Whether an impairment occurs and the judgment basis	Credit loss provision
Dividends receivable aged within 1 year	24,072,324.78			52,711,266.70	75,347,157.47	**1,436,434.01**	—	—	—	
Including: New Land Bridge (Lianyungang) Terminal Co., Ltd.	12,722,278.70				12,722,278.70		—	—	—	
Wuhan Port Container Co., Ltd.	6,112,000.00				6,112,000.00		—	—	—	
Xinjiang New Railway Sinotrans Logistics Co., Ltd.	5,038,046.08				5,038,046.08		—	—	—	
Shenzhen Ocean Shipping Tally Co., Ltd.	200,000.00					**200,000.00**	Declared but not issued	—	No	
Yangzhou Comprehensive Bonded Zone Supply Chain Management Co., Ltd.				1,236,434.01		**1,236,434.01**	Declared but not issued	—	No	
Ouyeel Cloud Commerce Co., Ltd.				355,672.90	355,672.90		—	—	—	
Sinotrans-Nippon Express International Freight Co., Ltd.				7,350,000.00	7,350,000.00		—	—	—	
China Southern Airlines Logistics Co., Ltd.				37,949,256.09	37,949,256.09		—	—	—	
China International Exhibition Transportation Co., Ltd.				5,819,903.70	5,819,903.70		—	—	—	
Dividends receivable aged over 1 year	1,860,983.72					**1,860,983.72**	—	—	—	
Including: SINOTRANS ALMAJDOUIE MIDDLE EAST CO., LTD.	1,860,983.72					**1,860,983.72**	Support for the development of joint ventures	Over 5 years	No	
Total	25,933,308.50			52,711,266.70	75,347,157.47	**3,297,417.73**	—	—	—	

(Amounts are expressed in RMB unless otherwise stated)

VIII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. OTHER RECEIVABLES (Continued)

3) Other receivables

(1) Analysis by aging

Item	Closing balance Book balance	Closing balance Proportion (%)	Closing balance Credit loss provision	Opening balance Book balance	Opening balance Proportion (%)	Opening balance Credit loss provision
Within 1 year (including 1 year)	**2,434,623,187.39**	**72.24**	**117,876,022.53**	2,155,417,891.75	72.06	124,252,676.72
1 to 2 years (including 2 years)	**317,598,916.50**	**9.42**	**9,144,159.89**	244,929,744.63	8.19	10,176,630.47
2 to 3 years (including 3 years)	**212,767,818.87**	**6.31**	**42,319,582.46**	257,680,937.01	8.61	40,040,422.58
Over 3 years	**405,417,294.11**	**12.03**	**129,780,908.51**	333,190,766.06	11.14	127,782,383.74
Total	**3,370,407,216.87**	**100.00**	**299,120,673.39**	2,991,219,339.45	100.00	302,252,113.51

(2) Disclosure of other receivables by method of bad debt provisions

Category	Closing balance Book balance Amount	Closing balance Book balance Proportion (%)	Closing balance Credit loss provision Amount	Closing balance Credit loss provision Expected credit loss ratio (%)	Closing balance Book value	Opening balance Book balance Amount	Opening balance Book balance Proportion (%)	Opening balance Credit loss provision Amount	Opening balance Credit loss provision Expected credit loss ratio (%)	Opening balance Book value
Credit loss provisions on an individual basis	**414,848,406.74**	**12.31**	**265,933,070.12**	**64.10**	**148,915,336.62**	383,619,769.33	12.82	220,074,340.14	57.37	163,545,429.19
Credit loss provisions by portfolio	**2,955,558,810.13**	**87.69**	**33,187,603.27**	**1.12**	**2,922,371,206.86**	2,607,599,570.12	87.18	82,177,773.37	3.15	2,525,421,796.75
Including:										
Low-risk portfolio	**2,842,084,961.03**	**84.32**			**2,842,084,961.03**	2,432,725,172.60	81.33			2,432,725,172.60
Aging portfolio	**113,473,849.10**	**3.37**	**33,187,603.27**	**29.25**	**80,286,245.83**	174,874,397.52	5.85	82,177,773.37	46.99	92,696,624.15
Total	**3,370,407,216.87**	**100.00**	**299,120,673.39**		**3,071,286,543.48**	2,991,219,339.45	100.00	302,252,113.51		2,688,967,225.94

(Amounts are expressed in RMB unless otherwise stated)

VIII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. OTHER RECEIVABLES (Continued)

3) Other receivables (Continued)

(3) Material other receivables with individual credit loss provisions at the end of current period

	Closing balance			
Company name	Book balance	Credit loss provision	Expected credit loss ratio (%)	Reasons for accrual
Entity 1	212,832,400.00	110,829,971.44	52.07	See Note X. (1) for details
Entity 2	72,892,063.00	36,446,031.50	50.00	See Note X. (1) for details
Entity 3	49,060,010.90	49,060,010.90	100.00	Involved in litigation and not expected to be recovered
Entity 4	16,660,000.00	16,660,000.00	100.00	Long-term arrears, not expected to be recovered
Entity 5	14,710,000.00	4,710,000.00	32.02	Long-term arrears, expected partially unrecovered
Entity 6	9,620,984.22	9,620,984.22	100.00	The party concerned is serving a prison sentence and has no ability to compensate
Entity 7	7,051,479.90	7,051,479.90	100.00	Involved in litigation and not expected to be recovered
Entity 8	7,000,000.00	7,000,000.00	100.00	Long-term arrears, not expected to be recovered
Entity 9	3,878,519.15	3,878,519.15	100.00	Involved in litigation and not expected to be recovered
Guangxi Yunyu Port Co., Ltd.	2,670,000.00	2,670,000.00	100.00	Having been listed as a defaulter, and not expected to be recovered
Entity 10	2,500,000.00	2,500,000.00	100.00	Insolvent and classified as a defaulter, and not expected to be recovered
Sinotrans Hongfeng (Shanghai) International Logistics Co., Ltd.	2,143,511.37	2,143,511.37	100.00	To be deregistered due to closure, not expected to be recovered
Entity 11	1,385,250.00	1,385,250.00	100.00	Bankruptcy liquidation, not expected to be recovered
Entity 12	1,242,000.00	1,242,000.00	100.00	Involved in litigation and not expected to be recovered
Total	**403,646,218.54**	**255,197,758.48**		

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(Amounts are expressed in RMB unless otherwise stated)

VIII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. OTHER RECEIVABLES (Continued)

3) Other receivables (Continued)

(4) Other receivables of low-risk portfolio

Item	Book balance	Closing balance Credit loss provision	Expected credit loss ratio (%)
Government grants	1,337,594,892.01		
Deposits, collateral	828,897,457.55		
Related party payments	78,453,202.23		
Advances	40,566,368.11		
Others	556,573,041.13		
Total	**2,842,084,961.03**	—	

(5) Other receivables of aging portfolio

Item	Book balance	Closing balance Credit loss provision	Expected credit loss ratio (%)
Within 1 year (including 1 year)	75,491,028.86	2,944,150.13	3.90
1 to 2 years (including 2 years)	5,466,437.19	1,777,138.73	32.51
2 to 3 years (including 3 years)	9,507,203.37	5,457,134.73	57.40
Over 3 years	23,009,179.68	23,009,179.68	100.00
Total	**113,473,849.10**	**33,187,603.27**	—

(Amounts are expressed in RMB unless otherwise stated)

VIII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. OTHER RECEIVABLES (Continued)

3) Other receivables (Continued)

(6) Credit loss provision for other receivables accrued, recovered, or reversed during current period

Credit loss provision	Stage 1 12-Month expected credit losses	Stage 2 Expected credit losses over the entire life (Not credit impaired)	Stage 3 Expected credit losses over the entire life (Credit impaired)	Total
Opening balance	3,441,105.46	78,736,667.91	220,074,340.14	302,252,113.51
Opening balance in current period	——	——	——	——
—Transfer to stage 2				
—Transfer to stage 3				
—Reverse to stage 2				
—Reverse to stage 1				
Accrual in current period	1,784,504.46	-48,493,214.77	45,889,929.98	-818,780.33
Reversal in current period			31,200.00	31,200.00
Carry forward in current period				
Write-off in current period				
Other changes	-2,281,459.79			-2,281,459.79
Closing balance	2,944,150.13	30,243,453.14	265,933,070.12	299,120,673.39

(7) There were no material credit loss provisions recovered or reversed during current period.

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Notes to the Financial Statements
(Amounts are expressed in RMB unless otherwise stated)

VIII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. OTHER RECEIVABLES (Continued)

3) Other receivables (Continued)

(8) There were no other receivables that were actually written off during current period.

(9) Analysis by nature of other receivables

Item	Closing balance Book balance	Closing balance Credit loss provision	Closing balance Book value	Opening balance Book balance	Opening balance Credit loss provision	Opening balance Book value
Government grants	**1,476,072,983.49**	**151,986,003.00**	**1,324,086,980.49**	1,182,923,960.69	157,871,031.50	1,025,052,929.19
Deposits, collateral	**1,019,843,922.00**	**25,632,696.00**	**994,211,226.00**	1,193,759,190.44	92,755,409.89	1,101,003,780.55
Advances	**262,691,106.00**	**3,039,579.00**	**259,651,527.00**	331,595,679.19	13,901,358.10	317,694,321.09
Related party payments	**83,266,714.00**	**4,813,511.00**	**78,453,203.00**	97,535,001.58	4,823,511.37	92,711,490.21
Others	**528,532,491.38**	**113,648,884.39**	**414,883,606.99**	185,405,507.55	32,900,802.65	152,504,704.90
Total	**3,370,407,216.87**	**299,120,673.39**	**3,071,286,543.48**	2,991,219,339.45	302,252,113.51	2,688,967,225.94

(10) Outstanding debts of shareholders holding more than 5% (including 5%) voting shares of the Company

Company name	Closing balance Amount owed	Closing balance Amount of credit loss provision	Opening balance Amount owed	Opening balance Amount of credit loss provision
SINOTRANS & CSC HOLDINGS Co.	**2,493.20**		234,157.81	

(Amounts are expressed in RMB unless otherwise stated)

VIII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. OTHER RECEIVABLES (Continued)

3) Other receivables (Continued)

(11) The top five in terms of other receivables

Company name	Nature or content	Book balance	Aging	Percentage of total other receivables (%)	Credit loss provision
Tianjin Hai-Tie Lianjie Group Co., Ltd.	Government grants	390,078,221.57	Within 1 year	11.57	
Changsha Municipal People's Government Logistics and Ports office	Government grants	326,313,652.81	Within 1 year, 1 to 2 years	9.68	
Hangzhou International Airport Co., Ltd.	Government grants	292,350,380.00	Within 1 year	8.67	110,829,971.44
Lufthansa Cargo Aktiengesellschaft	Advances	162,035,279.02	Within 1 year, 1 to 2 years	4.81	
Shenzhen Transportation Bureau (Shenzhen Port Authority)	Government grants	131,791,088.37	Within 1 year	3.91	
Total		**1,302,568,621.77**		**38.64**	**110,829,971.44**

(Amounts are expressed in RMB unless otherwise stated)

VIII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. OTHER RECEIVABLES (Continued)

3) Other receivables (Continued)

(12) Other receivables in relation to government grants

Company name	Government grant items	Book balance	Aging	Expected time and amount to be received
Entity 1	Logistics industry subsidies	390,078,221.57	Within 1 year	Expected to be recovered by the end of 2026
Entity 2	Logistics industry subsidies	326,313,652.81	Within 1 year, 1 to 2 years	Expected to be recovered by the end of August 2026
Entity 3	Logistics industry subsidies	292,350,380.00	Within 1 year	For part of the route subsidies under tripartite cooperation guarantee arrangements, recovery is expected by the end of 2026; the recovery timeline for the remaining route subsidies is uncertain and a portion is expected to be irrecoverable. The Group has recognized corresponding credit loss provisions accordingly
Entity 4	Logistics industry subsidies	131,791,088.37	Within 1 year	Expected to be recovered by the end of December 2026
Entity 5	Logistics industry subsidies	89,120,597.76	Within 1 year	Expected to be recovered by the end of September 2026

(Amounts are expressed in RMB unless otherwise stated)

VIII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. OTHER RECEIVABLES (Continued)

3) Other receivables (Continued)

(12) Other receivables in relation to government grants (Continued)

Company name	Government grant items	Book balance	Aging	Expected time and amount to be received
Entity 6	Logistics industry subsidies	72,892,063.00	Within 1 year, 2 to 3 years	Provincial and municipal subsidies are expected to be recovered by the end of 2026; the recovery timeline for part of county-level subsidies is uncertain and a portion is expected to be irrecoverable. The Group has recognized corresponding credit loss provisions accordingly
Entity 7	Logistics industry subsidies	53,250,000.00	Within 1 year	Expected to be recovered by the end of 2026
Entity 8	Logistics industry subsidies	14,710,000.00	2 to 3 years, over 3 years	Expected to be recovered by the end of December 2026
Entity 9	Logistics industry subsidies	13,676,054.76	Within 1 year	Expected to be recovered by the end of 2026
Others	Logistics industry subsidies	91,890,925.22	Within 1 year, 1 to 2 years, 2 to 3 years	
Total		**1,476,072,983.49**		

Note: Each subsidiary of the Group accrues government grants on a monthly or quarterly basis according to the preferential policies of the region in which it located, when the conditions stipulated in the policies are met and the government grants are expected to be received.

(13) There were no prepayments transferred to other receivables during current period.

(14) The Group had no other receivables related to the centralized management of funds at the end of current period.

2026 Interim
Notes to the Financial Statements
(Amounts are expressed in RMB unless otherwise stated)

VIII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

8. INVENTORIES

1) Classification of inventories

Item	Closing balance Book balance	Closing balance Provision for inventory/ impairment of contract performance costs	Closing balance Book value	Opening balance Book balance	Opening balance Provision for inventory/ impairment of contract performance costs	Opening balance Book value
Raw materials	**32,935,726.14**	**3,142,769.45**	**29,792,956.69**	36,390,507.99	3,102,248.47	33,288,259.52
Goods in stock	**11,966,574.77**	**875,980.24**	**11,090,594.53**	9,937,198.65	875,980.24	9,061,218.41
Revolving materials (packaging, low-value consumables, etc.)	**17,296,981.90**		**17,296,981.90**	17,641,222.80		17,641,222.80
Total	**62,199,282.81**	**4,018,749.69**	**58,180,533.12**	63,968,929.44	3,978,228.71	59,990,700.73

2) Provision for inventory and impairment of contract performance costs

Item	Opening balance	Increase in current period Accrual	Increase in current period Others	Decrease in current period Reversal or carry-forward	Decrease in current period Others	Closing balance
Raw materials	3,102,248.47	40,520.98				**3,142,769.45**
Goods in stock	875,980.24					**875,980.24**
Revolving materials (packaging, low-value consumables, etc.)						
Total	3,978,228.71	40,520.98				**4,018,749.69**

Note: Inventories held by the Group mainly consist of fuel oil for vehicles and vessels, spare parts and packaging materials used in the provision of transportation and logistics services, which have low unit prices, small aggregate amounts and are insignificant to the Group.

3) The Group had no amount of borrowing costs capitalized in its inventory balance at the end of current period.

(Amounts are expressed in RMB unless otherwise stated)

VIII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

9. OTHER CURRENT ASSETS

Item	Closing balance	Opening balance
Deductible VAT taxation expenses	**547,389,979.08**	369,326,645.01
Prepaid taxes	**184,610,731.23**	169,084,237.28
Others		
Subtotal	**732,000,710.31**	538,410,882.29
Less: Impairment provision		
Total	**732,000,710.31**	538,410,882.29

10. LONG-TERM EQUITY INVESTMENTS

1) Classification of long-term equity investments

Item	Opening balance	Changes of the scope of consolidation	Increase in investment	Decrease in investment	Other increases (Decrease denoted by "-")	Effects from translation of financial statements in foreign currency	Closing balance
Investments in joint ventures	3,458,240,103.39	-88,693,150.33	17,150,000.00	1,799,253.97	696,405,653.09	-2,797,039.12	**4,078,506,313.06**
Investments in associates	3,286,550,442.50		80,260,676.80		63,466,130.34	988,753.67	**3,431,266,003.31**
Subtotal	6,744,790,545.89	-88,693,150.33	97,410,676.80	1,799,253.97	759,871,783.43	-1,808,285.45	**7,509,772,316.37**
Less: Impairment provision of long-term equity investments	23,355,842.21					-332,957.03	**23,022,885.18**
Total	6,721,434,703.68	-88,693,150.33	97,410,676.80	1,799,253.97	759,871,783.43	-1,475,328.42	**7,486,749,431.19**

(Amounts are expressed in RMB unless otherwise stated)

VIII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

10. LONG-TERM EQUITY INVESTMENTS (Continued)

2) Details of long-term equity investments

			Changes in current period											
Investee	Investment costs	Opening balance	Changes of the scope of consolidation	Increase in investment	Decrease in investment	Investment profit or loss under equity method	Other comprehensive income adjustments	Other changes in equity	Cash dividends and profits declared	Impairment provision	Effects from translation of financial statements in foreign currency	Others	Closing balance	Closing balance of impairment provision
Joint ventures	1,724,597,792.72	3,458,240,103.39	-88,693,150.33	17,150,000.00	1,799,253.97	716,267,254.15	-6,288,429.21	-1,151.79	13,572,020.06		-2,797,039.12		**4,078,506,313.06**	**14,681,673.14**
DHL-Sinotrans International Air Courier Ltd.	69,144,505.07	1,483,247,262.27				700,676,561.00							**2,183,923,823.27**	
Dongguan Port Container Terminals Co., Ltd	376,633,333.00	328,741,038.49				507,825.30							**329,248,863.79**	
New Land Bridge (Lianyungang) Terminal Co., Ltd	132,585,575.46	217,725,495.58				5,134,991.28	-4,908,494.21						**217,951,992.65**	
Zhejiang Airport International Logistics Supply Chain Co., Ltd.	147,000,000.00	147,159,712.75				197,805.31							**147,357,518.06**	
Sinotrans Sarens Logistics Co., Ltd.	82,570,000.00	144,910,153.32				4,605,665.85							**149,515,819.17**	
Nissin-Sinotrans International Logistics Co., Ltd	55,518,961.25	135,239,995.36				4,495,537.17			7,350,000.00				**132,385,532.53**	
Sinotrans Suzhou Logistics Center Co., Ltd.	97,898,300.00	113,197,850.91				1,157,207.24							**114,355,058.15**	
TP Ease Energy Co., Ltd	100,000,000.00	97,182,486.88				-2,293,588.01							**94,888,898.87**	
Shenyang Jinyun Automobile Logistics Co., Ltd.	100,000,000.00	83,420,567.59				-2,676,780.73							**80,743,786.86**	
Ningbo Dagang Container Co., Ltd.	49,855,251.00	61,425,918.99				3,284,545.43							**64,710,464.42**	
Qingdao Port Dongjiakou Sinotrans Logistics Co., Ltd	51,000,000.00	54,612,106.56				266,825.86			3,253,959.52				**51,624,972.90**	
Jiangsu Sinotrans Lvsi Port Heavy Logistics Development Co., Ltd.	40,000,000.00	44,698,224.74				1,170,133.24			634,260.34				**45,234,097.64**	
Sinotrans PFS Cold Chain Logistics Co., Ltd.	90,000,000.00	44,674,108.01				250,328.72							**44,924,436.73**	
SIPG Sinotrans Container Depot Co., Ltd.	30,000,000.00	37,027,287.11				595,387.24							**37,622,674.35**	
MAXX LOGISTICS FZCO.	1,887,400.00	32,309,477.74				1,480,745.62	-1,209,769.54						**32,580,453.82**	
Dalian Ritong Express Logistics Co., Ltd.	16,419,924.68	25,831,208.63											**25,831,208.63**	
Ningbo Dagang New Century Container Co., Ltd	19,815,780.28	24,104,745.72				1,414,078.66							**25,518,824.38**	
Weihai Comprehensive Bonded Zone Hongxin Supply Chain Management Co., Ltd.	14,700,000.00	22,867,206.79				876,523.89			695,800.00				**23,047,930.68**	
Sinotrans Aramex (Shanghai) International Aviation Express Delivery Co., Ltd.	19,911,240.00	21,594,143.74				-1,057,941.28							**20,536,202.46**	
Jiangsu Nantong Sinotrans Supply Chain Management Co., Ltd.	19,600,000.00	20,518,622.74				237,686.79							**20,756,309.53**	
Sinotrans Senko International Cold Chain Logistics (Shanghai) Co., Ltd.	29,391,002.04	19,958,620.96				-1,455,509.52							**18,503,111.44**	**10,661,400.00**
Foshan Sanshui Yinggang Freight Terminal Co., Ltd	30,055,864.00	19,024,461.45				-3,786,839.56							**15,237,621.89**	
Jiangsu Sinotrans Xiangtai Supply Chain Management Co., Ltd.		49,572,512.61	-45,970,979.36			-3,601,533.25								
Shanghai Wai-Hong Yishida International Logistics Co., Ltd.		43,165,043.46	-42,722,170.97			-442,872.49								

(Amounts are expressed in RMB unless otherwise stated)

VIII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

10. LONG-TERM EQUITY INVESTMENTS (Continued)

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

Investee	Investment costs	Opening balance	Changes in current period: Changes of the scope of consolidation	Increase in investment	Decrease in investment	Investment profit or loss under equity method	Other comprehensive income adjustments	Other changes in equity	Cash dividends and profits declared	Impairment provision	Effects from translation of financial statements in foreign currency	Others	Closing balance	Closing balance of impairment provision
Others	150,610,655.94	186,031,850.99		17,150,000.00	1,799,253.97	5,230,470.39	-170,165.46	-1,151.79	1,638,000.20		-2,797,039.12		202,006,710.84	4,020,273.14
Associates	3,200,756,733.98	3,286,550,442.50		80,260,676.80		98,020,541.38	-11,151,757.36	-68,093.55	23,334,560.13		988,753.67		3,431,266,003.31	8,341,212.04
Shenzhen Haixing Harbor Development Co., Ltd.	442,358,642.40	512,225,160.19				27,975,504.79							540,200,664.98	
Jiangsu Jiangyin Port Group Co., Ltd.	59,319,000.00	491,207,972.59				30,209,422.05							521,417,394.64	
China Merchants Hainan Development Investment Co., Ltd.	351,328,381.50	434,922,076.49				16,158,992.15	-13,771,119.26						437,309,949.38	
Weihai Weidong Shipping Co., Ltd.	206,722,602.90	351,925,082.34				16,736,458.51							368,661,540.85	
Loscam International Holdings Co., Limited (Note 1)	894,231,724.40	294,232,646.86				10,749,453.93	7,404,597.49				1,003,045.78		313,389,744.06	
BOC Sinotrans Warehousing and Logistics Closed-end Infrastructure Securities Investment Fund (Note 2)	262,160,000.00	247,525,266.47				2,563,686.60			6,744,800.00				243,344,153.07	
Wuhan Port Container Co., Ltd.	129,465,960.40	191,627,039.52				5,281,036.71	-4,783,589.44	-63,071.27					192,061,415.52	
Ningbo Chuanshan International Logistics Co., Ltd.	80,000,000.00	80,116,405.78				-4,784.49							80,111,621.29	
Shanghai Pu'an Storage Co., Ltd.	78,173,640.00	76,716,303.60				-2,591,068.53							74,125,235.07	
Bountywin Warehousing Holding Kft.	72,260,676.80			72,260,676.80									72,260,676.80	
Sinotrans Green Natural (Guangdong) International Supply Chain Co., Ltd.	75,360,000.00	74,191,967.68				-787,027.55							73,404,940.13	
Zhejiang Seaport Changxing Port Co., Ltd.	56,100,000.00	58,259,347.27				41,092.66							58,300,439.93	
China Merchants Sinotrans (Shenzhen) Industrial Innovation Private Equity Investment Fund Partnership (Limited Partnership)	69,496,379.67	52,393,259.13				-1,488,756.49							50,904,502.64	
Ma'anshan Tianshun Port Co., Ltd.	21,000,000.00	33,620,768.69				791,330.62							34,412,099.31	
Qingzhui Logistics Technology Co., Ltd.	49,000,000.00	29,767,594.16				-5,086,195.91							24,681,398.25	
Shanghai Bulk Commodity Warehouse Receipt Registration Co., Ltd.	30,000,000.00	28,761,066.45				-372,610.43							28,388,456.02	
Shandong Port&Shipping Sinotrans Supply Chain Development Co., Ltd.	24,500,000.00	27,277,960.49				999,081.23			2,204,380.26				26,072,661.46	
EURASIAN RAIL GATEWAY CLOSED JOINT-STOCK COMPAMY	19,090,978.81	25,639,639.42				537,336.70					549,550.24		26,726,526.36	
Shenyang Fuyun Cold Chain Logistics Co., Ltd.	20,000,000.00	20,842,259.55				343,197.47							21,185,457.02	
Others	260,188,747.10	255,298,625.82		8,000,000.00		-4,035,608.64	-1,646.15	-5,022.28	14,385,379.87		-563,842.35		244,307,126.53	8,341,212.04
Total	4,925,354,526.70	6,744,790,545.89	-88,693,150.33	97,410,676.80	1,799,253.97	814,287,795.53	-17,440,186.57	-69,245.34	36,906,580.19		-1,808,285.45		7,509,772,316.37	23,022,885.18

(Amounts are expressed in RMB unless otherwise stated)

VIII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

10. LONG-TERM EQUITY INVESTMENTS (Continued)

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

Item	Opening balance	Changes of the scope of consolidation	Increase in current period	Decrease in current period		Effects from translation of financial statements in foreign currency	Closing balance
				Decrease	Reasons for decreases		
Sinotrans Senko International Cold Chain Logistics (Shanghai) Co., Ltd.	10,661,400.00				—		**10,661,400.00**
Beijing China Merchants Science City Real Estate Development Co., Ltd.	5,812,220.70				—	-223,101.45	**5,589,119.25**
Sinotrans Hongfeng (Shanghai) International Logistics Co., Ltd.	4,020,273.14				—		**4,020,273.14**
Beijing Sima Ling Clothing Co., Ltd.	1,479,474.36				—	-56,789.46	**1,422,684.90**
Beijing Shungang Clothing Accessories Co., Ltd.	1,382,474.01				—	-53,066.12	**1,329,407.89**
Total	23,355,842.21					-332,957.03	**23,022,885.18**

4) Impairment provision of long-term equity investments

As of 30 June 2026, the Group reviewed the operating results, asset status and industry operating environment of its major joint ventures and associates, and found no obvious signs of impairment. Therefore, no impairment provision was made for long-term equity investments during current period.

5) Interests in joint ventures or associates

(1) Significant joint ventures or associates

Name of investees	Main business location	Place of registration	Nature of business	Registered capital	Shareholding ratio (%)		Voting ratio (%)	Accounting treatment for investments in joint ventures or associates
					Direct	Indirect		
Joint ventures								
DHL-Sinotrans International Air Courier Ltd.	China	Beijing	Air-freight courier	USD 14.50 million	50.00		50.00	Equity method

(Amounts are expressed in RMB unless otherwise stated)

VIII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

10. LONG-TERM EQUITY INVESTMENTS (Continued)

5) Interests in joint ventures or associates (Continued)

(2) Principal financial information of significant joint ventures

	Closing/current period DHL-Sinotrans International Air Courier Ltd.	Opening/prior period DHL-Sinotrans International Air Courier Ltd.
Current assets	**5,415,862,100.21**	4,098,137,830.85
Including: Cash and cash equivalents	**3,650,193,930.28**	2,237,293,627.20
Non-current assets	**1,330,531,752.66**	1,416,740,907.04
Total assets	**6,746,393,852.87**	5,514,878,737.89
Current liabilities	**1,865,082,029.97**	2,003,840,460.49
Non-current liabilities	**513,464,176.36**	544,543,752.86
Total liabilities	**2,378,546,206.33**	2,548,384,213.35
Net assets	**4,367,847,646.54**	2,966,494,524.54
Non-controlling interests		
Equity attributable to shareholders of the Company		
Share of net assets calculated at the shareholding ratio	**2,183,923,823.27**	1,483,247,262.27
Adjustments		
– Goodwill		
– Unrealized profits on internal transactions		
– Others		
Book value of equity investments in joint ventures	**2,183,923,823.27**	1,483,247,262.27
As a percentage of the Group's total consolidated assets	**2.76%**	1.89%
Fair value of equity investments with open market price		
Revenue	**8,691,030,997.18**	8,759,668,865.08
Finance costs	**16,532,996.23**	10,889,249.43
Income tax expenses	**467,559,995.28**	299,979,201.67
Net profit	**1,401,352,996.63**	912,286,168.82
Net profit attributable to shareholders of the Company	**1,401,352,996.63**	912,286,168.82
Net profit from discontinued operations		
Other comprehensive income		
Total comprehensive income	**1,401,352,996.63**	912,286,168.82
Dividends from joint ventures for the period		

(Amounts are expressed in RMB unless otherwise stated)

VIII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

10. LONG-TERM EQUITY INVESTMENTS (Continued)

5) Interests in joint ventures or associates (Continued)

(3) Summary of financial information of insignificant joint ventures or associates

	Closing/current period	Opening/prior period
Joint ventures:		
Total book value of investments	**1,879,900,816.65**	1,960,311,167.98
Total amount of the following items calculated at the shareholding ratio	——	——
– Net profit	**15,590,693.15**	21,392,234.61
– Other comprehensive income	**-6,288,429.21**	
– Total comprehensive income	**9,302,263.94**	21,392,234.61
Associates:		
Total book value of investments	**3,422,924,791.27**	3,277,876,273.43
Total amount of the following items calculated at the shareholding ratio	——	——
– Net profit	**98,020,541.38**	98,816,680.38
– Other comprehensive income	**-11,151,757.36**	
– Total comprehensive income	**86,868,784.02**	98,816,680.38

(4) As at 30 June 2026, the Group did not have any joint ventures or associates with significant restrictions on their ability to transfer funds to the Group.

(5) The Group had no significant excess losses incurred in its joint ventures or associates during current period.

(6) As at 30 June 2026, except for unpaid subscribed capital contributions to joint ventures (see Note XIV.3 for details), the Group had no unrecognized commitments to provide funds or resources to joint ventures, or to purchase shares of interests in joint ventures.

(7) As at 30 June 2026, details of the Group's guarantees for joint ventures and associates are disclosed in Note XIII. 5. (5).

(Amounts are expressed in RMB unless otherwise stated)

VIII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

11. OTHER EQUITY INSTRUMENT INVESTMENTS

1) Details of other equity instrument investments

Item	Opening balance	Changes in current period					Closing balance	Dividend income recognized during the period	Accumulated gains included in other comprehensive income	Accumulated losses included in other comprehensive income	Transfer of other comprehensive income to retained earnings	Reasons for transfer of other comprehensive income to retained earnings	Reasons for designation as at fair value through other comprehensive income
		Increase in investment	Decrease in investment	Gains included in other comprehensive income for the period	Losses included in other comprehensive income for the period	Others							
Antong Holdings Co., Ltd.	930,716,320.08				-188,840,992.48		**741,875,327.60**		141,958,610.43				Held for strategic purposes
CSC Cargo Co., Ltd.	394,050,500.00						**394,050,500.00**						Held for strategic purposes
Air China Limited	27,028,673.89				-9,576,862.04		**17,451,811.85**		9,374,940.25				Held for strategic purposes
Total	1,351,795,493.97				-198,417,854.52		**1,153,377,639.45**		151,333,550.68				

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

12. OTHER NON-CURRENT FINANCIAL ASSETS

Item	Closing balance	Closing balance
Financial assets classified as measured at fair value through profit or loss	**1,315,897,854.26**	1,317,219,473.76
Including: Equity instrument investments	**1,315,897,854.26**	1,317,219,473.76

Note: The Group used valuation techniques to determine the fair value of unlisted equity investments held by the Group. Details of the valuation methods adopted and the main parameters are described in Note XII. 4.

As at 30 June 2026, other non-current financial assets mainly include: the investment in China Southern Airlines Logistics Co., Ltd. (hereinafter referred to as “China Southern Airlines Logistics”) of RMB939,821,679.60, the investment in Nanjing Port Longtan Container Co., Ltd of RMB135,545,804.83, the investment in JD Logistics, Inc. (hereinafter referred to as “JD Logistics”) of RMB103,147,724.00, and the investment in Ouyeel Cloud Commerce Co., Ltd. (hereinafter referred to as “Ouyeel Cloud Commerce”) of RMB93,373,963.62.

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(Amounts are expressed in RMB unless otherwise stated)

VIII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

13. INVESTMENT PROPERTIES

1) Investment properties using the cost measurement model

Item	Buildings	Land use rights	Total
1. Original value			
Opening balance	3,090,792,819.01	302,406,645.57	**3,393,199,464.58**
Changes of the scope of consolidation			
Acquisition	116,621.46		**116,621.46**
Conversion of fixed assets to investment properties	3,544,754.04		**3,544,754.04**
Disposal	759,720.00		**759,720.00**
Transfer from investment properties to fixed assets	70,468,668.93		**70,468,668.93**
Transfer from investment properties to intangible assets		52,468,575.22	**52,468,575.22**
Effects from translation of financial statements in foreign currency	-87,046,045.88		**-87,046,045.88**
Closing balance	2,936,179,759.70	249,938,070.35	**3,186,117,830.05**
2. Accumulated depreciation and amortization			
Opening balance	708,227,683.65	66,676,266.04	**774,903,949.69**
Accrual	53,526,768.51	3,159,370.02	**56,686,138.53**
Conversion of fixed assets to investment properties	407,985.95		**407,985.95**
Disposal	721,734.00		**721,734.00**
Transfer from investment properties to fixed assets	31,528,477.03		**31,528,477.03**
Transfer from investment properties to intangible assets		16,925,467.34	**16,925,467.34**
Effects from translation of financial statements in foreign currency	-21,079,702.53		**-21,079,702.53**
Closing balance	708,832,524.55	52,910,168.72	**761,742,693.27**
3. Impairment provision			
Opening balance	25,382,010.36		**25,382,010.36**
Accrual			
Effects from translation of financial statements in foreign currency	-50,837.10		**-50,837.10**
Closing balance	25,331,173.26		**25,331,173.26**
4. Net amount			
Opening balance	2,357,183,125.00	235,730,379.53	**2,592,913,504.53**
Closing balance	2,202,016,061.89	197,027,901.63	**2,399,043,963.52**

(Amounts are expressed in RMB unless otherwise stated)

VIII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

13. INVESTMENT PROPERTIES (Continued)

2) Investment properties without the title certificate

Item	Book value	Reason for not obtaining the title certificate
Sichuan Observation Tower Film and Culture Plaza(Block C, Building 339, Chengdu) 10th Floor, Building 3	17,824,689.89	Processing cannot be carried out at this time due to incomplete developer documentation
Office building of Sinotrans (Changchun) Logistics Ltd.	3,498,104.05	Conditions for processing have not been met
Houses of Sinotrans Logistics on Munan Road No. 98	3,356,872.36	The property ownership transfer has not yet been processed
Total	**24,679,666.30**	

3) Impairment of investment property

The Group's investment properties are mainly rented warehouses, yards and other logistics facilities. As at 30 June 2026, the Group had evaluated the leases, rental levels and surrounding market prices involved in its major leased logistics facilities and found no obvious signs of impairment. Therefore, no provision for impairment of investment properties was made during current period.

14. FIXED ASSETS

1) Fixed assets and disposal of fixed assets

Item	Closing balance	Opening balance
Fixed assets	**14,847,791,702.19**	14,943,681,597.22
Disposal of fixed assets	**127,929.16**	5,393.64
Total	**14,847,919,631.35**	14,943,686,990.86

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(Amounts are expressed in RMB unless otherwise stated)

VIII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

14. FIXED ASSETS (Continued)

2) Details of fixed assets

Item	Buildings	Port and terminal facilities	Motor vehicles and vessels	Machinery, equipment, furniture, appliances and other equipment	Total
1. Original value					
Opening balance	16,364,038,140.17	1,996,206,219.90	2,001,810,153.85	7,055,535,562.72	**27,417,590,076.64**
Changes of the scope of consolidation	213,425,639.83			28,284,148.15	**241,709,787.98**
Acquisition	6,778,172.65	484,529.74	83,842,883.13	191,749,483.77	**282,855,069.29**
Transfer from construction in progress	8,166,425.93	1,989,015.52		2,702,436.83	**12,857,878.28**
Transfer from investment properties	70,468,668.93				**70,468,668.93**
Reclassification	-207,391,452.79	-8,123,012.72	4,788,421.66	210,726,043.85	
Other increases	7,953,713.47		6,460,588.20	20,671,781.93	**35,086,083.60**
Disposals, obsolescence	1,051,162.76		91,071,345.58	61,111,850.28	**153,234,358.62**
Transfer to investment properties	3,544,754.04				**3,544,754.04**
Other reductions	2,876,775.30		2,791,891.26	31,260,679.18	**36,929,345.74**
Effects from translation of financial statements in foreign currency	-10,595,608.05		-34,858,597.95	-44,673,188.83	**-90,127,394.83**
Closing balance	16,445,371,008.04	1,990,556,752.44	1,968,180,212.05	7,372,623,738.96	**27,776,731,711.49**
2. Accumulated depreciation					
Opening balance	5,846,201,080.18	762,681,449.51	1,243,065,615.31	4,187,070,920.91	**12,039,019,065.91**
Accrual	293,956,087.59	31,635,744.90	70,467,245.07	213,452,409.64	**609,511,487.20**
Transfer from investment properties	31,528,477.03				**31,528,477.03**
Reclassification	-16,906,090.92	-3,483,746.39	2,068,846.08	18,320,991.23	
Other increases	1,971,927.32		2,544,070.54	25,376,571.06	**29,892,568.92**
Disposals, obsolescence	883,539.02		57,976,346.07	56,316,125.24	**115,176,010.33**
Transfer to investment properties	407,985.95				**407,985.95**
Other reductions	4,560,737.01		3,115,259.01	22,309,415.50	**29,985,411.52**
Effects from translation of financial statements in foreign currency	-15,441,477.34		-10,749,324.48	-33,548,974.78	**-59,739,776.60**
Closing balance	6,135,457,741.88	790,833,448.02	1,246,304,847.44	4,332,046,377.32	**12,504,642,414.66**

(Amounts are expressed in RMB unless otherwise stated)

VIII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

14. FIXED ASSETS (Continued)

2) Details of fixed assets (Continued)

Item	Buildings	Port and terminal facilities	Motor vehicles and vessels	Machinery, equipment, furniture, appliances and other equipment	Total
3. Impairment provision					
Opening balance	329,666,004.33		104,983,157.58	240,251.60	**434,889,413.51**
Accrual					
Transfer-out due to sale			10,908,768.54		**10,908,768.54**
Effects from translation of financial statements in foreign currency	316,949.67				**316,949.67**
Closing balance	329,982,954.00		94,074,389.04	240,251.60	**424,297,594.64**
4. Net amount					
Opening balance	10,188,171,055.66	1,233,524,770.39	653,761,380.96	2,868,224,390.21	**14,943,681,597.22**
Closing balance	9,979,930,312.16	1,199,723,304.42	627,800,975.57	3,040,337,110.04	**14,847,791,702.19**
Including: Net mortgaged assets at the end of the period	687,630,486.75	583,073.73		103,364,627.48	**791,578,187.96**

3) Temporary idle fixed assets

Item	Original book value	Accumulated depreciation	Impairment provision	Book value
Motor vehicles and vessels	208,336,596.90	124,871,121.23	41,738,547.93	41,726,927.74
Buildings	3,090,425.70	1,944,503.41		1,145,922.29
Machinery, equipment, furniture, appliances and other equipment	3,679,070.54	3,239,839.73		439,230.81
Total	**215,106,093.14**	**130,055,464.37**	**41,738,547.93**	**43,312,080.84**

4) Fixed assets rented through operating lease

Item	Book value
Buildings	47,956,787.22
Motor vehicles and vessels	11,618,701.49
Machinery, equipment, furniture, appliances and other equipment	10,659,502.23
Total	**70,234,990.94**

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(Amounts are expressed in RMB unless otherwise stated)

VIII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

14. FIXED ASSETS (Continued)

5) Fixed assets without the title certificate

Item	Closing book value	Opening book value	Remark
Warehouse of Sinotrans Logistics Guangxi Co., Ltd.	**186,394,301.72**	190,102,781.54	In progress
Wuhu Sanshan Port Sinotrans Wharf Project Phase I	**127,302,985.46**	129,502,944.20	In progress
Harbin Distribution Center Phase II	**65,721,799.13**	67,464,255.30	In progress
Northeast Regional Logistics Center Warehouse	**64,761,318.54**	66,553,071.00	Communication and negotiation with government departments for processing
Building 4 of Suzhong Smart Logistics Park Warehouse	**47,004,158.54**		In progress
Building 3 of Suzhong Smart Logistics Park Warehouse	**46,773,883.48**		In progress
Xinyun Science and Technology Building	**46,701,943.95**	48,242,347.61	Communication and negotiation with government departments for processing
Building 1 of Suzhong Smart Logistics Park Warehouse	**40,597,538.82**		In progress
Caidian Logistics Base	**36,789,934.50**	38,717,663.34	Communication and negotiation with government departments for processing
Office building of Sinotrans (Zhengzhou) Airport Logistics Co., Ltd.	**31,251,657.34**	31,415,426.33	Not accepted
Office building 1, Tianzhu Airport Logistics Park	**26,764,110.05**	29,338,949.33	In progress
Rongcheng 7-11 warehouse and office building	**26,659,748.37**	27,424,456.71	In progress
Building outside of Suzhong Smart Logistics Park Warehouse	**25,435,491.56**		In progress
Pudong International Airport Storage Project	**24,201,267.39**	26,119,475.01	In progress
10th Floor Project, Block C, Building 339, Chengdu	**22,511,443.18**	22,770,988.84	Communication and negotiation with government departments for processing
Changchun Distribution Center Warehouse No. 5	**21,186,526.11**	21,825,783.69	In progress
Sinotrans (Zhengzhou) Airport Logistics Co., Ltd. Warehouse No. 1	**18,822,533.80**	19,264,992.11	Not accepted
Sinotrans (Changchun) Logistics Co., Ltd. Warehouse No. 1	**18,081,549.47**	18,564,383.15	In progress
Wuhu Sanshan Port Warehouse	**16,308,712.17**	16,708,301.43	In progress
Building 2 of Suzhong Smart Logistics Park Warehouse	**14,350,293.90**		In progress

(Amounts are expressed in RMB unless otherwise stated)

VIII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

14. FIXED ASSETS (Continued)

5) Fixed assets without the title certificate (Continued)

Item	Closing book value	Opening book value	Remark
Sinotrans (Changchun) Logistics Co., Ltd. Warehouse No. 3	**13,725,126.60**	14,134,736.22	In progress
Wuhu Sanshan Port Joint Inspection Building and Dormitory Building	**12,929,677.14**	13,363,329.12	In progress
Sinotrans (Changchun) Logistics Co., Ltd. Warehouse No. 2	**11,762,318.46**	12,079,252.08	In progress
Building 8 of Suzhong Smart Logistics Park Warehouse	**10,986,964.11**		In progress
Office building 2, Tianzhu Airport Logistics Park	**10,957,738.08**	11,893,758.18	In progress
Nanjing Sinotrans International Logistics Co., Ltd. Warehouse 02	**10,573,824.84**	11,015,826.18	Temporary suspension of demolition
Nanjing Sinotrans International Logistics Co., Ltd. Warehouse 01	**10,423,723.65**	10,860,061.71	Temporary suspension of demolition
Sinotrans (Zhengzhou) Airport Logistics Co., Ltd. Warehouse No. 2	**10,188,703.96**	10,922,173.80	Not accepted
Sinotrans (Zhengzhou) Airport Logistics Co., Ltd. Warehouse No. 3	**9,448,217.32**	10,123,793.22	Not accepted
Nanjing Sinotrans International Logistics Co., Ltd. Warehouse No. 4	**8,508,040.85**	8,964,687.11	Temporary suspension of demolition
Warehouse 1 of Tianzhu Logistics Park	**7,436,039.84**	8,073,211.34	In progress
Nanjing Sinotrans International Logistics Co., Ltd. Warehouse No. 3	**7,179,564.46**	7,564,908.28	Temporary suspension of demolition
Wuhu Sanshan Port Waiting Building	**5,742,908.21**	5,938,877.03	In progress
Others	**62,145,720.23**	23,162,645.82	——
Total	**1,099,629,765.23**	902,113,079.68	

(Amounts are expressed in RMB unless otherwise stated)

VIII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

14. FIXED ASSETS (Continued)

6) Impairment of fixed assets

The Group's fixed assets mainly consist of self-owned warehouses, yards, parks, terminals and other logistics infrastructures as well as ancillary equipment. These assets, which normally do not generate cash inflows independently, are included in asset groups comprising the long-term assets of the operating entities to which they belong. As at 30 June 2026, the Group reviewed the operating results of the main operating entities involved in the aforementioned logistics facilities and the surrounding market conditions of similar assets. Compared to 31 December 2025, no significant adverse changes were observed. The Group determined that the asset group involved in the logistics facilities held by the aforementioned main operating entities did not show any obvious signs of impairment or further impairment.

7) Disposal of fixed assets

Item	Closing balance	Opening balance
Buildings	**43,097.97**	
Motor vehicles and vessels	**44,598.68**	
Machinery, equipment, furniture, appliances and other equipment	**40,232.51**	5,393.64
Total	**127,929.16**	5,393.64

15. CONSTRUCTION IN PROGRESS

1) Construction in progress and construction material

Item	Closing balance	Opening balance
Construction in progress	**1,162,714,654.33**	974,087,781.92

(Amounts are expressed in RMB unless otherwise stated)

VIII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

15. CONSTRUCTION IN PROGRESS (Continued)

2) Details of construction in progress

Item	Closing balance Book balance	Closing balance Impairment provision	Closing balance Book value	Opening balance Book balance	Opening balance Impairment provision	Opening balance Book value
Sinotrans Lingang International Logistics Center Project	422,765,952.79		422,765,952.79	390,732,238.91		390,732,238.91
Sinotrans Dubai Logistics Park Project	243,087,780.71		243,087,780.71	179,169,931.94		179,169,931.94
Chengdu Eastern New Area Project	211,779,938.67		211,779,938.67	192,432,877.55		192,432,877.55
Weihai Sinotrans International Intelligent Logistics Center Project	102,310,738.37		102,310,738.37	65,451,685.86		65,451,685.86
Terminal Upgrading and Renovation Project of Huangpu Warehouse & Terminal	36,230,455.28		36,230,455.28	31,358,925.52		31,358,925.52
Lianyungang Shanghe Logistics Park Project	21,346,024.88		21,346,024.88	21,346,024.88		21,346,024.88
Modern Intelligent Logistics Park Construction Project of Ningbo Company	18,094,933.01		18,094,933.01	12,924,262.59		12,924,262.59
Container Rear Yard Expansion Project	14,713,429.01		14,713,429.01	1,188,797.88		1,188,797.88
Procurement of Comprehensive Administrative Service Construction Projects	14,257,834.34		14,257,834.34	25,585,607.23		25,585,607.23
Xinjiang Ganquanpu Distribution Center	12,574,749.89		12,574,749.89	12,574,749.89		12,574,749.89
Other projects	65,652,817.38	100,000.00	65,552,817.38	41,422,679.67	100,000.00	41,322,679.67
Total	1,162,814,654.33	100,000.00	1,162,714,654.33	974,187,781.92	100,000.00	974,087,781.92

(Amounts are expressed in RMB unless otherwise stated)

VIII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

15. CONSTRUCTION IN PROGRESS (Continued)

3) Changes in significant construction in progress during the period

Item	Budget	Opening balance	Increase in current period	Changes of the scope of consolidation	Transfer to fixed assets	Other decreases	Closing balance	Proportion of project investment to budget amount (%)	Project progress (%)	Accumulated amount of interest capitalization	Including: Amount of interest capitalization for the period	Interest capitalization rate for the period (%)	Sources of funds
Sinotrans Lingang International Logistics Center Project	757,305,300.00	390,732,238.91	32,033,713.88				**422,765,952.79**	55.83	99.60	7,555,067.95	2,440,904.85	2.21	Self-owned capital, bank borrowings
Chengdu Eastern New Area Project	374,070,997.31	192,432,877.55	19,347,061.12				**211,779,938.67**	56.61	99.00	3,159,474.82	1,459,667.97	2.31	Self-owned capital, bank borrowings
Sinotrans Dubai Logistics Park Project	465,444,804.00	179,169,931.94	63,917,848.77				**243,087,780.71**	52.23	95.00	8,701,436.01	2,851,096.26	4.46	Self-owned capital, bank borrowings
Weihai Sinotrans International Intelligent Logistics Center Project	318,215,242.53	65,451,685.86	36,859,052.51				**102,310,738.37**	32.15	60.00				Self-owned capital
Total		**827,786,734.26**	**152,157,676.28**				**979,944,410.54**			**19,415,978.78**	**6,751,669.08**		

The Group's construction in progress mainly consists of newly constructed or reconstructed logistics centers, logistics parks, terminals, warehousing depots and large-scale logistics equipment. As at 30 June 2026, the Group had assessed the construction status, feasibility study expectation, and future operation arrangement of the major construction projects in progress, and no obvious signs of impairment was found. Therefore, no provision for impairment was made for the construction in progress for the current period.

(Amounts are expressed in RMB unless otherwise stated)

VIII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

16. RIGHT-OF-USE ASSETS

1) Details of right-of-use assets

Item	Buildings	Land use rights	Port and terminal facilities	Motor vehicles and vessels	Machinery, equipment, furniture, appliances and other equipment	Others	Total
1. Original value							
Opening balance	4,478,782,781.65	160,834,733.42	3,082,091.02	6,892,050.84	14,989,115.83	19,971,456.97	**4,684,552,229.73**
Changes of the scope of consolidation							
Increase	714,744,009.69	4,641,330.97	21,151,423.05	4,816,302.35	7,608,722.44	93,172,171.46	**846,133,959.96**
Decrease (Note)	484,031,553.02	2,365,647.54	2,693,780.42	354,577.71	2,347,047.61	6,489,580.07	**498,282,186.37**
Effects from translation of financial statements in foreign currency	-55,212,281.28	-3,045,350.88			-51,410.54	-4,155.23	**-58,313,197.93**
Closing balance	4,654,282,957.04	160,065,065.97	21,539,733.65	11,353,775.48	20,199,380.12	106,649,893.13	**4,974,090,805.39**
2. Accumulated depreciation							
Opening balance	2,161,894,858.05	21,897,604.13	2,974,226.97	-80,702.53	4,523,455.89	10,103,148.46	**2,201,312,590.97**
Accrual	415,095,785.37	5,619,560.68	6,345,426.96	3,527,008.45	3,052,833.36	16,863,887.48	**450,504,502.30**
Decrease (Note)	478,287,959.94	2,365,647.54	2,693,780.42	322,959.44	1,912,087.60	6,489,580.07	**492,072,015.01**
Effects from translation of financial statements in foreign currency	-22,868,460.37				-5,850.26	-2,956.73	**-22,877,267.36**
Closing balance	2,075,834,223.11	25,151,517.27	6,625,873.51	3,123,346.48	5,658,351.39	20,474,499.14	**2,136,867,810.90**
3. Impairment provision							
Opening balance							
Accrual							
Decrease							
Effects from translation of financial statements in foreign currency							
Closing balance							
4. Net amount							
Opening balance	2,316,887,923.60	138,937,129.29	107,864.05	6,972,753.37	10,465,659.94	9,868,308.51	**2,483,239,638.76**
Closing balance	2,578,448,733.93	134,913,548.70	14,913,860.14	8,230,429.00	14,541,028.73	86,175,393.99	**2,837,222,994.49**

Note: The decrease in the original value and accumulated depreciation of right-of-use assets for current period is mainly due to the simultaneous reduction of the original value and accumulated depreciation of right-of-use assets upon expiry of the leases and early termination of leases.

VIII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

16. RIGHT-OF-USE ASSETS (Continued)

1) Details of right-of-use assets (Continued)

The Group leases a number of assets, including buildings, land use rights, port and terminal facilities, motor vehicles and vessels, machinery, equipment, furniture, appliances, and other equipment, etc. The lease contracts are entered into for terms from 1 to 28 years and contain partial renewal or termination options. In determining the term of the lease and assessing the length of the non-cancellable period, the Group determines the period for which the contract is enforceable in accordance with the terms of the contracts. The Group's significant lease contracts do not contain an option clause to purchase the leased assets at a price below market value at the end of the lease term or renewal period. The Group's leases have no variable lease payment terms.

The short-term lease expenses charged to profit or loss for current period under simplified treatment amounted to RMB290,221,515.89(prior period: RMB341,529,160.37) and the lease expenses for low-value assets amounted to RMB11,479,690.88(prior period: RMB10,381,711.30)

The total cash outflow in relation to leases for the period was RMB769,322,465.13 (prior period: RMB798,582,340.47).

2) Impairment testing of right-of-use assets

The Group's right-of-use assets normally cannot generate cash inflows independently and therefore are included in asset groups comprising the long-term assets of the operating entity to which they belong. As at 30 June 2026, the Group reviewed the rents agreed under its major lease agreements and found no indication of significant deviation from the market rental levels. Therefore, no provision for impairment of the right-of-use assets has been made for the current period.

(Amounts are expressed in RMB unless otherwise stated)

VIII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

17. INTANGIBLE ASSETS

1) Details of intangible assets

Item	Opening balance	Changes of the scope of consolidation	Increase in current period	Decrease in current period	Effects from translation of financial statements in foreign currency	Closing balance
1. Total original value	9,332,876,350.14	93,101,871.93	524,772,169.86	32,610,450.84	-79,089,324.81	**9,839,050,616.28**
Including: Land use rights	7,554,248,709.95	93,101,871.93	350,292,322.76	27,952,963.46	-47,863,669.85	**7,921,826,271.33**
Trademark rights	5,007,651.46					**5,007,651.46**
Software	1,121,852,113.49		173,188,449.91	4,657,487.38	-3,136,110.63	**1,287,246,965.39**
Customer relationship	569,229,599.11				-28,069,851.77	**541,159,747.34**
Others	82,538,276.13		1,291,397.19		-19,692.56	**83,809,980.76**
2. Total accumulated amortization	3,047,357,696.86		270,791,411.09	15,082,106.85	-29,428,561.20	**3,273,638,439.90**
Including: Land use rights	1,777,834,001.77		181,446,568.47	10,859,298.51	-8,224,417.36	**1,940,196,854.37**
Trademark rights	7,651.46					**7,651.46**
Software	882,741,146.02		59,286,447.91	4,222,808.34	-2,477,165.77	**935,327,619.82**
Customer relationship	357,407,232.56		29,643,874.82		-18,713,234.51	**368,337,872.87**
Others	29,367,665.05		414,519.89		-13,743.56	**29,768,441.38**
3. Total impairment provision	58,913,956.77					**58,913,956.77**
Including: Land use rights	3,887,400.00					**3,887,400.00**
Trademark rights	5,000,000.00					**5,000,000.00**
Software						
Customer relationship						
Others	50,026,556.77					**50,026,556.77**
4. Total book value	6,226,604,696.51					**6,506,498,219.61**
Including: Land use rights	5,772,527,308.18					**5,977,742,016.96**
Trademark rights						
Software	239,110,967.47					**351,919,345.57**
Customer relationship	211,822,366.55					**172,821,874.47**
Others	3,144,054.31					**4,014,982.61**

The Group's intangible assets were mainly acquired through external purchases or commissioned external research and development, and the amount and proportion of intangible assets formed through internal research and development were insignificant.

VIII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

17. INTANGIBLE ASSETS (Continued)

2) Land use rights without the title certificate

Item	Book value	Reason for not obtaining the title certificate
Land use rights of Rongcheng Pulin Shandong Project	19,099,764.16	In negotiation with the government for the issuance of title certificate
Land use rights of Dayaowan Kaisan District Container Yard Phase II	5,325,094.84	In progress
Total	**24,424,859.00**	

3) Impairment testing of intangible assets

The Group's intangible assets mainly consist of land use rights, software, and customer relationships, which normally do not generate cash inflows independently and are included in asset groups comprising the long-term assets of the operating entity to which they belong. As at 30 June 2026, the Group reviewed the operations of the major operating entities involved in the above intangible assets, and found no indications that some of the intangible assets might be impaired due to fluctuations and declines in the performance of the operating entities to which they belonged.

(Amounts are expressed in RMB unless otherwise stated)

VIII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

18. GOODWILL

1) Details of goodwill

Investee	Opening balance	Changes of the scope of consolidation	Increase in current period	Decrease in current period	Effects from translation of financial statements in foreign currency	Closing balance	Formation
Book value							
7 companies including KLG EUROPE EERSEL B.V.	2,216,389,478.94				-126,058,749.55	**2,090,330,729.39**	Business combinations not under common control
Sinotrans Cold Chain Logistics (Tianjin) Co., Ltd.	215,048,533.68					**215,048,533.68**	Business combinations not under common control
China Merchants Logistics Group Nanjing Co., Ltd.	170,927,814.49					**170,927,814.49**	Business combinations not under common control
Shenzhen Henglu Logistics Co., Ltd.	134,843,091.03					**134,843,091.03**	Business combinations not under common control
OCEAN LORD INVESTMENT LIMITED	44,442,093.80					**44,442,093.80**	Business combinations not under common control
Sinotrans Cold Chain Logistics Harbin Co., Ltd.	29,621,440.67					**29,621,440.67**	Business combinations not under common control
Sinotrans High-Tech Logistics (Suzhou) Co., Ltd.	24,297,900.54					**24,297,900.54**	Business combinations not under common control
Chengdu Bonded Logistics Investment Co., Ltd.	10,611,975.65					**10,611,975.65**	Business combinations not under common control
Ningbo Taiping International Trade Transportation Co., Ltd.	7,385,560.06					**7,385,560.06**	Business combinations not under common control
SUNNY STEP INVESTMENT LIMITED	7,166,615.77					**7,166,615.77**	Business combinations not under common control
Others	42,196,922.13		5,057,446.04			**47,254,368.17**	Business combinations not under common control
Subtotal	2,902,931,426.76		5,057,446.04		-126,058,749.55	**2,781,930,123.25**	

(Amounts are expressed in RMB unless otherwise stated)

VIII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

18. GOODWILL (Continued)

1) **Details of goodwill** (Continued)

Investee	Opening balance	Changes of the scope of consolidation	Increase in current period	Decrease in current period	Effects from translation of financial statements in foreign currency	Closing balance	Formation
Impairment provision for goodwill							
7 companies including KLG EUROPE EERSEL B.V.	853,111,039.99				-48,521,305.46	**804,589,734.53**	
Sinotrans Cold Chain Logistics (Tianjin) Co., Ltd.	215,048,533.68					**215,048,533.68**	
China Merchants Logistics Group Nanjing Co., Ltd.	95,800,597.12					**95,800,597.12**	
Shenzhen Henglu Logistics Co., Ltd.	134,843,091.03					**134,843,091.03**	
Sinotrans Cold Chain Logistics Harbin Co., Ltd.	29,621,440.67					**29,621,440.67**	
China Merchants International Cold Chain (Shenzhen) Co., Ltd.	2,236,748.15					**2,236,748.15**	
Total	1,330,661,450.64				-48,521,305.46	**1,282,140,145.18**	
Book value	1,572,269,976.12		5,057,446.04		-77,537,444.09	**1,499,789,978.07**	

Note1: Effects from translation of financial statements in foreign currency is due to the change in the exchange rate of the EUR to RMB at the end of current period compared to the beginning of the period.

Note2: During the current period, the Group recognized goodwill of RMB5,057,446.04 arising from the business combinations of Jiangsu Xiangtai Company and Shanghai Wai-hong Company, which were not under common control. Details are explained in Note VII(1).

As at 30 June 2026, there was no significant adverse change in the operating environment, strategy and performance of the Group's asset group or portfolio of asset groups to which the Group has apportioned a significant amount of goodwill as compared with the judgments and expectations as of 31 December 2025. The Group has judged that there is no significant impairment or further indication of impairment for the aforesaid asset group or portfolio of asset groups to which a significant amount of goodwill has been apportioned.

2) The acquisition transactions that formed aforementioned goodwill do not involve performance commitments of the counter parties.

(Amounts are expressed in RMB unless otherwise stated)

VIII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

19. LONG-TERM PREPAID EXPENSE

Item	Opening balance	Changes of the scope of consolidation	Increase in current period	Amortization for the period	Other decreases	Effects from translation of financial statements in foreign currency	Closing balance	Reasons for other decrease
Modification of assets	204,532,441.23		12,008,378.54	19,142,673.58		-3,562,977.38	**193,835,168.81**	—
Others	3,638,343.54		12,429,987.89	12,240,851.44		-26,305.79	**3,801,174.20**	—
Total	208,170,784.77		24,438,366.43	31,383,525.02		-3,589,283.17	**197,636,343.01**	

20. DEFERRED TAX ASSETS AND DEFERRED TAX LIABILITIES

1) Deferred tax assets not offset

Item	**Closing balance**		Opening balance	
	Deductible temporary differences and deductible losses	**Deferred tax assets**	Deductible temporary differences and deductible losses	Deferred tax assets
Lease liabilities	**3,236,358,310.24**	**775,961,416.01**	2,996,140,755.58	688,221,360.99
Deductible losses	**748,520,592.15**	**186,327,526.09**	800,315,206.99	199,203,316.43
Unpaid wages	**476,507,543.64**	**119,125,394.96**	521,079,097.90	129,793,991.57
Impairment provision unapproved by the tax authorities	**470,832,943.10**	**114,827,750.51**	445,055,894.68	107,978,840.48
Changes in fair value of other non-current financial assets	**115,605,967.41**	**23,696,743.72**	74,424,866.33	12,280,102.94
Depreciation of fixed assets	**14,834,379.39**	**3,708,594.86**	15,101,427.49	3,769,213.19
Provision for pending litigation	**30,051,744.32**	**7,512,936.08**	30,740,181.46	7,685,045.37
Provision for a one-time housing subsidy	**2,554,406.50**	**638,601.63**	2,554,406.50	638,601.63
Other deductible temporary differences	**224,040,564.52**	**57,104,480.85**	258,371,749.43	60,719,816.32
Total	**5,319,306,451.27**	**1,288,903,444.71**	5,143,783,586.36	1,210,290,288.92

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(Amounts are expressed in RMB unless otherwise stated)

VIII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

20. DEFERRED TAX ASSETS AND DEFERRED TAX LIABILITIES (Continued)

2) Deferred tax liabilities not offset

Item	Closing balance Taxable temporary difference	Closing balance Deferred tax liabilities	Opening balance Taxable temporary difference	Opening balance Deferred tax liabilities
Right-of-use assets	**2,745,743,304.33**	**686,908,567.46**	2,483,239,638.76	598,699,872.41
Adjustment of the fair value of assets acquired by business combination	**1,043,210,538.17**	**251,269,721.36**	1,091,842,799.55	253,303,588.08
Changes in fair value of financial assets held for trading	**716,185,314.10**	**179,046,328.53**	716,185,314.10	179,046,328.53
Changes in fair value of other equity instrument investments	**151,333,550.67**	**37,833,387.67**	349,751,405.20	87,437,851.30
Depreciation and amortization	**121,333,866.05**	**30,161,902.71**	137,552,326.33	34,194,500.28
Other taxable temporary differences	**5,353,389.45**	**1,014,579.36**	8,600,276.41	1,795,611.39
Total	**4,783,159,962.77**	**1,186,234,487.09**	4,787,171,760.35	1,154,477,751.99

3) Net amounts of deferred tax assets and liabilities after offsetting

Item	Closing balance Offset amount of deferred tax assets against deferred tax liabilities at the end of the period	Closing balance Closing balance of deferred tax assets or deferred tax liabilities after offset	Opening balance Offset amount of deferred tax assets against deferred tax liabilities at the end of the period	Opening balance Closing balance of deferred tax assets or deferred tax liabilities after offset
Deferred tax assets	**-893,774,591.99**	**395,128,852.72**	-818,558,085.99	391,732,202.93
Deferred tax liabilities	**-893,774,591.99**	**292,459,895.10**	-818,558,085.99	335,919,666.00

(Amounts are expressed in RMB unless otherwise stated)

VIII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

20. DEFERRED TAX ASSETS AND DEFERRED TAX LIABILITIES (Continued)

4) Details of unrecognized deferred tax assets

Item	Closing balance	Opening balance
Deductible temporary differences	**3,056,443,869.02**	1,615,107,677.66
Deductible losses	**3,003,133,961.33**	2,425,311,990.87
Total	**6,059,577,830.35**	4,040,419,668.53

5) The deductible losses of unrecognized deferred tax assets will mature in the following year:

Year	Closing balance	Opening balance
2026	**68,533,366.88**	59,580,367.16
2027	**269,356,133.48**	218,242,598.62
2028	**655,729,044.62**	458,811,587.33
2029	**694,575,904.45**	714,169,921.02
2030	**655,101,667.88**	734,610,362.03
2031	**438,105,521.78**	
Deductible losses without maturity date	**221,732,322.24**	239,897,154.71
Total	**3,003,133,961.33**	2,425,311,990.87

21. OTHER NON-CURRENT ASSETS

	Closing balance			Opening balance		
Item	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Prepayment for engineering equipment	**19,722,844.87**		**19,722,844.87**	36,211,345.02		36,211,345.02
Prepayment for land use right	**13,265,050.27**		**13,265,050.27**	21,158,735.27		21,158,735.27
Deductible VAT taxation expenses				127,125,660.47		127,125,660.47
Total	**32,987,895.14**		**32,987,895.14**	184,495,740.76		184,495,740.76

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VIII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

22. ASSETS UNDER RESTRICTED OWNERSHIP OR USE RIGHTS

	Closing balance				Opening balance			
Item	Book balance	Book value	Type of restriction	Details of restriction	Book value	Book value	Type of restriction	Details of restriction
Cash and bank balances	55,607,711.45	55,607,711.45	Freeze, others	Note 1	120,299,628.16	120,299,628.16	Freeze, others	Note 1
Investment properties	14,573,563.65	13,043,339.55	Collateral	Note 2	14,573,563.65	13,189,075.17	Collateral	Note 2
Fixed assets	898,889,242.60	791,578,187.96	Collateral	Note 3	603,250,331.80	515,811,467.38	Collateral	Note 3
Intangible assets	718,796,838.33	647,696,350.07	Collateral	Note 4	696,712,348.18	634,277,755.06	Collateral	Note 4
Construction in progress	635,835,658.22	635,835,658.22	Collateral	Note 5	192,432,877.55	192,432,877.55	Collateral	Note 5
Total	2,323,703,014.25	2,143,761,247.25			1,627,268,749.34	1,476,010,803.32		

Note 1: For details of the cash and bank balances under restricted use right at the end of current period, see Note VIII (1).

Note 2: Investment properties with restricted ownership or use right at the end of current period included the book value, amounting to RMB13,043,339.55 (prior period: RMB13,189,075.17), of the land of JIANGMEN HIGH TECH PORT DEVELOPMENT CO., LTD. (hereinafter referred to as "JIANGMEN PORT Company"), a subsidiary of the Group, pledged as collateral for long-term borrowings.

Note 3: Fixed assets with restricted ownership or use right at the end of current period included the followings: the book value of warehouses used as collaterals for long-term borrowings by Sinotrans Logistics Development Hefei Co., Ltd. (hereinafter referred to as "Sinotrans Hefei Company"), a subsidiary of the Group, was RMB239,193,803.32 (prior period: RMB243,362,057.33); the book value of warehouses, plants, machinery and equipment, port and terminal facilities used as collaterals for long-term borrowings by JIANGMEN PORT Company, a subsidiary of the Group, was RMB142,441,877.68 (prior period: RMB147,601,268.86); the book value of warehouses used as collaterals for long-term borrowings by Hunan Zhongnan International Land Port Co., Ltd., a subsidiary of the Group, was RMB168,222,710.65 (prior period: RMB114,077,244.74); the book value of warehouses used as collaterals for long-term borrowings by Sinotrans Dongguan Logistics Co., Ltd. (hereinafter referred to as "Sinotrans Dongguan Company"), a subsidiary of the Group, was RMB1,395,068.14 (prior period: RMB1,436,334.52); the book value of warehouses used as collaterals for short-term borrowings by Ningbo Taiping Company, a subsidiary of the Group, was RMB6,672,771.17 (prior period: RMB9,334,561.93); and the book value of warehouses, office buildings and supporting service facilities used as collaterals for long-term borrowings by Jiangsu Xiangtai Company, a newly acquired subsidiary of the Group, was RMB233,651,957.00.

Note 4: Intangible assets with restricted ownership or use right at the end of current period included the followings: the book value of land use rights used as collaterals for long-term borrowings by Shanghai Sinotrans International Logistics Co., Ltd., a subsidiary of the Group, was RMB198,340,734.67 (prior period: RMB200,439,578.41); the book value of land use rights used as collaterals for long-term borrowings by JIANGMEN PORT Company, a subsidiary of the Group, was RMB184,044,977.70 (prior period: RMB186,101,346.18); the book value of land use rights used as collaterals for long-term borrowings by Chengdu Eastern New Area Sinotrans International Logistics Co., Ltd. (hereinafter referred to as "Chengdu Eastern New Area Company"), a subsidiary of the Group, was RMB102,206,329.21 (prior period: RMB103,293,630.61); the book value of land use rights used as collaterals for long-term borrowings by Sinotrans Taicang International Logistics Co., Ltd., a subsidiary of the Group, was RMB49,400,073.03 (prior period: RMB49,942,930.95); the book value of land use rights used as collaterals for long-term borrowings by Sinotrans Hefei Company, a subsidiary of the Group, was RMB31,250,230.76 (prior period: RMB31,609,428.80); the book value of land use rights used as collaterals for long-term borrowings by Sinotrans Dongguan Company, a subsidiary of the Group, was RMB27,306,865.74 (prior period: RMB27,698,830.32); the book value of land use rights used as collaterals for short-term borrowings by Ningbo Taiping Company, a subsidiary of the Group, was RMB6,486,621.47 (prior period: RMB35,192,009.79), and the book value of land use rights used as collaterals for long-term borrowings by Jiangsu Xiangtai Company, a newly acquired subsidiary of the group, was RMB48,660,517.49.

Note 5: Construction in progress with restricted ownership or use right at the end of current period represented the book value of warehouses and supporting facilities under construction for the Chengdu Eastern New Area Project, used as collaterals for long-term borrowings by Chengdu Eastern New Area Company, a subsidiary of the Group, was RMB213,069,705.43 (prior period: RMB192,432,877.55); the infrastructure under construction for the Sinotrans Lingang International Logistics Center Project, used as collateral for long-term borrowings by Shanghai Sinotrans International Logistics Co., Ltd., a subsidiary of the Group, was RMB422,765,952.79 (prior period: Nil).

(Amounts are expressed in RMB unless otherwise stated)

VIII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

23. ASSET IMPAIRMENT PROVISION AND CREDIT LOSS PROVISION

Item	Opening balance	Changes of the scope of consolidation	Accrual in current period	Reversal in current period	Write-off and carry-forward for the period	Transfer-out for the period due to sale	Other increases in the period	Other decreases in the period	Effects from translation of financial statements in foreign currency	Closing balance
Credit loss provision for accounts receivable	776,400,389.92		59,111,826.14	4,755,238.60					-4,728,522.73	**826,028,454.73**
Credit loss provision for other receivables	302,252,113.51		-818,780.33	31,200.00					-2,281,459.79	**299,120,673.39**
Provision for value reduction of inventories	3,978,228.71		40,520.98							**4,018,749.69**
Impairment provision for long-term equity investments	23,355,842.21								-332,957.03	**23,022,885.18**
Impairment provision for investment properties	25,382,010.36								-50,837.10	**25,331,173.26**
Provision for impairment of fixed assets	434,889,413.51					10,908,768.54			316,949.67	**424,297,594.64**
Impairment provision for construction in progress	100,000.00									**100,000.00**
Impairment provision for intangible assets	58,913,956.77									**58,913,956.77**
Impairment provision for goodwill	1,330,661,450.64								-48,521,305.46	**1,282,140,145.18**
Total	2,955,933,405.63		58,333,566.79	4,786,438.60		10,908,768.54			-55,598,132.44	**2,942,973,632.84**

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VIII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

24. SHORT-TERM BORROWINGS

1) Classification of short-term borrowings

Category	Closing balance	Opening balance
Fiduciary loans	**513,268,287.87**	1,312,665,927.80
Guaranteed loans	**31,371,687.24**	32,865,474.81
Total	**544,639,975.11**	1,345,531,402.61

Note: Ningbo Taiping Company, a subsidiary of the Group, obtained a mortgage loan of USD5,600,000 from the Bank of Ningbo Keji Branch, with warehouses and land held by the company as collaterals.

2) The Group had no overdue short-term borrowings at the end of current period.

25. BILLS PAYABLE

Category	Closing balance	Opening balance
Bank acceptance bills	**70,227,921.40**	213,825,864.89

1) The Group had no overdue outstanding bills payable at the end of current period.

26. ACCOUNTS PAYABLE

1) Details of accounts payable

Item	Closing balance		Opening balance	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year (including 1 year)	**14,368,458,004.98**	**97.82**	12,471,578,947.93	97.85
1 to 2 years (including 2 years)	**202,538,519.94**	**1.38**	199,021,755.03	1.56
2 to 3 years (including 3 years)	**75,833,332.43**	**0.52**	32,790,762.48	0.26
Over 3 years	**42,344,271.92**	**0.28**	42,848,435.79	0.33
Total	**14,689,174,129.27**	**100.00**	12,746,239,901.23	100.00

Note: The above-mentioned analysis of accounts payable is based on the time of purchasing goods or receiving services.

(Amounts are expressed in RMB unless otherwise stated)

VIII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

26. ACCOUNTS PAYABLE (Continued)

2) Material accounts payable aged over one year

Company name	Amount	Reasons for non-repayment
Entity 1	14,107,068.48	Unsettled
Zhengzhou Merchants Logistics Co., Ltd.	12,900,306.90	Unsettled
Entity 2	11,818,073.19	Unsettled
Entity 3	9,615,707.17	Unsettled
Entity 4	9,293,216.89	Unsettled
Entity 5	8,800,795.65	Unsettled
Total	**66,535,168.28**	

3) There were no accounts payable from shareholders holding more than 5% (including 5%) voting shares of the Company at the end of current period.

27. CONTRACT LIABILITIES

1) Details of contract liabilities

Item	Closing balance	Opening balance
Advance receipts for agency and related business	**3,871,862,029.99**	3,637,285,315.04
Advance receipts for logistics business	**523,295,037.68**	738,708,777.89
Advance receipts for E-commerce business	**53,571,783.08**	118,716,648.30
Subtotal	**4,448,728,850.75**	4,494,710,741.23
Less: Contract liabilities included in other non-current liabilities		
Total	**4,448,728,850.75**	4,494,710,741.23

2) The Group have no significant contractual liabilities aged over one year at the end of current period.

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VIII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

27. CONTRACT LIABILITIES (Continued)

3) Qualitative and quantitative analysis of contract liabilities

The Group's payments are received in advance for logistics services related to a large number of customers and logistics and transportation service contracts (agreements, orders, etc.) associated with those customers. Logistics and transportation service contracts of the same business type are similar in terms of service content, mode, performance cycle, and payment arrangement. Therefore, the Group's obligation to provide services to customers based on the consideration received or receivable from customers under logistics and transportation service contracts is presented in summary by business type (the same as the classification of revenue).

Based on the consideration of business risks, the Group's transactions with certain types of customers are based on the advance payment mode, and the Group recognizes contract liabilities when it has not yet fulfilled its performance obligations but has received or is due to receive the customer's consideration in accordance with the payment arrangements agreed in the logistics and transportation service contracts (agreements, orders, etc.) entered into with the customers. As at 30 June 2026, the transaction price received or receivable, net of estimated output tax, apportioned by the Group to the outstanding logistics and transportation service contracts was RMB4,448,728,850.75 (31 December 2025: RMB4,494,710,741.23). This amount represents the amount of revenue that the Group expects to recognize when the customer obtains control of the services in the future. The Group expects that RMB4,448,728,850.75 (ignoring the effect of translation of financial statements in foreign currencies) will be recognized as revenue in one year from the current reporting period.

Except for normal advance receipts and performance-related carryovers, there were no other material changes in the Group's contract liabilities summarized by business type during the current period.

28. EMPLOYEE BENEFITS PAYABLE

1) Classification of employee benefits payable

Item	Opening balance	Increase in current period	Decrease in current period	Closing balance
I. Short-term benefits	1,989,194,780.41	3,130,698,836.47	3,379,258,210.89	**1,740,635,405.99**
II. Post-employment benefits – defined contribution plans	49,594,503.43	499,865,248.49	503,752,583.94	**45,707,167.98**
III. Termination benefits	17,499,730.87	18,457,642.60	20,740,715.29	**15,216,658.18**
IV. Other benefits due within one year				
V. Others	3,208,344.27	995,841.55	997,645.04	**3,206,540.78**
Total	2,059,497,358.98	3,650,017,569.11	3,904,749,155.16	**1,804,765,772.93**

(Amounts are expressed in RMB unless otherwise stated)

VIII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

28. EMPLOYEE BENEFITS PAYABLE (Continued)

2) Short-term benefits

Item	Opening balance	Increase in current period	Decrease in current period	Closing balance
I. Wages, bonuses, allowances and subsidies	1,913,206,164.19	2,421,168,455.93	2,662,162,363.64	**1,672,212,256.48**
II. Employee welfare benefits	81,438.06	94,605,900.50	94,062,250.47	**625,088.09**
III. Social insurance premiums	7,580,091.01	201,895,363.72	197,932,602.56	**11,542,852.17**
Including: Medical insurance and Maternity insurance premiums	6,934,286.40	184,785,640.40	180,817,290.43	**10,902,636.37**
Work-related injury insurance	500,752.03	15,775,234.91	15,772,880.48	**503,106.46**
Others	145,052.58	1,334,488.41	1,342,431.65	**137,109.34**
IV. Housing Provident Fund	5,581,587.34	228,251,690.06	228,052,141.23	**5,781,136.17**
V. Trade union funds and staff education funds	37,353,436.31	44,385,249.88	43,928,481.11	**37,810,205.08**
VI. Short-term paid absences				
VII. Short-term profit-sharing scheme				
VIII. Other short-term benefits	25,392,063.50	140,392,176.38	153,120,371.88	**12,663,868.00**
Total	1,989,194,780.41	3,130,698,836.47	3,379,258,210.89	**1,740,635,405.99**

3) Defined contribution plan

Item	Opening balance	Increase in current period	Decrease in current period	Closing balance
I. Basic pension insurance premiums	12,957,642.40	350,056,278.16	347,013,832.22	**16,000,088.34**
II. Unemployment insurance premiums	1,270,643.66	14,680,171.96	15,680,108.76	**270,706.86**
III. Enterprise annuity contributions	35,366,217.37	135,128,798.37	141,058,642.96	**29,436,372.78**
Total	49,594,503.43	499,865,248.49	503,752,583.94	**45,707,167.98**

(Amounts are expressed in RMB unless otherwise stated)

VIII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

28. EMPLOYEE BENEFITS PAYABLE (Continued)

3) Defined contribution plan (Continued)

According to the pension and unemployment insurance plan set up by the government agencies, the Group pays contribution to such plans on the basis of 12% to 24% and 0.48% to 2% of the employees' basic wages on a monthly basis. Apart from the above monthly payment, the Group bears no longer further payment obligation. Corresponding expenses are recorded in the profit or loss of the current period or the cost of the related assets.

The enterprise annuity contribution of the Group is jointly borne by the entity and its employees. The total annual contribution of the entity is 4%, 5%, 6% and 8% of the total wages of the prior year, and is distributed to the individual account of employees on the basis of 8% of the individual contribution base of employees. The individual monthly contribution base of employees is the average monthly wage of employees for the prior year (the maximum individual contribution base shall not exceed 5 times the average contribution base of the Group). The rest is included in the enterprise account. The individual contribution of employees accounts for 25% of the Group's contribution to them and is deducted by the Group from the wages of employees. The annuity fund of the Group adopts the mode of legal person entrustment management, and the enterprise annuity fund pooled is entrusted by China Merchants Group Co., Ltd. to the trustee for the entrusted management, and a contract for the trusted management of the enterprise annuity fund is signed. The Group has no further payment obligations beyond the monthly contributions to the annuity fund.

The Group should contribute RMB350,056,278.16, RMB14,680,171.96 and RMB135,128,798.37 (prior period: RMB343,018,376.97, RMB14,481,113.44 and 106,838,158.81) to the basic pension insurance, unemployment insurance and enterprise annuity contributions plan for the current period respectively. As at 30 June 2026, the Group had RMB45,707,167.98 (1 January 2026: 49,594,503.43) of contributions payable to the pension and unemployment insurance plan which are due and unpaid during the reporting period.

29. TAXES AND DUES PAYABLE

Item	Closing balance	Opening balance
Enterprise income tax	**251,461,338.47**	252,893,858.26
Value-added tax	**168,308,589.70**	149,514,970.16
Property tax	**32,871,875.11**	32,818,199.33
Individual income tax	**26,698,201.89**	36,580,697.19
Urban land use tax	**14,874,372.98**	18,539,117.41
Stamp duty	**2,509,615.46**	2,975,687.54
Urban maintenance & construction tax	**1,159,751.32**	2,403,311.95
Education surcharge	**1,125,930.64**	2,308,093.90
Other taxes	**19,371,112.55**	21,454,935.46
Total	**518,380,788.12**	519,488,871.20

(Amounts are expressed in RMB unless otherwise stated)

VIII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

30. OTHER PAYABLES

Item	Closing balance	Opening balance
Interest payable		
Dividends payable	**19,373,469.14**	12,950,281.88
Other payables	**1,670,601,593.57**	1,782,903,165.38
Total	**1,689,975,062.71**	1,795,853,447.26

1) Dividends payable

Item	Company name	Closing balance	Opening balance
Ordinary share dividend	Sinotrans Ningbo International Forwarding Agency Co., Ltd.	**4,955,878.60**	
	Entity 1	**3,601,521.64**	3,601,521.64
	Entity 2	**3,020,607.60**	4,954,851.60
	Entity 3	**2,881,217.30**	2,881,217.30
	Entity 4	**2,000,000.00**	
	Entity 5	**1,934,244.00**	
	Entity 6	**680,000.00**	680,000.00
	Entity 7	**300,000.00**	300,000.00
	Entity 8		532,691.34
Total		**19,373,469.14**	12,950,281.88

Note: The Group had no material dividends payable outstanding for more than one year at the end of current period.

(Amounts are expressed in RMB unless otherwise stated)

VIII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

30. OTHER PAYABLES (Continued)

2) Other payables

(1) Other payables by nature

Item	Closing balance	Opening balance
Deposits and guarantees collected	**754,909,134.23**	790,792,721.55
Agency receipts and payments	**439,706,105.00**	415,959,184.65
Current transactions with related parties	**254,463,792.54**	231,458,567.74
Payment for project, equipment and land	**182,319,779.97**	159,730,816.36
Amounts to be transferred for factoring and securitization of accounts receivable		37,808,230.44
Others	**39,202,781.83**	147,153,644.64
Total	**1,670,601,593.57**	1,782,903,165.38

(2) Aging analysis of other payables

Aging	Closing balance Amount	Closing balance Proportion (%)	Opening balance Amount	Opening balance Proportion (%)
Within 1 year (including 1 year)	**1,064,252,396.14**	**63.70**	1,106,255,953.30	62.05
1 to 2 years (including 2 years)	**160,587,579.67**	**9.61**	239,933,090.80	13.46
2 to 3 years (including 3 years)	**119,252,692.04**	**7.14**	135,180,976.34	7.58
Over 3 years	**326,508,925.72**	**19.55**	301,533,144.94	16.91
Total	**1,670,601,593.57**	**100.00**	1,782,903,165.38	100.00

(Amounts are expressed in RMB unless otherwise stated)

VIII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

30. OTHER PAYABLES (Continued)

2) Other payables (Continued)

(3) Significant other payables aged over one year

Company name	Amount owed	Reasons for non-repayment
Entity 1	50,560,000.00	Not yet due for settlement
Entity 2	24,353,725.50	Not yet due for settlement
Entity 3	18,821,067.08	Not yet due for settlement
Entity 4	13,028,220.70	Not yet due for settlement
Entity 5	12,368,018.75	Not yet due for settlement
Shenzhen Zhonglian Tally Co., Ltd.	10,500,000.00	Not yet due for settlement
Entity 6	9,653,383.99	Not yet due for settlement
Entity 7	9,352,060.50	Not yet due for settlement
Entity 8	7,655,622.94	Not yet due for settlement
Entity 9	6,800,000.00	Not yet due for settlement
Entity 10	6,233,634.09	Not yet due for settlement
Hubei Zhongwaiyun Bulk Cargo Transport Co., Ltd.	5,873,356.53	Not yet due for settlement
Entity 11	5,377,743.74	Not yet due for settlement
Total	**180,576,833.82**	

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VIII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

30. OTHER PAYABLES (Continued)

2) Other payables (Continued)

(4) Amounts due to shareholders holding more than 5% (including 5%) voting shares of the Company

Company name	Closing balance	Opening balance
SINOTRANS & CSC HOLDINGS Co., Ltd.	**15,816,707.30**	16,124,890.79

31. NON-CURRENT LIABILITIES DUE WITHIN ONE YEAR

Item	Closing balance	Opening balance
Long-term borrowings due within one year	**236,164,629.22**	461,363,307.29
Including: Guaranteed loans	**61,095,837.72**	273,167,952.56
Mortgage loans	**157,761,364.35**	146,045,097.48
Fiduciary loans	**17,307,427.15**	42,150,257.25
Bonds payable due within one year	**67,935,466.09**	64,932,788.22
Lease liabilities due within one year	**712,955,676.81**	560,371,361.38
Estimated liabilities due within one year		8,596,108.07
Other non-current liabilities due within one year	**170,155.70**	
Total	**1,017,225,927.82**	1,095,263,564.96

32. OTHER CURRENT LIABILITIES

Item	Closing balance	Opening balance
Pending output VAT	**159,043,194.09**	166,927,789.37
Others	**4,946,894.99**	10,693,340.74
Total	**163,990,089.08**	177,621,130.11

(Amounts are expressed in RMB unless otherwise stated)

VIII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

33. LONG-TERM BORROWINGS

Type of loan	Closing balance	Opening balance	Interest rate range at the end of the period (%)
Guaranteed loans *(Note)*	**1,213,644,219.96**	1,510,959,583.63	1.27, 2.776
Mortgage loans	**1,158,328,351.03**	1,124,412,439.55	2.21-2.85
Fiduciary loans	**372,696,828.44**	349,530,663.12	1.00-3.989
Subtotal	**2,744,669,399.43**	2,984,902,686.30	
Less: Long-term borrowings due within one year	**236,164,629.22**	461,363,307.29	
Long-term borrowings due after one year	**2,508,504,770.21**	2,523,539,379.01	

Note: Guaranteed loans at the end of current period represented loans in EUR borrowed by SE LOGISTICS HOLDING B.V., a subsidiary of the Group, from the Export-Import Bank of China and the China Development Bank. For details of joint liability guarantees provided by the Company, please refer to Note XIII. 5. (5).

1) The Group had no overdue long-term borrowings at the end of current period.

2) Top five long-term borrowings in the closing balance (including long-term borrowings due within one year)

Loan unit	Borrowing start date	Borrowing termination date	Currency	Interest rate (%)	Closing balance Foreign currency	Closing balance Domestic currency	Opening balance Foreign currency	Opening balance Domestic currency
China Development Bank	2020/12/8	2027/12/8	EUR	1.27	**90,000,000.00**	**696,141,000.00**	91,969,077.00	757,411,333.63
Export-Import Bank of China	2020/12/8	2027/12/7	EUR	2.78	**64,232,501.00**	**496,831,971.99**	91,500,000.00	753,548,250.00
Bank of China	2019/1/2	2029/1/2	RMB	2.75	**236,899,103.01**	**236,899,103.01**	275,354,605.89	275,354,605.89
Bank of China	2024/5/27	2034/4/18	RMB	2.21, 2.31	**230,829,379.66**	**230,829,379.66**	200,111,396.83	200,111,396.83
Agricultural Bank of China	2023/7/13	2038/7/13	RMB	2.85	**184,163,355.35**	**184,163,355.35**	163,088,511.84	163,088,511.84

3) The Group had no long-term borrowings extended at the end of current period.

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VIII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

33. LONG-TERM BORROWINGS (Continued)

4) The maturity date of long-term borrowings is analyzed as follows:

Item	Closing balance	Opening balance
1 to 2 years (including 2 years)	**1,336,236,362.89**	1,460,049,531.65
2 to 5 years (including 5 years)	**561,274,184.67**	530,144,274.64
Over 5 years	**610,994,222.65**	533,345,572.72
Total	**2,508,504,770.21**	2,523,539,379.01

34. BONDS PAYABLE

1) Details of bonds payable

Item	Closing balance	Opening balance
2024 medium-term notes (phase I)	**2,031,775,799.06**	2,010,733,607.30
25 Sinotrans K1	**2,015,250,912.78**	2,033,026,995.43
2021 corporate bonds (phase I)	**20,492,141.87**	20,276,532.55
Less: Bonds payable due within one year	**67,935,466.09**	64,932,788.22
Total	**3,999,583,387.62**	3,999,104,347.06

Note: The Group's bonds payable include:

On 26 July 2021, approved by CSRC, the Company was permitted to issue unsecured corporate bonds with a nominal value of RMB100 and a total amount of RMB2 billion (2021 corporate bonds phase I). The bonds were issued with a term of 5 years and a fixed coupon rate of 3.15%. The principal was repaid in lump sum and interest payments were made in installments.

Pursuant to the relevant provisions of the issuer's option to adjust the coupon rate in the Prospectus of Sinotrans Limited's 2021 Public Offering of Corporate Bonds (Phase I) for Professional Investors (hereinafter referred to as "the Prospectus"), the Company issued the 2024 Announcement on Adjusting the Coupon Rate of Sinotrans Limited's 2021 Public Offering of Corporate Bonds (Phase I) for Professional Investors on 28 June 2024, which adjusted the coupon rate of the next two years for the 2021 corporate bonds (phase I) from 3.15% to 2.15% (with the adjusted interest start date on 26 July 2024). The adjustment triggered the investor's resale option clause set out in the Prospectus. The accumulated amount declared for resale by investors was RMB1,980 million (excluding interest), which was paid by the Company on 26 July 2024. As at 30 June 2026, the outstanding principal and interest of the 2021 corporate bonds (phase I) totaled RMB20,492,141.87.

On 18 September 2024, by registration approved by the National Association of Financial Market Institutional Investors (ZSXZ [2024] MTN747), the Company issued the 2024 medium term-notes (phase I) (24 Sinotrans MTN001) with a nominal value of RMB100 and a total amount of RMB2 billion. The medium-term notes were issued with a maturity of three years and a fixed coupon rate of 2.08%. The principal was repaid in lump sum and interest payments were made in installments.

According to the Approval for the Registration of the Public Offering of Corporate Bonds by Sinotrans Limited to Professional Investors (ZJXK [2024] No. 1509) issued by the China Securities Regulatory Commission, the Company was authorized to publicly issue corporate bonds with a total nominal value of no more than RMB4 billion (inclusive) to professional investors, which may be issued in tranches during the registration validity period. The Company completed the issuance of "Sinotrans Limited Public Offering of Science and Technology Innovation Corporate Bonds for Professional Investors in 2025 (Phase I) (25 Sinotrans K1)" on 21 January 2025, with an issue amount of RMB2 billion, a maturity period of 3 years, a coupon interest rate of 1.79%, and a debt service method of annual interest payments and lump-sum principal payment upon maturity.

VIII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

34. BONDS PAYABLE (Continued)

2) The maturity date of bonds payable is analyzed as follows:

Item	Closing balance	Opening balance
1 to 2 years (including 2 years)	**3,999,583,387.62**	1,999,470,958.95
2 to 5 years (including 5 years)		1,999,633,388.11
Total	**3,999,583,387.62**	3,999,104,347.06

(Amounts are expressed in RMB unless otherwise stated)

VIII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

34. BONDS PAYABLE (Continued)

3) Changes of bonds payable (excluding preferred shares, perpetual bonds, and other financial instruments classified as financial liabilities)

Bond name	Face value	Coupon rate (%)	Issue date	Bond term	Issue amount	Opening balance	Issued in current period	Interest accrued at face value	Amortisation of premium and discount	Current repayments and interest payments	Closing balance	In default
2024 medium-term notes (phase I	2,000,000,000.00	2.08	2024/9/18	3年	2,000,000,000.00	2,010,733,607.30		20,743,013.68	299,178.08		**2,031,775,799.06**	No
25 Sinotrans K1	2,000,000,000.00	1.79	2025/1/21	3年	2,000,000,000.00	2,033,026,995.43		17,850,958.92	172,958.43	35,800,000.00	**2,015,250,912.78**	No
2021 corporate bonds (phase I	2,000,000,000.00	2.15	2021/7/26	5年	2,000,000,000.00	20,276,532.55		214,410.97	1,198.35		**20,492,141.87**	No
Total	6,000,000,000.00				6,000,000,000.00	4,064,037,135.28		38,808,383.57	473,334.86	35,800,000.00	**4,067,518,853.71**	
Less: Bonds payable due within one year						64,932,788.22					**67,935,466.09**	
Bonds payable due after one year						3,999,104,347.06					**3,999,583,387.62**	

Note: The Group's bonds payable have a coupon rate that approximates the effective interest rate, and the amount of premium and discount is small. The Group uses the simplified method to amortize the premium and discount amounts evenly over the term of the bonds.

(Amounts are expressed in RMB unless otherwise stated)

VIII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

35. LEASE LIABILITIES

(1) Lease liabilities

Item	Closing balance	Opening balance
Lease payments	**4,187,205,098.99**	3,892,034,059.07
Less: Unrecognized financing expenses	**835,815,014.24**	862,220,316.32
Total	**3,351,390,084.75**	3,029,813,742.75
Less: Lease liabilities due within one year	**712,955,676.81**	560,371,361.38
Net lease liabilities	**2,638,434,407.94**	2,469,442,381.37

Note: The discount rates for the above lease liabilities range from 3.04%-4.90%.

(2) Maturity of lease payments

Item	Closing balance
Year 1 after balance sheet date	**846,207,120.48**
Year 2 after balance sheet date	**605,536,475.29**
Year 3 after balance sheet date	**434,642,169.93**
Future years	**2,300,819,333.29**
Total	**4,187,205,098.99**

Note: The Group is not exposed to significant liquidity risk in relation to lease liabilities.

36. LONG-TERM PAYABLES

Item	Closing balance	Opening balance
Related party loans	**20,000,000.00**	20,000,000.00
Loans from subsidiaries to non-controlling interests	**4,715,030.29**	4,715,030.29
Total	**24,715,030.29**	24,715,030.29
Less: Long-term payables due within one year		
Long-term payables due after one year	**24,715,030.29**	24,715,030.29

(Amounts are expressed in RMB unless otherwise stated)

VIII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

36. LONG-TERM PAYABLES (Continued)

1) Top five long-term payables in the closing balance (including long-term payables due within one year)

Item	Closing balance	Opening balance
SINOTRANS & CSC HOLDINGS Co., Ltd. *(Note)*	**20,000,000.00**	20,000,000.00
Entity 1	**4,715,030.29**	4,715,030.29
Total	**24,715,030.29**	24,715,030.29

Note: Sinotrans Logistics Investment Holdings Co., Ltd., a subsidiary of the Group, borrowed RMB20 million from SINOTRANS & CSC in 2016 with a loan term of 18 years and an interest rate of 1.20%.

2) The maturity date of long-term payables is analyzed as follows

Item	Closing balance	Opening balance
1 to 2 years (including 2 years)		
2 to 5 years (including 5 years)		
Over 5 years	**24,715,030.29**	24,715,030.29
Total	**24,715,030.29**	24,715,030.29

(Amounts are expressed in RMB unless otherwise stated)

VIII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

37. LONG-TERM EMPLOYEE BENEFITS PAYABLE

1) Breakdown of long-term employee benefits payable

Item	Opening balance	Increase in current period	Decrease in current period	Closing balance
I. Net liability for post-employment benefits-defined benefit plans	1,336,432.92		14,639.98	**1,321,792.94**
II. Termination benefits	834,280.22			**834,280.22**
III. Other long-term benefits	1,314,905.76			**1,314,905.76**
Total	3,485,618.90		14,639.98	**3,470,978.92**

2) Changes of the defined benefit plan

(1) Present value of defined benefit plan obligations

Item	Current period	Prior period
1. Opening balance	**1,336,432.92**	1,414,921.19
2. Defined benefit costs included in profit or loss		
(1) Current service cost		
(2) Prior service cost		
(3) Settlement gains (losses are indicated by a "-" sign)		
(4) Net interest		
3. Defined benefit cost composition recognized in other comprehensive expenses		
(1) Actuarial gains (losses are indicated by a "-" sign)		
4. Other changes	**-14,639.98**	-78,488.27
(1) Obligation actuarial (gain)/loss		
(2) Benefits paid	**-14,639.98**	-78,488.27
(3) Others		
5. Closing balance	**1,321,792.94**	1,336,432.92

Note: The Group's post-employment benefits-defined benefit plans mainly represent the extra-universal costs for socialized transferred retirees accrued by China Yangtze River Shipping Co., Ltd., Sinotrans Jiuling Transport & Storage Co., Ltd., Zhoushan Customs Sinotrans Limited and so on. The number of beneficiaries involved in the plans as at 30 June 2026 was 134, and the scope of the impact and the amount are not material to the Group.

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VIII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

38. ESTIMATED LIABILITIES

Item	Opening balance	Changes of the scope of consolidation	Increase in current period	Decrease in current period	Effects from translation of financial statements in foreign currency	Closing balance	Reasons for occurrence and changes
Pending litigation	57,827,226.08		18,442.30	21,008,781.12	-43,580.00	**36,793,307.26**	
Mainly including:							The details are described in Note XIV (2).
A contract dispute case involving the Hefei High-tech Industrial Development Zone Investment Promotion Bureau	14,500,000.00					**14,500,000.00**	
A dispute case on the creditor's right determination involving Shanghai Yucan Information Technology Co., Ltd.	13,531,288.14					**13,531,288.14**	
Cargo damage disputes	14,141,833.10			4,446,433.10		**9,695,400.00**	
One-time housing subsidy	2,554,406.50					**2,554,406.50**	
Estimated expenditure on restoration of leased assets	1,658,444.32					**1,658,444.32**	
Others	7,392.91			7,392.91			
Subtotal	76,189,302.91		18,442.30	25,462,607.13	-43,580.00	**50,701,558.08**	
Less: Estimated liabilities due within one year	8,596,108.07			8,596,108.07			
Estimated liabilities due after one year	67,593,194.84		18,442.30	16,866,499.06	-43,580.00	**50,701,558.08**	

(Amounts are expressed in RMB unless otherwise stated)

VIII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

39. DEFERRED INCOME

Item	Opening balance	Changes of the scope of consolidation	Increase in current period	Decrease in current period	Closing balance	Reason
Government grants	431,588,952.20	43,449,800.00	55,138,490.56	14,155,686.30	**516,021,556.46**	Note: This was mainly due to the Group's receipt of subsidies from the government for promoting the development and standardization of the logistics industry

40. SHARE CAPITAL

Item	Opening balance		Change during the period (+, -)				Closing balance	
	Investment amount	Proportion (%)	Issue of new shares	Bonus issue	Conversion of reserves into share capital	Others	Investment amount	Proportion (%)
Domestic listing (A shares)	5,157,470,227.00	71.89	–	–	–	–	**5,157,470,227.00**	**71.89**
Listing (H shares) in Hong Kong, China	2,016,281,000.00	28.11	–	–	–	–	**2,016,281,000.00**	**28.11**
Total	7,173,751,227.00	100.00					**7,173,751,227.00**	**100.00**

Note: All A shares and H shares issued by the Company are ordinary shares with a par value of RMB1 per share and are entitled to the same equity.

(Amounts are expressed in RMB unless otherwise stated)

VIII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

41. CAPITAL RESERVES

For the six-month period ended 30 June, 2026

Item	Opening balance	Increase in current period	Decrease in current period	Closing balance
I. Share capital premium	6,123,028,132.37			**6,123,028,132.37**
1. Capital invested by investors	2,577,088,136.30			**2,577,088,136.30**
2. Differences arising from the acquisition and disposal of non-controlling interests	2,140,125,259.01			**2,140,125,259.01**
3. Others	1,405,814,737.06			**1,405,814,737.06**
II. Other capital reserves	13,311,582.67	156,081.94	64,223.06	**13,403,441.55**
1. Other changes in the owner's equity of the investees other than net profit or loss, other comprehensive income and profit distributions	13,311,582.67	156,081.94	64,223.06	**13,403,441.55**
2. Share-based payment for unexercised rights				
3. Capital reserve brought forward from the previous accounting regime				
4. Others				
Total	6,136,339,715.04	156,081.94	64,223.06	**6,136,431,573.92**
Including: Exclusively state-owned capital reserves				

(Amounts are expressed in RMB unless otherwise stated)

VIII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

41. CAPITAL RESERVES (Continued)

For the six months ended June 30, 2025

Item	Opening balance	Increase in current period	Decrease in current period	Closing balance
I. Share capital premium	6,573,228,337.67	25,322,723.41	24,833,809.43	**6,573,717,251.65**
1. Capital invested by investors	3,011,377,649.65	25,322,723.41	9,500,791.60	**3,027,199,581.46**
2. Differences arising from the acquisition and disposal of non-controlling interests	2,156,035,950.96		15,333,017.83	**2,140,702,933.13**
3. Others	1,405,814,737.06			**1,405,814,737.06**
II. Other capital reserves	60,220,095.10	2,827,164.52	25,322,723.41	**37,724,536.21**
1. Other changes in the owner's equity of the investees other than net profit or loss, other comprehensive income and profit distributions	14,501,061.16	117,157.69		**14,618,218.85**
2. Share-based payment for unexercised rights	45,719,033.94	2,710,006.83	25,322,723.41	**23,106,317.36**
3. Capital reserve brought forward from the previous accounting regime				
4. Others				
Total	6,633,448,432.77	28,149,887.93	50,156,532.84	**6,611,441,787.86**
Including: Exclusively state-owned capital reserves				

(Amounts are expressed in RMB unless otherwise stated)

VIII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

42. OTHER COMPREHENSIVE INCOME

		Incurred during the period						
Item	Opening balance	Incurred during the period before income tax	Less: Transfer to profit or loss in the current period that charged to the other comprehensive income in the prior year	Less: Income tax expenses	Amounts attributable to the Company after tax	Amounts attributable to non-controlling shareholders after tax	Less: Transfer to retained earnings in the current period that charged to the other comprehensive income in the prior period	**Closing balance**
1. Other comprehensive income not to be subsequently reclassified to profit or loss	270,194,726.54	-198,417,854.52		-49,604,463.63	-148,813,390.89			**121,381,335.65**
Including: Other comprehensive income not to be reclassified to profit or loss under the equity method	1,790,169.90							**1,790,169.90**
Changes in fair value of other equity instrument investments	268,404,556.64	-198,417,854.52		-49,604,463.63	-148,813,390.89			**119,591,165.75**
2. Other comprehensive income to be subsequently reclassified to profit or loss	-213,830,724.51	-453,097,099.54			-444,268,091.49	-8,829,008.05		**-658,098,816.00**
Including: Other comprehensive income to be reclassified to profit or loss under the equity method	103,561,109.55	-17,440,186.57			-17,440,186.57			**86,120,922.98**
Translation difference of the financial statements in foreign currency	-317,391,834.06	-435,656,912.97			-426,827,904.92	-8,829,008.05		**-744,219,738.98**
Total	56,364,002.03	-651,514,954.06		-49,604,463.63	-593,081,482.38	-8,829,008.05		**-536,717,480.35**

43. SPECIAL RESERVES

Item	Opening balance	Increase in current period	Decrease in current period	**Closing balance**
Safety production costs	184,909,186.99	40,240,100.63	31,122,524.87	**194,026,762.75**

Note: For the subsidiaries of the Group engaged in general freight transportation or special freight transportation, such as dangerous goods, safety production costs were withdrawn on the basis of operating income in accordance with the relevant national regulations, and were included in the cost of the relevant products or the current period profit or loss, and were also transferred to special reserves.

(Amounts are expressed in RMB unless otherwise stated)

VIII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

44. SURPLUS RESERVES

For the six months ended June 30, 2026

Item	Opening balance	Increase in current period	Decrease in current period	Closing balance
Statutory surplus reserves	2,624,104,346.20			**2,624,104,346.20**

For the six months ended June 30, 2025

Item	Opening balance	Increase in current period	Decrease in current period	Closing balance
Statutory surplus reserves	2,371,553,765.05			**2,371,553,765.05**

Note: According to the provisions of the Articles of Association of the Company, the statutory surplus reserves shall be withdrawn at the rate of 10% of the net profit. If the accumulated statutory surplus reserves of the Company reach 50% or more of the Company's registered capital, it may not be withdrawn.

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VIII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

45. UNDISTRIBUTED PROFITS

Item	Current period	Prior period
Closing balance of the prior period	**25,114,095,373.21**	23,424,281,261.35
Add: Adjustments to opening undistributed profit		
Including: Changes in accounting policies		
Business combinations under common control		
Opening balance of the current period	**25,114,095,373.21**	23,424,281,261.35
Increase in current period	**1,724,919,016.93**	1,946,948,727.20
Including: Net profit attributable to shareholders of the Company for the period	**1,724,919,016.93**	1,946,948,727.20
Others		
Decrease in current period	**1,111,931,440.19**	1,038,432,819.19
Less: Appropriation of surplus reserves		
Dividends distribution	**1,111,931,440.19**	1,038,392,561.89
Others		40,257.30
Closing balance of the current period	**25,727,082,949.95**	24,332,797,169.36

Note: At the 2025 Annual General Meeting of Shareholders held by the Company on 29 May 2026, the Proposal on the 2025 Profit Distribution Plan and the Proposal on Applying for Authorization of the 2026 Interim Profit Distribution Plan were approved. Based on the total share capital registered on the equity distribution record date (excluding the A-shares held in the Company's dedicated repurchase account), the Company will distribute the 2025 final dividend at a rate of RMB0.155 per share (tax inclusive). Additionally, the Board of Directors is authorized to reasonably determine the declaration and payment of the 2026 interim dividend (including but not limited to deciding whether to declare such a dividend), taking into account factors such as the Company's profitability in the first half of 2026, capital requirements, and previous dividend payout ratios. In accordance with the resolution and authorization mentioned above, the Company has distributed a final dividend of RMB1,111,931,440.19 for year 2025 (RMB0.155 per share, inclusive of tax).

(Amounts are expressed in RMB unless otherwise stated)

VIII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

46. OPERATING INCOME, COSTS

1) Operating revenues and operating costs

Item	Current period		Prior period	
	Income	Costs	Income	Costs
Agency and related business	**29,937,372,287.37**	**28,120,529,518.50**	29,628,417,337.33	27,625,628,431.74
Logistics	**14,422,444,055.86**	**13,356,569,299.79**	14,323,048,411.02	13,248,531,142.13
E-commerce	**2,092,448,748.02**	**1,974,835,413.99**	6,571,035,483.17	6,546,457,116.49
Total	**46,452,265,091.25**	**43,451,934,232.28**	50,522,501,231.52	47,420,616,690.36

Note: The Group's operating income and cost presentation items are consistent with the classification of the operating segments.

2) Details of operating income

For the six months ended June 30, 2026

Item	Agency and related business	Logistics	E-commerce
Operating income			
Including: Recognition at a certain point	**29,912,110,026.68**	**10,732,008,885.57**	**2,026,331,026.80**
Recognition within a certain period		**3,683,217,906.08**	
Lease income	**25,262,260.69**	**7,217,264.21**	**66,117,721.22**
Total	**29,937,372,287.37**	**14,422,444,055.86**	**2,092,448,748.02**

(Amounts are expressed in RMB unless otherwise stated)

VIII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

46. OPERATING INCOME, COSTS (Continued)

2) Details of operating income (Continued)

For the six months ended June 30, 2025

Item	Agency and related business	Logistics	E-commerce
Operating income			
Including: Recognition at a certain point	29,628,417,337.33	14,323,048,411.02	6,440,081,081.55
Recognition within a certain period			
Lease income			130,954,401.62
Total	29,628,417,337.33	14,323,048,411.02	6,571,035,483.17

3) Information related to performance obligations

The contents and prices of services are usually explicitly agreed in the contracts (agreements, orders, etc.) entered into between the Group and its customers, which do not involve complicated payment arrangements, and the Group has an unconditional right to receive payment upon completion of the relevant services, except for advance payment arrangements.

The services provided by the Group to its customers are classified into three types: agency and related business, logistics, and e-commerce business. The entrustment of a single customer may involve a single logistics process or multiple logistics processes. When multiple logistics processes are involved, the Group decides whether or not to treat them as a performance obligation, taking into account factors such as the degree of interconnection and dependence of each logistics process. The Group's related businesses acting as a principal usually are point-to-point logistic services to customers. Customers obtain and consume the economic interests brought by the performance at the same time with the Group's performance. Therefore, the Group recognizes the revenue in accordance with the progress of the performance for the above services. The Group recognizes revenue for its related businesses carried out as an agent when the relevant agency act is completed.

(Amounts are expressed in RMB unless otherwise stated)

VIII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

46. OPERATING INCOME, COSTS (Continued)

3) Information related to performance obligations (Continued)

The Group determines whether its identity at the time of performing a transaction is that of a principal or an agent based on whether it has control over the goods or services prior to transferring the goods or services to the customer. In the case of agency and related businesses, the Group's status as a principal or agent is determined primarily by considering whether it has assumed the corresponding risks and liabilities.

The logistics services provided by the Group to its customers are immediate consumable services, which usually do not involve warranty, refund, or other arrangements. The Group accrues estimated liabilities, as appropriate, when it is required by customers to pay compensation for damage to goods in the course of providing services.

4) Statement of appointment to remaining performance obligations

Details of the timing of recognition as revenue of the portion of the transaction price that has been received or receivable from the customer for which the Group has entered into contracts (agreements, orders, etc.) with the customer at the end of the period but has not yet performed, or has not yet fully performed, its performance obligations are set out in Note VIII.27. The remaining transaction prices are not presented due to the expected term of these contracts being less than one year and the dispersed nature of the customers involved and a large number of contracts, which simplifies the treatment. The above contracts of the Group do not have variable consideration clauses.

5) Significant contract changes or significant transaction price adjustments

The Group had no significant contract changes or significant transaction price adjustments during the current period. The amount of revenue adjusted to the provisional estimate in the current period as a result of the completion of the reconciliation and settlement of performance obligations that have been fulfilled (or partially fulfilled) in the prior period is not material.

47. TAX AND SURCHARGES

Item	Current period	Prior period
Property tax	**69,001,849.29**	73,423,526.17
Urban land use tax	**26,580,940.13**	25,794,815.23
Stamp duty	**17,812,398.06**	19,768,702.37
Urban maintenance & construction tax	**16,316,039.56**	23,606,242.76
Education surcharge and local education surcharge	**12,424,402.00**	20,460,218.11
Others	**5,833,904.23**	3,389,192.64
Total	**147,969,533.27**	166,442,697.28

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VIII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

48. SELLING EXPENSES

Item	Current period	Prior period
Employee benefits	**402,059,933.75**	407,315,774.83
Depreciation and amortization expenses	**19,699,793.27**	21,129,637.88
Business entertainment expenses	**13,462,270.48**	17,007,693.47
Travel expenses	**11,728,277.47**	12,312,865.32
Short-term, low-value lease expenses	**8,997,119.32**	10,850,237.05
Insurance premium	**5,102,937.76**	2,969,519.63
Property and utilities (water, electricity, gas) fees	**4,499,373.82**	4,552,165.20
Office expenses	**4,212,332.64**	5,543,688.15
Vehicle expenses	**3,517,096.22**	4,542,840.02
Others	**8,467,193.77**	9,056,072.95
Total	**481,746,328.50**	495,280,494.50

49. ADMINISTRATIVE EXPENSES

Item	Current period	Prior period
Employee benefits	**1,117,619,903.98**	1,142,856,688.90
Depreciation and amortization expenses	**161,851,401.60**	160,494,086.29
Technical service fee for communication network	**39,994,230.60**	26,575,549.26
Property and utilities (water, electricity, gas) fees	**31,124,538.27**	38,456,888.85
Intermediary service fee	**26,775,092.30**	29,567,293.38
Travel expenses	**18,815,923.28**	16,725,001.15
Short-term, low-value lease expenses	**17,028,330.56**	17,614,798.80
Insurance premium, disability insurance	**10,366,925.70**	9,468,273.24
Office expenses	**10,135,809.11**	16,737,869.83
Business entertainment expenses	**9,851,399.59**	16,132,173.44
Vehicle expenses	**9,415,590.66**	11,295,980.59
Decoration and repair costs	**7,912,806.90**	9,004,369.64
Advertising expenses	**377,680.91**	4,326,312.89
Others	**13,388,060.29**	4,718,182.45
Total	**1,474,657,693.75**	1,503,973,468.71

(Amounts are expressed in RMB unless otherwise stated)

VIII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

50. RESEARCH AND DEVELOPMENT EXPENSES

Item	Current period	Prior period
Employee benefits	41,640,701.55	22,303,542.41
Technical service fee	27,607,684.89	18,653,512.28
Depreciation and amortization	472,879.71	144,972.36
Others	404,821.63	1,019,697.32
Total	**70,126,087.78**	42,121,724.37

51. FINANCE COSTS

Item	Current period	Prior period
Interest expenses	166,820,762.52	169,485,317.60
Including: Bank and other borrowings	46,439,214.70	62,064,508.11
Bond interest	39,281,718.43	36,986,114.14
Interest expenses on lease liabilities	72,013,902.37	63,311,654.96
Others	9,085,927.02	7,123,040.39
Less: Capitalized interest expenses	6,751,669.08	3,597,316.16
Less: Interest income	98,145,769.88	74,720,895.19
Net exchange loss (net gains denoted by "-")	129,656,340.07	-53,863,941.56
Others	20,874,330.18	23,208,782.67
Total	**212,453,993.81**	60,511,947.36

52. OTHER INCOME

Item	Current period	Prior period	Whether government grants
Financial subsidy for logistics industry	875,669,776.19	582,753,220.37	Yes
Smart Network Cargo Platform and Tax Subsidies for Headquarters Economy Projects	32,908,645.41	106,901,291.78	Yes
Others	5,153,495.59	9,010,851.62	
Total	**913,731,917.19**	698,665,363.77	
Including: Government grants	**909,309,507.81**	694,405,171.37	

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VIII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

53. INVESTMENT INCOME

Item	Current period	Prior period
Income from long-term equity investments under the equity method	**814,287,795.53**	687,496,907.41
Investment income from the disposal of long-term equity investments		-144,638.57
Investment income from disposal of subsidiaries		439,146,773.89
Investment income from holding held-for-trading financial assets		561,737.50
Investment income from holding other non-current financial assets	**38,304,928.99**	108,501.77
Gain on remeasurement of equity at fair value upon acquisition or loss of control	**-831,429.43**	42,447,902.60
Investment income from the disposal of receivables financing	**-2,332,944.58**	-1,513,347.56
Total	**849,428,350.51**	1,168,103,837.04

Note: The Group has no significant restrictions on the repatriation of investment income.

54. GAIN FROM CHANGES IN FAIR VALUE

Item	Current period	Current period
Financial assets held for trading	**-212,120.16**	-10,331.95
Other non-current financial assets	**-1,054,336.00**	7,372,751.68
Total	**-1,266,456.16**	7,362,419.73

55. CREDIT IMPAIRMENT LOSS

Item	Current period	Prior period
Credit impairment losses on accounts receivable	**54,356,587.54**	121,714,888.93
Credit impairment losses on other receivables	**-849,980.33**	-2,927,450.09
Total	**53,506,607.21**	118,787,438.84

(Amounts are expressed in RMB unless otherwise stated)

VIII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

56. IMPAIRMENT OF ASSETS

Item	Current period	Prior period
Provision of inventories	**40,520.98**	

57. INCOME FROM DISPOSAL OF ASSETS

Item	Current period	Prior period	Amount included in non-recurring profit or loss for the period
Gain on disposal of non-current assets	**7,248,397.72**	5,912,389.77	7,248,397.72
Including: Gain on disposal of fixed assets	**7,070,892.46**	3,183,064.49	7,070,892.46
Others	**177,505.26**	2,729,325.28	177,505.26
Total	**7,248,397.72**	5,912,389.77	7,248,397.72

58. NON-OPERATING INCOME

Item	Current period	Prior period	Amount included in non-recurring profit or loss for the period
Liquidated damages, compensation	**45,898,991.73**	5,177,338.80	45,898,991.73
Government grants not related to the daily activities of the enterprise	**1,963,423.29**	1,500,654.55	1,963,423.29
Income from scrapping of non-current assets		5,357,522.83	
Others	**17,846,339.42**	23,361,615.27	17,846,339.42
Total	**65,708,754.44**	35,397,131.45	65,708,754.44

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VIII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

59. NON-OPERATING EXPENSES

Item	Current period	Prior period	Amount included in non-recurring profit or loss for the period
Compensation, liquidated damages and penalty expenses	**15,726,572.15**	5,750,035.67	15,726,572.15
Losses from damage and scrapping of non-current assets	**992,075.67**	1,601,822.68	992,075.67
Litigation and arbitration losses	**477,357.88**	10,053,373.58	477,357.88
Others	**6,108,520.37**	2,225,615.53	6,108,520.37
Total	**23,304,526.07**	19,630,847.46	23,304,526.07

Note: Litigation, arbitration losses and the compensation, liquidated damages, penalty expenses mainly consist of provisions, payments, or reimbursements made by the Group in relation to disputes arising from logistics transportation service contracts in its daily operations.

60. INCOME TAX EXPENSES

1) Income tax expenses table

Item	Current period	Prior period
Current income tax expenses	**508,713,051.88**	565,452,866.66
Adjustments in deferred income taxes	**-8,004,337.89**	-79,836,860.56
Total	**500,708,713.99**	485,616,006.10

(Amounts are expressed in RMB unless otherwise stated)

VIII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

60. INCOME TAX EXPENSES (Continued)

2) Reconciliation of accounting profit and income tax expense

Item	Current period
Total profit	**2,371,376,531.30**
Income tax expense at the rate of 25% (prior period: 25%)	**592,844,132.83**
Tax implications of non-deductible expenses	**12,307,473.78**
Income not subject to tax	**-28,850,115.78**
Tax effect of unrecognized deductible losses and deductible temporary differences for the period	**137,844,921.62**
Tax effect of utilizing unrecognized deductible losses and deductible temporary differences from prior years	**-48,231,728.79**
Effect of different tax rates applicable to subsidiaries in other regions	**-15,734,641.81**
Withholding tax based on the expected current earnings of subsidiaries, joint ventures and associates established outside the parent company's domicile	**1,997,772.77**
Impact of the subsidiary tax credit	**-6,723,521.83**
Change in deferred income tax asset/liability balance at the beginning of the period due to tax rate adjustments	**111,226.48**
Tax impact of unrecognized taxable temporary differences	**-190,403,070.03**
Retroactive payment (refund) of prior year's taxes	**45,338,407.38**
Tax effect of gain on remeasurement of equity at fair value upon acquisition or loss of control	**207,857.37**
Income tax expenses	**500,708,713.99**

Note: Deferred income tax has not been recognized on investment income recognized for the Group's long-term equity investments accounted for under the equity method because the related long-term equity investments will not be sold in the foreseeable future.

(Amounts are expressed in RMB unless otherwise stated)

VIII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

61. EARNINGS PER SHARE

1) Basic earnings per share

Basic earnings per share are calculated by dividing the consolidated net profit attributable to ordinary shareholders of the Company by weighted average number of issued ordinary shares of the Company:

Item	Current period	Prior period
Net profit attributable to shareholders of the Company for the period	**1,724,919,016.93**	1,946,948,727.20
Weighted average of the Company's outstanding ordinary shares *(Note)*	**7,173,751,227.00**	7,193,462,433.50
Basic earnings per share (RMB/share)	**0.2404**	0.2707
Including: basic earnings per share from continuing operations	**0.2404**	0.2707
Basic earnings per share from discontinued operations		

Note: Changes in the number of ordinary shares outstanding that occurred during the month are weighted on a mid-month basis.

2) Diluted earnings per share

Diluted earnings per share are calculated by dividing the diluted consolidated net profit attributable to ordinary shareholders of the Company by the diluted weighted average number of ordinary shares outstanding:

Item	Current period	Prior period
Diluted consolidated net profit attributable to ordinary shareholders of the Company	**1,724,919,016.93**	1,946,948,727.20
Diluted weighted average number of ordinary shares outstanding of the Company	**7,173,751,227.00**	7,200,456,530.27
Diluted earnings per share	**0.2404**	0.2704
Including: Diluted earnings per share from continuing operations	**0.2404**	0.2704
Diluted earnings per share from discontinued operations		

(Amounts are expressed in RMB unless otherwise stated)

VIII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

62. ITEMS IN THE CONSOLIDATED CASH FLOW STATEMENT

1) Cash related to operating activities

(1) Cash received from other operating activities

Item	Current period	Prior period
Government grants	**661,837,291.65**	601,572,065.72
Deposit, security deposit, collection, and advance payment, etc.	**194,215,106.18**	334,287,379.01
Income from leasing assets	**107,470,998.27**	130,954,401.62
Interest income	**94,982,363.69**	71,139,523.02
Others	**57,202,127.08**	17,885,142.02
Total	**1,115,707,886.87**	1,155,838,511.39

(2) Cash paid for other operating activities

Item	Current period	Prior period
Deposit, security deposit, collection, and advance payment, etc.	**486,967,193.43**	438,296,857.08
Information technology costs	**71,743,190.02**	48,679,985.69
Compensation and liquidated damages	**16,718,647.82**	6,779,660.61
Property and utilities (water, electricity, gas) fees	**35,623,912.09**	43,009,054.05
Funds deposited subject to restrictions on the litigation	**30,544,200.75**	29,037,866.47
Intermediary service fee	**11,064,697.95**	51,687,677.28
Travel expenses	**26,778,062.60**	29,584,220.37
Business entertainment expenses	**26,025,449.88**	28,465,035.85
Short-term, low-value lease costs	**23,313,670.07**	33,139,866.91
Compensation and liquidated damages	**20,874,330.18**	23,208,782.67
Handling charge	**15,469,863.46**	12,437,792.87
Office expenses	**14,348,141.75**	22,281,557.98
Vehicle expenses	**8,937,690.74**	10,639,217.94
Decoration and repair costs	**12,932,686.88**	15,838,820.61
Others	**81,511,555.08**	12,798,629.85
Total	**882,853,292.70**	805,885,026.23

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VIII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

62. ITEMS IN THE CONSOLIDATED CASH FLOW STATEMENT (Continued)

2) Cash related to investing activities

(1) Cash received from other investing activities

Item	Current period	Prior period
Negative reclassification of net cash paid to acquire subsidiaries	**23,242,833.10**	44,844,890.55

(2) Cash paid relating to other investing activities

Item	Current period	Prior period
Reclassification of negative net cash received on disposal of subsidiaries		79,890,399.69

(3) Significant cash received related to investing activities

Item	Current period	Prior period
Investment payment to Antong Holdings Co., Ltd.	**158,825,588.74**	
Investment in the BOC Sinotrans Warehousing and Logistics Closed-end Infrastructure Securities Investment Fund		262,160,000.00
Construction payment for Sinotrans Dubai Logistics Park Project		108,340,000.00
Sinotrans Lingang International Logistics Center Project construction, land payments		104,693,131.83
Total	**158,825,588.74**	475,193,131.83

(Amounts are expressed in RMB unless otherwise stated)

VIII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

62. ITEMS IN THE CONSOLIDATED CASH FLOW STATEMENT (Continued)

3) Cash related to financing activities

(1) Cash received from other financing activities

Item	Current period	Prior period
Cash received from stock option exercises		71,000,855.00

(2) Cash paid for other financing activities

Item	Current period	Prior period
Lease payments	**467,621,258.36**	446,671,468.80
Share repurchase		453,115,859.70
Repayment of interest to Shenzhen International Holdings (Shenzhen) Co., Ltd.		46,668,940.00
Payment for the acquisition of minority shareholders' equity		39,804,543.77
Total	**467,621,258.36**	986,260,812.27

(3) Changes in liabilities arising from financing activities

Item	Opening balance	Increase in current period		Decrease in current period		Closing balance
		Cash flow	Non-cash flow	Cash flow	Non-cash flow	
Dividends payable	12,950,281.88		1,186,893,270.71	1,178,219,277.85	2,250,805.60	**19,373,469.14**
Payment of consideration for business combination under common control	1,175,998,399.31	305,832,617.47	499,040.11	937,328,265.11	361,816.67	**544,639,975.11**
Long-term borrowings (including those due within one year)	2,984,902,686.30	81,138,234.60	119,219,951.03	353,548,697.95	87,042,774.55	**2,744,669,399.43**
Bonds payable (including those due within one year)	4,064,037,135.28		39,281,718.43	35,800,000.00		**4,067,518,853.71**
Lease liabilities (including those due within one year) and rentals payable transferred to other payables	3,045,797,721.23		912,456,356.08	467,621,258.36	139,242,734.20	**3,351,390,084.75**
Long-term accounts payable (including those due within one year)	24,715,030.29		607,836.25	607,836.25		**24,715,030.29**
Total	11,308,401,254.29	386,970,852.07	2,258,958,172.61	2,973,125,335.52	228,898,131.02	**10,752,306,812.43**

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VIII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

63. Supplementary information to the statement of cash flows

1) Supplementary information of the cash flow statement

Item	Current period	Prior period
1. Reconciliation of net profit to cash flows from operating activities		
Net profit	**1,870,667,817.31**	2,124,961,058.30
Add: Impairment of assets	**40,520.98**	
Credit impairment loss	**53,506,607.21**	118,787,438.84
Depreciation of right-of-use assets	**446,968,550.25**	443,864,935.08
Depreciation of fixed assets and investment properties	**666,197,625.73**	688,334,336.41
Amortization of intangible assets	**167,361,386.22**	160,637,521.72
Amortization of long-term prepaid expenses	**31,383,525.02**	34,648,461.65
Losses from disposal of assets (gains denoted by "-")	**-7,248,397.72**	-5,912,389.77
Losses from damage and scrapping of non-current assets (gains denoted by "-")	**992,075.67**	-3,755,700.15
Losses from changes in fair value (gains denoted by "-")	**1,266,456.16**	-7,362,419.73
Finance costs (income denoted by "-")	**419,492,534.88**	154,064,495.46
Investment losses (income denoted by "-")	**-851,761,295.09**	-1,168,103,837.04
Decrease in deferred tax assets (increase denoted by "-")	**-3,396,649.79**	-24,093,245.20
Increase in deferred tax liabilities (decrease denoted by "-")	**-4,607,688.10**	-55,743,615.36
Decrease in inventories (increase denoted by "-")	**1,769,646.63**	-287,347.02
Decrease in operating receivables (increase denoted by "-")	**-4,261,931,114.54**	-2,993,462,755.78
Increase in operating payables (decrease denoted by "-")	**611,172,570.09**	701,145,924.41
Net cash flows from operating activities	**-858,125,829.09**	167,722,861.82
2. Major investing and financing activities not involving cash receipts and payments:		
Conversion of debts into capital		
Convertible corporate bonds due within one year		
Newly added right-of-use assets	**846,133,959.96**	728,205,147.57
3. Net changes in cash and cash equivalents:		
Closing balance of cash	**12,735,009,238.25**	11,698,546,245.77
Less: Opening balance of cash	**16,889,324,770.55**	13,440,376,824.37
Add: Ending balance of cash equivalents		
Less: Beginning balance of cash equivalents		
Net increase in cash and cash equivalents	**-4,154,315,532.30**	-1,741,830,578.60

(Amounts are expressed in RMB unless otherwise stated)

VIII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

63. Supplementary information to the statement of cash flows (Continued)

2) Cash paid for distribution of dividends, profits or settlement of interest

Item	Current period	Prior period
Payment of dividends on ordinary shares	**1,106,888,357.95**	
Dividends and profits paid by subsidiaries to minority shareholders	**71,330,919.90**	112,566,673.26
Cash paid for the settlement of interest	**75,487,545.62**	65,951,750.49
Total	**1,253,706,823.47**	178,518,423.75

3) CASH AND CASH EQUIVALENTS

Item	Closing balance	Opening balance
I. Cash	**12,735,009,238.25**	16,889,324,770.55
Including: Cash on hand	**6,314,733.42**	3,953,365.50
Cash at bank readily available for payment	**12,666,542,306.82**	16,885,371,405.05
Other cash and bank balances readily available for payment	**62,152,198.01**	
II. Cash equivalents		
III. Balance of cash and cash equivalents at the end of the period	**12,735,009,238.25**	16,889,324,770.55

Note: At the end of current period, the Group does not present significant cash and bank balances or other assets with a restricted scope of use as cash and cash equivalents. For details of the amount of cash and bank balances at the end of the year that are not cash and cash equivalents, please refer to Note VIII.1.

VIII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

63. Supplementary information to the statement of cash flows (Continued)

4) Notes to the presentation of cash flows on a net basis

Item	Relevant facts	Basis for net presentation	Financial impact
Collections and advance payments	When the Group acts as an agent in agency and related businesses, it involves the receipt or payment of money on behalf of customers.	The aforesaid amounts received or paid on behalf of customers are usually explicitly agreed in the contracts entered into between the Group and the customers and the intervals between receipt and payment are relatively short. In order to maintain the matching with the recognition of income, so as to enable investors to better understand the correspondence between the Group's cash flows and income and costs, the Group presents the amounts received or paid on behalf of customers in net amount in accordance with the principle of consistency.	The presentation of amounts received or paid on behalf of customers on a net basis has no material impact on the Group's net cash flows from operating activities.

5) Supplier financing arrangements

(1) Terms and conditions of supplier financing arrangements

Some of the Group's subsidiaries participate in financing arrangements between suppliers and financial institutions. The main economic consideration for participating in the financing arrangements is to provide assistance to small and medium-sized suppliers in terms of cash flow, thereby stabilizing or attracting capacity resources, and is not for the purpose of improving the Group's working capital. In such arrangements, the Group's payment schedule remains unchanged and the Group is not liable for interest on the supplier financing arrangement, but the Group makes unconditional (waiver of defenses as a buyer, including, but not limited to, commercial disputes) payments to the bank when due in accordance with the agreement. At the economic level, there is no material change in the Group's cash flows. However, at the legal level, the Group's liabilities to suppliers are replaced with liabilities to financial institutions, and as a result, the Group derecognizes accounts payable in such arrangements and recognizes an equivalent amount of short-term borrowings from financial institutions (which have a short maturity and are not discounted at the time of the Group's initial recognition).

As mentioned above, the Group does not bear interest in the supplier financing arrangement and does not change the timing of the Group's payment (the same as the due date of accounts payable). The Group still reports the cash flows from the repayment of the aforesaid short-term borrowings as operating activities based on the principle of substance over form and for the sake of the users of the statements to better understand the statements.

VIII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

63. Supplementary information to the statement of cash flows (Continued)

5) Supplier financing arrangements (Continued)

(2) Items presented in the consolidated statement of financial position and related Information

Item	Closing balance	Opening balance
Accounts Payable	**174,721,721.43**	
Including: Amounts received by suppliers	**174,721,721.43**	
Short-term borrowings		169,533,003.30
Including: Amounts received by suppliers		169,533,003.30

(3) Range of payment due dates

As previously stated, the timing of the Group's payments under supplier financing arrangements remains unchanged (the same as the due date of accounts payable). There is no significant difference in payment due dates between liabilities that are under supplier financing arrangements and comparable accounts payable that are not under supplier financing arrangements.

6) Significant activities and financial impacts that do not involve cash receipts or payments during the period but that affect the financial position of the enterprise or may affect the enterprise' s cash flows in the future.

The Group provides credit to customers as a service provider and obtains credit from suppliers as a service purchaser in its daily operations, resulting in the Group having both operating receivables and payables at the end of the period, which will be collected or paid in cash in the following year. The Group requires ongoing leases of warehouses, storage yards, containers, and other facilities for its daily operations. However, there is no cash outflow at the time of initial recognition of the right-of-use assets and lease liabilities. Apart from operating receivables and payables and new lease liabilities, the Group has no other significant activities or events that do not involve cash receipts or payments during the period but affect the financial position of the enterprise or may affect the enterprise's cash flows in the future.

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VIII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

64. FOREIGN CURRENCY MONETARY ITEMS

1) FOREIGN CURRENCY MONETARY ITEMS

Item	Foreign currency balance at the end of the period	Exchange rate of translation	Closing balance in RMB
Cash and bank balances			5,578,068,553.77
Including: USD	639,051,416.67	6.8109	4,352,515,293.80
HKD	519,799,028.15	0.8686	451,471,445.90
EUR	36,676,270.03	7.7671	284,868,256.95
JPY	2,231,760,587.94	0.0420	93,834,373.92
Others			395,379,183.20
Accounts receivable			5,465,074,303.77
Including: USD	734,076,137.52	6.8109	4,999,719,165.03
HKD	101,305,061.31	0.8686	87,988,511.00
EUR	47,091,023.73	7.7671	365,760,690.41
JPY	1,011,598.00	0.0420	42,532.64
Others			11,563,404.69
Accounts payable			4,760,915,808.96
Including: USD	645,105,869.72	6.8109	4,393,751,568.08
HKD	145,194,626.85	0.8686	126,108,793.15
EUR	27,446,467.30	7.7671	213,179,456.17
JPY	277,528,159.25	0.0420	11,668,671.46
Others			16,207,320.10
Non-current liabilities due within one year			61,095,837.72
EUR	7,865,978.00	7.7671	61,095,837.72
Long-term borrowings			1,136,843,420.80
EUR	146,366,523.00	7.7671	1,136,843,420.80
Lease liabilities			80,310,921.99
Including: USD	1,549,241.13	6.8109	10,551,726.41
HKD	298,023.14	0.8686	258,848.00
EUR	8,948,043.36	7.7671	69,500,347.58

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VIII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

64. FOREIGN CURRENCY MONETARY ITEMS (Continued)

2) Description of material overseas operating entities

Name of overseas operating entity	Main business location	Functional currency	Basis for selection of functional currency	Whether there was a change in the functional currency in the current period
SINOTRANS (HK) LOGISTICS LIMITED	Hong Kong, China	HKD	Based on currencies in the principal economic environment in which it operates	No
SE LOGISTICS HOLDING B.V.	Netherlands, Romania	EUR	Based on currencies in the principal economic environment in which it operates	No

65. LEASE

1) As Lessee

Item	Current period	Prior period
Interest expenses on lease liabilities	**72,013,902.37**	63,311,654.96
Short-term lease payments with simplified treatment included in the cost of the related assets or in current profit or loss	**290,221,515.89**	341,529,160.37
Lease expenses for low-value assets (other than short-term lease expenses for low-value assets) with simplified treatment included in the cost of the related assets or in current profit or loss	**11,479,690.88**	10,381,711.30
Variable lease payments not included in the lease liability but included in the cost of the related asset or in current profit or loss		
Including: Parts arising from sale-leaseback transactions		
Income from sublease of right-of-use assets	**3,911,486.40**	1,607,744.66
Total cash outflows related to leases	**769,322,465.13**	798,582,340.47

(Amounts are expressed in RMB unless otherwise stated)

VIII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

65. LEASE (Continued)

2) As lessor

(1) Operating Leases

Item	Current period	Prior period
Lease income	**98,597,246.12**	130,954,401.62
Including: Income related to variable lease payments not included in lease receipts		

The undiscounted lease payments to be received after the balance sheet date are as follows:

Undiscounted lease payments to be received after the balance sheet date	Current period	Prior period
Within 1 year	**138,192,724.64**	170,284,044.14
1 to 2 years	**91,433,528.76**	113,907,183.00
2 to 3 years	**71,202,557.35**	80,498,081.34
3 to 4 years	**51,656,320.93**	62,699,755.09
4 to 5 years	**36,092,035.39**	53,485,059.00
Over 5 years	**21,720,402.39**	40,759,348.86
Total	**410,297,569.46**	521,633,471.43

(Amounts are expressed in RMB unless otherwise stated)

VIII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

65. LEASE (Continued)

2) As lessor (Continued)

(1) Operating Leases *(Continued)*

1) The Group's operating leases as lessor relate to buildings, vehicles, equipment, etc., for a term of 1-9 years, with a partial renewal option.

2) The Group does not consider the unguaranteed residual value of these assets to be a material risk to the Group due to the lease being subject to high versatility and short leasing periods.

(2) Financing Leases

The Group has no financing lease transactions as a lessor that require disclosure.

IX. RESEARCH AND DEVELOPMENT EXPENDITURE

1. PRESENTATION BY NATURE OF COSTS

Item	**Current period**	Prior period
Technical service fee	**54,816,783.91**	43,666,282.09
Employee benefits	**42,013,549.07**	25,456,293.00
Depreciation and amortization	**472,879.71**	144,972.36
Others	**980,838.88**	1,881,630.13
Total	**98,284,051.57**	71,149,177.58
Including: Expensed research and development expenditure	**70,126,087.78**	42,121,724.37
Capitalized research and development expenditure	**28,157,963.79**	29,027,453.21

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IX. RESEARCH AND DEVELOPMENT EXPENDITURE (CONTINUED)

2. DEVELOPMENT EXPENDITURE ON RESEARCH AND DEVELOPMENT PROJECTS ELIGIBLE FOR CAPITALIZATION

		Increase in current period		Decrease in current period			Effects from translation of financial statements in foreign currency	
Item	Opening balance	Internal development expenditure	Others	Recognized as intangible assets	Transfer to current profit or loss	Others		**Closing balance**
Sinotrans Sailing	32,727,777.07	251,498.12						**32,979,275.19**
Software Development	10,851,359.41	12,790,352.15		910,569.78	11,875,075.13			**10,856,066.65**
i-SCP Smart Supply Chain Platform Project	10,586,924.54	3,813,548.55		4,440,471.69	1,717,265.53			**8,242,735.87**
Network Cargo Platform Project	7,264,393.26	663,977.14						**7,928,370.40**
Technology R&D – Data Autonomous Driving Technology in Agency & Professional Logistics Sector	6,933,691.66							**6,933,691.66**
Joint Innovation Project of Strategic Customers	3,192,452.82		2,476,415.10					**5,668,867.92**
Construction of Sinotrans CRM System Phase II	5,599,999.98							**5,599,999.98**
Identity and Access Management System – External Authentication Project	5,037,735.84							**5,037,735.84**
Promotion and Implementation Project of Product and Quotation Management System	1,584,905.66		3,169,811.32					**4,754,716.98**
Smart Supply Chain Project	4,415,094.34							**4,415,094.34**
Technical R&D and Service Enhancement of Business Operating Systems	4,387,169.81		348,113.21		348,113.21			**4,387,169.81**
Development of IT Operation Support Platform Project	3,973,990.14							**3,973,990.14**
Carbon Management System Construction Project @2	4,047,169.83			84,905.66				**3,962,264.17**
Digital Requirements Transformation Project for BMS System Docking Finance	3,890,452.60							**3,890,452.60**
Intelligent Construction Project of Logistics Documents Based on Large Model	2,548,867.92		1,274,433.96					**3,823,301.88**
Operation Management Platform	3,676,735.87							**3,676,735.87**
Customs Management System Integration, Optimization, and Digital Foundation Enhancement Project	7,437,641.51			4,221,226.39				**3,216,415.12**
Headquarters Business Function System Development Project	3,001,198.03							**3,001,198.03**
Others	250,698,578.79	34,613,402.96	38,882,499.06	143,569,356.78	56,185,633.91	855,000.00	-58,245.61	**123,526,244.51**
Subtotal	371,856,139.08	52,132,778.92	46,151,272.65	153,226,530.30	70,126,087.78	855,000.00	-58,245.61	**245,874,326.96**
Less: impairment								
Total	371,856,139.08	52,132,778.92	46,151,272.65	153,226,530.30	70,126,087.78	855,000.00	-58,245.61	**245,874,326.96**

Note: The other increase of development expenditure for the current period is mainly the investment of external research and development entrusted by the Group. The proportion of development expenditure to the total expenditure on research and development projects during this period is 28.65%.

IX. RESEARCH AND DEVELOPMENT EXPENDITURE (CONTINUED)

2. DEVELOPMENT EXPENDITURE ON RESEARCH AND DEVELOPMENT PROJECTS ELIGIBLE FOR CAPITALIZATION (Continued)

1) **The Group has no material capitalized research and development projects that require disclosure.**

2) **As at 30 June 2026, the Group was assessed and concluded that no impairment provision was necessary for the development expenditure.**

3. As at 30 June 2026, the Group had no significant outsourced projects under development.

X. GOVERNMENT GRANTS

1. GOVERNMENT GRANTS RECOGNIZED AT PERIOD-END BASED ON THE AMOUNT RECEIVABLE

As at 30 June 2026, the balance of government grants receivable for the Group amounted to RMB1,476,072,983.49 (1 January 2026: RMB1,182,923,960.69). For details of the expected timing of collection of the aforementioned government grants receivable, please refer to Note VIII. 7.(3).

Reasons for significant government grants that are not received in the expected amount at the expected point in time:

Sinotrans Cross-border E-commerce Supply Chain (Hunan) Co., Ltd., a subsidiary of the Group, had a receivable of RMB72,892,063.00 due from Airport Sub-area of China (Hunan) Pilot Free Trade Zone Changsha Area Management Committee for county-level charter flight subsidies at the beginning of the year, which was originally expected to be fully recovered by the end of June 2024. During year 2024, due to financial stringency at the county level, the Group expected that the collection of the aforesaid amounts would be further delayed and may be partially uncollectable. Based on risk assessment, the Group has provided for expected credit losses of RMB36,446,031.50 for the year 2024. There was no significant changes during this period, and as at 30 June 2026, the balance of the provision for bad debts is still RMB36,446,031.50.

As at 31 December 2025, Sinotrans Air Transport Co., Ltd., a subsidiary of the Group, was owed RMB233,430,000 in charter flight subsidies by Hangzhou International Airport Co., Ltd.. During year 2025, the Group was informed that due to tight local fiscal funds, the amount of previously unpaid subsidies was likely to be reduced by 50%. Therefore, the Group provided for expected credit losses with RMB116,715,000 based on risk assessment. The Group collected RMB20,597,600 during this period and reversed the bad debt provision with RMB5,885,028.56. As at 30 June 2026, the remaining balance of the provision for bad debts is RMB110,829,971.44.

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X. GOVERNMENT GRANTS (CONTINUED)

2. LIABILITY ITEMS RELATED TO GOVERNMENT GRANTS

Category of government grants	Opening balance	New grants increase in current period	Amount included in non-operating income for the period	Amount included in other income for the period	Changes of the scope of consolidation	Closing balance	Asset-related/ revenue-related
Financial subsidy for logistics industry	288,508,440.37	55,138,490.56	976,872.52	10,198,403.84	43,449,800.00	**375,921,454.57**	Asset-related/ revenue-related
Land restitution	63,600,579.07			967,714.08		**62,632,864.99**	Asset-related
Relocation compensation	46,525,892.88			940,146.78		**45,585,746.10**	Asset-related
Others	32,954,039.88			1,072,549.08		**31,881,490.80**	Asset-related/ revenue-related
Total	431,588,952.20	55,138,490.56	976,872.52	13,178,813.78	43,449,800.00	**516,021,556.46**	

3. DETAILS OF GOVERNMENT GRANTS

Item	Current period	Prior period
Government grants obtained related to assets:		
Financial subsidy for logistics industry	**54,680,000.00**	7,322,460.41
Subtotal	**54,680,000.00**	7,322,460.41
Government grants obtained related to revenue:		
Financial subsidy for logistics industry	**862,949,452.97**	575,678,624.39
Smart Network Cargo Platform and Tax Subsidies for Headquarters Economy Projects	**32,908,645.41**	106,901,291.78
Other government grants (Note)	**1,717,636.98**	2,179,566.88
Subtotal	**897,575,735.36**	684,759,483.05
Total	**952,255,735.36**	692,081,943.46
Less: Government grants included in deferred income	**55,138,490.56**	7,425,560.41
Add: Government grants transferred from deferred income to current profit or loss	**14,155,686.30**	11,249,442.87
Less: Government grants to offset related costs		
Government grants included in current profit or loss	**911,272,931.10**	695,905,825.92
Including: Government grants included in other income	**909,309,507.81**	694,405,171.37
Government grants included in non operating income	**1,963,423.29**	1,500,654.55

Note: The other government grants consist of non-material government grant items and are not disclosed separately.

XI. RISKS RELATED TO FINANCIAL INSTRUMENTS

1. VARIOUS RISKS ARISING FROM FINANCIAL INSTRUMENTS

The Group's main financial instruments include cash and bank balances, accounts receivable, other receivables, other non-current financial assets, borrowings, bonds payable, accounts payable, and other payables. The details of financial instruments are set out in the notes to items mentioned above. The risks associated with these financial instruments and the risk management policies adopted by the Group to mitigate these risks are described below. These risk exposures are managed and monitored by the management of the Group to ensure that the risks above are controlled within a limited range.

The Group engages in risk management with the objective of striking an appropriate balance between risks and rewards, minimizing the negative impact of risks on the Group's operating results, and maximizing the interests of shareholders and other equity investors. Based on this risk management objective, the Group's basic strategy for risk management is to identify and analyze the various risks to which the Group is exposed, establish appropriate risk tolerance floors and conduct risk management, and monitor the various risks in a timely and reliable manner to keep them within the limits.

1) Credit risk

Credit risk refers to the risk of financial loss to the Company caused by the counterparty's failure to fulfill its contractual obligations.

As at 30 June 2026, the maximum credit risk exposure that is likely to cause financial losses to the Group was due primarily to the losses on the Group's financial assets arising from the failure of the other party to the contract to fulfill its obligations, including the book balance of the recognized financial assets in the consolidated statement of financial position; for financial instruments measured at fair value, the book value reflects its risk exposure that is not the maximum, and its maximum risk exposure will change with future changes in fair value. In addition, it also includes losses to be paid for the performance of contingent obligations and financial guarantees, see the amount of financial guarantee contracts disclosed in Note VIII. 38 and the Note XIII. 5. (5).

In order to reduce the credit risk, the Group has set up a group to determine credit lines, conduct credit approvals and implement other monitoring procedures to ensure that any necessary measures are taken to recover overdue claims. In addition, the Group reviews the recovery of each individual receivable at the end of the reporting period to ensure that sufficient credit loss provision is made for amounts that are irrecoverable. As a result, the Group's management considers that the Group's credit risk has been reduced significantly.

XI. RISKS RELATED TO FINANCIAL INSTRUMENTS (CONTINUED)

1. VARIOUS RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

1) Credit risk (Continued)

See Note IV.11.2 for the Group's specific method for assessing whether credit risk has increased significantly since initial recognition, the basis for determining that credit impairment has occurred for financial assets, the portfolio method for assessing expected credit risk by dividing the portfolio into groups, and the policy for direct write-downs of financial instruments. Except for the top five closing balances of accounts receivable and other receivables disclosed in Note VIII. 4.(10) and Note VIII. 7.(3), the Group has no other significant credit concentration risks.

The Group's cash and cash equivalents are mainly bank deposits with related party non-bank financial institutions and reputable state-owned banks with high credit ratings and other large and medium-sized listed banks, and the Group believes that there are no significant credit risk and almost will be no losses incurred due to default.

As part of the Group's credit risk management, the Group uses the aging of accounts receivable to assess the expected credit losses on receivables arising from operations. The Group's business involves a large number of customers. Except for situations such as disputes, litigations or operational difficulties, restructuring and bankruptcy, and customers of related parties, there is no significant difference in the credit risk characteristics of the remaining customers, and the aging information reflects the solvency of such customers when the receivables are due.

During the period from 1 January 2026 to 30 June 2026, there have been no significant changes to the Group's valuation approach and material assumptions.

As at 30 June 2026, the maximum amount of financial guarantees provided by the Group for joint ventures and associates was RMB395,401,170.24. Details of the financial guarantee contracts are set out in Note XIII. 5. (5). As at 30 June2026, the management of the Group assessed the overdue status of the relevant borrowings under the guarantees, the financial position of the relevant borrowers, and the economic situation of the industry in which the debtors operate, and concluded that there was no significant increase in the relevant credit risk since the initial recognition of this part of the financial guarantee contract. Accordingly, the Group has no financial guarantee contracts classified as requiring a loss allowance to be measured at the expected credit losses over the entire life of the contract, and the above financial guarantee contracts are measured at the amount of their loss allowance for expected credit losses over the next 12 months. During the period from 1 January 2026 to 30 June 2026, there have been no significant changes to the Group's valuation approach and material assumptions.

(Amounts are expressed in RMB unless otherwise stated)

XI. RISKS RELATED TO FINANCIAL INSTRUMENTS (CONTINUED)

1. VARIOUS RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

2) Liquidity risk

Liquidity risk refers to the risk of capital shortage arising when the enterprise performs the settlement obligation by way of the delivery of funds or other financial assets.

In managing the liquidity risk, the Group's management believes that sufficient cash and cash equivalents should be maintained and monitored to meet the Group's business needs and to reduce the impact of cash flow fluctuations. The Group's management monitors the use of bank loans and ensures compliance with loan agreements.

The Group's unused bank borrowings at the end of the year amounted to RMB22.286 billion (1 January 2026: RMB22.653 billion).

According to the maturity date of the undiscounted contract or expected cash flows, the financial liabilities held by the Group are analyzed as follows:

30 June 2026

	Closing Balance				
Item	Within 1 year	1 to 5 years	Over 5 years	Total undiscounted contract amount	Book value
Short-term borrowings	546,430,673.34			546,430,673.34	544,639,975.11
Long-term borrowings		1,990,033,947.28	641,494,459.99	2,631,528,407.27	2,508,504,770.21
Accounts payable	14,689,174,129.27			14,689,174,129.27	14,689,174,129.27
Bills payable	70,227,921.40			70,227,921.40	70,227,921.40
Other payables	1,689,975,062.71			1,689,975,062.71	1,689,975,062.71
Non-current liabilities due within one year	1,150,477,371.49			1,150,477,371.49	1,017,225,927.82
Bonds payable		4,163,389,041.10		4,163,389,041.10	3,999,583,387.62
Lease liabilities		1,040,178,645.22	2,300,819,333.29	3,340,997,978.51	2,638,434,407.94
Estimated liabilities		50,701,558.08		50,701,558.08	50,701,558.08
Long-term payables			24,715,030.29	24,715,030.29	24,715,030.29
Total	18,146,285,158.21	7,244,303,191.68	2,967,028,823.57	28,357,617,173.46	27,233,182,170.45

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XI. RISKS RELATED TO FINANCIAL INSTRUMENTS (CONTINUED)

1. VARIOUS RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

2) Liquidity risk (Continued)

31 December 2025

			Closing balance		
Item	Within 1 year	1 to 5 years	Over 5 years	Total undiscounted contract amount	Book value
Short-term borrowings	1,355,042,253.93			1,355,042,253.93	1,345,531,402.61
Long-term borrowings	50,480,142.73	2,089,228,536.02	614,350,646.78	2,754,059,325.53	2,523,539,379.01
Accounts payable	12,746,239,901.23			12,746,239,901.23	12,746,239,901.23
Bills payable	213,825,864.89			213,825,864.89	213,825,864.89
Other payables	1,795,853,447.26			1,795,853,447.26	1,795,853,447.26
Non-current liabilities due within one year	1,221,226,661.60			1,221,226,661.60	1,095,263,564.96
Bonds payable	32,743,744.33	4,112,262,831.01		4,145,006,575.34	3,999,104,347.06
Lease liabilities		1,591,846,790.62	1,621,254,663.65	3,213,101,454.27	2,469,442,381.37
Estimated liabilities		63,380,344.02	4,212,850.82	67,593,194.84	67,593,194.84
Long-term payables			24,715,030.29	24,715,030.29	24,715,030.29
Total	17,415,412,015.97	7,856,718,501.67	2,264,533,191.54	27,536,663,709.18	26,281,108,513.52

3) Market risk

Market risk associated with financial instruments refers to the risk that fair value or future cash flows of financial instruments fluctuate due to variations in market prices, and it includes exchange rate risk, interest rate risk and price risks.

(1) Interest rate change risk

Interest rate risks refer to the risks of fluctuation in the fair value or future cash flows of financial instruments due to changes in market interest rate.

The Group's foreign currency borrowings were mainly floating rate borrowings in HKD, EUR and USD, the interest rates of which were not affected by the adjustment of the benchmark lending rate by the People's Bank of China.

The Group's main liabilities exposed to interest rate risk are long-term borrowings and non-current liabilities due within one year.

The sensibility analysis of interest rate risks is based on the following assumptions:

- Any changes in market interest rates affect interest income or expenses of financial instruments with variable interest rates.
- For financial instruments with fixed interest rates that are measured at fair value, any changes in market interest rates only affect their interest income or expenses.
- Any changes in the fair value of other financial assets and liabilities that are calculated using the discounted cash flow method at the prevailing market interest rate at the date of the statement of financial position.

XI. RISKS RELATED TO FINANCIAL INSTRUMENTS (CONTINUED)

1. VARIOUS RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

3) Market risk (Continued)

(1) Interest rate change risk (Continued)

On the basis of the above assumptions, and with other variables remaining unchanged, the pre-tax effects of the possible reasonable changes in interest rates on current profit or loss and shareholders' equity are as follows:

Interest rate changes	Current period		Prior period	
	Effects on total profit	Pre-tax effects on shareholders' equity	Effects on total profit	Pre-tax effects on shareholders' equity
Interest rate rises by 0.5%	**-4,756,034.45**	**-4,756,034.45**	-6,058,723.65	-6,058,723.65
Interest rate is lowered by 0.5%	**4,756,034.45**	**4,756,034.45**	6,058,723.65	6,058,723.65

(2) Foreign exchange risk

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's other major business activities are denominated and settled in RMB, except for the Group's companies established in the Hong Kong Special Administrative Region and outside Hong Kong, which make purchases and sales in the registered local currency. Therefore, the Group's exposure to foreign exchange risk relates primarily related to USD, HKD, and EUR held by entities using RMB as their functional currency, and RMB held by entities using HKD as their functional currency.

As at 30 June 2026, changes in the fair value or future cash flows arising from changes in exchange rates of assets and liabilities in respect of the USD, HKD, and EUR balances held by entities using RMB as their functional currency may have an impact on the Group's results of operations as described in the table below:

Item	Assets		Liabilities	
	Closing balance	Opening balance	Closing balance	Opening balance
USD	**6,697,173,939.05**	6,213,399,687.83	**4,232,417,167.44**	3,241,452,469.22
HKD	**284,669,473.71**	749,425,485.41	**126,358,755.88**	470,445,794.22
EUR	**140,653,544.86**	451,099,832.22	**1,466,229,597.04**	2,173,972,248.94
Total	**7,122,496,957.62**	7,413,925,005.46	**5,825,005,520.36**	5,885,870,512.38

Note: The end of the period balance of foreign currency assets and liabilities are presented in RMB at the period-end exchange rate.

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XI. RISKS RELATED TO FINANCIAL INSTRUMENTS (CONTINUED)

1. VARIOUS RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

3) Market risk (Continued)

(2) Foreign exchange risk (Continued)

As at 30 June 2026, changes in the fair value or future cash flows arising from changes in exchange rates of assets and liabilities in respect of the RMB balances held by entities using HKD as their functional currency may have an impact on the Group's results of operations as described in the table below:

	Assets		Liabilities	
Item	**Closing balance**	Opening balance	**Closing balance**	Opening balance
RMB	**420,676,923.38**	353,371,425.24	**16,001,277.86**	6,891,669.32

The Group pays close attention to the impact of exchange rate changes on the Group's foreign exchange risk. The management has made a policy to control foreign exchange risk by optimizing the structure of net foreign currency assets.

Sensitivity analysis of foreign exchange risk

With other variables remaining unchanged, the pre-tax effects of reasonable changes in the exchange rate on current profit or loss and shareholders' equity are as follows:

	Current period		Prior period	
Exchange rate changes	**Effect on total comprehensive income**	**Pre-tax effects on shareholders' equity**	Effect on total comprehensive income	Pre-tax effects on shareholders' equity
USD appreciation by 5% against RMB	**123,237,838.58**	**123,237,838.58**	148,597,360.93	148,597,360.93
USD devaluation by 5% against RMB	**-123,237,838.58**	**-123,237,838.58**	-148,597,360.93	-148,597,360.93
HKD appreciation by 5% against RMB	**-12,318,246.38**	**-12,318,246.38**	-6,284,797.72	-6,284,797.72
HKD devaluation by 5% against RMB	**12,318,246.38**	**12,318,246.38**	6,284,797.72	6,284,797.72
EUR appreciation by 5% against RMB	**-66,278,802.61**	**-66,278,802.61**	-86,143,620.84	-86,143,620.84
EUR devaluation by 5% against RMB	**66,278,802.61**	**66,278,802.61**	86,143,620.84	86,143,620.84

(Amounts are expressed in RMB unless otherwise stated)

XI. RISKS RELATED TO FINANCIAL INSTRUMENTS (CONTINUED)

1. VARIOUS RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

3) Market risk (Continued)

(3) Other price risks

Other price risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of the changes in market prices other than exchange rate risk and interest rate risk.

Financial assets held for trading, other equity instrument investments and other non-current financial assets held by the Group include some investments in shares of listed companies. As a result, the Group bears the risk of price changes in the securities market. The Group usually does not make direct investments in shares of listed companies. Existing investments in shares of listed companies were mainly formed and acquired by offsetting the conversion of investee entities to publicly listed companies. With other variables remaining unchanged, the pre-tax effects of the possible reasonable changes in stock prices on shareholders' equity are as follows:

Item	Stock price changes	Current period Effects on total profit	Effect on other comprehensive income (excluding income tax)	Pre-tax effects on shareholders' equity	Prior period Effects on total profit	Effect on other comprehensive income (excluding income tax)	Pre-tax effects on shareholders' equity
Financial assets held for trading	Stock price rises by 10%	**81,754.38**		**81,754.38**	56,335.71		56,335.71
Other non-current financial assets		**9,337,396.36**		**9,337,396.36**	12,420,291.17		12,420,291.17
Other equity instrument investments			**75,932,713.95**	**75,932,713.95**		2,275,947.03	2,275,947.03
Financial assets held for trading	Stock price falls by 10%	**-81,754.38**		**-81,754.38**	-56,335.71		-56,335.71
Other non-current financial assets		**-9,337,396.36**		**-9,337,396.36**	-12,420,291.17		-12,420,291.17
Other equity instrument investments			**-75,932,713.95**	**-75,932,713.95**		-2,275,947.03	-2,275,947.03

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XI. RISKS RELATED TO FINANCIAL INSTRUMENTS (CONTINUED)

2. TRANSFER OF FINANCIAL ASSETS

1) Classification of transfer method

Transfer method	Financial assets transferred Nature	Amount	Derecognition	Basis for determining derecognition
Factoring and transfer of accounts receivable	Accounts receivable		Note 1	Note 1
Bill endorsement or discounting	Bank acceptance bills	482,400,034.51	Note 2	Note 2
Bill endorsement or discounting	Commercial acceptance bills		Note 3	Note 3
Total		**482,400,034.51**		

Note 1: Certain subsidiaries of the Group engage in accounts receivable factoring and transfer business with banks and non-bank financial institutions. In such transactions, although the Group retains the right to receive cash flows following the transfer of accounts receivable, it assumes the obligation to pay the received cash flows to banks or non-bank financial institutions without material delay. The Group has no advance payment or guarantee obligations, no right to resell or pledge the aforementioned accounts receivable, and no longer bears the credit risk associated with the transferred accounts receivable, and therefore derecognizes the accounts receivable.

Note 2: The Group determines whether the bank acceptance bills receivable should be derecognized upon endorsement or discounting based on the credit risk rating of the acceptance bank. As the acceptance banks of the bank acceptance bills obtained by the Group are mainly large commercial banks and listed joint-stock commercial banks with high credit ratings, other bank acceptance bills do not account for a significant proportion and have small individual amounts and a large quantity. The Group derecognizes the bank acceptance bills upon endorsement or discounting based on the materiality principle, unless public information indicates that there are significant abnormal changes in the credit risk of the acceptance banks. Details of bank acceptance bills endorsed or discounted at the end of the period and outstanding at the balance sheet date are shown in Note VIII.5.(4).

Note 3: The Group's commercial acceptance bills are not derecognized upon endorsement or discounting. Details of commercial acceptance bills endorsed or discounted at the end of the period and outstanding at the balance sheet date are shown in Note VIII.3.(4).

2) Financial assets derecognized by transfer

Item	Transfer methods for financial assets	Amount of financial assets derecognized	Gains or losses related to derecognition
Accounts receivable	Factoring and transfer of accounts receivable		
Bank acceptance bills	Endorsement or discounting of bills	482,400,034.51	-2,332,944.58
Total		**482,400,034.51**	**-2,332,944.58**

3) As at 30 June 2026, there were no financial assets transferred, such as securitization and factoring with accounts receivable, that continued to be involved in assets and liabilities recognized.

(Amounts are expressed in RMB unless otherwise stated)

XII. FAIR VALUE

The input value used in the fair value measurement is divided into three levels:

Level 1 input value is the unadjusted quotation in the active market for the same assets or liabilities that can be obtained on the measurement date.

Level 2 input value is the direct or indirect observable input value of related assets or liabilities except for the first level input value.

Level 3 input value is the unobservable input of related assets or liabilities.

The level of the fair value measurement shall be decided according to the minimum level of input value that is significant to the overall fair value measurement.

1. THE PERIOD-END FAIR VALUE OF ASSETS AND LIABILITIES MEASURED AT FAIR VALUE

	Fair value at the end of the period			
Item	**Level I fair value measurement**	**Level II fair value measurement**	**Level III fair value measurement**	**Total**
I. Continuous measurement at fair value				
◆Financial assets held for trading	817,543.79			**817,543.79**
1. Financial assets measured at fair value through current profit or loss	817,543.79			**817,543.79**
Including: Equity instrument investments	817,543.79			**817,543.79**
◆Receivables financing		391,160,647.76		**391,160,647.76**
◆Other debt investments				
◆Other equity instrument investments	759,327,139.45		394,050,500.00	**1,153,377,639.45**
◆Other Non-current financial assets	102,054,625.00		1,213,843,229.26	**1,315,897,854.26**
1. Financial assets measured at fair value through profit or loss	102,054,625.00		1,213,843,229.26	**1,315,897,854.26**
Including: Equity instrument investments	102,054,625.00		1,213,843,229.26	**1,315,897,854.26**
Total assets measured at fair value on a continuous basis	862,199,308.24	391,160,647.76	1,607,893,729.26	**2,861,253,685.26**
Total liabilities measured at fair value on a discontinuing basis				
II. Discontinuing fair value measurement				
Total assets measured at fair value on a discontinuing basis				
Total liabilities measured at fair value on a discontinuing basis				

XII. FAIR VALUE (CONTINUED)

2. DETERMINATION BASIS OF MARKET PRICE OF THE CONTINUOUS AND NON-CONTINUOUS ITEMS OF LEVEL I FAIR VALUE MEASUREMENT

The Group's financial instruments included in Level I fair value measurement are shares held in listed companies, both domestic and foreign, and the fair value is determined using the closing price of the open market on the last trading day of the balance sheet date.

3. QUALITATIVE AND QUANTITATIVE INFORMATION ON THE VALUATION TECHNIQUES AND SIGNIFICANT PARAMETERS USED FOR CONTINUOUS AND NON-CONTINUOUS ITEMS OF LEVEL II FAIR VALUE MEASUREMENT

The Group's financial instruments included in Level II fair value measurement are bank acceptance bills held at fair value through other comprehensive income (receivables financing). The acceptance banks for the bank acceptance bills held by the Group are mainly large commercial banks and listed joint-stock commercial banks with high credit ratings. The bank acceptance bills have the maturities of less than 6 months and are of very low credit risk. At the balance sheet date, the book value of the bank acceptance bills receivable approximates the fair value.

4. QUALITATIVE AND QUANTITATIVE INFORMATION ON THE VALUATION TECHNIQUES AND SIGNIFICANT PARAMETERS USED FOR CONTINUOUS AND NON-CONTINUOUS ITEMS OF LEVEL III FAIR VALUE MEASUREMENT, AND THE SENSITIVITY ANALYSIS OF FAIR VALUE TO THE INPUTS:

Item	Fair value	Valuation technique	Inputs Name	Range	Sensitivity of fair value to the inputs	Observable/ Unobservable
Non-listed equity investment	1,568,976,712.47	Market approach	Discount for lack of market liquidity	29.40%-29.90%	5% increase/decrease in discount for lack of marketability would result in decrease/increase in fair value by 7.08%-7.13%	Unobservable
Fund investment and others	38,917,016.79	Adjusted net assets approach	Adjusted net assets value	N/A	5% increase/decrease in adjusted net assets value would result in increase/decrease in fair value by 5%	Unobservable

(Amounts are expressed in RMB unless otherwise stated)

XII. FAIR VALUE (CONTINUED)

5. CONTINUING LEVEL III FAIR VALUE MEASUREMENTS, RECONCILIATION INFORMATION BETWEEN BEGINNING AND END OF YEAR BOOK VALUES

1) Reconciliation information between beginning of year and end of period book values:

				Total current period gains or losses		Purchase, issuance, sale, and settlement						
Item	Opening balance	Transfer to Level III	Transfer from Level III	Included in profit or loss	Charge to other comprehensive income	Purchase	issuance	sale	settlement	Effects from translation in foreign currency statements	Closing balance	Unrealized gains or losses for the period through profit or loss on assets held at the end of the reporting period
♦Other equity instrument investments	394,050,500.00										394,050,500.00	
♦Other Non-current financial assets	1,214,071,749.76									-228,520.50	1,213,843,229.26	
Financial assets at fair value through profit or loss	1,214,071,749.76									-228,520.50	1,213,843,229.26	
Including: Equity instrument investments	1,214,071,749.76									-228,520.50	1,213,843,229.26	
Total	**1,608,122,249.76**									**-228,520.50**	**1,607,893,729.26**	
Including: Profit or loss related to financial assets												
Profit or loss related to non-financial assets												

Note: Dividend gains totaling RMB38,304,928.99 (not included in current period gains and losses) were obtained from the continuous items of Level III fair value measurement during the period.

XII. FAIR VALUE (CONTINUED)

6. REASONS FOR CONVERSION AND POLICY FOR DETERMINING THE POINT OF CONVERSION FOR ITEMS THAT ARE CONTINUOUSLY MEASURED AT FAIR VALUE AND THAT ARE CONVERTED BETWEEN LEVELS DURING THE CURRENT PERIOD

The Group's continuous fair value items measured at fair value have not been converted between levels during the current period.

7. CHANGES IN VALUATION TECHNIQUES OCCURRED DURING THE CURRENT PERIOD AND THE REASONS FOR THE CHANGES

There were no changes in the valuation techniques of the Group during the current period.

8. THE FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES NOT MEASURED AT FAIR VALUE

According to the Group's Management, the book value of financial assets and financial liabilities measured at amortized cost in the financial statements approximates their fair value as at 30 June 2026.

XIII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

1. RELATED PARTY WITH CONTROL RELATIONSHIPS

Name of controlling shareholders and the ultimate controlling party	Place of registration	Nature of business	Registered capital	Shareholding ratio (%)	Voting ratio (%)
China Merchants Group Co., Ltd.	Beijing	Conducting transportation undertakings and etc.	RMB16,900 million	—	—

2. INFORMATION ABOUT THE SUBSIDIARIES OF THE COMPANY

For details of the Company's subsidiaries, refer to Note "VI.1. Interests in other entities".

XIII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

3. INFORMATION ON THE COMPANY'S JOINT VENTURES AND ASSOCIATES

Details of the Company's joint ventures and associates referring to Note "VIII.(10).5 Interests in other entities".

Other joint ventures or associates that had related party transactions with the Company during the current period, or had balances arising from related party transactions with the Company in prior periods, are as follows:

Name of joint ventures or associates	Nature
Beijing Beichen Exhibition & Transportation International Logistics Co., Ltd.	An associate of the Group
Beijing Chentong Freighting Service Co., Ltd.	An associate of the Group
Beijing Honglian Technology Co., Ltd.	An associate of the Group
Guangxi Yunyu Port Co., Ltd.	An associate of the Group
Hangzhou Airport International Freight Station Co., Ltd.	An associate of the Group
Hebei International Land Port Co., Ltd.	An associate of the Group
Jiangmen Gaosha Outside Freight Agency Co., Ltd.	An associate of the Group
Jiangsu Jiangyin Port Group Co., Ltd.	An associate of the Group
Liaoning Sinotrans Hengjiu Transportation Service Co., Ltd.	An associate of the Group
Land and Sea New Channel Operation Co. Ltd.	An associate of the Group
Ma'anshan Tianshun Port Co., Ltd.	An associate of the Group
Nanjing Huaxing Loading and Unloading Service Co., Ltd.	An associate of the Group
Nantong Sinotrans Dongzaogang Logistics Development Co., Ltd.	An associate of the Group
Nantong Sinotrans Wangzi Port Storage Co., Ltd.	An associate of the Group
Ningbo Beilun Donghua Container Transportation Service Co., Ltd.	An associate of the Group
Qingdao Yujiachang Container Storage And Transportation Co. Ltd.	An associate of the Group
Shandong Port&Shipping Sinotrans Supply Chain Development Co., Ltd.	An associate of the Group
Shenzhen Ocean Shipping Tally Co., Ltd.	An associate of the Group
Shenyang Fuyun Cold Chain Logistics Co., Ltd.	An associate of the Group
Shenyang Henglu Logistics Co., Ltd.	An associate of the Group
Shenyang Airport Logistics Co., Ltd.	An associate of the Group
Tianjin Runfeng Logistics Co., Ltd.	An associate of the Group
Sinotrans Suda (Shenzhen) Global Supply Chain Management Co., Ltd.	An associate of the Group
Weihai Weidong Shipping Co., Ltd.	An associate of the Group

XIII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

3. INFORMATION ON THE COMPANY'S JOINT VENTURES AND ASSOCIATES (Continued)

Name of joint ventures or associates	Nature
Wuhan Port Container Co., Ltd.	An associate of the Group
Yangzhou Comprehensive Bonded Zone Supply Chain Management Co., Ltd.	An associate of the Group
Yifei Ruite E-commerce (Beijing) Co., Ltd.	An associate of the Group
Zhejiang Seaport Changxing Port Co., Ltd.	An associate of the Group
China International Exhibition Transportation Co., Ltd.	An associate of the Group
China-Europe Railway Express (Shenyang) Assembly Center Construction and Operation Co., Ltd.	An associate of the Group
Sinotrans Huajie International Logistics (Beijing) Co., Ltd.	An associate of the Group
Sinotrans Medical Technology (Chengdu) Co., Ltd.	An associate of the Group
BOC Sinotrans Warehousing and Logistics Closed-end Infrastructure Securities Investment Fund	An associate of the Group
Sinotrans PFS Yida (Shanghai) Logistics Co., Ltd.	A subsidiary of an associate of the Group
MAXX LOGISTICS FZCO.	Joint ventures of the Group
SINOTRANS ALMAJDOUIE MIDDLE EAST CO., LTD.	Joint ventures of the Group
Beijing Medlink Supply Chain Management Co., Ltd.	Joint ventures of the Group
Beijing Sinotrans Huali Logistics Co., Ltd.	Joint ventures of the Group
Dongguan Port Container Terminals Co., Ltd.	Joint ventures of the Group
Huainan Jiaokong Supply Chain Co., Ltd.	Joint ventures of the Group
Jiangsu Nantong Sinotrans Supply Chain Management Co., Ltd.	Joint ventures of the Group
Jiangsu Yuntong Port Logistics Development Co., Ltd.	Joint ventures of the Group
Jiangsu Sinotrans Lvsi Port Heavy Logistics Development Co., Ltd.	Joint ventures of the Group
Jiangsu Sinotrans Yangkou Port Logistics Development Co., Ltd.	Joint ventures of the Group
Jingjiang Sinotrans Bonded Logistics Co., Ltd.	Joint ventures of the Group
Nantong Jiangshan Sinotrans Port Storage Co., Ltd.	Joint ventures of the Group
Nantong Comprehensive Bonded Zone Sinotrans Logistics Co., Ltd.	Joint ventures of the Group
Ningbo Dagang New Century Container Co., Ltd.	Joint ventures of the Group
Rongyun (Xiamen) Supply Chain Co., Ltd.	Joint ventures of the Group
Rushan Sinotrans Port Logistics Development Co., Ltd.	Joint ventures of the Group
Shaanxi Qintie Waiyun Logistics Co., Ltd.	Joint ventures of the Group
Nippon Express (Shanghai) Co., Ltd.	Joint ventures of the Group
Shanghai Sinhan Shipping Agency Co., Ltd.	Joint ventures of the Group
China United Tally (Shenzhen) Co., Ltd.	Joint ventures of the Group
Shenyang Jinyun Automobile Logistics Co., Ltd.	Joint ventures of the Group

XIII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

3. INFORMATION ON THE COMPANY'S JOINT VENTURES AND ASSOCIATES (Continued)

Name of joint ventures or associates	Nature
Suzhou Sinotrans Zhongli International Freight Co., Ltd.	Joint ventures of the Group
Tangshan Port Sinotrans Shipping Agency Co., Ltd.	Joint ventures of the Group
Weihai Comprehensive Bonded Zone Hongxin Supply Chain Management Co., Ltd.	Joint ventures of the Group
Wuhan Eastlake Comprehensive Bonded Area Bonded Logistics Co., Ltd.	Joint ventures of the Group
Xinjiang New Railway Sinotrans Logistics Co., Ltd.	Joint ventures of the Group
New Land Bridge (Lianyungang) Terminal Co., Ltd.	Joint ventures of the Group
Yantai Comprehensive Bonded Zone Baoyuntong Supply Chain Management Co., Ltd.	Joint ventures of the Group
TP Ease Energy Co., Ltd.	Joint ventures of the Group
Zhangjiagang Bonded Port Area Sinotrans Changjiang International Logistics Co., Ltd.	Joint ventures of the Group
hejiang Airport International Logistics Supply Chain Co., Ltd.	Joint ventures of the Group
Sinotrans Logistics (Pakistan) Limited	Joint ventures of the Group
Sinotrans Philippines Inc.	Joint ventures of the Group
Sinotrans Suzhou Logistics Center Co., Ltd.	Joint ventures of the Group
Sinotrans Turkey Limited	Joint ventures of the Group
Sinotrans India Limited	Joint ventures of the Group
Sinotrans Aramex (Shanghai) International Aviation Express Delivery Co., Ltd.	Joint ventures of the Group
DHL-Sinotrans International Air Courier Ltd.	Joint ventures of the Group
Sinotrans Hongfeng (Shanghai) International Logistics Co., Ltd.	Joint ventures of the Group
Sinotrans PFS Cold Chain Logistics Co., Ltd.	Joint ventures of the Group
Nission-Sinotrans International Logistics Co., Ltd	Joint ventures of the Group
Sinotrans Sarens Logistics Co., Ltd.	Joint ventures of the Group
Sinotrans Senko International Cold Chain Logistics (Shanghai) Co., Ltd.	Joint ventures of the Group
China-Vietnam Sinotrans Logistics Co., Ltd.	Joint ventures of the Group
Loscam Packaging Equipment Leasing (Shanghai) Co., Ltd.	A subsidiary of the Group's joint venture
Loscam Supply Chain Management (Jiaxing) Co., Ltd.	A subsidiary of the Group's joint venture
Qingdao Qingzhui Logistics Technology Co., Ltd.	A subsidiary of the Group's joint venture
Sinotrans Pulse Technology (Chengdu) Co., Ltd.	A subsidiary of the Group's joint venture
China Merchants Bank Co., Ltd.	An associate of the ultimate controlling party
Jiangsu China Changjiang Bunker (Sinopec) Co., Ltd.	A subsidiary of a joint venture of the ultimate controlling party
Qingdao China Changjiang Bunker (Sinopec) Co., Ltd.	A subsidiary of a joint venture of the ultimate controlling party
China Changjiang Bunker (Sinopec) Co., Ltd.	A joint venture of the ultimate controlling party

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XIII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

4. OTHER RELATED PARTIES

Name of related party	Nature
SINOTRANS & CSC HOLDINGS Co., Ltd.	Shareholders holding 5% (or more) of the voting shares of the Company
CHINA MERCHANTS ENERGY SHIPPING (SINGAPORE) HOLDING PTE. LTD.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
CHINA MERCHANTS HOLDINGS (DJIBOUTI) FZE	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
MING WAH (SINGAPORE) AGENCY PTE. LTD.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
SINOTRANS CONTAINER LINES (VIETNAM) COMPANY LIMITED	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
YANGTZE NAVIGATION (SINGAPORE) PTE. LTD.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Anhui Sinotrans Wuhu Zhujiaqiao Storage and Transportation Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Beijing Sinotrans Land Transportation Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Beijing Sinotrans Automobile Service Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Sinotrans Beijing Sanjianfang Warehouse Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Beijing Sinotrans Logistics Center Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Beijing Weilin Property Management Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Beijing Zhaoguang Lvzhi Commercial Operation Management Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Beijing China Merchants Property Management Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Changzhou Sinotrans Supply Chain Management Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Chiwan Container Terminal Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Dalian Port Container Logistics Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Dalian Port Communication Engineering Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Dalian Port Oil Terminal Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Dalian International Container Service Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Dalian Jifa Shipping Agency Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Dalian Jifa Bohai Rim Container Transportation Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party

XIII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

4. OTHER RELATED PARTIES (Continued)

Name of related party	Nature
Dalian Jifa Nan'an International Logistics Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Dalian Container Terminal Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Dalian United King Port Auto Trade Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Dalian Port Logistics Network Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Dalian Ocean Shipping Tally Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Dalian Changxing Island Port Investment Development Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Dandong Port Group Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Dandong Sinotrans Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Dongguan Shenchiwan Port Affairs Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Dongguan Chiwan Wharf Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Fujian Haiyun Cold Chain Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
China Freight Forwarding Fujian Hexi Storage & Transportation Company	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Fujian Sinotrans Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Fujian China Merchants Industry Development Operation Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Guangdong Sinotrans (Hong Kong) Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Sinotrans Guangdong Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Guangdong Sinotrans Zhanjiang Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Guangdong Yide Port Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Guangdong Zhanjiang Port Longteng Shipping Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Guangdong Zhanjiang Port Logistics Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Guangdong Sinotrans Jiuling Storage and Transportation Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Guangxi Sinotrans Fangchenggang Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party

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XIII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

4. OTHER RELATED PARTIES (Continued)

Name of related party	Nature
Guangxi Sinotrans Guigang Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Guangxi Sinotrans Nanning Storage and Transportation Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Guangxi Sinotrans Pingxiang Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Guangxi Sinotrans Automobile Transportation Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Guangxi Sinotrans Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Associated Maritime Company (Hong Kong) Limited	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Hailian Supply Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Hailong No. 12 (Tianjin) Leasing Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Hailong No. 15 (Tianjin) Leasing Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Haitong Haihui (Shanghai) Technology Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Sinotrans Hebei Company Yuanshi Warehouse	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Hebei Shijiazhuang Zhengding Sinotrans Warehousing Logistics Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Hebei Sinotrans Jiuling Storage and Transportation Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Henan Sinotrans Jiuling Storage and Transportation Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Hubei Sinotrans Automobile Repair and Parts Storage Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Huigang Industrial (Shenzhen) Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Khorgos Sinotrans CSC International Logistics Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Jiangxi Province Foreign Trade Storage and Transportation Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Liaoning Port Holding (Yingkou) Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Liaoning Port Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Liaoning Jitie International Logistics Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Liaoning Sinotrans Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party

XIII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

4. OTHER RELATED PARTIES (Continued)

Name of related party	Nature
Manzhouli Sinotrans Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Minghua (Shekou) Seamen Service Co.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Nanchang Dehan Commercial Management Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Nanjing Petroleum Transportation (Singapore) Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Nanjing Xuansheng Commercial Management Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Nanjing Yangyang Chemicals Transport & Trade Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Nanjing Oil Transportation (Singapore) Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Nanjing Oil Transportation Shipping Agency Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Nanjing Changjiang Oil Transportation Longtan Shipping Engineering Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
China Changjiang National Shipping (Group) Corporation	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Nanjing Merchants Bureau Real Estate Management Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Inner Mongolia Inland Bonded Logistics Park Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Inner Mongolia Sinotrans Storage and Transportation Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Inner Mongolia Sinotrans Logistics Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Ningbo Yinjia Real Estate Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Panjin Port Group Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Qinhuangdao Jigang Shipping Agency Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Qingdao Yangfan Shipbuilding Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Xiamen Jiyu Property Management Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Xiamen Sinotrans Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Xiamen West Gulf Cruise City Investment Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Xiamen Zhaogang Luhe Property Management Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party

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XIII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

4. OTHER RELATED PARTIES (Continued)

Name of related party	Nature
Shandong Sinotrans Yantai Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Shandong Sinotrans Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Shantou CMPort Group Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Shanghai Foreign Trade Warehouse Jiefangdao Storage and Transportation Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Shanghai Foreign Trade Warehouse Pudong Company	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
SCSC International Merchant&Shipping (Hong Kong) Company Limited	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Shanghai Changhang Shipping Development Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Shanghai Changhang Wusong Shipyard Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Shanghai Changjiang International Shipping Agency Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Shanghai Changjiang Shipping Corporation	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Shanghai Changshi Shipping Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Shanghai China Merchants Baoxin Real Estate Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Shanghai Investment Promotion Bureau Property Management Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Shanghai China Merchants Ming Wah Shipping Company Limited	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Shanghai Zhaotong Container Transportation Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Shanghai Sinotrans Qiantang Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
SINOTRANS Shanghai Zhang HUA BANG Storage and Transportation Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Shekou Container Terminal Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Shenzhen Chiwan Port Container Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Shenzhen Chiwan Port Development Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Shenzhen Chiwan International Freight Forwarding Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Shenzhen Chiwan Tug Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party

XIII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

4. OTHER RELATED PARTIES (Continued)

Name of related party	Nature
Shenzhen Haiqin Engineering Management Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Shenzhen Haixing Harbor Development Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Shenzhen Huanan LPG Shipping Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Shenzhen Lianda Tug Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Shenzhen Magang Cangma Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Shenzhen Nanyou (Holdings) Corp. Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Shenzhen Taohuayuan Real Estate Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Shenzhen China Merchants Apartment Development Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Shenzhen China Merchants Innovation Investment Fund Center (Limited Partnership)	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
CSC Fenghai MOTOR Logistics Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Shenzhen Zhaohua Property Management Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Shenzhen Merchants Home Technology Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Shenzhen China Merchants Real Estate Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Shenzhen China Merchants Ro-Ro Transportation Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Shenzhen Investment Promotion Meilun Hotel Management Co., Ltd. Meilun Chamber	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Shenzhen Merchants Shekou International Cruise Home Port Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Shenzhen Merchants Property Management Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Sinotrans Suzhou Storage Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Suizhong Port Group Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Tianjin Huazheng Expressway Development Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Tianjin Taipu Pharmaceutical Technology Development Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Tianjin Sinotrans Binhai Logistics Management Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party

XIII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

4. OTHER RELATED PARTIES (Continued)

Name of related party	Nature
Tianjin Sinotrans Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Wuhan Junshan Shipping Engineering Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Wuhan Changjiang Steamship Company	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Hong Kong Haitong Company Limited	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Hong Kong Ming Wah Ship Management Company Limited	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Hong Kong Ming Wah Shipping Company Limited	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Hong Kong Changhang International Shipping Co., Limited	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Xuzhou Huaisheng New City Construction & Development Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Sinotrans Yinchuan Inland Port Logistics Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Yingkou Port Group Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Yingkou Xingang Ore Terminal Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Yiu Lian Dockyards (Shekou) Limited	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Yiu Lian Dockyards Limited	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Yuansheng Limited	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Zhanjiang Port (Group) Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Zhanjiang Port International Container Terminal Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Zhanjiang Port Petrochemical Terminal Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Zhanjiang China Ocean Shipping Tally Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Zhangzhou Huashang Hotel Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
China Merchants Water (Zhangzhou Development Zone) Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
China Merchants Raw Water (Zhangzhou Development Zone) Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Sinotrans Zhangzhou Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party

XIII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

4. OTHER RELATED PARTIES (Continued)

Name of related party	Nature
Zhangzhou China Merchants Real Estate Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Zhangzhou China Merchants Port Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Zhangzhou China Merchants Xiamen Bay Port Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Zhangzhou China Merchants Tugboat Company Limited	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Zhangzhou China Ocean Shipping Tally Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
CSC (Wuhan) Green Shipping Technology Services Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
CSC Cargo (Dazhou) Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
CSC Cargo (Hainan) Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Changhang Freight (Zhoushan) Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
CSC Cargo Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Long Distance Transportation Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Merchants Home Technology (Zhejiang) Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
China Merchants Gangrong Big Data Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
China Merchants Port (Shenzhen) Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
China Merchants Haida Insurance Consultants Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
China Merchants Jiyu (Zhangzhou) Property Service Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
China Merchants Jiyu Property Management Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
China Merchants Construction Engineering Management Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
China Merchants Jiugang (Shenzhen) Trading Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
China Merchants Bonded Logistics Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
CHINA MERCHANTS GODOWN, WHARF & TRANSPORTATION COMPANY LIMITED	Other enterprises controlled by the same controlling shareholder and ultimate controlling party

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XIII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

4. OTHER RELATED PARTIES (Continued)

Name of related party	Nature
China Merchants Shipbuilding Industry Group Wuhan Qingshan Shipyard Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
China Merchants Property Development (Beijing) Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
China Merchants Port Modern Logistics Technology (Shenzhen) Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
China Merchants Industrial Group Qingdao Shipbuilding Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
China Merchants Industry Weihai Shipyard Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
China Merchants Industry Yangzhou Dingheng Shipyard Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
China Merchants Industrial Intelligent Technology (Jiangsu) Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
China Merchants Group Shared Services Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
China Merchants International Finance Company Limited	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
China Merchants International Technology Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
China Merchants International Terminal (Qingdao) Limited	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
China Merchants Container Services Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
China Merchants Group (Beijing) Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
China Merchants Group (Hong Kong) Limited	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
China Merchants Group Finance Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
China Merchants Vehicle Inspection Technology (Hefei) Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
China Merchants Vehicle Inspection Technology Research Institute Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
CM-CT Changjiang Planning and Design Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
China Merchants Jinling SHIPYARD (Jiangsu) Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
China Merchants Jinling Shipyard (Nanjing) Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Nanjing Tanker Corporation	Other enterprises controlled by the same controlling shareholder and ultimate controlling party

XIII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

4. OTHER RELATED PARTIES (Continued)

Name of related party	Nature
China Merchants Energy Shipping (Hong Kong) Company Limited	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
China Merchants Renhe Life Insurance Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
China Merchants Finance Leasing Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
China Merchants Shekou Industrial Zone Holdings Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
China Merchants Food (Hong Kong) Limited	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
China Merchants Food (China) Co., Limited	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
China Merchants Investment Development Company Limited	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
CHINA MERCHANTS INVESTMENTS LIMITED	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
China Merchants Viking Cruises Co., Limited	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
China Merchants Property Management Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
China Merchants New Materials Technology (Chongqing) Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
China Merchants Zhangzhou Development Zone Power Supply Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
China Merchants Zhangzhou Development Zone Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
China Merchants Heavy Industry (Jiangsu) Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
China Merchants Heavy Industry (Shenzhen) Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
China Merchants Chongqing Communications Technology Research & Design Institute Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
China Merchants Futures Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
China Merchants Qianhai Bay (Shenzhen) Supply Chain Management Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
China Merchants Wanqiao (Chongqing) Technology Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
China Merchants Yingkai Investment Development (Shenzhen) Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
China Merchants Securities Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party

XIII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

4. OTHER RELATED PARTIES (Continued)

Name of related party	Nature
China Merchants Smart Security Services (Shenzhen) Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
China Merchants Sinotrans (Shenzhen) Industrial Innovation Private Equity Investment Fund Partnership (Limited Partnership)	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Zhaotong Supply Chain Management Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Zhejiang Youlian Ship Repairing & Building Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Zhengzhou Merchants Logistics Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
China Communications Import & Export Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Sinotrans (Group) Zhejiang Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Sinotrans (Shenzhen) Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Sinotrans Alashankou Company	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Sinotrans Beijing Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Sinotrans Erlian Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Sinotrans Gansu Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Sinotrans Guizhou Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
SINOTRANS Hainan Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Sinotrans Hebei Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Sinotrans Henan Company	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Sinotrans Hunan Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Sinotrans Jiangsu Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Sinotrans Lianyungang Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Sinotrans Manzhouli Bonded Storage and Transportation Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party

XIII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

4. OTHER RELATED PARTIES (Continued)

Name of related party	Nature
Sinotrans Nantong Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Sinotrans Inner Mongolia Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Sinotrans Qinhuangdao Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Sinotrans Shanxi Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Sinotrans Shaanxi Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Sinotrans Yunnan Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
China Ocean Shipping Agency Yingkou Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Sinotrans (Jiaxing) International Freight Forwarding Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Sinotrans Container Lines (Hainan) Co., Ltd	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Sinotrans Container Lines (Hong Kong) Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Sinotrans Container Lines Overseas Company Limited	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Sinotrans Container Lines Co., Ltd	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Sinotrans Shanghai (Group) Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Chongqing Storage and Transportation Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Chongqing CSC Dongfeng Shipbuilding Industry Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Shanghai Foreign Trade Yangxing Storage & Transportation Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
China Southern Airlines Logistics	Entity in which a director of the Company acts as senior management

XIII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

5. RELATED PARTY TRANSACTION

1) Pricing policy, basis, and approved transaction quota

(1) In the process of providing freight agency and professional logistics services to customers, the Group has more demand for procurement of various transportation services and terminal services, etc., and the related parties are large domestic shipping and port operators, so there is a demand for the Group to procure shipping, container transportation and special equipment transportation and other related transportation services and terminal services from the related parties in its daily operations. At the same time, due to the different geographical distribution of business between the Group and Sinotrans Group's enterprises and some joint ventures and associates, there is also a demand for the Group to procure logistics services such as freight forwarding from the related parties. As the Group is a leading integrated logistics service provider in China, there is a demand for the Group to procure ship agency services, freight agency services, warehousing services and leasing logistics equipment from the related parties.

(2) On 26 October 2023, the Company signed the Integrated Service Agreement with China Merchants, which is effective from 1 January 2024 to 31 December 2026. According to the agreement, the pricing of the Group's related transactions with China Merchants and its subsidiaries is at market price and the terms of service are on normal commercial terms. The aforesaid market price refers to the price at which the same or similar services are provided or obtained by an independent third party in the same area in the ordinary course of parties' business in the same area under normal commercial terms. The agreement stipulates that the Group shall provide transportation and logistics services to China Merchants and its subsidiaries up to a limit of RMB2.5 billion in 2024, RMB3.25 billion in 2025 and RMB4.225 billion in 2026; the Group shall accept transportation and logistics services from China Merchants and its subsidiaries up to a limit of RMB3.5 billion in 2024, RMB4.55 billion in 2025 and RMB5.915 billion in 2026.

The Group's daily business operations require the continuous and stable use of office properties, warehouses, yards, container handling stations and real estate operated by related parties for production offices, as well as the leasing of land, buildings and logistics and transportation equipment from related parties. On 26 October 2023, the Company signed the Lease Agreement with China Merchants, which is effective from 1 January 2024 to 31 December 2026. According to the agreement, the pricing of the Group's related transactions with China Merchants and its subsidiaries is at market price and the terms are on normal commercial terms. The aforesaid market price refers to the price at which the same or similar leased subject property is offered or acquired by an independent third party in the same area in the ordinary course of parties' business in the same area under normal commercial terms. The limit for the Group to lease properties, containers, and other equipment from China Merchants and its subsidiaries is not more than RMB668 million in 2024, RMB769 million in 2025, and RMB883 million in 2026. The limit for the Group to lease properties to China Merchants and its subsidiaries is not more than RMB240 million in 2024, RMB276 million in 2025, and RMB318 million in 2026.

XIII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

5. RELATED PARTY TRANSACTION (Continued)

1) Pricing policy, basis, and approved transaction quota (Continued)

(3) On 26 October 2023, the Company signed the Financial Services Agreement with China Merchants Group Finance Co., Ltd. (hereinafter referred to as the Finance Company, a subsidiary of China Merchants), effective from 1 January 2024 to 31 December 2026, agreeing that the Group's end-of-day deposit balance (excluding loans) with the Finance Company is capped at RMB6 billion, the maximum daily outstanding loan balance (including accrued interest and handling charge) is capped at RMB10 billion, and the total amount of other financial services expenses incurred in each year is capped at RMB20 million.

(4) On 15 December 2023, the Second Extraordinary General Meeting of Shareholders of the Company in 2023 considered and approved the Resolution on Continuing Related Transactions with China Merchants Bank for the Years 2024-2026. Pursuant to the Proposal, the Group opened accounts with China Merchants Bank Co., Ltd. (hereinafter referred to as "China Merchants Bank") and deposited the funds with China Merchants Bank on the principle of freedom of access and withdrawal at an interest rate not lower than the interest rate floor stipulated by the People's Bank of China at that time in respect of such type of deposits, and not lower than the interest rate determined by other cooperative financial institutions providing the same type of deposit services to the Group. The Group's maximum daily deposit balance with China Merchants Bank shall not exceed RMB6 billion in each of the years 2024, 2025 and 2026; the interest rate of the overall credit business provided by China Merchants Bank in accordance with the Group's operation and development needs shall not be higher than the upper limit of the standard prescribed by the People's Bank of China at that time in respect of such type of credit business (fees), and not be higher than the price offered by other cooperative financial institutions for providing the Group with the overall credit business. The maximum loan balances (including interest payable and handling charge) of the Group with China Merchants Bank shall not exceed RMB10 billion in each of the years 2024, 2025, and 2026; China Merchants Bank shall provide the Group with other financial services such as settlement approved by the National Financial Regulatory Administration, and the fees and charges for other financial services shall be charged in accordance with the relevant regulations of the People's Bank of China.

(5) On 27 October 2025, the Company entered into the Purchase Service Agreement with Shenzhen Merchants Home Technology Co., Ltd, which is valid from 1 January 2026 to 31 December 2028. Pursuant to the agreement, such daily related transactions are priced on the basis of market prices, and the limit of the Group's purchases of commodities from Shenzhen Merchants Home Technology Co., Ltd. shall not exceed RMB100 million in 2026, RMB110 million in 2027 and RMB120 million in 2028.

XIII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

5. RELATED PARTY TRANSACTION (Continued)

1) Pricing policy, basis, and approved transaction quota (Continued)

(6) On 27 October 2025, the Company entered into the Sinotrans Changjiang Company Integrated Service Agreement with Sinotrans Changjiang Company (hereinafter collectively referred to as "Sinotrans Changjiang Group" when including its subsidiaries, a connected subsidiary as defined under Rule 14A.16 of the Listing Rules of The Stock Exchange of Hong Kong Limited.) The agreement is effective from 1 January 2026 to 31 December 2028. Pursuant to the agreement, the pricing for services provided between the parties shall be based on the price at which an independent third party would provide or procure the same or similar services in the same region under normal commercial terms during the course of ordinary business. The Group's procurement limit for logistics services from Sinotrans Changjiang Group shall not exceed RMB792 million in 2026, RMB950 million in 2027, and RMB1.14 billion in 2028. The Group's limit for providing logistics services to Sinotrans Changjiang Group shall not exceed RMB942 million in 2026, RMB1.131 billion in 2027, and RMB1.357 billion in 2028.

(7) On 27 October 2025, the Company entered into the Shipping Agency Jiangsu Integrated Service Agreement with China Marine Shipping Agency Jiangsu Co., Ltd. (hereinafter referred to as "Shipping Agency Jiangsu", collectively referred to as "Shipping Agency Jiangsu Group" when including its subsidiaries, a connected subsidiary as defined under Rule 14A.16 of the Listing Rules of The Stock Exchange of Hong Kong Limited.) The agreement is effective from 1 January 2026 to 31 December 2027. Pursuant to the agreement, the price for services provided between the parties shall be based on the price at which an independent third party would provide or procure the same or similar services in the same region under normal commercial terms during the course of ordinary business. The Group's procurement limit for logistics services from Shipping Agency Jiangsu Group shall not exceed RMB81 million in 2026 and RMB89 million in 2027. The Group's limit for providing logistics services to Shipping Agency Jiangsu Group shall not exceed RMB60 million in 2026 and RMB72 million in 2027.

(8) On 26 October 2023, the Company entered into the Framework Agreement for Procurement and Sales with Y2T (collectively referred to as "Y2T Group" when including its subsidiaries, a connected subsidiary as defined under Rule 14A.16 of the Listing Rules of The Stock Exchange of Hong Kong Limited). The agreement is effective from 1 January 2024 to 31 December 2026. On 29 August 2024, the Company entered into the Supplementary Agreement to the Framework Agreement for Procurement and Sales with Y2T. Pursuant to the aforementioned agreements, products and services provided between the parties shall be charged at market rates applicable to independent third parties under general commercial terms. The Group's procurement of system development and operational maintenance services from Y2T Group shall not exceed RMB20 million in 2024, RMB40 million in 2025, and RMB60 million in 2026. The Group's procurement of logistics and related services from Y2T Group shall not exceed RMB2.1 billion in 2024, RMB2.7 billion in 2025, and RMB3.5 billion in 2026. The Group's provision of logistics and related services to Y2T Group shall not exceed RMB2.4 billion in 2024, RMB2.9 billion in 2025, and RMB3.4 billion in 2026.

XIII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

5. RELATED PARTY TRANSACTION (Continued)

1) Pricing policy, basis, and approved transaction quota (Continued)

(9) On 26 October 2023, the Company entered into the Integrated Service Agreement with Sinotrans Shandong Hongzhi Logistics Co., Ltd. (hereinafter referred to as "SINOTRANS Shandong HONGZHI", a connected subsidiary as defined under Rule 14A.16 of the Listing Rules of The Stock Exchange of Hong Kong Limited, which was converted into a wholly-owned subsidiary of the Group on 7 November 2025). The agreement is effective from 1 January 2024 to 31 December 2026. Pursuant to the agreement, services provided by either party shall be charged at market rates applicable to independent third parties for identical or similar products or services. The Group's procurement limit for transportation and logistics services from SINOTRANS Shandong HONGZHI shall not exceed RMB300 million in 2024, RMB345 million in 2025 and RMB397 million in 2026. The Group's limit for providing transportation and logistics services to SINOTRANS Shandong HONGZHI shall not exceed RMB300 million in 2024, RMB345 million in 2025 and RMB397 million in 2026.

(10) On 25 March 2025, the Company entered into the Integrated Service Agreement, which is valid from 1 January 2025 to 31 December 2027, with Qingdao Golden Express International Transportation Service Co., Ltd. (hereinafter referred to as "Qingdao Golden Express Company", a connected subsidiary as defined under Rule 14A.16 of the Listing Rules of The Stock Exchange of Hong Kong Limited). Pursuant to the agreement, such daily related transactions are priced on the basis of market prices. The Group shall provide transportation and logistics services to Qingdao Golden Express Company up to a limit of RMB45 million in 2025, RMB50 million in 2026, and RMB55 million in 2027. The Group shall accept transportation and logistics services from Qingdao Golden Express Company up to a limit of RMB30 million in 2025, RMB35 million in 2026, and RMB40 million in 2027.

(11) On 7 May 2026, the Company signed the Financial Service Agreement with China Merchants International Finance Company Limited (hereinafter referred to as "International Finance Company"), effective from 7 May 2026 to 6 May 2029, agreeing that the Group's end-of-day deposit balance (excluding loans) with International Finance Company is capped at the equivalent of RMB0.5 billion, and the maximum daily outstanding loan balance (including accrued interest and handling charge) is capped at the equivalent of RMB1 billion.

(12) On 30 March 2026, the Company entered into the Framework Agreement for Daily Related Transactions with China Southern Airlines Logistics, effective from 1 January 2026 to 31 December 2028 or the date on which China Southern Airlines Logistics and its subsidiaries cease to be related parties of the Company, whichever is earlier. Pursuant to the agreement, such daily related transactions are priced on the basis of market prices. The maximum limit for transportation and logistics services provided by the Group to China Southern Airlines Logistics shall not exceed RMB0.6 million in 2026, RMB0.8 million in 2027 and RMB1 million in 2028. The maximum limit for transportation and logistics services accepted by the Group from China Southern Airlines Logistics shall not exceed RMB630 million in 2026, RMB670 million in 2027 and RMB700 million in 2028.

(Amounts are expressed in RMB unless otherwise stated)

XIII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

5. RELATED PARTY TRANSACTION (Continued)

2) Related transactions for the purchase and sale of goods, rendering and acceptance of services

Sale of goods and rendering of services

Name of related party	Content of related transactions	Current period	Prior period
Other enterprises controlled by the same controlling shareholder and ultimate controlling party		**261,156,245.91**	327,159,752.87
Sinotrans Container Lines Co., Ltd	Transportation and related services	**64,262,266.31**	75,870,816.29
China Merchants Heavy Industry (Jiangsu) Co., Ltd.	Transportation and related services	**29,874,112.58**	16,796,851.40
China Merchants Group Finance Co., Ltd.	Interest income	**28,971,221.63**	39,879,589.79
Associated Maritime Company (Hong Kong) Limited	Transportation and related services	**20,160,957.39**	39,199,415.92
Zhaotong Supply Chain Management Co., Ltd.	Transportation and related services	**15,920,130.67**	11,934,827.46
China Merchants Viking Cruises Co., Limited	Transportation and related services	**11,606,450.91**	24,240,653.12
Sinotrans Container Lines (Hainan) Co., Ltd	Transportation and related services	**10,313,345.40**	26,281,066.55
Sinotrans Container Lines Overseas Company Limited	Transportation and related services	**7,076,400.25**	30,256,478.65
Hong Kong Ming Wah Shipping Company Limited	Transportation and related services	**6,228,673.13**	2,949,578.31
China Merchants Industry Weihai Shipyard Co., Ltd.	Transportation and related services	**5,437,772.96**	1,792,349.99
China Merchants Qianhai Bay (Shenzhen) Supply Chain Management Co., Ltd.	Transportation and related services	**5,057,700.97**	2,739,622.53
China Merchants Jinling SHIPYARD (Jiangsu) Co., Ltd.	Transportation and related services	**4,835,624.10**	3,552,288.67
Inner Mongolia Sinotrans Logistics Co., Ltd.	Transportation and related services	**4,575,386.43**	4,468,225.22
Dalian Port Container Logistics Co., Ltd.	Transportation and related services	**4,498,432.81**	28,615.10
China Merchants Industrial Group Qingdao Shipbuilding Co., Ltd.	Transportation and related services	**4,257,458.68**	
Sinotrans Container Lines (Hong Kong) Co., Ltd.	Transportation and related services	**3,990,660.49**	12,074,866.78
China Merchants Jinling Shipyard (Nanjing) Co., Ltd.	Transportation and related services	**3,212,088.21**	1,320,499.24
CHINA MERCHANTS HOLDINGS (DJIBOUTI) FZE	Transportation and related services	**3,051,980.49**	1,290,670.71
Shanghai Zhaotong Container Transportation Co., Ltd.	Transportation and related services	**2,515,513.55**	120,179.95
Nanjing Tanker Corporation	Transportation and related services	**2,509,874.26**	2,318,978.74
Shanghai Changhang Shipping Development Co., Ltd.	Transportation and related services	**1,824,604.14**	

(Amounts are expressed in RMB unless otherwise stated)

XIII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

5. RELATED PARTY TRANSACTION (Continued)

2) Related transactions for the purchase and sale of goods, rendering and acceptance of services (Continued)

Sale of goods and rendering of services *(Continued)*

Name of related party	Content of related transactions	Current period	Prior period
Shenzhen China Merchants Ro-Ro Transportation Co., Ltd.	Transportation and related services	**1,626,877.39**	3,191,530.64
China Merchants Vehicle Inspection Technology Research Institute Co., Ltd.	Transportation and related services	**1,501,888.45**	
Nanjing Yangyang Chemicals Transport & Trade Co., Ltd.	Transportation and related services	**1,456,514.06**	1,341,013.09
China Merchants Sinotrans (Shenzhen) Industrial Innovation Private Equity Investment Fund Partnership (Limited Partnership)	Transportation and related services	**1,403,931.24**	1,403,931.24
Shanghai Changjiang International Shipping Agency Co., Ltd.	Transportation and related services	**1,325,151.60**	962,817.80
CSC Cargo (Dazhou) Co., Ltd.	Transportation and related services	**1,248,539.92**	1,231,038.28
Yiu Lian Dockyards (Shekou) Limited	Transportation and related services	**1,052,859.36**	3,578,341.79
China Merchants International Finance Company Limited	Interest income	**1,029,939.30**	
China Merchants Industry Yangzhou Dingheng Shipyard Co., Ltd.	Transportation and related services	**680,297.20**	1,781,245.56
YANGTZE NAVIGATION (SINGAPORE) PTE. LTD.	Transportation and related services	**666,458.33**	1,356,871.01
Shanghai Foreign Trade Warehouse Pudong Company	Property management fees	**518,867.92**	1,202,826.00
Shenzhen Merchants Home Technology Co., Ltd.	Others	**471,870.11**	1,677,338.21
CSC Cargo Co., Ltd.	Transportation and related services	**123,369.40**	66,981.16
Shanghai China Merchants Ming Wah Shipping Company Limited	Transportation and related services	**111,537.37**	1,158,036.23
Henan Sinotrans Jiuling Storage and Transportation Co., Ltd.	Property management fees		1,952,830.18
Others	Transport and related services, etc.	**7,757,488.90**	9,139,377.26
Joint ventures and their subsidiaries		**195,593,548.35**	338,858,856.43
Xinjiang New Railway Sinotrans Logistics Co., Ltd.	Transportation and related services	**92,470,662.90**	77,553,158.94
Sinotrans Aramex (Shanghai) International Aviation Express Delivery Co., Ltd.	Transportation and related services	**18,168,695.67**	16,388,916.34
SINOTRANS ALMAJDOUIE MIDDLE EAST CO., LTD.	Transportation and related services	**16,289,762.49**	14,687,567.92

(Amounts are expressed in RMB unless otherwise stated)

XIII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

5. RELATED PARTY TRANSACTION (Continued)

2) Related transactions for the purchase and sale of goods, rendering and acceptance of services (Continued)

Sale of goods and rendering of services *(Continued)*

Name of related party	Content of related transactions	Current period	Prior period
Nission-Sinotrans International Logistics Co., Ltd	Transportation and related services	**9,390,352.69**	38,126,980.03
Weihai Comprehensive Bonded Zone Hongxin Supply Chain Management Co., Ltd.	Transportation and related services	**7,948,033.91**	527,271.11
DHL-Sinotrans International Air Courier Ltd.	Transportation and related services	**6,941,424.06**	24,158,158.20
Rushan Sinotrans Port Logistics Development Co., Ltd.	Transportation and related services	**6,297,755.55**	4,275,681.68
Jiangsu Sinotrans Lvsi Port Heavy Logistics Development Co., Ltd.	Transportation and related services	**5,032,483.66**	
Beijing Medlink Supply Chain Management Co., Ltd.	Transportation and related services	**4,820,785.17**	8,523,219.82
Jiangsu Nantong Sinotrans Supply Chain Management Co., Ltd.	Transportation and related services	**4,809,318.58**	14,056,575.43
Sinotrans PFS Cold Chain Logistics Co., Ltd.	Transportation and related services	**4,514,220.58**	6,487,037.84
Sinotrans PFS Yida (Shanghai) Logistics Co., Ltd.	Transportation and related services	**3,299,755.44**	4,093,069.69
Zhangjiagang Bonded Port Area Sinotrans Changjiang International Logistics Co., Ltd.	Transportation and related services	**2,613,800.95**	3,129,164.27
Sinotrans Logistics (Pakistan) Limited	Transportation and related services	**2,604,416.07**	
Sinotrans Sarens Logistics Co., Ltd.	Transportation and related services	**2,000,986.66**	2,154,622.86
Jiangsu Sinotrans Yangkou Port Logistics Development Co., Ltd.	Transportation and related services	**1,738,618.05**	3,491,953.18
Shaanxi Qintie Waiyun Logistics Co., Ltd.	Transportation and related services	**1,615,087.21**	55,385,906.49
Nippon Express (Shanghai) Co., Ltd.	Transportation and related services	**1,569,559.51**	7,410,807.77
MAXX LOGISTICS FZCO.	Transportation and related services	**1,142,602.74**	2,355,240.94
Sinotrans Senko International Cold Chain Logistics (Shanghai) Co., Ltd.	Transportation and related services	**402,973.18**	3,606,407.82
Sinotrans Philippines Inc.	Transportation and related services	**366,241.95**	1,334,043.13
Sinotrans Suzhou Logistics Center Co., Ltd.	Transportation and related services	**363,843.40**	1,692,625.47
Beijing Sinotrans Huali Logistics Co., Ltd.	Transportation and related services	**322,814.42**	723,429.43
Ningbo Taiping Company	Transportation and related services		39,534,078.13
China-Vietnam Sinotrans Logistics Co., Ltd.	Transportation and related services		6,788,495.04
Others	Transport and related services, etc.	**869,353.51**	2,374,444.90

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XIII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

5. RELATED PARTY TRANSACTION (Continued)

2) Related transactions for the purchase and sale of goods, rendering and acceptance of services (Continued)

Sale of goods and rendering of services *(Continued)*

Name of related party	Content of related transactions	Current period	Prior period
Associates and their subsidiaries		**77,301,658.53**	62,121,168.39
Sinotrans Suda (Shenzhen) Global Supply Chain Management Co., Ltd.	Transportation and related services	**33,810,380.33**	
Weihai Weidong Shipping Co., Ltd.	Transportation and related services	**2,298,276.86**	12,991,732.21
Sinotrans Medical Technology (Chengdu) Co., Ltd.	Transportation and related services	**9,788,960.40**	7,339,680.10
Qingdao Yujiachang Container Storage And Transportation Co. Ltd.	Transportation and related services	**8,128,807.22**	7,869,236.07
Loscam Supply Chain Management (Jiaxing) Co., Ltd.	Transportation and related services	**5,290,708.59**	6,382,239.38
Shenyang Fuyun Cold Chain Logistics Co., Ltd.	Transportation and related services	**4,047,619.06**	4,047,619.06
Tianjin Runfeng Logistics Co., Ltd.	Transportation and related services	**3,759,318.76**	2,166,082.59
Loscam Packaging Equipment Leasing (Shanghai) Co., Ltd.	Transportation and related services	**1,782,750.55**	10,360,217.52
Shandong Port&Shipping Sinotrans Supply Chain Development Co., Ltd.	Transportation and related services	**1,527,108.78**	
Liaoning Sinotrans Hengjiu Transportation Service Co., Ltd.	Transportation and related services	**966,057.26**	2,320,841.97
Yangzhou Comprehensive Bonded Zone Supply Chain Management Co., Ltd.	Transportation and related services	**740,470.60**	1,284,838.21
Sinotrans Huajie International Logistics (Beijing) Co., Ltd.	Transportation and related services	**552,842.41**	3,028,853.15
Land and Sea New Channel Operation Co. Ltd.	Transportation and related services	**216,483.44**	120,573.67
Wuhan Port Container Co., Ltd.	Transportation and related services		1,171,571.57
Nantong Sinotrans Dongzaogang Logistics Development Co., Ltd.	Transportation and related services		754,272.70
Others	Transport and related services, etc.	**4,391,874.27**	2,283,410.19
Joint ventures and subsidiaries of the ultimate controlling party		**70,224.21**	240,394.35
Jiangsu China Changjiang Bunker (Sinopec) Co., Ltd.	Transportation and related services		167,515.11
China Changjiang Bunker (Sinopec) Co., Ltd.	Transportation and related services	**70,224.21**	72,879.24
An associate of the ultimate controlling party		**968,491.12**	1,912,089.80
China Merchants Bank Co., Ltd.	Interest income	**968,491.12**	1,912,089.80
Total sale of goods and rendering of services		**535,090,168.12**	730,292,261.84

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XIII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

5. RELATED PARTY TRANSACTION (Continued)

2) Related transactions for the purchase and sale of goods, rendering and acceptance of services (Continued)

Purchase of goods and acceptance of services

Name of related party	Content of related transactions	Current period	Prior period
Other enterprises controlled by the same controlling shareholder and ultimate controlling party		**796,435,642.02**	779,592,973.71
YANGTZE NAVIGATION (SINGAPORE) PTE. LTD.	Transportation and related services	**136,192,080.64**	3,728,886.97
Sinotrans Container Lines (Hainan) Co., Ltd	Transportation and related services	**78,384,725.37**	121,735,577.35
Sinotrans Container Lines Co., Ltd	Transportation and related services	**76,658,081.68**	130,297,034.70
Sinotrans Container Lines Overseas Company Limited	Transportation and related services	**41,383,795.25**	41,598,149.89
Nanjing Tanker Corporation	Transportation and related services	**32,844,104.76**	53,567,262.27
Dalian Port Oil Terminal Co., Ltd.	Transportation and related services	**30,270,010.28**	22,795,428.92
Zhaotong Supply Chain Management Co., Ltd.	Transportation and related services	**27,570,145.94**	7,745,863.79
Beijing Zhaoguang Lvzhi Commercial Operation Management Co., Ltd.	Property management fees and others	**25,819,841.51**	9,946,594.83
Zhanjiang Port (Group) Co., Ltd.	Transportation and related services	**24,890,606.74**	11,080,079.81
China Merchants Property Management Co., Ltd.	Property management fees	**19,575,204.94**	22,317,870.59
China Communications Import & Export Co., Ltd.	Transportation and related services	**18,044,516.34**	
Beijing Sinotrans Land Transportation Co., Ltd.	Transportation and related services	**17,685,421.33**	
Shanghai Zhaotong Container Transportation Co., Ltd.	Transportation and related services	**15,131,539.26**	89,058,308.32
Beijing Sinotrans Logistics Center Co., Ltd.	Transportation and related services	**14,257,362.87**	
Liaoning Port Holding (Yingkou) Co., Ltd.	Transportation and related services	**13,697,503.17**	25,229,246.87
China Merchants Jiyu Property Management Co., Ltd.	Property management fees	**11,679,076.99**	3,761,931.78
Sinotrans Shanghai (Group) Co., Ltd.	Property management fees and others	**11,300,249.35**	6,959,071.27
Shanghai Foreign Trade Warehouse Pudong Company	Transportation and related services	**8,459,353.70**	7,678,843.46
SINOTRANS Shanghai Zhang HUA BANG Storage and Transportation Co., Ltd.	Transportation and related services	**8,418,156.32**	
China Merchants International Terminal (Qingdao) Limited	Transportation and related services	**8,013,948.01**	9,635,243.10
Yiu Lian Dockyards (Shekou) Limited	Transportation and related services	**7,980,298.39**	6,830,724.52
Shenzhen China Merchants Ro-Ro Transportation Co., Ltd.	Transportation and related services	**7,854,470.60**	1,601,351.14

(Amounts are expressed in RMB unless otherwise stated)

XIII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

5. RELATED PARTY TRANSACTION (Continued)

2) Related transactions for the purchase and sale of goods, rendering and acceptance of services (Continued)

***Purchase of goods and acceptance of services** (Continued)*

Name of related party	Content of related transactions	Current period	Prior period
Shanghai Sinotrans Qiantang Co., Ltd.	Transportation and related services	**6,614,501.43**	1,680,729.05
China Merchants Bonded Logistics Co., Ltd.	Transportation and related services	**6,278,008.74**	8,144,346.79
Sinotrans Beijing Sanjianfang Warehouse Ltd.	Transportation and related services	**6,141,575.99**	
China Merchants Group Shared Services Co., Ltd.	Transportation and related services	**5,582,496.65**	
Sinotrans Nantong Co., Ltd.	Transportation and related services	**5,510,150.19**	2,646,879.81
Shandong Sinotrans Co., Ltd.	Transportation and related services	**5,084,901.05**	1,066,595.40
Dalian Changxing Island Port Investment Development Co., Ltd.	Transportation and related services	**5,044,502.83**	
Sinotrans Guangdong Co., Ltd.	Transportation and related services	**4,896,149.41**	2,490,195.41
Zhengzhou Merchants Logistics Co., Ltd.	Transportation and related services	**4,620,644.83**	4,786,325.33
CSC Cargo Co., Ltd.	Transportation and related services	**4,151,879.70**	4,501,941.32
Inner Mongolia Sinotrans Storage and Transportation Co., Ltd.	Transportation and related services	**4,066,425.00**	
Shenzhen Lianda Tug Co., Ltd.	Transportation and related services	**3,914,367.67**	3,873,748.63
Liaoning Sinotrans Co., Ltd.	Transportation and related services	**3,794,983.98**	3,429,870.09
Panjin Port Group Co., Ltd.	Transportation and related services	**3,476,171.83**	1,433,768.80
Merchants Home Technology (Zhejiang) Co., Ltd.	Transportation and related services	**3,229,985.82**	
Yiu Lian Dockyards Limited	Transportation and related services	**3,196,265.20**	1,315,782.12
Nanjing Merchants Bureau Real Estate Management Co., Ltd.	Property management fees	**2,886,020.60**	1,946,413.65
Yingkou Xingang Ore Terminal Co., Ltd.	Transportation and related services	**2,606,597.21**	2,232,993.87
Henan Sinotrans Jiuling Storage and Transportation Co., Ltd.	Transportation and related services	**2,601,439.68**	3,841,397.47
China Changjiang National Shipping (Group) Corporation	Transportation and related services	**2,460,974.41**	1,331,815.01
Sinotrans Lianyungang Co., Ltd.	Transportation and related services	**2,318,478.59**	1,315,967.37
Guangdong Zhanjiang Port Longteng Shipping Co., Ltd.	Transportation and related services	**2,291,698.08**	
Shenzhen Chiwan Tug Co., Ltd.	Transportation and related services	**2,074,315.09**	2,812,272.54

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XIII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

5. RELATED PARTY TRANSACTION (Continued)

2) Related transactions for the purchase and sale of goods, rendering and acceptance of services (Continued)

***Purchase of goods and acceptance of services** (Continued)*

Name of related party	Content of related transactions	Current period	Prior period
Guangdong Yide Port Co., Ltd.	Transportation and related services	**2,053,446.79**	2,092,719.07
Zhangzhou China Merchants Tugboat Company Limited	Transportation and related services	**1,886,037.95**	2,294,905.46
Inner Mongolia Inland Bonded Logistics Park Co., Ltd.	Transportation and related services	**1,816,878.53**	325,232.56
China Merchants Investment Development Company Limited	Transportation and related services	**1,798,852.82**	
Dalian Container Terminal Co., Ltd.	Transportation and related services	**1,762,824.61**	15,036,212.89
Zhanjiang Port International Container Terminal Co., Ltd.	Transportation and related services	**1,681,410.70**	3,371,603.46
Guangxi Sinotrans Nanning Storage and Transportation Co., Ltd.	Transportation and related services	**1,669,169.28**	1,637,452.76
Sinotrans Hebei Company Yuanshi Warehouse	Transportation and related services	**1,663,200.08**	1,212,723.15
Shanghai Changhang Shipping Development Co., Ltd.	Transportation and related services	**1,647,234.73**	1,186,798.62
Shanghai Changjiang International Shipping Agency Co., Ltd.	Transportation and related services	**1,644,624.88**	1,875,173.82
Liaoning Port Co., Ltd.	Transportation and related services	**1,583,290.46**	38,142,115.72
Tianjin Sinotrans Binhai Logistics Management Co., Ltd.	Transportation and related services	**1,502,838.72**	1,370,327.71
CSC (Wuhan) Green Shipping Technology Services Co., Ltd.	Transportation and related services	**1,482,271.74**	12,820,123.89
Zhangzhou China Merchants Port Co., Ltd.	Transportation and related services	**1,455,568.89**	2,016,287.67
China Merchants Smart Security Services (Shenzhen) Co., Ltd.	Property management fees	**1,426,302.68**	
Shenzhen Investment Promotion Meilun Hotel Management Co., Ltd. Meilun Chamber	Property management fees	**1,336,661.23**	
Wuhan Changjiang Steamship Company	Transportation and related services	**1,244,168.00**	1,325,331.95
Sinotrans (Jiaxing) International Freight Forwarding Co., Ltd.	Transportation and related services	**1,220,710.41**	1,440,055.30
China Merchants Securities Co., Ltd.	Interest expense, handling charge	**1,206,227.67**	
Shenzhen Merchants Shekou International Cruise Home Port Co., Ltd.	Transportation and related services	**1,146,880.69**	3,674,640.41
Guangxi Sinotrans Automobile Transportation Co., Ltd.	Transportation and related services	**1,134,566.73**	1,234,738.92
Suizhong Port Group Co., Ltd.	Transportation and related services	**1,114,528.30**	
Shenzhen Nanyou (Holdings) Corp. Ltd.	Transportation and related services	**1,043,497.51**	
Dandong Port Group Co., Ltd.	Transportation and related services	**726,014.79**	2,744,890.59

(Amounts are expressed in RMB unless otherwise stated)

XIII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

5. RELATED PARTY TRANSACTION (Continued)

2) Related transactions for the purchase and sale of goods, rendering and acceptance of services (Continued)

***Purchase of goods and acceptance of services** (Continued)*

Name of related party	Content of related transactions	Current period	Prior period
Dalian Port Container Logistics Co., Ltd.	Transportation and related services	**668,656.83**	1,749,719.25
Shanghai Investment Promotion Bureau Property Management Co., Ltd.	Property management fees and others	**528,520.82**	334,289.88
Inner Mongolia Sinotrans Logistics Co., Ltd.	Transportation and related services	**510,635.18**	303,826.99
Shenzhen Chiwan Port Development Co., Ltd.	Transportation and related services	**336,637.71**	40,958.07
SINOTRANS & CSC HOLDINGS Co., Ltd.	Technical service fee	**273,534.50**	2,893,162.76
Dongguan Chiwan Wharf Co., Ltd.	Transportation and related services	**177,255.67**	1,584,968.87
Beijing China Merchants Property Management Co., Ltd.	Property management fees	**169,032.92**	2,227,384.82
Shenzhen Merchants Home Technology Co., Ltd.	Purchase of goods	**113,575.99**	10,930,778.97
Dongguan Shenchiwan Port Affairs Co., Ltd.	Transportation and related services	**85,552.85**	2,887,376.41
Dalian United King Port Auto Trade Co., Ltd.	Transportation and related services	**20,854.44**	11,188.68
China Freight Forwarding Fujian Hexi Storage & Transportation Company	Transportation and related services	**9,509.43**	3,589,610.31
China Merchants Group Finance Co., Ltd.	Interest expense, handling charge	**322,182.23**	8,777,940.47
CHINA MERCHANTS INVESTMENTS LIMITED	Interest expense, handling charge	**2,348,264.43**	
China Merchants Port (Shenzhen) Co., Ltd.	Transportation and related services		907,199.77
CSC Cargo (Hainan) Co., Ltd.	Transportation and related services		599,919.17
Others	Transportation and related services	**26,671,193.41**	24,534,803.10
Joint ventures and their subsidiaries		**195,604,682.85**	508,242,772.59
New Land Bridge (Lianyungang) Terminal Co., Ltd.	Transportation and related services	**23,009,165.56**	13,351,848.56
DHL-Sinotrans International Air Courier Ltd.	Transportation and related services	**22,962,995.44**	25,148,050.03
SINOTRANS ALMAJDOUIE MIDDLE EAST CO., LTD.	Transportation and related services	**18,833,669.60**	15,038,782.60
Sinotrans Philippines Inc.	Transportation and related services	**16,903,862.32**	9,169,238.17

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XIII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

5. RELATED PARTY TRANSACTION (Continued)

2) Related transactions for the purchase and sale of goods, rendering and acceptance of services (Continued)

***Purchase of goods and acceptance of services** (Continued)*

Name of related party	Content of related transactions	Current period	Prior period
Nission-Sinotrans International Logistics Co., Ltd	Transportation and related services	**15,666,565.32**	21,296,429.09
Jiangsu Nantong Sinotrans Supply Chain Management Co., Ltd.	Transportation and related services	**13,811,305.76**	50,201,653.58
Sinotrans Suzhou Logistics Center Co., Ltd.	Transportation and related services	**13,106,261.56**	15,076,283.50
Jiangsu Sinotrans Lvsi Port Heavy Logistics Development Co., Ltd.	Transportation and related services	**11,409,056.45**	14,666,368.15
MAXX LOGISTICS FZCO.	Transportation and related services	**8,593,283.60**	
Rushan Sinotrans Port Logistics Development Co., Ltd.	Transportation and related services	**6,126,119.39**	6,050,416.46
Nantong Jiangshan Sinotrans Port Storage Co., Ltd.	Transportation and related services	**4,565,267.86**	
Beijing Sinotrans Huali Logistics Co., Ltd.	Transportation and related services	**4,324,783.65**	23,038,510.45
Shaanxi Qintie Waiyun Logistics Co., Ltd.	Transportation and related services	**4,293,633.86**	3,226,203.64
Sinotrans Aramex (Shanghai) International Aviation Express Delivery Co., Ltd.	Transportation and related services	**3,984,058.53**	4,819,046.55
Weihai Comprehensive Bonded Zone Hongxin Supply Chain Management Co., Ltd.	Transportation and related services	**3,785,723.05**	9,543,140.19
Sinotrans Turkey Limited	Transportation and related services	**3,458,126.35**	4,430,494.99
Dongguan Port Container Terminals Co., Ltd.	Transportation and related services	**2,975,908.02**	16,462,647.84
Shenyang Jinyun Automobile Logistics Co., Ltd.	Transportation and related services	**2,892,581.59**	
Sinotrans Logistics (Pakistan) Limited	Transportation and related services	**2,726,679.10**	1,090,703.00
Nantong Comprehensive Bonded Zone Sinotrans Logistics Co., Ltd.	Transportation and related services	**2,533,683.09**	1,012,496.23
Sinotrans Sarens Logistics Co., Ltd.	Transportation and related services	**2,404,525.49**	1,604,874.86
Yantai Comprehensive Bonded Zone Baoyuntong Supply Chain Management Co., Ltd.	Transportation and related services	**1,500,162.67**	1,580,409.17
Xinjiang New Railway Sinotrans Logistics Co., Ltd.	Transportation and related services	**1,263,696.33**	217,306,041.74

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XIII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

5. RELATED PARTY TRANSACTION (Continued)

2) Related transactions for the purchase and sale of goods, rendering and acceptance of services (Continued)

Purchase of goods and acceptance of services *(Continued)*

Name of related party	Content of related transactions	Current period	Prior period
Jingjiang Sinotrans Bonded Logistics Co., Ltd.	Transportation and related services	**1,090,737.20**	566,351.54
Jiangsu Sinotrans Yangkou Port Logistics Development Co., Ltd.	Transportation and related services	**759,044.46**	2,008,254.98
China-Vietnam Sinotrans Logistics Co., Ltd.	Transportation and related services		44,257,496.89
Tangshan Port Sinotrans Shipping Agency Co., Ltd.	Transportation and related services		1,801,157.26
Jiangsu Xiangtai Company	Transportation and related services		1,141,921.07
Wuhan Eastlake Comprehensive Bonded Area Bonded Logistics Co., Ltd.	Transportation and related services		506,927.69
Ningbo Taiping Company	Transportation and related services		179,942.84
Others	Transport and related services, etc.	**2,623,786.60**	3,667,081.52
Associates and their subsidiaries		**306,167,567.06**	398,228,336.24
Sinotrans Medical Technology (Chengdu) Co., Ltd.	Transportation and related services	**135,351,643.68**	102,579,924.29
Shandong Port&Shipping Sinotrans Supply Chain Development Co., Ltd.	Transportation and related services	**48,285,621.69**	44,365,162.31
Liaoning Sinotrans Hengjiu Transportation Service Co., Ltd.	Transportation and related services	**34,114,498.31**	56,327,173.27
Weihai Weidong Shipping Co., Ltd.	Transportation and related services	**24,677,245.15**	67,564,924.26
Qingdao Yujiachang Container Storage And Transportation Co. Ltd.	Transportation and related services	**9,239,275.02**	9,344,669.96
Sinotrans Huajie International Logistics (Beijing) Co., Ltd.	Transportation and related services	**7,492,498.22**	16,878,405.53
Ma'anshan Tianshun Port Co., Ltd.	Transportation and related services	**6,125,457.46**	6,115,004.92
Loscam Packaging Equipment Leasing (Shanghai) Co., Ltd.	Transportation and related services	**5,494,377.88**	20,479,439.75
Hebei International Land Port Co., Ltd.	Transportation and related services	**5,348,437.58**	
China-Europe Railway Express (Shenyang) Assembly Center Construction and Operation Co., Ltd.	Transportation and related services	**4,901,849.38**	1,301,313.58
Yangzhou Comprehensive Bonded Zone Supply Chain Management Co., Ltd.	Transportation and related services	**3,927,996.08**	5,517,942.81
Hangzhou Airport International Freight Station Co., Ltd.	Transportation and related services	**3,616,978.93**	
Shenyang Henglu Logistics Co., Ltd.	Transportation and related services	**3,607,515.89**	2,813,224.89
Nanjing Huaxing Loading and Unloading Service Co., Ltd.	Transportation and related services	**3,004,008.95**	6,524,834.30

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XIII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

5. RELATED PARTY TRANSACTION (Continued)

2) Related transactions for the purchase and sale of goods, rendering and acceptance of services (Continued)

***Purchase of goods and acceptance of services** (Continued)*

Name of related party	Content of related transactions	Current period	Prior period
Zhejiang Seaport Changxing Port Co., Ltd.	Transportation and related services	**2,298,028.19**	
Beijing Chentong Freighting Service Co., Ltd.	Transportation and related services	**1,804,427.23**	718,427.88
Sinotrans Suda (Shenzhen) Global Supply Chain Management Co., Ltd.	Transportation and related services	**1,148,943.23**	
Nantong Sinotrans Wangzi Port Storage Co., Ltd.	Transportation and related services	**1,023,307.49**	
Jiangmen Gaosha Outside Freight Agency Co., Ltd.	Transportation and related services	**1,014,529.72**	973,123.59
Nantong Sinotrans Dongzaogang Logistics Development Co., Ltd.	Transportation and related services	**996,448.32**	10,205,483.54
Jiangsu Jiangyin Port Group Co., Ltd.	Transportation and related services	**430,943.40**	34,389,857.58
Ningbo Beilun Donghua Container Transportation Service Co., Ltd.	Transportation and related services	**410,066.04**	1,145,282.08
Tianjin Runfeng Logistics Co., Ltd.	Transportation and related services	**187,948.26**	350,605.05
China International Exhibition Transportation Co., Ltd.	Transportation and related services	**66,221.00**	4,387,164.82
Wuhan Port Container Co., Ltd.	Transportation and related services		4,675,336.12
Sinotrans Pulse Technology (Chengdu) Co., Ltd.	Transportation and related services		1,029,663.46
Others	Transport and related services, etc.	**1,599,299.96**	541,372.25
Joint ventures and subsidiaries of the ultimate controlling party			5,417,787.64
China Changjiang Bunker (Sinopec) Co., Ltd.	Transportation and related services		4,174,949.87
Jiangsu China Changjiang Bunker (Sinopec) Co., Ltd.	Transportation and related services		1,242,837.77
Entity in which a director of the Company acts as senior management		**292,669,674.47**	
China Southern Airlines Logistics	Transportation and related services	**292,669,674.47**	
An associate of the ultimate controlling party		**4,768,069.30**	7,390,411.82
China Merchants Bank Co., Ltd.	Interest expense, handling charge	**4,768,069.30**	7,390,411.82
Total services accepted		**1,595,645,635.70**	1,698,872,282.00

(Amounts are expressed in RMB unless otherwise stated)

XIII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

5. RELATED PARTY TRANSACTION (Continued)

3) The Group had no related trustee management/contracting and entrusted management/outsourcing during current period.

4) Related leases

The Group as the lessor:

Name of lessee	Type of leased assets	Rental income recognized for the current period	Rental income recognized for the prior period
Sinotrans Container Lines Overseas Company Limited	Transportation equipment	**15,586,325.38**	12,973,061.13
Shenyang Fuyun Cold Chain Logistics Co., Ltd.	Buildings	**4,047,619.06**	4,047,619.06
Sinotrans Container Lines (Hong Kong) Co., Ltd.	Transportation equipment	**3,990,660.49**	12,074,866.78
Sinotrans Container Lines Co., Ltd	Transportation equipment	**2,328,074.32**	2,653,604.36
China Merchants Port (Shenzhen) Co., Ltd.	Buildings	**414,737.64**	433,946.36
Sinotrans Senko International Cold Chain Logistics (Shanghai) Co., Ltd.	Buildings	**405,065.47**	2,264,722.34
Others	Buildings and transportation equipment	**392,377.53**	
Total		**27,164,859.89**	34,447,820.03

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XIII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

5. RELATED PARTY TRANSACTION (Continued)

4) Related leases (Continued)

The Group as the lessee: *(Continued)*

		Current period					Prior period				
Name of lessor	Type of leased assets	Rental costs for short-term leases and low-value asset leases with simplified treatment	Rent paid	Interest expenses on lease liabilities assumed	Net amount of right-of-use assets	Lease liabilities (including those due within one year)	Rental costs for short-term leases and low-value asset leases with simplified treatment	Lease liabilities (including those due within one year)	Rent paid	Interest expenses on lease liabilities assumed	Net amount of right-of-use assets
Beijing Zhaoguang Lvzhi Commercial Operation Management Co., Ltd.	Buildings		27,426,884.08	12,787,866.40	449,559,777.78	531,780,370.60		28,573,871.19	12,815,411.20	441,736,820.76	518,786,057.67
Beijing Sinotrans Land Transportation Co., Ltd.	Buildings and equipment		17,758,341.78	1,845,414.43	83,700,861.49	84,528,106.44	20,542,737.31				
Beijing Sinotrans Logistics Center Co., Ltd.	Buildings		14,593,787.16	1,516,559.71	68,785,282.59	69,465,111.63	17,029,692.82				
SINOTRANS Shanghai Zhang HUA BANG Storage and Transportation Co., Ltd.	Buildings		8,035,642.86	828,324.46	38,826,207.51	37,841,106.74		8,191,933.32	217,293.78	7,839,709.17	6,766,547.51
Shanghai Foreign Trade Warehouse Pudong Company	Buildings		7,100,000.06	535,018.72	23,631,167.61	22,505,742.18		8,749,999.98	231,908.63	8,412,578.07	7,227,909.14
Shanghai Sinotrans Qiantang Co., Ltd.	Buildings	232,735.55	6,829,679.05	739,714.68	32,368,893.10	32,694,194.32	1,571,375.34	4,773,409.42	135,296.31	4,681,327.68	4,708,632.10
Sinotrans Beijing Sanjianfang Warehouse Ltd.	Buildings		6,012,907.80	624,850.39	28,340,797.10	28,620,899.13	7,897,394.41				
Shandong Sinotrans Co., Ltd.	Buildings and others	632,895.21	5,680,662.23	623,955.43	27,021,479.03	27,411,742.53	95,238.10	4,375,697.83	226,093.72	7,758,544.47	9,186,366.25
Sinotrans Nantong Co., Ltd.	Buildings and others		5,375,124.44	165,567.18	5,345,918.31	5,399,417.27		6,680,102.20	129,663.79	5,008,493.70	4,911,250.70
Sinotrans Shanghai (Group) Co., Ltd.	Buildings and others		4,972,302.13	805,911.97	36,518,353.14	35,763,909.36	286,226.74	8,382,887.86	294,836.23	9,800,921.43	9,413,507.39
Sinotrans Guangdong Co., Ltd.	Buildings	470,333.27	3,739,579.07	395,551.45	14,990,293.35	15,788,924.43	576,399.97	2,682,258.94	280,211.36	9,234,983.38	10,545,278.19
China Merchants Bonded Logistics Co., Ltd.	Buildings		3,513,888.00	133,375.92	4,490,727.16	4,613,037.88	4,853,751.00	2,928,240.00	178,289.38	11,226,817.85	11,888,382.59
China Merchants International Terminal (Qingdao) Limited	Buildings		2,935,324.73	764,340.20	32,023,592.74	34,587,798.18	2,799,873.16	2,122,755.00	713,393.07	24,563,385.21	27,012,562.11
Guangxi Sinotrans Automobile Transportation Co., Ltd.	Buildings		2,852,024.79	114,788.48	5,270,099.60	5,320,022.85		1,477,483.63	39,813.57	1,234,738.94	1,251,292.79
Shanghai Foreign Trade Warehouse Jiefangdao Storage and Transportation Co., Ltd.	Buildings		1,559,594.92					3,321,155.37	130,691.43	4,719,067.77	4,073,210.92
Sinotrans Hebei Company Yuanshi Warehouse	Buildings		1,447,872.55	118,706.58	5,027,715.85	5,078,536.76		1,361,578.95	47,771.83	1,212,723.15	1,617,357.20
Liaoning Sinotrans Co., Ltd.	Buildings		1,413,154.47	41,627.84	1,429,645.34	1,438,843.90		1,383,934.80	48,279.20	1,743,897.83	1,752,209.72
Sinotrans (Jiaxing) International Freight Forwarding Co., Ltd.	Buildings		1,228,571.40	36,623.86	1,204,009.17	1,216,070.80	1,328,571.48				
Guangxi Sinotrans Co., Ltd.	Buildings	12,533.94	971,013.84	99,754.69	4,517,502.23	4,562,277.48		690,051.84	21,605.60	662,910.54	681,743.49
Guangxi Sinotrans Fangchenggang Co., Ltd.	Buildings		956,418.54	100,251.62	4,503,362.38	4,547,867.88		1,155,685.56	33,788.77	1,088,284.46	1,143,929.64
Xiamen Sinotrans Co., Ltd.	Buildings		955,037.22	97,998.92	4,507,244.10	4,551,654.65	266,111.04	883,608.14	14,565.89	540,815.13	568,486.74
China Merchants Chongqing Communications Technology Research & Design Institute Co., Ltd.	Buildings		809,510.92	58,870.59	2,057,477.45	2,352,255.26		556,617.77	76,009.21	3,358,517.09	3,710,376.48

(Amounts are expressed in RMB unless otherwise stated)

XIII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

5. RELATED PARTY TRANSACTION (Continued)

4) Related leases (Continued)

The Group as the lessee: *(Continued)*

		Current period					Prior period				
Name of lessor	Type of leased assets	Rental costs for short-term leases and low-value asset leases with simplified treatment	Rent paid	Interest expenses on lease liabilities assumed	Net amount of right-of-use assets	Lease liabilities (including those due within one year)	Rental costs for short-term leases and low-value asset leases with simplified treatment	Lease liabilities (including those due within one year)	Rent paid	Interest expenses on lease liabilities assumed	Net amount of right-of-use assets
Tianjin Sinotrans Co., Ltd.	Buildings		705,991.93	83,898.07	3,730,993.48	3,767,862.75		780,404.22	23,680.21	738,265.57	772,035.55
Sinotrans (Shenzhen) Co., Ltd.	Buildings	11,553.02	694,398.62	68,884.92	3,112,024.22	3,142,846.70					
Fujian Sinotrans Co., Ltd.	Buildings		677,730.00	48,707.24	2,098,211.91	2,040,761.98	92,571.42	669,042.84	33,040.38	1,341,520.69	1,257,983.22
Beijing Weilin Property Management Co., Ltd.	Buildings		530,777.94	111,020.28	8,984,307.03	9,037,407.63					
SINOTRANS Hainan Co., Ltd.	Buildings		481,596.34	120,412.10	4,277,640.67	4,589,513.66		687,979.83	143,412.51	5,472,870.05	5,658,846.73
China Merchants Finance Leasing Co., Ltd.	Machinery		353,982.30	118,232.19	3,909,028.21	4,443,466.11					
Guangxi Sinotrans Nanning Storage and Transportation Co., Ltd.	Buildings			189,801.36	8,345,846.50	8,428,266.16		1,959,369.37	52,798.89	1,637,452.77	1,659,405.74
Shandong Sinotrans Yantai Co., Ltd.	Buildings			87,682.34	3,669,908.82	3,710,256.48					
Ningbo Yinjia Real Estate Co., Ltd.	Buildings			75,385.66	1,952,084.11	1,727,884.13					
Ruida (Tianjin) Warehousing Service Co., Ltd.	Buildings									92,846,580.06	175,852,115.76
Ruida Yunju (Kunshan) Warehousing Service Co., Ltd.	Buildings									45,339,604.79	111,094,279.61
Ruida (Jinhua) Warehousing Service Co., Ltd.	Buildings									50,554,483.12	111,449,633.13
Ruida Wuxi Storage Service Co., Ltd.	Buildings									20,375,572.24	101,677,889.45
Ruida Zhihui Kunshan Storage Service Co., Ltd.	Buildings									25,187,335.87	84,517,997.30
Henan Sinotrans Jiuling Storage and Transportation Co., Ltd.	Buildings							5,944,954.12	102,875.71	3,754,898.63	3,936,792.80
China Freight Forwarding Fujian Hexi Storage & Transportation Company	Buildings						22,280.00	3,176,605.50	111,449.26	3,589,610.37	3,773,150.82
Sinotrans Beijing Co., Ltd.	Buildings							1,647,917.95	12,815.05	1,733,010.70	1,472,951.68
Hebei Shijiazhuang Zhengding Sinotrans Warehousing Logistics Co., Ltd.	Buildings							843,428.58	24,665.40	749,850.62	835,151.39
Others	Buildings, equipment and others	480,720.72	3,905,336.60	130,486.45	5,625,055.95	5,438,351.69	1,026,781.78	6,281,720.61	276,423.18	12,084,262.04	12,682,137.99
Total		**1,840,771.71**	**133,517,135.77**	**23,469,584.13**	**919,825,507.93**	**1,006,394,507.56**	**58,389,004.57**	**110,282,694.82**	**16,416,083.56**	**810,229,854.15**	**1,241,885,471.80**

Note: Rent paid is determined on the basis of actual annual rent paid in cash. The above-mentioned related leases do not involve variable lease payments not included in the lease liabilities.

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XIII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

5. RELATED PARTY TRANSACTION (Continued)

5) Related guarantees

The Group as the guarantor:

Financing guarantees:

Guaranteed parties	Guaranteed balance at the end of the period	Guaranteed balance at the beginning of the period	Starting date of the guarantee	Maturity date of the guarantee	Whether the guarantee has been fulfilled
SE LOGISTICS HOLDING B.V.	**699,039,000.00**	753,548,250.00	2020/12/8	2027/12/7	No
SE LOGISTICS HOLDING B.V.	**498,900,258.52**	757,411,333.63	2020/12/8	2027/12/8	No
Shenzhen Haixing Harbor Development Co., Ltd.	**395,401,170.24**	409,522,640.59	2019/7/1	2037/7/1	No

Credit guarantees:

The Company provides a guarantee for its subsidiaries to apply for credit lines from China Merchants Bank. The credit lines are valid for a period of 1 to 3 years and the credit lines can be used in a rolling cycle during the validity period. As at 30 June 2026, the Company provided a guarantee for credit lines to its subsidiaries amounting to RMB550,000,000.00 (1 January 2026: RMB550,000,000.00).

In order to meet the needs of the daily operations and business development of the subsidiaries of the Group, on 26 December 2025, the Company issued a Confirmation Letter to Bank of China Limited (hereinafter referred to as "Bank of China"). Pursuant to the Credit Limit Agreement signed between the Company and Bank of China, the Company confirmed the allocation of credit limit to 75 subsidiaries and branches within the Group, with the aggregate amount of RMB3.283 billion. It was also confirmed that the debts incurred by such subsidiaries and branches as a result of their use of the aforesaid credit limit shall fall within the scope of guarantee under the Maximum Amount Guarantee Contract, the Credit Limit Arrangement and Allocation Application, or other guarantee contracts/terms that the Company has entered into or will enter into with Bank of China, with the Company acting as the guarantor. The term of use of the credit limit (i.e., the guarantee period) shall commence from the effective date on which Bank of China grants the new annual credit limit to the relevant subsidiaries and branches to 15 December 2026. Among them, the guarantees provided by the Company to five non-wholly owned subsidiaries and branches, namely as Sinotrans Ningbo International Container Transportation Co., Ltd., Sinotrans Ningbo International Forwarding Agency Co., Ltd., China Marine Shipping Agency Ningbo Co., Ltd., China Marine Shipping Agency Ningbo Co., Ltd. Beilun Branch, and Ningbo Transocean International Forwarding Agency Co., Ltd., were all counter-guaranteed by other shareholders.

XIII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

5. RELATED PARTY TRANSACTION (Continued)

5) Related guarantees (Continued)

The Group as the guarantor: *(Continued)*

Operating guarantees:

The Group provided operating guarantees to its subsidiaries, joint ventures, and associates for the operation of project logistics, loading and unloading operations, bidding business, shipping booking agency, warehousing services, and other businesses and asset transactions for the conduct of the operating businesses mentioned above. As at 30 June 2026, the balance of the aforementioned operating-type guarantees was RMB19.4341 million (1 January 2026: USD2.5658 million).

Qualification guarantees:

The Group guarantees the group delivery business and futures delivery warehouse business of subsidiaries of the Group, such as Sinotrans Central China Co., Ltd., Sinotrans Eastern Company Limited, Sinotrans South China Co., Ltd., Sinotrans North China Co., Ltd., Sinotrans Northeast Co. Ltd., Qingdao Sinotrans Supply Chain Management Co., Ltd., Qingdao Sinotrans Smart Logistics Co., Ltd. on the Shanghai Futures Exchange and its subsidiaries (including but not limited to Shanghai International Energy Exchange Co., Ltd.), Zhengzhou Commodity Exchange, Dalian Commodity Exchange, Guangzhou Futures Exchange and other futures exchanges, including the irrevocable and floating joint and several guarantees for the full amount of all liabilities for all the operations of the guaranteed parties in respect of the warehousing, storage, discharging, and delivery or group delivery of futures commodities. The guarantee period shall be for the duration of the corresponding futures delivery warehouse business agreement between the guaranteed party and the above-mentioned futures exchange (including the period of automatic renewal without objection by both parties) and for a period of two or three years from the expiry of the duration (to be determined according to the requirements of the futures exchange).

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(Amounts are expressed in RMB unless otherwise stated)

XIII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

5. RELATED PARTY TRANSACTION (Continued)

6) Related party fund lending

Related party	Loan balance at the end of the period	Principal added in current period	Interest accrued in current period	Repayments during current period	Exchange rate changes	Loan balance at the end of current period	Loan interest rate (annualized%)	Accounts presented at period-end
Borrowed								
CHINA MERCHANTS INVESTMENTS LIMITED	225,190,030.90		2,348,264.43	2,341,282.62	8,684,325.87	233,881,338.58	1.00, 2.70	Long-term borrowings, non-current liabilities due within one year
China Merchants Group Finance Co., Ltd.	2,500,000.00	5,000,000.00	31,000.00	31,000.00		7,500,000.00	2.40	Short-term borrowings
China Merchants Group Finance Co., Ltd.	23,018,272.22		278,561.11	5,283,833.33		18,013,000.00	2.60	Long-term borrowings, non-current liabilities due within one year
China Merchants Bank Co., Ltd.	50,033,611.10		357,500.02	50,391,111.12			2.20	Short-term borrowings
China Merchants Bank Co., Ltd.	114,000,000.00	113,513,520.00	1,328,341.01	115,328,341.01		113,513,520.00	2.20	Short-term borrowings
SINOTRANS & CSC HOLDINGS Co., Ltd.	20,000,000.00					20,000,000.00	1.20	Long-term payables
China Merchants Bank Co., Ltd.	134,072,100.75		1,780,711.14	7,431,087.45		128,421,724.44	2.75	Long-term borrowings, non-current liabilities due within one year
Lent								
Shenyang Jinyun Automobile Logistics Co., Ltd.	20,000,000.00			1,780,752.12		18,219,247.88		Other receivables
MAXX LOGISTICS FZCO.	6,550,447.49			6,371,650.43		178,797.06		Other receivables, interest receivable
Guangxi Yunyu Port Co., Ltd.	2,500,000.00					2,500,000.00		Other receivables

(Amounts are expressed in RMB unless otherwise stated)

XIII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

5. RELATED PARTY TRANSACTION (Continued)

7) Related party asset transfers and debt restructuring

Related party	Content of related transactions	Current period	Prior period
BOC Sinotrans Warehousing and Logistics Closed-end Infrastructure Securities Investment Fund	Disposal of shares of subsidiaries		1,304,815,570.80

8) Remuneration of directors, supervisors, general managers, and senior managers

(1) Remuneration of directors, supervisors, and general managers

Item	current period	Prior period
Directors:	——	——
Fee *(Note)*	**332,400.00**	332,400.00
Other remuneration	——	——
– Wages and allowances	**684,287.36**	593,474.00
– Discretionary bonuses	**582,000.00**	176,884.00
– Contributions to the pension plan	**205,278.54**	203,677.92
– Share-based payments		54,388.06
Supervisors:	——	——
Fee (Note)		53,700.00
Other remuneration	——	——
– Wages and allowances		343,600.00
– Discretionary bonuses		40,900.00
– Contributions to the pension plan		105,271.68
– Share-based payments		

Note: The directors' fees disclosed above represent the payment of RMB332,400 (prior period: RMB332,400) to independent non-executive directors.

(Amounts are expressed in RMB unless otherwise stated)

XIII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

5. RELATED PARTY TRANSACTION (Continued)

8) Remuneration of directors, supervisors, general managers, and senior managers (Continued)

(2) Scope of remuneration of directors, supervisors, and general managers

Item	Fee of directors	Wages and allowances	Discretionary bonuses	Contributions to the pension plan	Subtotal	Share-based Payments	Total
Current period							
Directors:	—	—	—	—	—	—	—
– Yi Zhang		345,287.36	293,400.00	112,099.98	**750,787.34**		**750,787.34**
– Xiang Gao		339,000.00	288,600.00	93,178.56	**720,778.56**		**720,778.56**
– Guofeng Yang							
– Li Luo							
– Zhiliang Yu							
– Chuanjing Huang							
– Kewei Xu							
– Weiguo Gong							
– Xiaoli Wang	83,100.00				**83,100.00**		**83,100.00**
– Yaping Ning	83,100.00				**83,100.00**		**83,100.00**
– Xinjian Cui	83,100.00				**83,100.00**		**83,100.00**
– Fan Cui	83,100.00				**83,100.00**		**83,100.00**
Supervisors:	—	—	—	—	—	—	—
Prior period							
Directors:	—	—	—	—	—	—	—
– Xiufeng Wang							
– Yi Zhang		151,274.00	128,784.00	75,915.68	**355,973.68**		**355,973.68**
– Guofeng Yang							
– Xiang Gao		300,000.00	48,100.00	88,471.68	**436,571.68**	54,388.06	**490,959.74**
– Rong Song		142,200.00		39,290.56	**181,490.56**		**181,490.56**
– Zhiliang Yu							
– Wu Tao							
– Guofeng Yang							
– Li Luo							
– Kewei Xu							
– Chuanjing Huang							
– Xiaoli Wang	83,100.00				**83,100.00**		**83,100.00**
– Yaping Ning	83,100.00				**83,100.00**		**83,100.00**
– Xinjian Cui	83,100.00				**83,100.00**		**83,100.00**
– Fan Cui	83,100.00				**83,100.00**		**83,100.00**
Supervisors:	—	—	—	—	—	—	—
– Zhiyi Zhang		343,600.00	40,900.00	105,271.68	**489,771.68**		**489,771.68**
– Bulin Fu							
– Zhaoping Fan	53,700.00				**53,700.00**		**53,700.00**

(Amounts are expressed in RMB unless otherwise stated)

XIII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

5. RELATED PARTY TRANSACTION (Continued)

8) Remuneration of directors, supervisors, general managers, and senior managers (Continued)

(3) Five highest paid individuals

Among the five highest paid individuals for the current period, 2 (prior period: 1) of them are directors, none (prior period: 1) are supervisors, and details of their remuneration are set out above. The details of the remuneration of the remaining 3 (prior period: 3) highest paid individuals who are not directors or supervisors for the current period are as follows:

Item	Current period	Prior period
Wages and allowances	**861,600.00**	846,600.00
Discretionary bonuses	**664,200.00**	103,500.00
Contributions to the pension plan	**297,553.26**	265,983.60
Share-based payments		129,616.40

The number of the highest paid individuals with remuneration within the following bands who are not directors or supervisors are as follows:

Item	The number of individuals in current period	The number of individuals in prior period
Less than HKD1,000,000	**3**	3
HKD 1,000,001 to HKD1,500,000		
HKD 1,500,001 to HKD2,000,000		
HKD 2,000,001 to HKD2,500,000		

(4) None of the directors of the Company has waived or agreed to waive any remuneration during the period, except for the directors Guofeng Yang, Li Luo, Zhiliang Yu, Chuanjing Huang, Jerry Hsu, and Weiguo Gong, who did not receive any remuneration from the Company during the period. During the previous record periods, the Company did not pay any remuneration to any of the directors, supervisors, or the five highest paid individuals as an inducement to join or upon joining the Company or as compensation for loss of office.

(Amounts are expressed in RMB unless otherwise stated)

XIII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

5. RELATED PARTY TRANSACTION (Continued)

8) Remuneration of directors, supervisors, general managers, and senior managers (Continued)

(5) The remuneration of the major management

The remuneration of the major management (including the amounts paid and payable to the directors, supervisors, and senior management) is as follows:

Item	Current period	Prior period
Wages and allowances	**2,321,687.36**	2,004,774.00
Discretionary bonuses	**1,846,792.00**	347,784.00
Contributions to the pension plan	**792,198.84**	600,359.60
Share-based payments		261,871.13
Total	**4,960,678.20**	3,214,788.73

9) Related party deposits

The difference between deposits placed and withdrawals by the Group with China Merchants Bank in for the six months ended June 30, 2026 was net deposits of RMB645,268,451.30 (net deposits of RMB43,969,309.14 in for the six months ended June 30, 2025) and interest income from deposits of RMB968,491.12 in for the six months ended June 30, 2026 (RMB1,912,089.80 in for the six months ended June 30, 2025). The difference between deposits and withdrawals with the Finance Company in for the six months ended June 30, 2026 was net withdrawals of RMB1,779,782,898.50 (net withdrawals of RMB480,124,640.35 in for the six months ended June 30, 2025). Interest income from deposits of RMB30,001,160.93 in for the six months ended June 30, 2026 (RMB39,879,589.79 in for the six months ended June 30, 2025).

10) Trade marking licensing

The Company signed a Trademark License Agreement with SINOTRANS & CSC in March 2015 and renewed the agreement in November 2023, authorizing the Group to use ten trademarks, such as "SINOTRANS" of SINOTRANS & CSC with registration number 779072 from 1 March 2015 to 14 November 2026 without compensation.

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XIII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

5. RELATED PARTY TRANSACTION (Continued)

11) Transactions with connected subsidiaries as defined in Rule 14A.16 of the Listing Rules of The Stock Exchange of Hong Kong Limited

Continuing related transactions:

Related Parties	Contents of related party transactions	Current period	Prior period
Sinotrans Changjiang Group	Procurement of logistics services from them	**282,192,732.98**	320,536,859.66
	Provision of logistics services to them	**223,584,968.37**	436,876,671.13
	Leasing properties such as real estate and warehouses (including facilities) to them	**849,622.39**	1,144,101.88
China Marine Shipping Agency Jiangsu Co., Ltd. and its subsidiaries	Procurement of logistics services from them	**12,190,373.02**	20,862,725.71
	Provision of logistics services to them	**4,400,047.93**	5,120,255.72
Yunyitong Technology Co., Ltd. and its subsidiaries	Procurement of logistics and related services from them	**205,276,483.71**	507,654,527.07
	Provision of logistics and related services to them	**729,407,283.00**	695,133,958.60
Sinotrans Shandong Hongzhi Logistics Co., Ltd.	Procurement of transportation and logistics services from it	**82,888,962.02**	70,975,539.47
	Provision of transportation and logistics services to it	**27,204,983.09**	32,340,758.43
Qingdao Golden Express International Transportation Service Co., Ltd.	Procurement of transportation and logistics services from it	**7,253,505.11**	4,840,948.68
	Provision of transportation and logistics services to it	**5,909,625.13**	6,823,457.57
Total		**1,581,158,586.75**	2,102,309,803.92

Note: None of the transactions between the Group and the above-mentioned connected subsidiaries, as defined in Rule 14A.16 of the Listing Rules of The Stock Exchange of Hong Kong Limited, exceeded the approved transaction limits as set out in Note XIII. 5. (1).

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XIII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

5. RELATED PARTY TRANSACTION (Continued)

11) Transactions with connected subsidiaries as defined in Rule 14A.16 of the Listing Rules of The Stock Exchange of Hong Kong Limited (Continued)

Other transactions:
On 15 June 2022, the Twelfth Meeting of the Third Board of Directors of the Company reviewed and approved the Proposal on the Provision of Loans to a Holding Subsidiary, agreeing that the Company would provide a loan of USD12.6 million to China Merchants CHN-BLR Commerce through its wholly-owned subsidiary SINOTRANS (HK) LOGISTICS LIMITED (hereinafter referred to as "SINOTRANS (HK) HOLDINGS"). The loan shall be disbursed in three tranches (with annual drawdowns from 2022 to 2024), each with a term not exceeding three years and bearing an annual interest rate of 1%. Other shareholders of China Merchants CHN-BLR Commerce shall provide loans with the same terms in proportion to their shareholdings. As at 30 June 2026, the outstanding balance of this loan was RMB60,366,600.00 (which was converted into a RMB loan and extended for five years following approval by the Company's 2024 Annual General Meeting of Shareholders).

Pursuant to the Proposal on the Provision of Loans to a Holding Subsidiary approved at the Company's 2023 Annual General Meeting of Shareholders, the Company approved the provision of a loan to China Merchants CHNBLR Commerce, through its wholly-owned subsidiary SINOTRANS (HK) HOLDINGS, in an amount equivalent to USD14,553,000 (calculated at the USD spot selling rate of Bank of China on the date of execution of the loan agreement), for a term of 5 years at an annual interest rate of 2.7%. Other shareholders of China Merchants CHNBLR Commerce shall provide loans with the same terms in proportion to their shareholdings. As at 30 June 2026, the outstanding balance of this loan was RMB108,892,339.00.

On 5 June 2025, the Company's 2024 Annual General Meeting of Shareholders reviewed and approved the Proposal on the Provision of Loans and Loan Extensions to a Holding Subsidiary. It was agreed to convert the aforementioned USD8.4 million loan to China Merchants CHN-BLR Commerce into RMB loans (converted at the midpoint exchange rate of the People's Bank of China) through the signing of a supplementary agreement, with a five-year extension of the loan term, and the annual interest rate of 1% remaining unchanged. Meanwhile, SINOTRANS (HK) HOLDINGS planned to provide an additional loan of RMB34.86 million to China Merchants CHNBLR Commerce in proportion to its shareholding, with a term of five years and an annual interest rate of 2%. Other shareholders of China Merchants CHN-BLR Commerce provided loan currency conversions, extensions with the same terms, and additional loans in proportion to their shareholdings. As at 30 June 2026, the Group has not yet provided the loan to China Merchants CHN-BLR Commerce.

12) Related joint investment

On 29 January 2026, the Twenty-second Meeting of the Fourth Session of the Board of Directors of the Company approved the Proposal on the Joint Investment with Related Parties to Establish a Joint Venture Company and Related Party Transactions. SINOTRANS (HK) HOLDINGS, a subsidiary of the Group, signed joint venture agreements with a related party named CNDI Investment Holdings Korlátolt Felelősségű Társaság (hereinafter referred to as "CNDI"), aimed to acquire a warehouse in Hungary. On 6 March 2026, Bountywin Warehousing Holding Kft. was established, of which SINOTRANS (HK) HOLDINGS contributed EUR9,148,000 (shareholding: 40%) and CNDI contributed EUR13,722,000 (shareholding: 60%).

(Amounts are expressed in RMB unless otherwise stated)

XIII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

6. BALANCE OF RECEIVABLES AND PAYABLES WITH RELATED PARTIES

1) Receivables

Items	Name of related party	Closing Balance	Opening Balance
Cash and bank balances	**Other enterprises controlled by the same controlling shareholder and ultimate controlling party**	**4,058,577,053.41**	5,838,359,951.91
	China Merchants Group Finance Co., Ltd.	**3,608,026,726.36**	5,838,359,951.91
	China Merchants International Finance Company Limited	**450,550,327.05**	
	An associate of the ultimate controlling party	**1,940,634,688.28**	1,295,366,236.98
	China Merchants Bank Co., Ltd.	**1,940,634,688.28**	1,295,366,236.98
	Total cash and bank balances	**5,999,211,741.69**	7,133,726,188.89
Accounts receivable	**Other enterprises controlled by the same controlling shareholder and ultimate controlling party**	**88,674,533.89**	74,113,380.01
	China Merchants Heavy Industry (Jiangsu) Co., Ltd.	**21,967,593.62**	
	Sinotrans Container Lines Co., Ltd	**19,490,891.48**	18,861,629.86
	Sinotrans Container Lines (Hainan) Co., Ltd	**12,497,603.69**	22,459,438.00
	Sinotrans Container Lines Overseas Company Limited	**4,974,317.94**	4,572,062.87
	China Merchants Industrial Group Qingdao Shipbuilding Co., Ltd.	**4,526,672.53**	
	China Merchants Industry Weihai Shipyard Co., Ltd.	**3,083,870.12**	
	Nanjing Tanker Corporation	**2,113,767.15**	2,088,587.49
	Shenzhen China Merchants Ro-Ro Transportation Co., Ltd.	**1,857,584.93**	1,497,602.57
	Nanjing Yangyang Chemicals Transport & Trade Co., Ltd.	**1,758,006.28**	1,162,710.41
	China Merchants Qianhai Bay (Shenzhen) Supply Chain Management Co., Ltd.	**1,551,555.62**	
	Associated Maritime Company (Hong Kong) Limited	**1,444,489.39**	1,960,204.41
	Zhaotong Supply Chain Management Co., Ltd.	**1,410,459.43**	1,006,266.67
	Shenzhen Merchants Home Technology Co., Ltd.	**1,264,258.66**	
	Shanghai Zhaotong Container Transportation Co., Ltd.	**1,024,306.14**	3,771,791.67
	CSC Cargo (Dazhou) Co., Ltd.	**1,023,114.84**	1,411,383.89
	CHINA MERCHANTS HOLDINGS (DJIBOUTI) FZE	**706,912.98**	1,251,907.30
	Hong Kong Ming Wah Shipping Company Limited	**415,279.83**	1,365,539.54
	Sinotrans Container Lines (Hong Kong) Co., Ltd.	**319,143.52**	841,508.32
	Chiwan Container Terminal Co., Ltd.	**18,918.10**	183,149.67
	China Merchants Viking Cruises Co., Limited		4,496,374.91
	China Freight Forwarding Fujian Hexi Storage & Transportation Company		1,000,000.00
	Shekou Container Terminal Co., Ltd.		218,964.03
	Others	**7,225,787.64**	5,964,258.40

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XIII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

6. BALANCE OF RECEIVABLES AND PAYABLES WITH RELATED PARTIES (Continued)

1) Receivables (Continued)

Items	Name of related party	Closing Balance	Opening Balance
	Joint ventures, associates and their subsidiaries	**123,389,713.76**	127,202,412.57
	SINOTRANS ALMAJDOUIE MIDDLE EAST CO., LTD.	**36,220,656.88**	21,706,150.25
	Nission-Sinotrans International Logistics Co., Ltd	**16,356,182.67**	19,157,064.28
	DHL-Sinotrans International Air Courier Ltd.	**10,274,572.86**	8,710,438.45
	Sinotrans Aramex (Shanghai) International Aviation Express Delivery Co., Ltd.	**10,059,934.25**	3,018,200.41
	Rushan Sinotrans Port Logistics Development Co., Ltd.	**5,512,817.21**	
	Sinotrans Senko International Cold Chain Logistics (Shanghai) Co., Ltd.	**4,309,953.23**	3,870,559.63
	China-Vietnam Sinotrans Logistics Co., Ltd.	**4,267,455.04**	4,248,754.10
	Loscam Packaging Equipment Leasing (Shanghai) Co., Ltd.	**3,938,200.14**	2,652,867.82
	Sinotrans Medical Technology (Chengdu) Co., Ltd.	**3,698,445.88**	6,356,787.41
	Jiangsu Sinotrans Lvsi Port Heavy Logistics Development Co., Ltd.	**3,260,515.51**	
	Jiangsu Nantong Sinotrans Supply Chain Management Co., Ltd.	**2,609,804.79**	14,075,457.84
	Xinjiang New Railway Sinotrans Logistics Co., Ltd.	**2,124,496.12**	15,551,914.21
	Beijing Beichen Exhibition & Transportation International Logistics Co., Ltd.	**1,871,042.23**	
	Loscam Supply Chain Management (Jiaxing) Co., Ltd.	**1,869,056.64**	2,410,707.88
	Wuhan Port Container Co., Ltd.	**1,826,478.00**	1,596,636.33
	Shaanxi Qintie Waiyun Logistics Co., Ltd.	**1,650,765.98**	
	Beijing Medlink Supply Chain Management Co., Ltd.	**1,608,113.42**	841,136.79
	Sinotrans PFS Cold Chain Logistics Co., Ltd.	**1,563,577.63**	1,429,681.42
	Sinotrans PFS Yida (Shanghai) Logistics Co., Ltd.	**1,211,574.62**	
	Yangzhou Comprehensive Bonded Zone Supply Chain Management Co., Ltd.	**1,168,492.27**	1,133,506.32
	Sinotrans Hongfeng (Shanghai) International Logistics Co., Ltd.	**1,110,036.75**	
	Weihai Weidong Shipping Co., Ltd.	**199,036.70**	2,378,407.35
	Beijing Sinotrans Huali Logistics Co., Ltd.	**144,999.45**	2,010,639.54
	Sinotrans Pulse Technology (Chengdu) Co., Ltd.	**99,649.53**	1,252,907.84
	Jiangsu Xiangtai Company		8,253,782.17
	Others	**6,433,855.96**	6,546,812.53
	A subsidiary of a joint venture of the ultimate controlling party		45,410.00
	Jiangsu China Changjiang Bunker (Sinopec) Co., Ltd.		45,410.00
	Total accounts receivable	**212,064,247.65**	201,361,202.58

(Amounts are expressed in RMB unless otherwise stated)

XIII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

6. BALANCE OF RECEIVABLES AND PAYABLES WITH RELATED PARTIES (Continued)

1) Receivables (Continued)

Items	Name of related party	Closing Balance	Opening Balance
Other receivables	**Other enterprises controlled by the same controlling shareholder and ultimate controlling party**	**38,057,861.41**	41,354,330.94
	China Merchants Sinotrans (Shenzhen) Industrial Innovation Private Equity Investment Fund Partnership (Limited Partnership)	**11,058,479.44**	9,570,312.33
	Beijing Zhaoguang Lvzhi Commercial Operation Management Co., Ltd.	**5,777,457.36**	3,228,478.92
	Sinotrans Container Lines Co., Ltd	**4,100,650.10**	1,120,363.51
	Zhengzhou Merchants Logistics Co., Ltd.	**2,902,568.24**	2,902,568.24
	China Merchants International Terminal (Qingdao) Limited	**1,520,000.00**	1,220,000.00
	China Merchants Bonded Logistics Co., Ltd.	**1,472,036.06**	2,040,416.54
	China Merchants Renhe Life Insurance Co., Ltd.	**22,059.07**	3,107,082.06
	China Merchants Investment Development Company Limited		5,545,859.00
	SINOTRANS Shanghai Zhang HUA BANG Storage and Transportation Co., Ltd.		3,025,046.74
	Others	**11,204,611.14**	9,594,203.60
	Joint ventures, associates and their subsidiaries	**45,208,852.59**	56,180,670.64
	Shenyang Jinyun Automobile Logistics Co., Ltd.	**18,219,247.88**	20,228,749.68
	Qingdao Qingzhui Logistics Technology Co., Ltd.	**6,474,533.45**	8,304,375.83
	Guangxi Yunyu Port Co., Ltd.	**2,670,000.00**	2,680,000.00
	Nission-Sinotrans International Logistics Co., Ltd	**2,519,702.34**	
	DHL-Sinotrans International Air Courier Ltd.	**2,380,000.00**	3,685,000.00
	Sinotrans Hongfeng (Shanghai) International Logistics Co., Ltd.	**2,228,234.12**	2,473,120.65
	Sinotrans Sarens Logistics Co., Ltd.	**1,890,770.89**	1,754,517.01
	Liaoning Sinotrans Hengjiu Transportation Service Co., Ltd.	**1,883,300.00**	
	Sinotrans Logistics (Pakistan) Limited	**1,045,207.53**	1,078,646.67
	China-Vietnam Sinotrans Logistics Co., Ltd.	**996,443.60**	997,437.54
	MAXX LOGISTICS FZCO.	**178,797.06**	5,333,787.73
	Sinotrans India Limited	**35,724.58**	1,080,670.89
	Sinotrans Turkey Limited	**32,547.72**	3,134,986.95
	Beijing Honglian Technology Co., Ltd.	**800.00**	3,600.00
	Others	**4,653,543.42**	5,425,777.69
	Total other receivables	**83,266,714.00**	97,535,001.58

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XIII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

6. BALANCE OF RECEIVABLES AND PAYABLES WITH RELATED PARTIES (Continued)

1) Receivables (Continued)

Items	Name of related party	Closing Balance	Opening Balance
Dividends receivable	**Joint ventures and associates**	**3,297,417.73**	25,933,308.50
	SINOTRANS ALMAJDOUIE MIDDLE EAST CO., LTD.	**1,860,983.72**	1,860,983.72
	Yangzhou Comprehensive Bonded Zone Supply Chain Management Co., Ltd.	**1,236,434.01**	
	Shenzhen Ocean Shipping Tally Co., Ltd.	**200,000.00**	200,000.00
	New Land Bridge (Lianyungang) Terminal Co., Ltd.		12,722,278.70
	Wuhan Port Container Co., Ltd.		6,112,000.00
	Xinjiang New Railway Sinotrans Logistics Co., Ltd.		5,038,046.08
Interest receivable	**Joint ventures**	**1,216,659.76**	1,216,659.76
	MAXX LOGISTICS FZCO.	**1,216,659.76**	1,216,659.76
Prepayments	**Other enterprises controlled by the same controlling shareholder and ultimate controlling party**	**38,576,642.30**	10,804,054.57
	Dalian Port Oil Terminal Co., Ltd.	**22,548,962.43**	
	Dalian Changxing Island Port Investment Development Co., Ltd.	**3,251,821.70**	
	Inner Mongolia Sinotrans Storage and Transportation Co., Ltd.	**1,999,965.00**	
	Liaoning Port Holding (Yingkou) Co., Ltd.	**1,870,394.70**	2,526,837.95
	Yingkou Xingang Ore Terminal Co., Ltd.	**1,464,612.40**	1,407,060.00
	Zhangzhou China Merchants Tugboat Company Limited	**1,391,200.00**	
	China Merchants International Terminal (Qingdao) Limited	**1,137,803.06**	
	Sinotrans Container Lines Co., Ltd	**506,870.60**	1,955,825.92
	Shenzhen China Merchants Ro-Ro Transportation Co., Ltd.		1,369,395.96
	Others	**4,405,012.41**	3,544,934.74
	Joint ventures, associates and their subsidiaries	**60,002,371.99**	47,213,873.81
	Sinotrans Pulse Technology (Chengdu) Co., Ltd.	**44,589,406.21**	28,453,559.73
	Sinotrans Medical Technology (Chengdu) Co., Ltd.	**4,752,851.78**	4,650,744.55
	SINOTRANS ALMAJDOUIE MIDDLE EAST CO., LTD.	**3,989,479.79**	3,770,292.58
	Shaanxi Qintie Waiyun Logistics Co., Ltd.	**2,662,694.79**	
	Sinotrans Logistics (Pakistan) Limited	**1,787,321.51**	
	Sinotrans Philippines Inc.	**274,590.00**	205,832.76
	Jiangsu Jiangyin Port Group Co., Ltd.		3,955,039.00
	Liaoning Sinotrans Hengjiu Transportation Service Co., Ltd.		2,325,201.51
	Qingdao Yujiachang Container Storage And Transportation Co. Ltd.		1,945,213.81
	Others	**1,946,027.91**	1,907,989.87
	Entity in which a director of the Company acts as senior management	**1,079,248.60**	11,254,771.80
	China Southern Airlines Logistics	**1,079,248.60**	11,254,771.80
	Total prepayments	**99,658,262.89**	69,272,700.18

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XIII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

6. BALANCE OF RECEIVABLES AND PAYABLES WITH RELATED PARTIES (Continued)

2) Payables

Items	Name of related party	Closing balance	Opening balance
Accounts payable	**Other enterprises controlled by the same controlling shareholder and ultimate controlling party**	**389,523,383.13**	305,938,441.83
	Sinotrans Container Lines Overseas Company Limited	**140,248,935.73**	108,464,518.19
	Sinotrans Container Lines (Hainan) Co., Ltd	**92,106,768.40**	61,651,013.94
	Sinotrans Container Lines Co., Ltd	**38,682,764.49**	32,281,851.22
	Zhengzhou Merchants Logistics Co., Ltd.	**26,776,580.62**	21,704,056.43
	Dalian Port Oil Terminal Co., Ltd.	**12,153,979.00**	
	CSC Cargo Co., Ltd.	**8,481,131.84**	4,686,508.64
	Shanghai Zhaotong Container Transportation Co., Ltd.	**6,835,401.13**	1,256,049.72
	CSC Cargo (Hainan) Co., Ltd.	**5,369,245.37**	5,382,802.68
	Zhanjiang Port (Group) Co., Ltd.	**4,604,467.02**	548,585.30
	Hailong No. 15 (Tianjin) Leasing Co., Ltd.	**4,500,000.00**	13,332,300.89
	Hailong No. 12 (Tianjin) Leasing Co., Ltd.	**4,500,000.00**	5,158,147.78
	Yiu Lian Dockyards (Shekou) Limited	**4,356,648.28**	809,592.00
	Zhaotong Supply Chain Management Co., Ltd.	**3,857,779.43**	2,074,042.13
	Yiu Lian Dockyards Limited	**3,102,806.60**	
	Shenzhen Lianda Tug Co., Ltd.	**2,623,124.10**	2,145,917.50
	Henan Sinotrans Jiuling Storage and Transportation Co., Ltd.	**2,585,425.25**	
	Dalian Container Terminal Co., Ltd.	**2,365,234.00**	2,451,716.00
	Liaoning Port Co., Ltd.	**2,223,519.90**	2,002,168.00
	China Merchants Property Management Co., Ltd.	**1,991,940.19**	1,097,547.58
	CSC (Wuhan) Green Shipping Technology Services Co., Ltd.	**1,969,048.68**	1,652,505.23
	Shenzhen Merchants Shekou International Cruise Home Port Co., Ltd.	**1,679,488.00**	7,274,279.65
	Shanghai Changhang Shipping Development Co., Ltd.	**1,647,234.75**	
	YANGTZE NAVIGATION (SINGAPORE) PTE. LTD.	**1,601,862.18**	12,990,747.38
	China Merchants Jiyu Property Management Co., Ltd.	**1,425,863.22**	
	Sinotrans Yinchuan Inland Port Logistics Co., Ltd.	**1,292,709.96**	
	Zhangzhou China Merchants Tugboat Company Limited	**1,226,000.00**	
	Shenzhen Chiwan Tug Co., Ltd.	**1,148,923.40**	732,138.00
	Changhang Freight (Zhoushan) Co., Ltd.	**1,037,895.25**	
	China Changjiang National Shipping (Group) Corporation	**464,109.80**	1,236,300.00
	China Merchants International Terminal (Qingdao) Limited	**337,458.03**	1,301,398.33
	Sinotrans Alashankou Company	**328,050.74**	90,035.89
	China Merchants Heavy Industry (Jiangsu) Co., Ltd.		1,703,426.50
	MING WAH (SINGAPORE) AGENCY PTE. LTD.		1,258,949.34
	Nanjing Tanker Corporation		1,101,526.72
	Others	**7,998,987.77**	11,550,316.79

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XIII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

6. BALANCE OF RECEIVABLES AND PAYABLES WITH RELATED PARTIES (Continued)

2) Payables (Continued)

Items	Name of related party	Closing balance	Opening balance
	Joint ventures, associates and their subsidiaries	**344,906,308.34**	319,706,546.55
	Sinotrans Medical Technology (Chengdu) Co., Ltd.	**99,550,166.49**	84,554,604.26
	Sinotrans Pulse Technology (Chengdu) Co., Ltd.	**46,623,644.91**	19,860,422.64
	Shandong Port&Shipping Sinotrans Supply Chain Development Co., Ltd.	**27,503,891.10**	21,040,236.72
	SINOTRANS ALMAJDOUIE MIDDLE EAST CO., LTD.	**19,349,089.73**	12,025,973.77
	Jiangsu Sinotrans Lvsi Port Heavy Logistics Development Co., Ltd.	**14,557,766.14**	14,888,047.90
	Qingdao Qingzhui Logistics Technology Co., Ltd.	**14,338,806.61**	
	Liaoning Sinotrans Hengjiu Transportation Service Co., Ltd.	**12,928,977.28**	13,030,096.01
	Loscam Packaging Equipment Leasing (Shanghai) Co., Ltd.	**10,347,138.73**	12,605,897.08
	Sinotrans Suzhou Logistics Center Co., Ltd.	**9,546,433.52**	6,322,736.60
	Jiangsu Nantong Sinotrans Supply Chain Management Co., Ltd.	**8,473,549.80**	19,969,484.56
	New Land Bridge (Lianyungang) Terminal Co., Ltd.	**6,965,390.70**	4,162,821.02
	Yangzhou Comprehensive Bonded Zone Supply Chain Management Co., Ltd.	**5,960,167.20**	5,182,927.36
	Nantong Sinotrans Dongzaogang Logistics Development Co., Ltd.	**5,058,176.68**	262,083.62
	Yantai Comprehensive Bonded Zone Baoyuntong Supply Chain Management Co., Ltd.	**4,545,149.77**	7,020,270.52
	Rushan Sinotrans Port Logistics Development Co., Ltd.	**4,417,102.78**	2,008,817.43
	Sinotrans Philippines Inc.	**4,272,459.41**	5,819,451.22
	Sinotrans Huajie International Logistics (Beijing) Co., Ltd.	**4,008,791.91**	5,878,169.06
	China-Europe Railway Express (Shenyang) Assembly Center Construction and Operation Co., Ltd.	**3,882,715.22**	3,835,612.55
	Dongguan Port Container Terminals Co., Ltd.	**3,752,611.71**	2,758,432.72
	Sinotrans Sarens Logistics Co., Ltd.	**3,370,108.75**	3,575,471.70
	MAXX LOGISTICS FZCO.	**2,665,554.93**	
	Weihai Weidong Shipping Co., Ltd.	**2,612,160.50**	11,448,237.93
	Shenyang Jinyun Automobile Logistics Co., Ltd.	**2,269,467.64**	1,545,835.14
	Ma'anshan Tianshun Port Co., Ltd.	**2,218,124.61**	1,320,506.44
	Nantong Jiangshan Sinotrans Port Storage Co., Ltd.	**2,106,040.87**	
	Nission-Sinotrans International Logistics Co., Ltd	**1,971,346.32**	71,226.01
	Beijing Chentong Freighting Service Co., Ltd.	**1,965,033.01**	1,258,972.38
	Shenyang Henglu Logistics Co., Ltd.	**1,772,940.49**	1,398,410.69
	Jingjiang Sinotrans Bonded Logistics Co., Ltd.	**1,721,559.42**	1,690,698.81
	Nantong Comprehensive Bonded Zone Sinotrans Logistics Co., Ltd.	**1,383,522.70**	

(Amounts are expressed in RMB unless otherwise stated)

XIII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

6. BALANCE OF RECEIVABLES AND PAYABLES WITH RELATED PARTIES (Continued)

2) Payables (Continued)

Items	Name of related party	Closing balance	Opening balance
	Sinotrans Logistics (Pakistan) Limited	**1,332,195.33**	
	Hebei International Land Port Co., Ltd.	**1,318,282.08**	
	Sinotrans Turkey Limited	**1,291,853.87**	1,177,590.92
	Nanjing Huaxing Loading and Unloading Service Co., Ltd.	**1,249,174.84**	1,219,280.86
	Hangzhou Airport International Freight Station Co., Ltd.	**1,195,510.17**	
	Sinotrans Aramex (Shanghai) International Aviation Express Delivery Co., Ltd.	**1,092,137.59**	1,642,733.21
	China-Vietnam Sinotrans Logistics Co., Ltd.	**812,150.08**	13,240,830.89
	DHL-Sinotrans International Air Courier Ltd.	**775,556.94**	1,041,695.67
	Beijing Sinotrans Huali Logistics Co., Ltd.	**709,986.76**	18,745,333.82
	Shaanxi Qintie Waiyun Logistics Co., Ltd.	**491,326.96**	618,490.49
	Weihai Comprehensive Bonded Zone Hongxin Supply Chain Management Co., Ltd.	**421,503.37**	1,132,869.84
	Jiangsu Xiangtai Company		7,698,439.55
	Wuhan Port Container Co., Ltd.		3,217,545.37
	Jiangsu Jiangyin Port Group Co., Ltd.		147,977.92
	Others	**4,078,741.42**	6,288,313.87
	Entity in which a director of the Company acts as senior management	**21,144,833.94**	15,621,844.22
	China Southern Airlines Logistics	**21,144,833.94**	15,621,844.22
	Joint ventures and subsidiaries of the ultimate controlling party		2,467,503.22
	China Changjiang Bunker (Sinopec) Co., Ltd.		1,596,000.00
	Jiangsu China Changjiang Bunker (Sinopec) Co., Ltd.		871,503.22
	Total accounts payable	**755,574,525.41**	643,734,335.82
Other payables	**Controlling shareholders and the ultimate controlling party**	**137,000,000.00**	137,000,000.00
	China Merchants Group Co., Ltd.	**137,000,000.00**	137,000,000.00
	Other enterprises controlled by the same controlling shareholder and ultimate controlling party	**90,626,442.13**	63,619,873.51
	SINOTRANS & CSC HOLDINGS Co., Ltd.	**15,816,707.30**	16,124,890.79
	China Merchants Investment Development Company Limited	**15,365,948.22**	8,910,429.27
	Shanghai Foreign Trade Warehouse Pudong Company	**7,285,000.00**	4,593,750.00
	Shanghai Sinotrans Qiantang Co., Ltd.	**6,569,621.99**	6,397,949.04
	Beijing Zhaoguang Lvzhi Commercial Operation Management Co., Ltd.	**5,988,287.29**	1,433,264.87
	CSC Cargo (Hainan) Co., Ltd.	**5,873,356.53**	5,873,356.53

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(Amounts are expressed in RMB unless otherwise stated)

XIII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

6. BALANCE OF RECEIVABLES AND PAYABLES WITH RELATED PARTIES (Continued)

2) Payables (Continued)

Items	Name of related party	Closing balance	Opening balance
	SINOTRANS Shanghai Zhang HUA BANG Storage and Transportation Co., Ltd.	**5,710,773.42**	3,930,499.93
	CSC Cargo (Dazhou) Co., Ltd.	**5,351,077.47**	5,351,077.47
	China Merchants Group Shared Services Co., Ltd.	**5,215,907.97**	1,526,300.09
	Sinotrans Shanghai (Group) Co., Ltd.	**4,966,028.72**	772,630.64
	China Merchants International Terminal (Qingdao) Limited	**1,316,964.29**	
	CSC Cargo Co., Ltd.	**1,073,646.91**	
	Sinotrans Container Lines Co., Ltd	**995,357.29**	501,872.70
	Sinotrans Nantong Co., Ltd.	**991,534.23**	901,214.56
	Shanghai Foreign Trade Warehouse Jiefangdao Storage and Transportation Co., Ltd.		1,559,594.92
	Others	**8,106,230.50**	5,743,042.70
	Joint ventures, associates and their subsidiaries	**26,837,350.41**	30,835,194.23
	China United Tally (Shenzhen) Co., Ltd.	**10,500,000.00**	10,500,000.00
	Sinotrans Turkey Limited	**4,642,985.01**	4,748,008.83
	Shanghai Sinhan Shipping Agency Co., Ltd.	**2,854,479.15**	2,854,479.15
	Sinotrans Sarens Logistics Co., Ltd.	**2,249,003.84**	
	Weihai Weidong Shipping Co., Ltd.	**1,250,158.22**	1,096,615.23
	Beijing Honglian Technology Co., Ltd.	**1,132,740.91**	3,044,882.94
	Loscam Packaging Equipment Leasing (Shanghai) Co., Ltd.	**297,176.94**	670,540.31
	Shenyang Fuyun Cold Chain Logistics Co., Ltd.		2,029,460.21
	Sinotrans Senko International Cold Chain Logistics (Shanghai) Co., Ltd.		1,076,761.80
	Rongyun (Xiamen) Supply Chain Co., Ltd.		1,000,000.00
	Others	**3,910,806.34**	3,814,445.76
	A subsidiary of a joint venture of the ultimate controlling party		3,500.00
	Qingdao China Changjiang Bunker (Sinopec) Co., Ltd.		3,500.00
	Total other payables	**254,463,792.54**	231,458,567.74
Dividends payable	**Other enterprises controlled by the same controlling shareholder and ultimate controlling party**	**30,595,270.86**	36,878,394.83
	Associated Maritime Company (Hong Kong) Limited	**13,325,536.12**	14,732,247.91
	China Merchants Investment Development Company Limited	**10,435,946.66**	10,370,754.71
	Hong Kong Ming Wah Shipping Company Limited	**2,647,105.98**	7,508,827.09
	Sinotrans Container Lines Co., Ltd	**2,055,085.87**	35,795.53
	YANGTZE NAVIGATION (SINGAPORE) PTE. LTD.	**314,307.26**	2,280,996.25
	Others	**1,817,288.97**	1,949,773.34

(Amounts are expressed in RMB unless otherwise stated)

XIII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

6. BALANCE OF RECEIVABLES AND PAYABLES WITH RELATED PARTIES (Continued)

2) Payables (Continued)

Items	Name of related party	Closing balance	Opening balance
	Joint ventures, associates and their subsidiaries	**22,463,609.23**	16,377,818.07
	Tianjin Runfeng Logistics Co., Ltd.	**5,187,751.05**	5,034,051.05
	Xinjiang New Railway Sinotrans Logistics Co., Ltd.	**4,505,389.29**	
	Shenyang Fuyun Cold Chain Logistics Co., Ltd.	**4,250,000.00**	4,250,000.00
	Weihai Weidong Shipping Co., Ltd.	**3,214,910.20**	1,574,617.70
	Sinotrans Medical Technology (Chengdu) Co., Ltd.	**2,881,388.42**	
	DHL-Sinotrans International Air Courier Ltd.	**658,032.31**	1,138,512.24
	Nippon Express (Shanghai) Co., Ltd.	**8,814.15**	1,583,059.51
	Qingdao Yujiachang Container Storage And Transportation Co. Ltd.		1,276,907.61
	Others	**1,757,323.81**	1,520,669.96
	Total contract liabilities	**53,058,880.09**	53,256,212.90
Long-term payables	**Other enterprises controlled by the same controlling shareholder and ultimate controlling party**	**20,000,000.00**	20,000,000.00
	SINOTRANS & CSC HOLDINGS Co., Ltd.	**20,000,000.00**	20,000,000.00
Short-term borrowings	**Other enterprises controlled by the same controlling shareholder and ultimate controlling party**	**7,500,000.00**	2,500,000.00
	China Merchants Group Finance Co., Ltd.	**7,500,000.00**	2,500,000.00
	An associate of the ultimate controlling party	**113,513,520.00**	164,033,611.10
	China Merchants Bank Co., Ltd.	**113,513,520.00**	164,033,611.10
	Total short-term borrowings	**121,013,520.00**	166,533,611.10
Long-term borrowings	**Other enterprises controlled by the same controlling shareholder and ultimate controlling party**	**251,738,534.81**	206,058,045.87
	CHINA MERCHANTS INVESTMENTS LIMITED	**233,738,534.81**	184,058,045.87
	China Merchants Group Finance Co., Ltd.	**18,000,000.00**	22,000,000.00
	An associate of the ultimate controlling party	**112,716,762.99**	120,520,231.19
	China Merchants Bank Co., Ltd.	**112,716,762.99**	120,520,231.19
	Total long-term borrowings	**364,455,297.80**	326,578,277.06
Non-current liabilities due within one year	**Other enterprises controlled by the same controlling shareholder and ultimate controlling party**	**155,803.77**	42,150,257.25
	CHINA MERCHANTS INVESTMENTS LIMITED	**142,803.77**	41,131,985.03
	China Merchants Group Finance Co., Ltd.	**13,000.00**	1,018,272.22
	An associate of the ultimate controlling party	**15,704,961.45**	13,551,869.56
	China Merchants Bank Co., Ltd.	**15,704,961.45**	13,551,869.56
	Total non-current liabilities due within one year	**15,860,765.22**	55,702,126.81

XIII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

7. The Company had no commitment matters related to related parties that had been contracted but not yet presented on the balance sheet at the end of current period.

8. The Company has no centralized treasury management arrangements during current period.

XIV. COMMITMENT AND COTINGENCIES

1. SIGNIFICANT COMMITMENT

Significant commitment existed at balance sheet date

Among which, unrecognized commitment related to related parties refer to Note XIII, commitment related to rent refer to Note VIII (65).

2. CONTINGENCIES

1) Significant contingencies existed at balance sheet date

(1) Contingent liabilities arising from external guarantees

Item	Closing balance	Opening balance
Contingent liabilities arising from external guarantees		
Including: Guarantees for borrowings of fellow subsidiaries	**1,197,939,258.52**	1,510,959,583.63
Guarantees for borrowings of associates	**395,401,170.24**	409,522,640.59
Total	**1,593,340,428.76**	1,920,482,224.22

(Amounts are expressed in RMB unless otherwise stated)

XIV. COMMITMENT AND COTINGENCIES (CONTINUED)

2. CONTINGENCIES (Continued)

1) Significant contingencies existed at balance sheet date (Continued)

(2) As at 30 June 2026, the Group's significant pending litigations, arbitrations, and cargo damage disputes were as follows:

Related parties	Nature of litigation and disputes	Amount involved (RMB'0,000)	Provision recognized (RMB'0,000)	Status of litigation and disputes
Significant pending litigations and arbitrations:		41,200.00	2,803.13	
Hefei High-tech Industrial Development Zone Investment Promotion Bureau	The Group has invested and operated in Hefei High-tech Industrial Development Zone, and a dispute has arisen due to the failure to meet certain investment and tax-related performance targets.	13,896.64	1,450.00	First trial in progress
Nile Dutch Africa Line B.V.	The Group provides freight booking and shipping services to Nile Dutch Africa Line B.V., and a dispute has arisen over damage to the vessel and cargo caused by a fire incident.	8,029.42		First trial in progress
Nanning Supply Chain Group Co., Ltd.	The Group provides warehousing and storage services to Nanning Supply Chain Group Co., Ltd., and a dispute has arisen over the quantity of goods stored. Supply Chain Group Co., Ltd., and a dispute has arisen over the quantity of goods stored.	5,685.70		First trial in progress
XIAMEN XIANGYU CHEMICAL CO.,LTD.	The Group provides warehousing services to Xiamen Xiangyu Chemical Co., Ltd., and a dispute has arisen over the acceptance of unqualified goods into storage.	5,004.02		First trial in progress
Shanghai Yucan Information Technology Co., Ltd.	The Group provides freight forwarding services to Shanghai Yucan Information Technology Co., Ltd., and a dispute has arisen over time penalties and liquidated damages for space shortage under the first-leg block space business.	2,233.90	1,353.13	First trial in progress
Hunan CNGR New Energy Science & Technology Co., Ltd	The Group provides freight transportation services to Hunan CNGR New Energy Science & Technology Co., Ltd., and a dispute has arisen over damage to the cargo.	1,996.99		First trial in progress
JIANGSU SAILBOAT PETROCHEMICAL CO., LTD.	The Group provides freight transportation services to Jiangsu Sierbang Petrochemical Co., Ltd., and a dispute has arisen over the rescue expenses arising from road subsidence.	1,632.38		First trial in progress
NOVASCM PTE.LTD.	The Group provides logistics resources leasing services to NOVASCM PTE.LTD., and a dispute has arisen over the accounts payable.	1,520.95		Arbitration in progress
ZONSON SMART AUTO CORP.	The Group provides freight transportation services to ZONSON SMART AUTO CORP., and a dispute has arisen over intellectual property leakage.	1,200.00		First trial in progress
Significant cargo loss dispute (not yet subject to litigation):				

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XIV. COMMITMENT AND COTINGENCIES (CONTINUED)

3. CAPITAL COMMITMENT

Item	Closing balance	Opening balance
Capital expenditures contracted but not recognized in the financial statements		
Including: Purchase and construction of assets *(Note 1)*	**203,214,014.41**	937,008,554.32
Investments in associates, joint ventures and other investees *(Note 2)*	**127,292,439.59**	243,243,161.79
Port investment projects	**11,563,963.01**	46,605,626.57
Total	**342,070,417.01**	1,226,857,342.68

Note 1: As at 30 June 2026, the Group's capital expenditure contracted for but not recognized in the financial statements related to the acquisition and construction of assets mainly represented unrecognized capital expenditure related to contracts for engineering construction and general contracting, and land use rights purchases entered into by the Group with CHINA HARBOUR ENGINEERING L.L.C, China Construction Eighth Engineering Division Corp., Ltd., China Construction Eighth Engineering Bureau Development and Construction Co., Ltd., BANDAR RIMBAYU SDN. BHD. and others regarding the Sinotrans Dubai Logistics Park Project, Sinotrans Lingang International Logistics Center Project, Weihai Sinotrans International Intelligent Logistics Center Project, and the Logistics Center Project in Selangor, Malaysia.

Note 2: As at 30 June 2026, the Group's unpaid subscribed capital contribution to Guangzhou Air Cargo Co., Ltd. and Nantong Yanglu Railway Logistics Co., Ltd. amounted to RMB90 million; the unpaid subscribed capital contribution to SINO-BLR INDUSTRIAL INVESTMENT FUND, L.P. (other non-current financial assets) amounted to RMB37.2924 million.

XV. NON-ADJUSTMENT EVENTS AFTER THE DATE OF THE BALANCE SHEET

1. PROFIT DISTRIBUTION

On 29 May 2026, the Company's 2025 Annual General Meeting of Shareholders approved the Proposal on Application for Authorization of the 2026 Interim Profit Distribution Plan, which authorized the Board of Directors of the Company to reasonably decide the declaration and payment of the 2026 interim dividend (including but not limited to deciding whether to distribute the 2026 interim dividend) based on factors such as the profitability of the Company for the first half year of 2026, the status of its capital requirements, and with reference to the previous dividend payout ratios. In accordance with the authorization mentioned above and the Proposal on the 2026 Interim Profit Distribution Plan approved by the twenty-seventh Meeting of the Fourth Session of the Board of Directors of the Company held on 25 August 2026, the Company proposed to distribute an interim dividend of RMB0.14 (inclusive of tax) per share for 2026 based on the total share capital registered on the date of the share register for the implementation of the equity distribution, and it is expected to distribute RMB1,004,325,171.78.

2. SIGNIFICANT NON-ADJUSTING EVENTS

The Group has no other material events after the balance sheet date other than the above-mentioned events.

(Amounts are expressed in RMB unless otherwise stated)

XVI. CAPITAL MANAGEMENT

The Group's capital management objectives are to safeguard the Group's continuing operations in order to provide returns to shareholders and other equity holders while maintaining an optimal capital structure to reduce the cost of capital. The Group manages capital using a leverage ratio, which is defined as the ratio of net liabilities to adjusted capital and net liabilities. There are no significant changes to the Group's capital management objectives, policies, or procedures in 2026 and 2025. The Group's leverage ratio at the date of the statement of financial position is as follows:

	30 June 2026	31 December 2025
Short-term borrowings	**544,639,975.11**	1,345,531,402.61
Non-current liabilities due within one year	**1,017,225,927.82**	1,095,263,564.96
Long-term borrowings	**2,508,504,770.21**	2,523,539,379.01
Bonds payable	**3,999,583,387.62**	3,999,104,347.06
Long-term payables	**24,715,030.29**	24,715,030.29
Lease liabilities	**2,638,434,407.94**	2,469,442,381.37
Less: Cash and cash equivalents	**12,735,009,238.25**	16,889,324,770.55
Net liability	**-2,001,905,739.26**	-5,431,728,665.25
Shareholders' equity	**44,231,243,027.79**	44,044,448,601.35
Shareholders' equity and net liabilities	**42,229,337,288.53**	38,612,719,936.10
Leverage ratio	**-5%**	-14%

XVII. OTHER SIGNIFICANT MATTERS

1. DEBT RESTRUCTURING

The Group had no significant debt restructuring transactions during current period.

2. SEGMENT REPORTING

1) Basis for determining reportable segments and accounting policies

In accordance with the Group's internal organizational structure, management requirements and internal reporting system, the Group's operations are divided into three operating segments whose operating results are regularly evaluated by the Group's management to determine the allocation of resources to them and evaluate their performance. Based on operating segments, the Group determined three reporting segments: agency and related business, professional logistics and e-commerce. These reporting segments are based on the income type of the Group.

The operating segments and reporting segments of the Group are analyzed as follows:

Agency and related business: mainly includes arranging the delivery of goods to designated consignees in other locations within a specified time frame in accordance with customer instructions; including shipping agency services related to freight agency to shipping companies, providing storage, storage yards, container loading and unloading stations and terminal services.

Professional logistics: mainly includes any provision of customized and professional entire logistics services to customers.

E-commerce: mainly includes providing professional logistics solutions for import and export e-commerce customers, providing customers with various public services through a unified online logistics e-commerce platform and providing customers with tracking and monitoring services for logistics equipment through a logistics equipment sharing platform.

Any information on segment reporting is disclosed in accordance with the accounting policies and measurement standards used by the segments when reporting to the management, and these measurement bases are consistent with the accounting and measurement basis at the time of the preparation of the financial statements.

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XVII. OTHER SIGNIFICANT MATTERS (CONTINUED)

2. SEGMENT REPORTING (Continued)

2) Financial information of reportable segments

For the six months ended June 30, 2026

Item	Agency and related business	Logistics	E-commerce	Undistributed items	Inter-segment elimination	Total
Operating income:						
Income from external transaction	29,937,372,287.37	14,422,444,055.86	2,092,448,748.02			46,452,265,091.25
Income from inter-segment transaction	4,051,434,882.11	499,888,937.42	906,567,455.95		-5,457,891,275.48	
Total operating income from segments	33,988,807,169.48	14,922,332,993.28	2,999,016,203.97		-5,457,891,275.48	46,452,265,091.25
Total operating costs	29,331,753,772.96	14,065,922,037.86	2,059,311,795.13	381,900,263.44		45,838,887,869.39
Impairment of assets (loss denoted by "-")				-40,520.98		-40,520.98
Credit impairment loss (loss denoted by "-")	-35,107,309.51	-8,758,307.26	-9,640,990.44			-53,506,607.21
Gain from changes in fair value (loss denoted by "-")				-1,266,456.16		-1,266,456.16
Investment income (loss denoted by "-")	15,273,755.09	138,718.64	700,854,780.42	133,161,096.36		849,428,350.51
Including: Income from investments in associates and joint ventures accounted for under the equity method	15,273,755.09	138,718.64	700,854,780.42	98,020,541.38		814,287,795.53
Income from disposal of assets (loss denoted by "-")				7,248,397.72		7,248,397.72
Other income	863,440,327.23	11,881,810.13	38,409,779.83			913,731,917.19
Operating profit	1,449,225,287.22	359,784,239.51	762,760,522.70	-242,797,746.50		2,328,972,302.93
Non-operating income	55,787,656.33	8,313,293.65	1,597,061.40	10,743.06		65,708,754.44
Non-operating expenses	14,443,751.96	5,235,634.23	3,624,245.69	894.19		23,304,526.07
Total profit	1,490,569,191.59	362,861,898.93	760,733,338.41	-242,787,897.63		2,371,376,531.30
Income taxes	334,081,822.74	138,838,225.01	27,788,666.24			500,708,713.99
Net profit	1,156,487,368.85	224,023,673.92	732,944,672.17	-242,787,897.63		1,870,667,817.31
Total assets	49,455,699,489.87	16,948,852,022.94	4,810,675,454.42	7,997,016,162.37		79,212,243,129.60
Total liabilities	17,860,294,741.63	4,974,583,076.14	1,047,012,883.81	11,099,109,400.23		34,981,000,101.81
Supplementary information:						
Depreciation and amortization expenses	635,780,355.41	554,680,216.51	64,999,808.03	56,450,707.27		1,311,911,087.22
Capital expenditures	754,341,403.43	231,903,721.71	121,950,409.44	2,815,855.63		1,111,011,390.21
Non-cash expenses other than depreciation and amortization	35,107,309.51	8,758,307.26	9,640,990.44	40,520.98		53,547,128.19
Increase in long-term equity investments in associates and joint ventures accounted for under the equity method	-46,961,484.33	83,850,815.32	653,366,339.18	49,067,168.24		739,322,838.41

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XVII. OTHER SIGNIFICANT MATTERS (CONTINUED)

2. SEGMENT REPORTING (Continued)

2) Financial information of reportable segments (Continued)

For the six months ended June 30, 2025

Item	Agency and related business	Logistics	E-commerce	Undistributed items	Inter-segment elimination	Total
Operating income:						
Income from external transaction	29,628,417,337.33	14,323,048,411.02	6,571,035,483.17			50,522,501,231.52
Income from inter-segment transaction	4,319,202,711.17	517,522,760.44	1,119,513,187.42		-5,956,238,659.03	
Total operating income from segments	33,947,620,048.50	14,840,571,171.46	7,690,548,670.59		-5,956,238,659.03	50,522,501,231.52
Total operating costs	28,899,196,389.78	13,938,290,096.59	6,659,717,853.90	191,742,682.31		49,688,947,022.58
Impairment of assets (loss denoted by "-")						
Credit impairment loss (loss denoted by "-")	-36,841,118.39	-75,587,072.93	-6,708,660.12	349,412.60		-118,787,438.84
Gain from changes in fair value (loss denoted by "-")				7,362,419.73		7,362,419.73
Investment income (loss denoted by "-")	19,204,396.16	1,446,368.26	456,884,554.60	690,568,518.02		1,168,103,837.04
Including: Income from investments in associates and joint ventures accounted for under the equity method	19,204,396.16	1,446,368.26	456,884,554.60	209,961,588.39		687,496,907.41
Income from disposal of assets (loss denoted by "-")				5,912,389.77		5,912,389.77
Other income	522,445,879.67	8,395,498.01	167,823,986.09			698,665,363.77
Operating profit	1,234,030,104.99	319,013,107.77	529,317,509.84	512,450,057.81		2,594,810,780.41
Non-operating income	24,928,717.04	9,280,458.41	743,636.34	444,319.66		35,397,131.45
Non-operating expenses	19,289,631.50	299,400.29	14,822.63	26,993.04		19,630,847.46
Total profit	1,239,669,190.53	327,994,165.89	530,046,323.55	512,867,384.43		2,610,577,064.40
Income taxes	324,958,239.43	137,732,060.10	70,610,179.15	-47,684,472.58		485,616,006.10
Net profit	914,710,951.10	190,262,105.79	459,436,144.40	560,551,857.01		2,124,961,058.30
Total assets	40,661,067,792.34	24,272,534,015.84	5,336,441,510.99	10,678,178,992.77		80,948,222,311.94
Total liabilities	16,024,891,942.36	6,792,205,372.60	1,239,435,485.73	14,019,457,771.80		38,075,990,572.49
Supplementary information:						
Depreciation and amortization expenses	638,940,753.56	561,841,309.47	69,442,105.38	57,261,086.45		1,327,485,254.86
Capital expenditures	821,057,993.47	324,851,934.39	58,820,703.32	70,251,653.92		1,274,982,285.10
Non-cash expenses other than depreciation and amortization	36,841,118.39	75,587,072.93	6,708,660.12	-349,412.60		118,787,438.84
Increase in long-term equity investments in associates and joint ventures accounted for under the equity method	-92,326,531.99	902,538.03	456,884,554.59	541,084,279.63		906,544,840.26

(Amounts are expressed in RMB unless otherwise stated)

XVIII. NOTES TO THE MAIN ITEMS IN THE FINANCIAL STATEMENTS OF THE COMPANY

1. CASH AND BANK BALANCES

Item	Closing balance	Opening balance
Cash on hand	**10,461.02**	10,948.62
Cash at banks	**2,759,833,760.79**	4,166,429,594.56
Other cash and bank balances	**76,211,660.06**	12,336,606.57
Including: Deposited in external financial institutions	**65,407,541.32**	9,108,217.71
Deposited in finance companies	**10,804,118.74**	3,228,388.86
Deposits with finance companies	**372,293,464.76**	2,970,032,683.50
Total	**3,208,349,346.63**	7,148,809,833.25
Including: Total amount deposited abroad	**106,122.62**	105,920.90

Restricted use of cash and bank balances at the end of the period

Item	Closing balance	Opening balance	Reasons for restricted use
Interest receivable	**14,778,762.56**	12,201,809.07	Prior to interest settlement date
Credit card deposits	**134,797.50**	134,797.50	Credit card deposits
Total	**14,913,560.06**	12,336,606.57	

2. ACCOUNTS RECEIVABLE

1) Overall status of accounts receivable

Item	Closing balance	Opening balance
Accounts receivable	**911,643,061.52**	819,738,788.33
Less: Credit loss provision	**53,895,363.86**	59,410,592.20
Total	**857,747,697.66**	760,328,196.13

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XVIII. NOTES TO THE MAIN ITEMS IN THE FINANCIAL STATEMENTS OF THE COMPANY (CONTINUED)

2. ACCOUNTS RECEIVABLE (Continued)

2) Overall aging of accounts receivable

Item	Closing balance			Opening balance		
	Book balance	Proportion (%)	Credit loss provision	Book balance	Proportion (%)	Credit loss provision
Within 1 year (including 1 year)	795,690,245.50	87.28	11,018,464.44	690,570,671.37	84.24	9,530,196.50
1 to 2 years (including 2 years)	100,323,177.90	11.00	40,902,170.94	112,071,417.00	13.67	45,302,174.79
2 to 3 years (including 3 years)	2,103,132.12	0.24	1,523,325.63	4,662,736.51	0.57	1,188,104.85
Over 3 years	13,526,506.00	1.48	451,402.85	12,433,963.45	1.52	3,390,116.06
Total	911,643,061.52	100.00	53,895,363.86	819,738,788.33	100.00	59,410,592.20

3) Disclosure under the methods of provision for bad debts by category

Category	Closing balance					Opening balance				
	Book balance		Credit loss provision			Book balance		Credit loss provision		
	Amount	Proportion (%)	Amount	Expected credit loss ratio (%)	Book value	Amount	Proportion (%)	Amount	Expected credit loss ratio (%)	Book value
Credit loss provisions on an individual basis	175,000.00	0.02	175,000.00	100.00		175,000.00	0.02	175,000.00	100.00	
Credit loss provisions by portfolio	911,468,061.52	99.98	53,720,363.86	5.89	857,747,697.66	819,563,788.33	99.98	59,235,592.20	7.23	760,328,196.13
Including:										
Low-risk portfolio	51,437,799.42	5.64			51,437,799.42	49,057,160.59	5.98			49,057,160.59
Aging portfolio	860,030,262.10	94.34	53,720,363.86	6.25	806,309,898.24	770,506,627.74	94.00	59,235,592.20	7.69	711,271,035.54
Total	911,643,061.52	100.00	53,895,363.86		857,747,697.66	819,738,788.33	100.00	59,410,592.20		760,328,196.13

(Amounts are expressed in RMB unless otherwise stated)

XVIII. NOTES TO THE MAIN ITEMS IN THE FINANCIAL STATEMENTS OF THE COMPANY (CONTINUED)

2. ACCOUNTS RECEIVABLE (Continued)

4) Accounts receivable of low-risk portfolio:

Item	Closing balance Accounts receivable	Credit loss provision	Proportion (%)
Accounts receivable from related parties	**51,437,799.42**		

5) Accounts receivable of aging portfolios:

Item	Closing balance Accounts receivable	Credit loss provision	Proportion (%)
Within 1 year (including 1 year)	**759,894,099.37**	**11,018,464.44**	**1.45**
1 to 2 years (including 2 years)	**98,133,807.43**	**40,902,170.94**	**41.68**
2 to 3 years (including 3 years)	**1,725,952.45**	**1,523,325.63**	**88.26**
Over 3 years	**276,402.85**	**276,402.85**	**100.00**
Total	**860,030,262.10**	**53,720,363.86**	——

6) Provision, reversal or recovery of provision for bad debts

Item	Opening balance	Amount of change during the period Accrual	Recovery or reversal	Carry-forward or write-off	Other changes	Closing balance
Current period	59,410,592.20	-5,515,228.34				**53,895,363.86**
Prior period	26,510,471.51	33,171,345.94	41,700.12	229,525.13		**59,410,592.20**

7) There were no material credit loss provisions recovered or reversed during current period.

8) There were no accounts receivable actually written off during current period.

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XVIII. NOTES TO THE MAIN ITEMS IN THE FINANCIAL STATEMENTS OF THE COMPANY (CONTINUED)

2. ACCOUNTS RECEIVABLE (Continued)

9) Top five in terms of accounts receivable

Company name	Relationship with the Company	Book balance	Aging	Credit loss provision	As a percentage of total accounts receivable (%)
Entity 1	Client	80,494,726.03	Within 1 year	8.83	**1,167,173.53**
Entity 2	Client	54,165,190.86	Within 1 year, 1 to 2 years, 2 to 3 years	5.94	**1,827,263.99**
Entity 3	Client	39,588,713.23	1 to 2 years	4.34	**16,500,575.67**
Entity 4	Client	30,379,971.49	Within 1 year, 1 to 2 years	3.33	**1,305,344.17**
Entity 5	Client	30,162,880.23	Within 1 year	3.31	**437,361.76**
Total		234,791,481.84		25.75	**21,237,719.13**

10) There were no outstanding amounts due from shareholders holding 5% (including 5%) voting shares at the end of current period.

11) The Group had no accounts receivable involving government grants at the end of current period.

3. RECEIVABLES FINANCING

1) Classification of receivables financing

Category	Closing balance	Opening balance
Bank acceptance bills	**23,198,946.82**	26,487,882.94

2) There were no bank acceptance bills due to defective endorsement, etc. at the end of current period.

3) There were no pledged receivable financing at the end of current period.

XVIII. NOTES TO THE MAIN ITEMS IN THE FINANCIAL STATEMENTS OF THE COMPANY (CONTINUED)

3. RECEIVABLES FINANCING (Continued)

4) Receivables financing that have been endorsed or discounted at period-end and are not yet due at the balance sheet date

Category	Amount derecognized at period-end	Amount not derecognized at period-end
Bank acceptance bills	**48,022,289.77**	

Note: The Company determines whether the bank acceptance bills receivable should be derecognized upon endorsement or discounting based on the credit risk rating of the acceptance bank. As the acceptance banks of the bank acceptance bills obtained by the Company are mainly large commercial banks and listed joint-stock commercial banks with high credit ratings, other bank acceptance bills do not account for a significant proportion and have small individual amounts and a large quantity. The Company derecognizes the bank acceptance bills upon endorsement or discounting based on the materiality principle, unless public information indicates that there are significant abnormal changes in the credit risk of the acceptance banks.

5) Credit loss provision for receivables financing

Category	Closing balance					Opening balance				
	Book balance		Credit loss provision			Book balance		Credit loss provision		
	Amount	Proportion (%)	Amount	Expected credit loss ratio (%)	Book value	Amount	Proportion (%)	Amount	Expected credit loss ratio (%)	Book value
Credit loss provisions by portfolio	**23,198,946.82**				**23,198,946.82**	26,487,882.94				26,487,882.94

1) *Receivables financing with credit loss provision on a portfolio basis*

Category	Closing balance		
	Book balance	Credit loss provision	Expected credit loss ratio (%)
Bank acceptance bills portfolio	**23,198,946.82**		

XVIII. NOTES TO THE MAIN ITEMS IN THE FINANCIAL STATEMENTS OF THE COMPANY (CONTINUED)

3. RECEIVABLES FINANCING (Continued)

6) There was no actual write-off of receivables financing during current period.

7) Changes in receivables financing and fair value movements during the period

Bank acceptance bills held by the Company at fair value through other comprehensive income are mainly accepted by large commercial banks with high credit ratings and listed share-holding commercial banks, with maturities of less than 6 months and very low credit risk. At the balance sheet date, the book value of the bank acceptance bills receivable approximates the fair value.

8) There were no outstanding amounts due from shareholders holding 5% (including 5%) voting shares at the end of current period.

9) The maturity date of the bank acceptance bills mentioned above is all within 360 days.

4. OTHER RECEIVABLES

Item	Closing balance	Opening balance
Dividends receivable	**34,027,542.11**	42,213,357.07
Other receivables	**14,265,780,357.48**	13,328,145,029.64
Total	**14,299,807,899.59**	13,370,358,386.71

(Amounts are expressed in RMB unless otherwise stated)

XVIII. NOTES TO THE MAIN ITEMS IN THE FINANCIAL STATEMENTS OF THE COMPANY (CONTINUED)

4. OTHER RECEIVABLES (Continued)

1) Dividends receivable

Details of dividends receivable

Investee	Closing balance	Opening balance	Increase due to changes in the scope of consolidation	Increase in current period	Decrease in current period	Closing balance	Reason for non-recovery	Aging	Whether an impairment occurs and judgment basis	Closing balance of credit loss provision
Dividends receivable aged within 1 year	17,118,625.24			51,490,911.96	59,676,726.92	**8,932,810.28**	—	—	—	
Sinotrans Korea Shipping Co., Ltd.	8,932,810.28					**8,932,810.28**	Declared but not yet issued	—	No	
Sinotrans (Japan) Co., Ltd.	8,185,814.96			16,079.27	8,201,894.23		—	—	—	
Ouyeel Cloud Commerce Co., Ltd.				355,672.90	355,672.90		—	—	—	
Sinotrans-Nippon Express International Freight Co., Ltd.				7,350,000.00	7,350,000.00		—	—	—	
China Southern Airlines Logistics Co., Ltd.				37,949,256.09	37,949,256.09		—	—	—	
China International Exhibition Transportation Co., Ltd.				5,819,903.70	5,819,903.70		—	—	—	
Dividends receivable aged over 1 year	25,094,731.83					**25,094,731.83**	—	—	—	
Sinotrans Eastern Company Limited	10,904,887.09					**10,904,887.09**	Support the development of subsidiary	Over 5 years	No	
Sinotrans Anhui Co., Ltd.	8,067,261.02					**8,067,261.02**	Support the development of subsidiary	Over 5 years	No	
Trade Sky International Limited	3,241,600.00					**3,241,600.00**	Support the development of subsidiary	Over 5 years	No	
Sinotrans Shandong Asia-Europe IOT Operation Co., Ltd.	1,020,000.00					**1,020,000.00**	Support the development of subsidiary	2 to 3 years	No	
SINOTRANS ALMAJDOUIE MIDDLE EAST CO.,LTD.	1,860,983.72					**1,860,983.72**	Support the development of joint ventures	Over 5 years	No	
Total	42,213,357.07			51,490,911.96	59,676,726.92	**34,027,542.11**	—	—	—	

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XVIII. NOTES TO THE MAIN ITEMS IN THE FINANCIAL STATEMENTS OF THE COMPANY (CONTINUED)

4. OTHER RECEIVABLES (Continued)

2) Other receivables

(1) Analysis by aging

Item	Closing balance			Opening balance		
	Book balance	Proportion (%)	Credit loss provision	Book balance	Proportion (%)	Credit loss provision
Within 1 year (including 1 year)	10,981,727,608.74	76.96	224,062.36	2,380,982,982.66	17.87	
1 to 2 years (including 2 years)	1,658,839,720.81	11.62		1,657,351,553.47	12.43	
2 to 3 years (including 3 years)	267,875,060.47	1.88	1,046.93	6,468,202,181.59	48.53	1,046.93
Over 3 years	1,361,879,603.58	9.54	4,316,526.83	2,822,180,870.78	21.17	571,511.93
Total	14,270,321,993.60	100.00	4,541,636.12	13,328,717,588.50	100.00	572,558.86

(2) Disclosure under the methods of provision for bad debts by category

Category	Closing balance					Opening balance				
	Book balance		Credit loss provision			Book balance		Credit loss provision		
	Amount	Proportion (%)	Amount	Expected credit loss ratio (%)	Book value	Amount	Proportion (%)	Amount	Expected credit loss ratio (%)	Book value
Credit loss provisions on an individual basis	4,317,573.76	0.03	4,317,573.76	100.00		572,558.86		572,558.86	100.00	
Credit loss provisions by portfolio	14,266,004,419.84	99.97	224,062.36		14,265,780,357.48	13,328,145,029.64	100.00			13,328,145,029.64
Including:										
Low-risk portfolio	14,260,259,231.21	99.93			14,260,259,231.21	13,328,145,029.64	100.00			13,328,145,029.64
Aging portfolio	5,745,188.63	0.04	224,062.36	3.90	5,521,126.27					
Total	14,270,321,993.60	100.00	4,541,636.12	—	14,265,780,357.48	13,328,717,588.50	100.00	572,558.86	—	13,328,145,029.64

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XVIII. NOTES TO THE MAIN ITEMS IN THE FINANCIAL STATEMENTS OF THE COMPANY (CONTINUED)

4. OTHER RECEIVABLES (Continued)

2) Other receivables (Continued)

(3) Other receivables with individual credit loss provisions at the end of current period:

Company name	Closing balance Book balance	Credit loss provision	Proportion (%)	Reasons for accrual
Others	4,317,573.76	4,317,573.76	100.00	Involved in litigation and not expected to be recovered

(4) Other receivables of low-risk portfolio

Item	Closing balance Book balance	Credit loss provision	Proportion (%)
Related party payments	**14,149,270,675.18**		
Advances	**64,817,060.97**		
Deposits, collateral	**46,160,667.03**		
Others	**10,828.03**		
Total	**14,260,259,231.21**	——	

(5) Analysis by nature of payments

Item	Closing balance Book balance	Credit loss provision	Book value	Opening balance Book balance	Credit loss provision	Book value
Deposits, collateral	**14,149,270,675.18**		**14,149,270,675.18**	13,211,147,146.10		13,211,147,146.10
Government grants	**64,817,060.97**		**64,817,060.97**	69,554,671.61		69,554,671.61
Advances	**26,069,622.72**		**26,069,622.72**	28,597,775.17		28,597,775.17
Others	**30,164,634.73**	**4,541,636.12**	**25,622,998.61**	19,417,995.62	572,558.86	18,845,436.76
Total	**14,270,321,993.60**	**4,541,636.12**	**14,265,780,357.48**	13,328,717,588.50	572,558.86	13,328,145,029.64

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XVIII. NOTES TO THE MAIN ITEMS IN THE FINANCIAL STATEMENTS OF THE COMPANY (CONTINUED)

4. OTHER RECEIVABLES (Continued)

2) Other receivables (Continued)

(6) Credit loss provision for other receivables accrued, recovered, or reversed during current period

Credit loss provision	Stage 1 12-Month expected credit losses	Stage 2 Expected credit losses over the entire life (Not credit-impaired)	Stage 3 Expected credit losses over the entire life (Credit-impaired)	Total
Opening balance			572,558.86	572,558.86
Opening balance in current period	——	——	——	——
—Transfer to stage 2				
— Transfer to stage 3				
—Reverse to stage 2				
—Reverse to stage 1				
Accrual in current period	224,062.36		3,745,014.90	3,969,077.26
Reversal in current period				
Carry forward in current period				
Write-off in current period				
Other changes				
Closing balance	**224,062.36**		**4,317,573.76**	**4,541,636.12**

(Amounts are expressed in RMB unless otherwise stated)

XVIII. NOTES TO THE MAIN ITEMS IN THE FINANCIAL STATEMENTS OF THE COMPANY (CONTINUED)

4. OTHER RECEIVABLES (Continued)

2) Other receivables (Continued)

(7) The top five of the closing balances in other receivables:

Company name	Relationship with the Company	Book balance	Aging	Percentage of total other receivables (%)	Credit loss provision
Sinotrans Logistics Co., Ltd.	Related party payments	5,647,182,331.14	Within 1 year, 1 to 2 years, 2 to 3 years, over 3 years	39.57	
Sinotrans Logistics Investment Holdings Co., Ltd.	Related party payments	1,601,286,891.96	Within 1 year, 1 to 2 years, 2 to 3 years, over 3 years	11.22	
Sinotrans South China Co., Ltd.	Related party payments	1,463,846,488.68	Within 1 year, 1 to 2 years, 2 to 3 years, over 3 years	10.26	
SINOTRANS (HK) HOLDINGS	Related party payments	1,006,921,729.82	Within 1 year, 1 to 2 years, 2 to 3 years, over 3 years	7.06	
Sinotrans Air Transport Co., Ltd.	Related party payments	1,006,072,798.19	Within 1 year, 1 to 2 years, 2 to 3 years, over 3 years	7.05	
Total	—	**10,725,310,239.79**	—	**75.16**	

(8) The Group had no other receivable involving government grants at the end of current period.

(9) There were no other receivables that were actually written off during current period.

(10) There were no prepayments transferred to other receivables during current period.

(11) Outstanding debts of shareholders holding more than 5% (including 5%) voting shares of the Company

Company name	Closing balance Amount owed	Closing balance Credit loss provision	Opening balance Amount owed	Opening balance Credit loss provision
SINOTRANS & CSC HOLDINGS Co., Ltd.	**2,493.20**		234,157.81	

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XVIII. NOTES TO THE MAIN ITEMS IN THE FINANCIAL STATEMENTS OF THE COMPANY (CONTINUED)

5. LONG-TERM EQUITY INVESTMENTS

Item	Opening balance	Increase in investment	Decrease in investment	Other increases (Decrease denoted by "-")	Effects from translation in foreign currency statements	Closing balance
Investments in subsidiaries	17,968,370,311.55					**17,968,370,311.55**
Investments in joint ventures	1,915,328,327.24			698,901,742.85		**2,614,230,070.09**
Investments in associates	230,062,717.78	5,000,000.00		-13,617,950.26		**221,444,767.52**
Subtotal	20,113,761,356.57	5,000,000.00		685,283,792.59		**20,804,045,149.16**
Less: Impairment provision of long-term equity investments						
Total	20,113,761,356.57	5,000,000.00		685,283,792.59		**20,804,045,149.16**

(Amounts are expressed in RMB unless otherwise stated)

XVIII. NOTES TO THE MAIN ITEMS IN THE FINANCIAL STATEMENTS OF THE COMPANY (CONTINUED)

5. LONG-TERM EQUITY INVESTMENTS (Continued)

1) Investments in subsidiaries

Name of investees	Opening balance	Increase in current period	Impact of equity-based payments	Impact of internal asset transfers	Closing balance
Sinoair	5,857,687,626.31				5,857,687,626.31
Sinotrans Logistics Co., Ltd.	4,739,916,352.12				4,739,916,352.12
Sinotrans South China Co., Ltd.	1,357,000,272.00				1,357,000,272.00
Sinotrans Eastern Company Limited	1,084,193,721.32				1,084,193,721.32
Sinotrans Changjiang Co., Ltd.	1,005,055,831.24				1,005,055,831.24
Sinotrans Central China Co., Ltd.	987,077,584.08				987,077,584.08
Sinotrans Logistics Investment Holdings Co., Ltd.	623,061,201.03				623,061,201.03
Wide Shine Development Limited	430,372,292.05				430,372,292.05
Trade Sky International Limited	341,057,315.76				341,057,315.76
Sinotrans Fujian Co., Ltd.	201,113,265.84				201,113,265.84
Sinotrans Engineering Logistics Co., Ltd.	280,000,000.00				280,000,000.00
Sinotrans Northeast Co. Ltd	137,454,479.67				137,454,479.67
Sinotrans North China Co., Ltd.	136,703,783.43				136,703,783.43
Sinotrans Heavy-lift Logistics Co., Ltd.	134,970,549.35				134,970,549.35
Sinotrans Hubei Company Limited	121,293,756.85				121,293,756.85
Sinotrans Innovative Technology Co., Ltd.	100,438,555.10				100,438,555.10
Sinotrans Southwest (Chongqing) Logistics Development Co., Ltd.	100,036,504.04				100,036,504.04
Sinotrans Cold Chain Logistics Co., Ltd.	217,614,987.47				217,614,987.47
Others	113,322,233.89				113,322,233.89
Total	17,968,370,311.55				**17,968,370,311.55**

(Amounts are expressed in RMB unless otherwise stated)

XVIII. NOTES TO THE MAIN ITEMS IN THE FINANCIAL STATEMENTS OF THE COMPANY (CONTINUED)

5. LONG-TERM EQUITY INVESTMENTS (Continued)

2) Investments in associates and joint ventures

Investee	Investment costs	Opening balance	Changes in current period Increase in	Decrease in investment	Investment profit or loss under the equity method	Other comprehensive income adjustments	Other changes in equity	Cash dividends and profits declared	Impairment provision	Others	Closing balance	Closing balance of impairment provision
Joint ventures	443,264,788.72	1,915,328,327.24			706,251,742.85			7,350,000.00			**2,614,230,070.09**	
DHL-Sinotrans International Air Courier Ltd	69,144,505.07	1,483,247,262.27			700,676,561.00						**2,183,923,823.27**	
Nissin-Sinotrans International Logistics Co., Ltd	55,518,961.25	135,239,995.36			4,495,537.17			7,350,000.00			**132,385,532.53**	
Sinotrans Suzhou Logistics Center Co., Ltd.	97,898,300.00	113,197,850.91			1,157,207.24						**114,355,058.15**	
TP Ease Energy Co., Ltd	100,000,000.00	97,182,486.88			-2,293,588.01						**94,888,898.87**	
Sinotrans PFS Cold Chain Logistics Co., Ltd	90,000,000.00	44,674,108.01			250,328.72						**44,924,436.73**	
Sinotrans Logistics (Pakistan) Limited	1,457,004.00	6,584,598.73			-313,291.33						**6,271,307.40**	
Shanghai United Cold Chain Logistics Co., Ltd.	15,000,000.00	6,391,834.74			-244,779.42						**6,147,055.32**	
Others	14,246,018.40	28,810,190.34			2,523,767.48						**31,333,957.82**	
Associates	247,985,246.67	230,062,717.78	5,000,000.00		-7,798,046.56			5,819,903.70			**221,444,767.52**	
Shanghai Pu'an Storage Co., Ltd.	78,173,640.00	76,716,303.60			-2,591,068.53						**74,125,235.07**	
China Merchants Sinotrans (Shenzhen) Industrial Innovation Private Equity Investment Fund Partnership (Limited Partnership	69,496,379.67	52,393,259.13			-1,488,756.49						**50,904,502.64**	
Ma'anshan Tianshun Port Co., Ltd	21,000,000.00	33,620,768.69			791,330.62						**34,412,099.31**	
Qingzhui Logistics Technology Co., Ltd.	49,000,000.00	29,767,594.16			-5,086,195.91						**24,681,398.25**	
Shanghai Bulk Commodity Warehouse Receipt Registration Co., Ltd.	30,000,000.00	28,761,066.45			-372,610.43						**28,388,456.02**	
China International Exhibition Transportation Co., Ltd.	315,227.00	8,803,725.75	5,000,000.00		949,254.18			5,819,903.70			**8,933,076.23**	
Total	691,250,035.39	2,145,391,045.02	5,000,000.00		698,453,696.29			13,169,903.70			**2,835,674,837.61**	

XVIII. NOTES TO THE MAIN ITEMS IN THE FINANCIAL STATEMENTS OF THE COMPANY (CONTINUED)

5. LONG-TERM EQUITY INVESTMENTS (Continued)

3) As at 30 June 2026, the Company reviewed the operating conditions, asset status, and industry operating environment of its major subsidiaries, joint ventures, or associates, and found no obvious signs of impairment. Therefore, no impairment provision was made for long-term equity investments during current period.

4) As at 30 June 2026, there were no significant restrictions on the Company's ability to transfer funds from joint ventures or associates to the Company.

5) The Company had no significant excess losses incurred in its joint ventures or associates during current period.

6) As at 30 June 2026, except for unpaid subscribed capital contributions to joint ventures (see Note XIII. for details), the Company had no unrecognized commitments to provide funds or resources to joint ventures, or to purchase shares of interests in joint ventures.

6. SHORT-TERM BORROWINGS

(1) Classification of short-term borrowings

Category	Closing balance	Opening balance
Fiduciary loans		375,846,936.26

(2) No short-term borrowings were outstanding at the end of current period.

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(Amounts are expressed in RMB unless otherwise stated)

XVIII. NOTES TO THE MAIN ITEMS IN THE FINANCIAL STATEMENTS OF THE COMPANY (CONTINUED)

7. LONG-TERM BORROWINGS

Type of loan	Closing balance	Opening balance	Interest rate range at the end of the period (%)
Guaranteed loans (Note)	67,000,000.00	67,000,000.00	1.20
Less: Long-term borrowings due within one year			
Total	67,000,000.00	67,000,000.00	

(1) No long-term borrowings were outstanding at the end of current period.

(2) Top five long-term borrowings in the closing balance (including long-term borrowings due within one year:)

Loan unit	Borrowing start date	Borrowing termination date	Currency	Interest rate (%)	Closing balance		Opening balance	
					Foreign currency	Local currency	Foreign currency	Local currency
Agricultural Development Bank of China	2015/11/20	2034/11/17	RMB	1.20	40,000,000.00	40,000,000.00	40,000,000.00	40,000,000.00
Agricultural Development Bank of China	2016/2/29	2033/2/28	RMB	1.20	27,000,000.00	27,000,000.00	27,000,000.00	27,000,000.00

(3) The Company had no long-term borrowings extended at the end of current period.

(4) The maturity date of long-term borrowings is analyzed as follows:

Item	Closing balance	Opening balance
1 to 2 years (including 2 years)		
2 to 5 years (including 5 years)		
Over 5 years	67,000,000.00	67,000,000.00
Total	67,000,000.00	67,000,000.00

(Amounts are expressed in RMB unless otherwise stated)

XVIII. NOTES TO THE MAIN ITEMS IN THE FINANCIAL STATEMENTS OF THE COMPANY (CONTINUED)

8. CAPITAL RESERVES

Item	Opening balance	Increase in current period	Decrease in current period	Closing balance
I. Share capital premium	10,253,240,303.56			10,253,240,303.56
1. Capital invested by investors	10,319,067,711.44			10,319,067,711.44
2. Others	-65,827,407.88			-65,827,407.88
II. Other capital reserves	6,404,084.77			6,404,084.77
1. Other changes in the owner's equity of the investees other than net profit or loss, other comprehensive income and profit distributions	6,948,554.42			6,948,554.42
2. Share-based payment for unexercised rights				
3. Capital reserve brought forward from the previous accounting regime				
4. Others	-544,469.65			-544,469.65
Total	10,259,644,388.33			10,259,644,388.33
Including: Exclusively state-owned capital reserves				

9. UNDISTRIBUTED PROFITS

Item	Current period amount	Prior period amount
Closing balance of the prior year	7,431,593,716.19	7,238,071,288.67
Add: Adjustments to opening undistributed profits		
Opening balance of the current period	7,431,593,716.19	7,238,071,288.67
Increase in current period	590,528,837.04	457,817,528.49
Including: Net profit for the period	590,528,837.04	457,817,528.49
Decrease in current period	1,111,931,440.19	1,038,392,561.89
Including: Appropriation to statutory surplus reserves for the period		
Dividends distribution	1,111,931,440.19	1,038,392,561.89
Closing balance of the current period	6,910,191,113.04	6,657,496,255.27

(Amounts are expressed in RMB unless otherwise stated)

XVIII. NOTES TO THE MAIN ITEMS IN THE FINANCIAL STATEMENTS OF THE COMPANY (CONTINUED)

10. OPERATING INCOME, COSTS

1) Operating revenue and operating costs

Item	Current period		Prior period	
	Income	Costs	Income	Costs
Agency and related business	**139,611,019.32**	**139,623,946.09**	1,231,342,244.76	1,212,082,462.72
Logistics	**1,136,207,424.20**	**1,077,520,427.78**	904,478,203.09	841,262,544.96
Total	**1,275,818,443.52**	**1,217,144,373.87**	2,135,820,447.85	2,053,345,007.68

Details of operating income:

For the six months ended June 30, 2026

Item	Agency and related business	Logistics
Operating income		
Including: Recognition at a certain point	**139,611,019.32**	**29,873,721.67**
Recognition within a certain period		**1,106,333,702.53**
Total	**139,611,019.32**	**1,136,207,424.20**

For the six months ended June 30, 2025

Item	Agency and related business	Logistics
Operating income		
Including: Recognition at a certain point	1,231,342,244.76	904,478,203.09
Recognition within a certain period		
Total	1,231,342,244.76	904,478,203.09

XVIII. NOTES TO THE MAIN ITEMS IN THE FINANCIAL STATEMENTS OF THE COMPANY (CONTINUED)

10. OPERATING INCOME, COSTS (Continued)

2) Information related to performance obligations

The contents and prices of services are usually explicitly agreed in the contracts (agreements, orders, etc.) entered into between the Company and its customers, which do not involve complicated payment arrangements, and the Company has an unconditional right to receive payment upon completion of the relevant services, except for advance payment arrangements.

The services provided by the Company to its customers were classified into two types: agency and related business, and logistics. The entrustment of a single customer may involve a single logistics process or multiple logistics processes. When multiple logistics processes are involved, the Company decides whether or not to treat them as a single performance obligation, taking into account factors such as the degree of interconnection and dependence of each logistics process. The Company's related businesses acting as a principal usually are point-to-point logistics services. Customers obtain and consume the economic interests from the Company's performance at the same time with the Company's performance. Therefore, the Company recognizes the revenue in accordance with the progress of the performance for the above services. The Company recognizes revenue from the related business carried out as an agent when the related act of the agency is completed.

The Company determines whether its identity at the time of performing a transaction is that of a principal or an agent based on whether it has control over the goods or services prior to transferring the goods or services to the customer. In the case of agency and related businesses, the Company's status as a principal or agent is determined primarily by considering whether it has assumed the corresponding risks and liabilities.

The logistics services provided by the Company to its customers are immediate consumable services, which usually do not involve warranty, refund and other arrangements. The Company accrues estimated liabilities, as appropriate, when it is required by customers to pay compensation for damage to goods in the course of providing services.

3) Statement of apportionment to remaining performance obligations

The Company has entered into contracts (agreements, orders, etc.) with customers at the end of the period, but the portion of the transaction price for performance obligations that have not yet been performed or have not yet been fulfilled that has been received or receivable from the customer of RMB159,334,735.99 (closing balance of contract liabilities) will be recognized as revenue within one year. The remaining transaction prices are not presented due to the expected term of these contracts being less than one year, the dispersed nature of the customers involved, and the large number of contracts, which simplifies the treatment. The Company has no variable consideration clauses in the above contracts.

4) Significant contract changes or significant transaction price adjustments

The Company had no significant contract changes or significant transaction price adjustments during the period. The amount of revenue adjusted to the provisional estimate in the current period as a result of the completion of the reconciliation and settlement of performance obligations that have been fulfilled (or partially fulfilled) in the prior year is not material.

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(Amounts are expressed in RMB unless otherwise stated)

XVIII. NOTES TO THE MAIN ITEMS IN THE FINANCIAL STATEMENTS OF THE COMPANY (CONTINUED)

11. FINANCE COSTS

Item	current period	Prior period
Interest expenses	74,657,479.89	85,050,545.65
Including: Bank and other borrowings	1,726,919.50	5,213,612.45
Bond interest	39,281,718.43	36,986,114.14
Interest expenses on lease liabilities	11,383,535.50	12,206,108.02
Other interest expenses	22,265,306.46	30,644,711.04
Less: Capitalized interest expenses		
Less: Interest income	73,756,915.96	68,372,490.22
Net exchange loss (net gains denoted by “-”)	6,100,806.19	7,441,365.70
Others	758,323.38	2,096,516.03
Total	**7,759,693.50**	26,215,937.16

12. INVESTMENT INCOME

Item	Current period	Prior period
Income from long-term equity investments under the equity method	698,453,696.29	457,936,033.12
Investment income from holding other non-current financial assets	38,304,928.99	9,079,494.00
Investment income from the disposal of other non-current financial assets		150,966,255.29
Total	**736,758,625.28**	617,981,782.41

(Amounts are expressed in RMB unless otherwise stated)

XVIII. NOTES TO THE MAIN ITEMS IN THE FINANCIAL STATEMENTS OF THE COMPANY (CONTINUED)

13. SUPPLEMENTARY INFORMATION OF THE COMPANY IN THE CASH FLOW STATEMENT

Item	current period	Prior period
1. Reconciliation of net profit to cash flows from operating activities:		
Net profit	**590,528,837.04**	457,817,528.49
Add: Impairment of assets		
Credit impairment loss	**-1,546,151.08**	31,535,738.94
Depreciation of fixed assets and investment properties	**13,431,290.57**	12,965,562.51
Depreciation of right-of-use assets	**2,176,502.82**	3,135,960.08
Amortisation of intangible assets	**32,756,240.32**	29,863,682.38
Amortisation of long-term prepaid expenses	**391,505.54**	521,598.50
Losses from disposal of assets (gains denoted by "-")	**-5,057.74**	-11,716.37
Losses from damage and scrapping of non-current assets (gains denoted by "-")		-1,270.33
Losses from changes in fair value (gains denoted by "-")		
Finance costs (income denoted by "-")	**84,599,916.60**	90,638,901.16
Investment losses (income denoted by "-")	**-736,758,625.28**	-617,981,782.41
Decrease in deferred tax assets (increase denoted by "-")		
Increase in deferred tax liabilities (decrease denoted by "-")		
Decrease in inventories (increase denoted by "-")		-4,800.00
Decrease in operating receivables (increase denoted by "-")	**-186,723,710.02**	-237,756,236.60
Increase in operating payables (decrease denoted by "-")	**116,032,021.98**	-94,674,282.21
Net cash flows from operating activities	**-85,117,229.25**	-323,951,115.86
2. Major investing and financing activities not involving cash receipts and payments:		
Conversion of debts into capital		
Convertible corporate bonds due within one year		
Newly added right-of-use assets		
3. Net changes in cash and cash equivalents:		
Closing balance of cash and cash equivalents	**3,193,435,786.57**	4,267,464,428.98
Less: Opening balance of cash and cash equivalents	**7,136,473,226.68**	5,506,139,347.79
Net increase in cash and cash equivalents	**-3,943,037,440.11**	-1,238,674,918.81

(Amounts are expressed in RMB unless otherwise stated)

XIX. SUPPLEMENTARY INFORMATION

1. NON-RECURRING STATEMENT OF PROFIT OR LOSS FOR THE PERIOD

In accordance with the Explanatory Announcement No.1 on Information Disclosure for Companies Offering Securities to the Public – Non-recurring Profit or Loss (as amended in 2023) issued by the China Securities Regulatory Commission, the Group's non-recurring profit or loss for the six months ended June 30, 2026 are as follows:

Item	Current period	Prior period
Gains and losses on disposal of non-current assets, including offsetting of asset impairment provision	**5,424,892.62**	491,118,127.84
Government grants recognized in current profit or loss, except for the government grants that are closely related to the Company's normal business operations, in line with the national policies and regulations, and in accordance with the determined criteria, and have a continuous impact on the Company's profit or loss	**77,205,273.74**	197,437,337.08
Gains and losses from changes in fair value of financial assets and liabilities held by non-financial corporations and gains and losses from the disposal of financial assets and liabilities, except for effective hedging business related to the Company's normal operations	**-1,266,456.16**	8,032,659.00
Fees charged to non-financial enterprises for fund occupancy included in current profit or loss		
Profit or loss from entrusting others to invest or manage assets		
Profit or loss from external entrusted loans		
Loss of assets due to force majeure factors, such as natural disasters		
Reversal of provision for impairment of receivables subject to separate impairment tests	**4,786,438.60**	4,943,564.27
Income from the fair value of identifiable net assets of investees when the investment cost of the enterprise for the acquisition of subsidiaries, associates and joint ventures is less than the investment obtained		
Current net profit or loss of subsidiaries from the business combination under common control from the beginning of the period to the date of combination		
Profit or loss from exchange of non-monetary assets		
Profit or loss from debt restructuring		
One-time costs incurred by the enterprise due to the fact that the relevant business activities are no longer continuing, such as expenses for relocating employees		

(Amounts are expressed in RMB unless otherwise stated)

XIX. SUPPLEMENTARY INFORMATION (CONTINUED)

1. NON-RECURRING STATEMENT OF PROFIT OR LOSS FOR THE PERIOD (Continued)

Item	Current period	Prior period
One-time effect on current profit or loss due to adjustments in tax, accounting and other laws and regulations		
One-time share-based payment expense recognized for cancellation and modification of equity incentive plans		
For cash-settled share-based payments, gains and losses arising from changes in the fair value of employee benefits payable after the date of exercise of options		
Profit or loss from changes in fair value of investment properties subsequently measured using the fair value model		
Gains arising from transactions at significantly unfair prices		
Profit or loss arising from contingencies irrelevant to the normal business operations of the company		
Trusteeship fee income from entrusted operations		
Other non-operating income and expenses not mentioned above	**41,432,880.75**	10,509,929.29
Other profit and loss items that meet the definition of non-recurring profit or loss	**4,346,302.18**	4,076,834.77
Subtotal	**131,929,331.73**	716,118,452.25
Income tax effect amount	**24,821,856.53**	97,709,616.16
Amount of minority interest impact (after tax)	**22,101,863.13**	69,188,229.18
Total	**85,005,612.07**	549,220,606.91

The Group does not have any non-recurring gains or losses recognized as items not listed in Explanatory Announcement No.1 on Information Disclosure for Companies Offering Securities to the Public – Nonrecurring Profit or Loss, and the cases in which the non-recurring profit and loss items listed in Explanatory Announcement No.1 on Information Disclosure for Companies Offering Securities to the Public – Nonrecurring Profit or Loss are defined as recurring gain or loss.

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XIX. SUPPLEMENTARY INFORMATION (CONTINUED)

2. RETURN ON NET ASSETS AND EARNINGS PER SHARE

In accordance with the Explanatory Announcement No. 9 on Information Disclosure for Companies Offering Securities to the Public – Calculation and Disclosure of Return on Net Assets and Earnings per Share (as amended in 2010) issued by CSRC, the weighted average return on net assets, basic earnings per share and diluted earnings per share of the Group for the six-months ended 30 June 2026 are as follows:

Profit during the reporting period	Weighted average return on net assets (%)	EARNINGS PER SHARE	
		Basic earnings per share (RMB/share)	Diluted earnings per share (RMB/share)
Net profit attributable to shareholders of the Company	4.12	0.2404	0.2404
Net profit attributable to shareholders of the Company after deduction of non-recurring profit or loss	3.92	0.2286	0.2286

XX. OTHER SIGNIFICANT EVENTS

The Group has no other significant events that require disclosure.

XXI. APPROVAL OF THE FINANCIAL STATEMENTS

The Group's financial statements for 2025 were approved for presentation by the Board of Directors of the Group on 25 August 2026.

Chairman: Zhang Yi
Submission Date as approved by the Board: 25 August 2026

REVISION HISTORY

☐Applicable ✓Not applicable

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