



中國外運股份有限公司
SINOTRANS LIMITED

Stock Code: 00598HK 601598SH

INTERIM REPORT 2024



CUSTOMERS' SUCCESS
OUR ACHIEVEMENT

Important Notice

1. The Board and the Supervisory Committee and the Directors, Supervisors and members of the Senior Management of the Company warrant the truthfulness, accuracy and completeness of the contents in this 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. All Directors were present at the Board Meeting.
3. This Interim Report is unaudited.
4. Wang Xiufeng, person in charge of the Company; Li Xiaoyan, Chief Financial Officer; and Ding Guilin, 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.

As approved by the Board, the Company will pay the 2024 interim dividend of RMB0.145 per Share (tax included) in cash, based on the total share capital registered on the record date of the equity distribution (the Shares in the special account for repurchase of the Company deducted). As at the date of this Report, the total share capital was 7,294,216,875 Shares, deducting the 28,262,936 A Shares in the special account for repurchase of the Company, based on which, the total amount of the 2024 interim dividend payment is expected to be RMB1,053,563,321.16 (tax included), accounting for 54.17% of the consolidated net profit attributable to the shareholders of the Company for the first half of 2024.

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 has 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 fail to guarantee the truthfulness, accuracy and completeness of the Interim Report disclosed by the Company.

No

10. Reminder of significant risks

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 2024 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.



CORPORATE MISSION

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

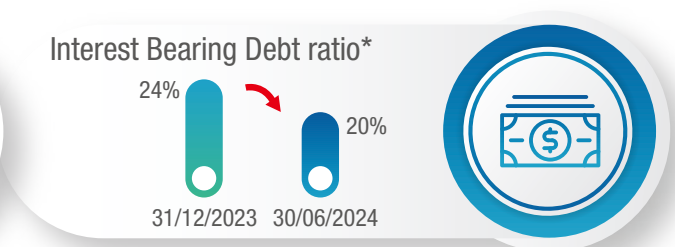
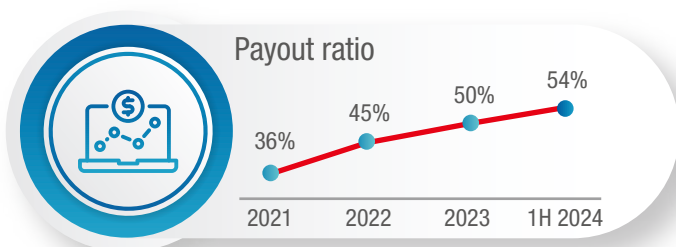
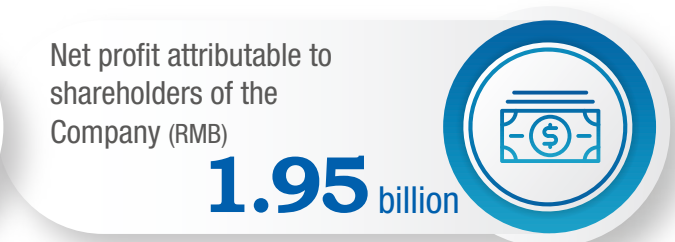
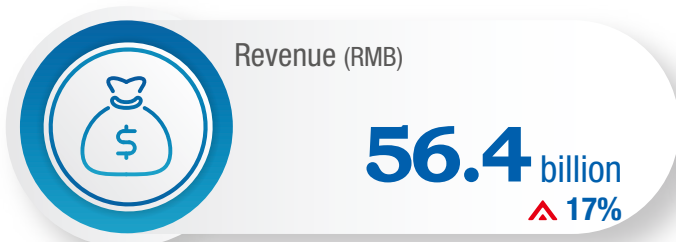
CORPORATE VISION

Building a world-class intelligent logistics platform enterprise

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Documents Available for Check	<ol style="list-style-type: none">1. The Interim Report signed by the Chairman2. Financial statements sealed and signed by the person in charge of the Company, chief financial officer and the person in charge of the Financial Department3. Original copies of all documents and announcements of the Company which have been disclosed to the public on the media meeting the requirements of the CSRC and the website of the SSE during the Reporting Period4. The 2024 Interim Report disclosed on the websites of SSE and SEHK

Highlights of the First Half of 2024



Sea Freight Forwarding

Business volume	▲ 19%
Revenue	▲ 28%
Segment profit	▲ 9%

Air Channel

Business volume	▲ 25%
Revenue	▲ 24%
Segment profit	▲ 23%

Railway Freight Forwarding

Business volume	▲ 30%
Revenue	▲ 28%

Contract Logistics

Business volume	▲ 15%
Revenue	▲ 4%

*Interest Bearing Debt ratio: Interest Bearing Debts / (Interest Bearing Debt + Net Assets)

Chapter 1 Definitions

In this Report, unless the context otherwise indicates, the following terms 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 58.48% of the issued share capital of the Company as at the date of this Report
China Merchants Group	China Merchants and its subsidiaries
Companies Ordinance	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
Company or Sinotrans	Sinotrans Limited (中國外運股份有限公司), a joint stock limited company incorporated in the PRC with limited liability, whose H Shares are listed on the SEHK and A Shares are listed on the SSE
Company Law	the Company Law of the People's Republic of China
CSRC	China Securities Regulatory Commission
Director(s)/Supervisor(s)	director(s)/supervisor(s) of the Company
Finance Company	China Merchants Group Finance Co., Ltd. (招商局集團財務有限公司), a company owned as to 51% by China Merchants and 49% by Sinotrans & CSC as at the date of this Report
Group	the Company and its subsidiaries
H Share(s)	the overseas listed Share(s) of the Company with nominal value of RMB1.00 each, which are listed on the Hong Kong Stock Exchange and traded in HK\$
Hong Kong	Hong Kong Special Administrative Region of the People's Republic of China

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
PRC	the People's Republic of China
Reporting Period	the period from 1 January 2024 to 30 June 2024
SEHK Listing Rules	Rules Governing the Listing of Securities on the SEHK
Senior 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 and the controlling shareholder of the Company, which aggregately holds 35.36% of the issued share capital of the Company as at the date of this Report
Sinotrans & CSC Group	Sinotrans & CSC and its subsidiaries
SSE	Shanghai Stock Exchange
SSE Listing Rules	Listing Rules of Shanghai Stock Exchange
Subsidiary(ies)	has the meaning ascribed to it under the SEHK Listing Rules
Supervisory Committee	the Supervisory Committee of the Company

Chapter 2 General Company Information and Key Financial Indicators

I. COMPANY INFORMATION

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

II. CONTACT PERSONS AND CONTACT METHODS

	Secretary of the Board/Company Secretary	Representative of Securities Affairs
Name	Li Shichu	Lu Ronglei
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, the PRC
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

Chapter 2 General Company Information and Key Financial Indicators

IV. CHANGES IN INFORMATION DISCLOSURE AND PREPARATION LOCATIONS

Newspapers selected by the Company for information disclosure	Securities Daily, Securities Times
Websites publishing 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
Index of changes inquiry during the Reporting Period	N/A

V. OVERVIEW OF COMPANY STOCK

Class of share	Place of listing	Stock abbreviation	Stock code
H Share	SEHK	Sinotrans	00598
A Share	SSE	Sinotrans	601598

VI. OTHER RELEVANT INFORMATION

Applicable Not applicable

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

Chapter 2

General Company Information and Key Financial Indicators

VII. KEY ACCOUNTING DATA AND FINANCIAL INDICATORS OF THE COMPANY

(I) Key Accounting Data

Key accounting data	Reporting Period (January to June)	Corresponding period of last year		<i>Unit: RMB</i>
		Restated	Before restatement	Change as compared to the corresponding
				period of last year (%)
Operating income	56,367,697,848.32	48,098,846,577.08	47,836,753,821.70	17.19
Net profits attributable to shareholders of the Company	1,945,058,469.75	2,185,892,780.49	2,171,671,155.29	-11.02
Net profits net of non-recurring profit or loss attributable to shareholders of the Company	1,798,868,219.23	1,930,530,037.00	1,930,530,037.00	-6.82
Net cash flows from operating activities	-1,648,411,275.83	678,373,850.02	725,613,032.43	-342.99

	As at the end of the Reporting Period	As at the end of last year		Change as
		Restated	Before restatement	compared to the end of last year (%)
Net assets attributable to shareholders of the Company	38,583,011,209.92	37,801,725,213.12	37,801,725,213.12	2.07
Total assets	77,490,851,391.63	75,886,622,231.81	75,886,622,231.81	2.11

Chapter 2 General Company Information and Key Financial Indicators

(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 (%)
		Restated	Before restatement	
Basic earnings per share (RMB per Share)	0.2680	0.3017	0.2997	-11.17
Diluted earnings per share (RMB per Share)	0.2674	0.3017	0.2997	-11.37
Basic earnings per share, net of non-recurring profit or loss (RMB per Share)	0.2479	0.2664	0.2664	-6.94
Weighted average return on equity (%)	5.03	6.08	6.04	Decreased by 1.04 percentage points
Weighted average return on equity, net of non-recurring gains or losses (%)	4.66	5.37	5.37	Decreased by 0.71 percentage point

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

Applicable Not applicable

In the first half of 2024, the Company achieved an operating income of RMB56,368 million, representing a year-on-year increase of 17.19%, which was mainly due to the increasing business volume and the rising freight rates. The net profits attributable to shareholders of the Company and the net profits net of non-recurring profit or loss attributable to shareholders of the Company amounted to RMB1,945 million and RMB1,799 million respectively, representing a year-on-year decrease of 11.02% and 6.82%, which was mainly due to the weak domestic market demand and the intensified competition, coupled with customers' stronger control in logistics costs. Net cash flows from operating activities represent net outflow of RMB1,648 million, as compared with the net inflow of RMB678 million in the corresponding period of last year, which was mainly due to, on the one hand, the increase of the accounts receivable as a result of the significant rise of business volume and freight rates, despite the revenue growth, and on the other hand, the expansion of net cash outflow as compared with the corresponding period of last year triggered by the enlarged scale of prepayments for charter flights and trains.

VIII.ACCOUNTING INFORMATION DIFFERENCES BETWEEN DOMESTIC AND OVERSEAS ACCOUNTING STANDARDS

Applicable Not applicable

Chapter 2

General Company Information and Key Financial Indicators

IX. NON-RECURRING GAINS AND LOSSES ITEMS AND AMOUNTS

✓Applicable Not applicable

Unit: RMB

Non-recurring gains and losses items	Amount	Note (if applicable)
Gains and losses from disposal of non-current assets, including the part offset with the provision for impairment of assets	11,748,840.55	
Government subsidies included in current profit or loss, except government subsidies which are closely related to the Company's normal business operations, which comply with national policies and can be obtained based on established standards and which have a continuing impact on the Company's profit or loss	175,444,396.87	
Profit or loss from changes in fair value arising from financial assets and financial liabilities held by non-financial enterprises, and profit or loss from disposal of financial assets and financial liabilities other than effective hedging business related to the Company's normal business operations	-12,255,836.67	
Capital occupation fees charged from the non-financial enterprises and counted into the current profit or loss of the Company	509,025.55	
Profit or loss from entrusting others to invest or manage assets	-	
Profit or loss from external entrusted loans	-	
Asset impairment due to force majeure factors such as natural disasters	-	
Reversal of impairment of accounts receivables that had impairment test separately	9,776,111.24	
Gains when the investment cost of acquiring a subsidiary, an associate and a joint venture is less than the fair value of the identifiable net assets of the invested entity	-	
Current net profit or loss of subsidiaries from the merger of enterprise under common control from the beginning of the period to the date of the merger	-	

Chapter 2

General Company Information and Key Financial Indicators

Non-recurring gains and losses items	Amount	Note (if applicable)
Profit or loss from exchange of non-monetary assets	–	
Profit or loss from debt restructuring	–	
One-off costs incurred by the enterprise as a result of the discontinuation of the relevant business activities, e.g. staff settlement expenses, etc.	–	
One-off effect on the current profit or loss due to adjustments according to laws and regulations related to tax, accounting, etc.	–	
One-off share-based payment expense recognised as a result of cancellation and modification of the share incentive scheme	–	
Profit or loss from changes in fair value of employee remuneration payable after the date on which the cash-settled share-based payments become exercisable	–	
Profit or loss from changes in fair value of investment properties subsequently measured in the fair value model	–	
Profit or loss in transactions with unfair price	–	
Profit or loss arising from contingencies irrelevant to the Company's normal business operations	–	
Entrustment fee income from entrusted operations	–	
Other non-operating income and expenses other than the above items	53,846,539.21	
Other gains and losses classified to non-recurring profit or loss	–	
Less: Impact on income tax	24,146,286.68	
Impact on minority interests (after tax)	68,732,539.55	
Total	146,190,250.52	

Explanation on non-recurring gains and losses items defined by the Company according to "Explanatory Announcement No. 1 on Information Disclosure of Companies Offering Securities to the Public – Non-operating Profit or Loss" and defining the non-recurring gains and losses items listed in the "Explanatory Announcement No. 1 on Information Disclosure of Companies Offering Securities to the Public – Non-operating Profit or Loss" as recurring gains or losses items

Applicable Not applicable

X. 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

Adhering to the mission of the enterprise of “creating a logistics ecology system connecting the world to successfully promote industrial progress”, leveraging on its comprehensive service network, abundant logistics resources, strong professional capabilities of logistics solutions, and leading supply chain logistics model, the Group provides customers with customized logistics solutions and integrated whole supply chain logistics services.

The Group’s principal businesses include logistics, forwarding and related business and e-commerce business. As the core business, logistics business focuses on high-growth, high value-added niche markets and their upstream and downstream industries, so as to promote high-quality industrial development. As the cornerstone business, forwarding and related business provides support for the development of logistics business and e-commerce business. The e-commerce business mainly serves fast developing e-commerce clients, leveraging on the Company’s controllable capacity and resources consolidation capability to provide cross-border end-to-end service, so as to ensure the high quality and stable development of client’s supply chain.

1. *Logistics*

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

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

Chapter 3

Management Discussion and Analysis

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

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

Cold chain logistics mainly provides one-stop end-to-end service to customers in brand catering, retailing and supermarkets, food processing and circulation industry, and import and export trade.

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

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 terminal services and etc. Sinotrans is the largest freight forwarding company in China and has an extensive service network covering China and reaching the world.

In respect of **sea freight forwarding**, Sinotrans mainly provides customers with multilink logistics services related to shipping such as space booking, arranging transportation, container delivery, container loading, storage, port concentration and dispatch, customs declaration and inspection, distribution and delivery. Sinotrans is one of the world renowned sea freight forwarding service providers, handling more than 10 million TEUs of containers each year, and is capable of providing whole supply chain logistics services between major ports in China and all the trading countries and regions, and between third countries around the world.

In respect of **air freight forwarding**, Sinotrans mainly provides professional air freight forwarding services such as pick-up and dispatch, customs declaration and inspection, warehousing, packaging, booking and handling, trunk air-line freight forwarding and trucking transit services. As a world renowned air freight forwarding company, Sinotrans has accumulated extensive industrial experience and established stable strategic cooperative relationship with major domestic and international airlines, core overseas agents and domestic logistics service providers to ensure the stability of the supply chain. At the same time, the Company continues to promote the construction of a “new carrier” model, as at the end of June 2024, the Company has operated 10 chartered routes, covering Europe, America, Middle East and Asia, etc., and through controllable capacity and resources, the Company provides customers with full-process, visualized and standardized whole supply chain air related logistics services.

In terms of **railway freight forwarding**, Sinotrans is a leading railway freight forwarding service provider in the PRC. It is able to provide customers with railway freight forwarding in bulk cargo, containers and in a variety of ways, including integrated whole supply chain service like domestic railway freight forwarding, international railway freight forwarding (including transit railway freight forwarding) and sea-rail multimodal transportation. As at the end of June 2024, the Company’s international trains have a cumulative transportation volume of more than 11.9 thousand trains and more than 1.50 million TEUs. Self-operated cross-border railway express platform of the Company covers over 50 routes (including 15 routine weekly routes) from Changsha, Shenyang, Shenzhen, Dongguan, Xinxiang, Quanzhou, Deyang and other places. Meanwhile, the Company proactively participated in the construction of the China-Laos-Thailand railway channel, created products for the China-Laos-Thailand Railway Express, and provided the comprehensive service capacity of the China-Laos railway two-way transportation, cross-border transfer, container management, etc.

Chapter 3

Management Discussion and Analysis

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

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

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

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



Chapter 3 Management Discussion and Analysis

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, trunk and overseas resources, to satisfy the demand of cross-border e-commerce customers. So far, the Company has launched B2C e-commerce package products and B2B air freight "first mile" products to the countries and regions, such as Europe, the United States, South America, Africa, Japan and South Korea, and launch a "Sinoex trucking liner" product with whole vehicle and carpool to Central Asian. The scope of services includes first mile pick-up, 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 of cross-border e-commerce, and customs policy. **Logistics e-commerce platform** refers to the provision of various public online logistics services, which include online transaction and services in sea, land, air transport, customs clearance etc. and value added services including online insurance, full-process visualization etc., by the Company through the logistics e-commerce platform, namely Y2T. The whole supply chain products provide door-to-door services between China and the main cities of Japan, South Korea, as well as main countries of Southeast Asia and Central Asia, etc. **Logistics equipment sharing platform** refers to the Company providing logistics equipment leasing service, including containers and mobile fridge containers, tracking and monitoring services.

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

Chapter 3 Management Discussion and Analysis

(II) Macro-economy and Industry Development

1. ***The recovery momentum of global economy weakened, while China's domestic economy maintained overall stability***

The growth brought by trade recovery was weakened by multiple factors, such as increasingly complex international landscape, frequent regional hot events, rising global debt pressures, persistent inflation divergence, prolonged high interest rates and climate-related disasters. The World Bank forecasts global economic growth to stabilize at 2.6% in 2024, marking the first stabilization in three years. The global economic growth is expected to edge up slightly to an average of 2.7% in 2025–2026 as trade and investment increase moderately.

China's economy was generally stable with steady progress. In the first half of 2024, gross domestic product (GDP) amounted to RMB61.68 trillion, which represented a year-on-year increase of 5.0% based on constant prices, demonstrating the resilience of China's economy. However, China's economy also continued to be confronted by numerous challenges, primarily insufficient effective demand, significant operational pressures on businesses, multiple risk factors in key areas, inadequate domestic economic circulation, and a notably more complex, severe, and uncertain external environment. The foundation for economic recovery and improvement still needs consolidation. In terms of trade, the imports and exports of China totaled RMB21.17 trillion in the first half of 2024, representing a year-on-year increase of 6.1%, of which exports were RMB12.13 trillion with a year-on-year increase of 6.9%, and imports were RMB9.04 trillion with a year-on-year increase of 5.2%. In the first half of 2024, China's imports from and exports to countries along the "Belt and Road" Initiative reached RMB10.03 trillion with an increase of 7.2%, accounting for 47.4% of China's total import and export value, and representing an increase of 0.8 percentage point as compared with the end of last year. China's Trade with ASEAN, the United States and South Korea reached RMB3.36 trillion, RMB2.29 trillion and RMB1.13 trillion, representing an increase of 10.5%, 2.9% and 7.6%, respectively.

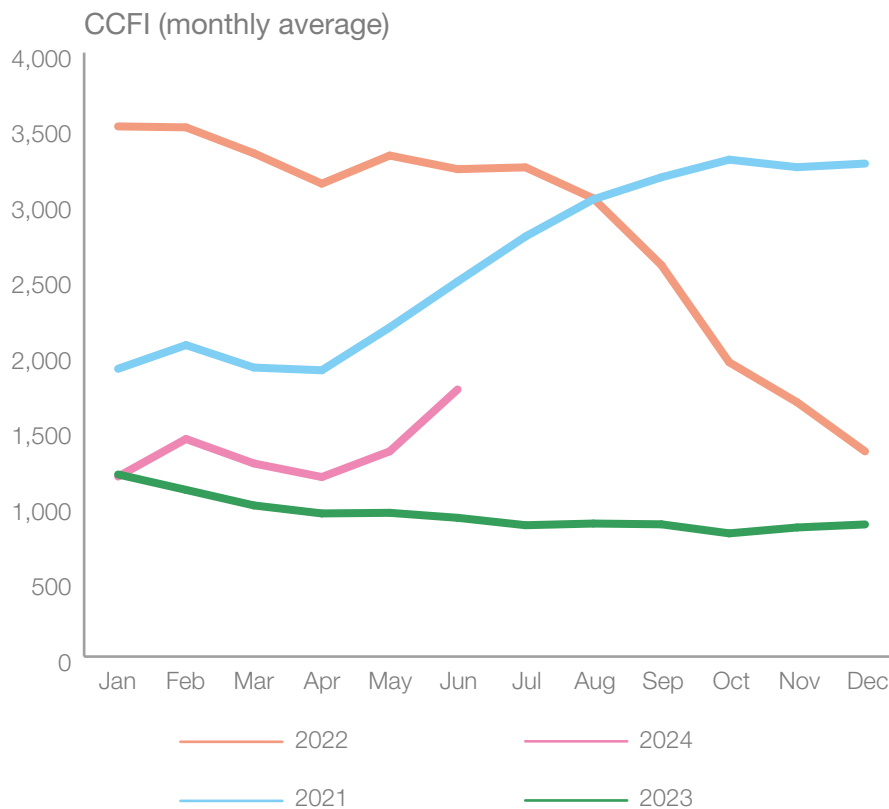
2. ***China's logistics demand remained generally stable, with fluctuations in niche markets***

From January to June 2024, the total value of China's social logistics reached RMB167.4 trillion, representing a year-on-year increase of 5.8% (4.8% in the same period of 2023) calculated at comparable prices. The overall logistics activities in China maintained a steady recovery trend, with stable growth in total value of social logistics, increased market activity, and continuous optimization of supply structure, contributing to overall improvement in economic operational efficiency. Logistics demand remained generally stable, with fluctuations in niche markets. The structure of total value of social logistics indicated a positive trend in demand upgrades driven by new momentum and new business model. Innovation continued to empower high-quality development, with logistics demand of the high-tech manufacturing sector maintaining rapid growth. Intelligent and digital technologies are expanding consumption scenarios, with a notable rebound in logistics demand on online e-commerce. Green and low-carbon transformation is advancing steadily, with continued efforts in energy recycling. Basic logistics for industrial products and imports remained stable, with slightly slower growth. Logistics supply growth has stabilized, and the industry continues to adjust and optimize its structure. In terms of market scale, the growth has slightly declined, with a moderation in market expansion momentum. From an industry prosperity perspective, the growth of business activities has slowed slightly. In terms of niche markets, some areas of people's livelihood consumption and efficient upgrades still maintained relatively rapid recovery, while logistics supply continued its trends of structure adjustment.

Chapter 3 Management Discussion and Analysis

3. *The container shipping market experienced demand recovery, supply shortage and significant freight rates increase*

On the demand side, in the first half of 2024, the moderate global economic recovery has driven trade growth, leading to a stable recovery in shipping demand. On the supply side, the ongoing Red Sea crisis has resulted in longer container transit and transportation times, higher costs, and a shift from “excess” to “shortage” in supply. In terms of freight rates, freight rates have surged significantly due to changes in supply and demand. From January to June 2024, the China Containerized Freight Index (CCFI) had an average value of 1,364.80 points, representing a year-on-year increase of 35%. From January to June 2024, China’s port container throughput was 162 million TEUs, representing a year-on-year growth of 8.5% (4.8% in the same period of 2023); and China’s port cargo throughput was 8,563 million tonnes, representing a year-on-year growth of 4.6% (8.0% in the same period of 2023), with export cargo throughput increasing by 8.8% year-on-year.



Chapter 3 Management Discussion and Analysis

4. *Air freight demand maintained recovery with supply under pressure*

According to data from the International Air Transport Association (IATA), **on the demand side**, with the impacts of tightened maritime capacity and development of cross-border e-commerce business (according to customs statistics, in the first half of 2024, the import and export amount of China's cross-border e-commerce reached RMB1.22 trillion, representing a growth rate of 10.5%), the global air cargo demand, which is measured in cargo tonne-kilometers (CTKs*), kept robust growth, representing an increase of 14.1% year-on-year in June 2024 (of which international demand increased by 15.6%). This marks seven consecutive months of double-digit year-on-year growth, driving the global air cargo demand to record highs for the first half of the year or an increase of 13.4%. Data from the Civil Aviation Administration of China shows that civil aviation freight demand remained high in the first half of the year, with strong demand on international routes. The industry-wide cargo and mail transportation volume totaled 4.174 million tonnes, representing a year-on-year increase of 27.4% and 18.7% higher than the same period in 2019. Of which, the cargo volume on international routes amounted to 1.651 million tonnes, representing a year-on-year increase of 34.3% and 44.2% higher than the same period in 2019. **On the supply side**, the air cargo capacity, which is measured in available cargo tonne-kilometers (ACTKs), grew by 8.8% year-over-year in June 2024 (of which international capacity increased by 10.8%). As cargo demand continues to rise, airlines face a shortage of large freighter capacity, exacerbated by delays in freighter production and delivery by aircraft manufacturers. **In terms of freight rates**, short-term air freight rates in the Asia-Pacific region have risen by 40% compared to the same period in 2023. The peak shipping period in June saw average freight rates for flights between China and the U.S. reach US\$5.27 per kilogram. Although lower than the peak of US\$7.78 per kilogram in December last year, this rate is still double of the level of 2019.

5. *China-Europe Railway Express achieved remarkable growth in both quantity and quality and China-Laos Railway continued to grow*

In the first half of 2024, the China-Europe Railway Express launched a total of 9,627 trains and transported 1.041 million TEUs of goods throughout the period, representing a year-on-year increase of 12% and 11%, respectively. The trains via the three main transportation routes of the China-Europe Railway Express in the West (via Alashankou and Horgos port), Central (via Erenhot port), and East (via Manzhouli, Suifenhe, and Tongjiang North port) saw year-on-year increases of 13%, 20%, and 5%, respectively. The southern route of the China-Europe Railway Express launched a total of 111 trains, a 15-fold increase year-on-year. Domestically, there are 91 scheduled China-Europe Railway Express routes operating at speeds of 120 kilometers per hour, connecting 61 cities within China. The scale of fixed schedule for the China-Europe Railway Express increased from 5 to 17 trains per week. In the first half of 2024, Kunming Customs reported that the import and export freight volume of Chain-Laos Railway has reached 2.761 million tonnes, representing a year-on-year increase of 28.6%.

Chapter 3 Management Discussion and Analysis

II. ANALYSIS OF CORE COMPETITIVENESS

✓Applicable Not applicable

1. Well-established Service Network and Abundant Logistics Resources

The Group has an extensive and comprehensive domestic and overseas service network. The domestic service network covers 32 provinces, autonomous regions, municipalities and special administrative areas in China. Domestically the Group owns more than 13 million sq.m. of land resources, including more than 4 million sq.m. of warehouses, approximately 2 million sq.m. of yards and 11 river terminals with more than 4,400 meters of coastal line resources; while also operates over 4 million sq.m. of rented warehouses and approximately 700 thousand sq.m. of rented yards. The self-owned overseas network of the Group covers 43 countries and regions with 68 self-owned business outlets worldwide, providing customers with access to global logistics services.

2. A Clear and Definite Strategic Path, and a Network-wide Operation System of Strong Customers, Strong Products, and Strong Operations

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

Chapter 3

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3. Strong Capabilities for Logistics Solutions

Inheriting more than 70 years of deep cultivation and accumulation in the field of international freight forwarding and integrated logistics, the Company forms strong logistics operation, coordination and resource integration capabilities, as well as extensive operating experience in improving the deployment of cargo and equipment of all aspects of production, manufacturing and engineering projects of customers, the Company is able to deliver manufacturing resources scattered around the world to designated locations as scheduled. For operations, the Company has experienced expert teams, and overseas teams familiar with the import and export policies of various countries. They can integrate and coordinate the logistics resources in various areas, formulate customized and whole supply chain solutions, which include all complicated logistics segments and implement integrated network-wide operation. The Company is committed to building a highly adaptable and flexible supply chain logistics service system. It focuses on key industries, including consumer products and retail, automobile and industrial manufacturing, electronics and high-tech products, medical and health, engineering and energy, chemical, cold chain, etc., and is able to provide tailor-made comprehensive, end-to-end global trade compliance logistics solutions and efficient, reliable and sustainable supply chain support to numerous industry-leading customers and their upstream and downstream partners. It also meets the digital transformation needs of its customers, leveraging its existing digital and automation capabilities to provide high value-added services. The Company has accumulated extensive industry-oriented and innovative green services experience and has established industry-leading advantages in full-value chain logistics services, and has made positive exploration and contributions to promote the integrated development of logistics and manufacturing, demonstrated the undertaking of the responsibilities as a leading logistics enterprise.

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

Chapter 3 Management Discussion and Analysis

5. Leading Industry Position, Good Brand Image and Profound Resources of Brand Customers and Suppliers

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

6. Strengthen the empowerment of technological innovation and the development of green logistics, promote business transformation and upgrading

Sinotrans has accelerated the research and development of logistics science and technology and its productized, scale and systematic application, set up special taskforces for artificial intelligence special initiatives, focused on promoting the construction of AI large-scale model demonstration applications such as business plan generation and document processing, and the results of logistics science and technology application have been continuously emerging, with a total of 193 patents being held; Sinotrans has strengthened the support of main system construction and integration for the implementation of digital transformation, formulated special improvement plans for subsidiaries, prepared land transportation, customs business system planning, semiconductor and automotive industry solutions, promoted product and quotation management, CRM function optimization, and overseas freight forwarding operating system construction, and continuously improved the capacity building of delivery system (channels, customs, warehousing, overseas); Sinotrans has continued to carry out joint innovation with top strategic customers and continuously enhanced the stickiness of business cooperation.

Focusing on creating green logistics solutions, Sinotrans has completed the first air freight transport and international freight train “end-to-end” carbon-neutral project, and has achieved breakthroughs in the integration of green energy generation, storage and charging, and green electricity and green certificate services; Sinotrans has initiated the construction of carbon management platform, optimized the application of carbon calculators and obtained international certifications, sorted out and pushed forward the construction of benchmark zero carbon/carbon-neutral smart logistics scenarios (including parks, stations, terminals, etc.), orderly promoted the application of methanol and hydrogen energy in inland waterways, coastal, trucking transportation and other scenarios, so as to continuously enrich green logistics solutions.

Chapter 3 Management Discussion and Analysis

III. DISCUSSION AND ANALYSIS OF BUSINESS PERFORMANCE

(I) Overall Operations during the Reporting Period

In the first half of 2024, affected by a number of factors including frequent regional hotspot events, rising pressure from global debts, high interest rates and inflation, the **international economy** has showed weak recovery momentum, the global economy grew steadily with weak growth rate, and the international election year has brought greater uncertainty to the overall international situation. The **domestic economy** continued to rebound with a positive trend, but still experienced a series of challenges, such as lack of effective demand, great operating pressure in the market, numerous latent risks in key areas, and unsmooth domestic circulation. In terms of the **international logistics industry**, due to the increase in the international trade driven by the mild recovery of external demand and the disturbance in key shipping passages, the bargaining power of the capacity supply side has been enhanced and the international sea and air freight rates showed an upward trend in the first half of the year. In terms of the **domestic logistics industry**, the impact of insufficient domestic demand, the transfer of some industries and cost management over logistics by customers on the contract logistics has been showed in the first half of the year.

In the first half of 2024, confronted by the complicated severe economic conditions at home and abroad, the Company adhered to the strategic focus, seized the market share and achieved double-digital growth in the business volume of major business segments and steady improvement in the revenue. In the first half of 2024, the Group achieved a revenue of RMB56.368 billion, representing a year-on-year increase of 17.19%, except for the influence from the business volume, the freight rates also contributed to the increase of revenue; and the net profit attributable to shareholders of the Company was RMB1.945 billion, representing a year-on-year decrease of 11.02%, which was mainly due to the decline of profit amid the weak domestic market demand and the intensified competition, coupled with customers' tighter control in logistics costs.

1. Building cohesive consensus and gathering strength through strategic guidance to comprehensively promote the transformation and reform

The digital transformation is characterized by faster pace, deeper extension and more results. **First, the Company continued to improve the system construction.** The coverage of **the customer management system** continued to increase, with nearly 800 new customers; **the product management system** promoted the design of product operation organization and operation management mechanism in an orderly manner; **the delivery management system** has launched a logistics control tower for land freight business. **Second, the Company continued to deepen organizational transformation.** The Company promoted regional integration and consolidation of logistics segments, further optimizing resource allocation and strengthening headquarters capabilities.

Chapter 3 Management Discussion and Analysis

2. Optimizing the stock and expanding the increment through strategic marketing to continue to expand the market scale

The Company understood thoroughly the changes in customer demand and effectively expanded customers in domestic and foreign markets. The revenue from the strategic customers and core customers of the Company increased year-on-year. **The domestic market continued to accelerate to the “new” force.** The Company integrated its own advantageous resources, sought business increment from the existing markets, won the bid for new businesses of several strategic customers, built a new energy industry ecosystem, created green logistics and transportation products and green energy supply solutions, and promoted the upgrading of cooperation with strategic customers. **The resilience of overseas supply chains continued to be enhanced.** The Company and strategic customers promoted the construction of an end-to-end flexible supply chain network covering 48 countries in Europe and the service coverage in more than 20 countries in Latin America, and enhanced the full-chain capability of overseas services. The Company created overseas localized characteristic products, launched “trade and transportation warehouse” integrated pre-warehouse products, and provided comprehensive supply chain service solutions.

3. Injecting vitality and optimizing allocation through resources integration to promote innovation of business model

The Company unswervingly promoted the transformation of “new carrier” model, and constructed and controlled the core capacity pool and key logistics resources in various forms. The **sea freight channel** gradually improved its control over channel resources by means of cabin booking, price locking and joint venture. The **air freight channel** operated 10 all-cargo air routes, achieving a controllable capacity of 132,000 tonnes, representing a year-on-year increase of 24.53%, and the air channel’s business volume amounted to 533,000 tonnes, representing a year-on-year increase of 24.8%. The self-operated platform of the **land freight channel** carried out centralized capacity procurement, achieving cost reduction and efficiency increase, and the percentage of the capacity of the self-operated international freight trains was 48%. The **trucking channel** continued to take the adjustment of multi-capacity structure and the optimization of capacity resources as the basis and strengthened centralized capacity procurement to help business growth and reduce costs and increase efficiency.

4. Controlling cost and strengthening the foundation through the improvement in quality and efficiency to achieve cost reduction and efficiency improvement

The Company continued to implement effective measures for quality and efficiency enhancement, strictly controlled costs and expenses, and achieved cost reduction and efficiency improvement through centralization procurement and lean operation. In the first half of the year, the total selling expenses and administrative expenses declined by RMB125 million year-on-year.

Chapter 3 Management Discussion and Analysis

5. *Enhancing strengths and shaping advantages through technological innovation to demonstrate innovative results*

The Company actively explored the development of a new “AI+ logistics” model, established a special working team for AI projects, accelerated the research, development, productisation, scaling and systematic application of logistics technology, focused on promoting the demonstration and application of AI big model, covering general knowledge Q&A, business proposal generation, documents processing and others, and successful application of logistics technology constantly emerged. **The Company further strengthened the joint innovation with strategic customers**, launched the research and development of joint innovation project for 2024 with strategic customer, accelerated the construction of innovative ecosystem, and promoted the pioneering “end-to-end” carbon neutrality project of international freight trains. The Company promoted the application of methanol and hydrogen energy in logistics scenario with strategic partners in an orderly manner, and continuously diversified green logistics solutions.

6. *Consolidating foundation and promoting development through support systems to improve management efficiency*

The construction of management team continued to be optimized, with a view to select the comprehensive management talents and improve the normal cultivation mechanism of outstanding middle and senior management personnel, among which, the proportion of the generation after 80s continued to increase. The Company constantly promoted the “double hundred” talent plan and improved the normal cultivation mechanism of excellent middle and senior management personnel. **Risk and safety management continued to be deepened**. The Company continued to strengthen security, credit control and overseas risk prevention and control by comprehensively promoting the construction of intelligent fire protection system, popularizing and optimizing credit management system, deepening systems in key areas and developing authority list, and adopting other measures.

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

Logistics

In the first half of 2024, the external revenue from the Group’s logistics business amounted to RMB15,214 million, increased by 3.02% as compared with that of the corresponding period of last year, which was mainly due to the Company’s proactive approach in market development and achievement of increasing business volume to partially offset the impact of price fall in the context of sluggish domestic demand and intensified market competition. The segment profit amounted to RMB409 million, decreased by 26.77% as compared with that of the corresponding period of last year, because the price of the newly signed service contracts has been lowered, while the fixed costs of the business are rigid, resulting in a decline in the profit level.

Forwarding and Related Business

In the first half of 2024, the external revenue from the Group’s forwarding and related business amounted to RMB35,028 million, representing an increase of 22.44% as compared with that of the corresponding period of last year, which was mainly due to the growing business volume in major sub-segments and the increase of freight rates. The segment profit amounted to RMB1,229 million, which was basically flat as compared with that of the corresponding period of last year. Among which, the profit of sea and air freight forwarding business recorded a growth, while the profit of railway freight forwarding business declined due to the decrease in price thereof.

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E-commerce Business

In the first half of 2024, the external revenue from the Group's e-commerce business amounted to RMB6,125 million, representing an increase of 29.72% as compared with that of the corresponding period of last year, which was mainly due to the increase in air freight rates and the growth volume of cross-border e-commerce logistics business. The segment profit amounted to RMB114 million, representing an increase of 29.28% as compared with that of the corresponding period of last year, which was mainly driven by the growing business volume.

RMB million		1H 2024	1H 2023
Logistics			
Contract Logistics	Revenue	11,870	11,386
	Segment Profit	335	428
Project Logistics	Revenue	1,976	1,755
	Segment Profit	7	53
Chemical Logistics	Revenue	927	1,001
	Segment Profit	67	65
Cold Chain Logistics	Revenue	280	296
	Segment Profit	-23	-16
Forwarding and Related Business			
Sea Freight Forwarding	Revenue	25,518	19,949
	Segment Profit	484	444
Air Freight Forwarding	Revenue	4,131	3,116
	Segment Profit	114	105
Railway Freight Forwarding	Revenue	5,425	4,232
	Segment Profit	39	120
Shipping Agency	Revenue	2,647	2,413
	Segment Profit	280	267
Storage and Yard Operation	Revenue	1,942	1,715
	Segment Profit	185	196
<i>Air Channel*</i>	<i>Revenue</i>	9,052	7,312
	<i>Segment Profit</i>	188	152
E-commerce Business			
Cross-border E-commerce Logistics	Revenue	4,921	4,196
	Segment Profit	74	47
Logistics Equipment Sharing Platform	Revenue	73	83
	Segment Profit	27	36
Logistics E-commerce Platform	Revenue	2,722	1,776
	Segment Profit	13	6

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

Chapter 3 Management Discussion and Analysis

(III) Operation Statistics of Principal Business

In the first half of 2024, the volume of **contract logistics** was 24.49 million tonnes (21.28 million tonnes in 1H 2023); the volume of **project logistics** was 3.30 million tonnes (2.94 million tonnes in 1H 2023); the volume of **chemical logistics** was 1.86 million tonnes (1.69 million tonnes in 1H 2023); the volume of **cold chain logistics** was 0.44 million tonnes (0.44 million tonnes in 1H 2023).

In the first half of 2024, the volume of **sea freight forwarding** was 7.45 million TEUs (6.25 million TEUs in 1H 2023); the volume of **air channel** was 533 thousand tonnes (including 120 thousand tonnes of cross-border e-commerce logistics business), which was 427 thousand tonnes in 1H 2023 (including 96 thousand tonnes of cross-border e-commerce logistics business); the volume of **rail freight forwarding** was 284 thousand TEUs (219 thousand TEUs in 1H 2023); the volume of **shipping agency** was 31,647 vessel calls (30,643 vessel calls in 1H 2023); the volume of **storage and yard operation** was 11.50 million tonnes (10.79 million tonnes in 1H 2023).

In the first half of 2024, the volume of **cross-border e-commerce logistics** was 117.03 million shipments (153.66 million shipments in 1H 2023); the volume of **logistics e-commerce platform** was 1.27 million TEUs (1.10 million TEUs in 1H 2023); the volume of **logistics equipment sharing platform** was 84 thousand TEUs/day (86 thousand TEUs/day in 1H 2023).

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

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 Reporting Period	Amount for the same period of last year	Change (%)
Operating income	56,367,697,848.32	48,098,846,577.08	17.19
Operating cost	53,463,409,924.35	45,083,505,489.24	18.59
Selling expenses	486,348,242.06	517,653,080.89	-6.05
Administrative expenses	1,501,363,787.53	1,595,487,989.04	-5.90
Finance costs	126,608,208.81	40,075,298.09	215.93
Research and development expenses	77,293,608.06	25,876,391.87	198.70
Net cash flows from operating activities	-1,648,411,275.83	678,373,850.02	-342.99
Net cash flows from investment activities	-622,975,331.90	-797,301,429.64	N/A
Net cash flows from financing activities	-2,656,413,638.26	-1,463,280,051.60	N/A

Chapter 3 Management Discussion and Analysis

The change in operating income and operating cost was mainly due to the year-on-year increase in the Group's operating income and costs resulted from the increasing business volume and the rising freight rates.

The change in selling expenses and administrative expenses was mainly due to the further enhancement of cost control during the Reporting Period, which resulted in the year-on-year decline of both selling expenses and administrative expenses.

The change in finance costs was mainly due to the year-on-year decrease in foreign exchange gains from USD-denominated net assets held by the Group resulted from the fluctuations of exchange rate.

The change in research and development expenses was mainly due to the increase in expensed R&D investment during the Reporting Period.

The change in net cash flows from operating activities was primarily due to, on the one hand, the increase in accounts receivable as a result of rapid revenue growth, and on the other hand, the expansion of net cash outflow as compared with that of the corresponding period of last year triggered by the enlarged scale of prepayments for charter flights and railway transportation.

The change in net cash flows from investment activities was primarily due to the outflow effect of the cash paid for purchase and construction of fixed assets, intangible assets and other long-term assets as well as the cash paid for investments.

The change in net cash flows from financing activities was primarily due to the increase in the cash outflows for repayment of debts 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



Chapter 3 Management Discussion and Analysis

(III) Analysis of Assets and Liabilities

✓Applicable □Not applicable

1. Assets and Liabilities

Item	Amount at the end of the Reporting Period	Amount at the end of the Reporting Period as a percentage of total asset (%)	Amount at the end of last year	Unit: RMB	
				Amount at the end of last year as a percentage of total assets (%)	Change of the amount at the end of the Reporting Period as compared to that of last year (%)
Cash and bank balances	8,946,298,830.76	11.54	13,964,177,974.41	18.40	-35.93
Accounts receivable	17,223,359,849.70	22.23	12,327,492,866.76	16.24	39.72
Short-term borrowings	1,932,940,325.21	2.49	610,217,777.09	0.80	216.76
Dividend payables	1,130,164,179.84	1.46	69,477,271.80	0.09	1,526.67
Non-current liabilities due within one year	2,942,893,285.75	3.80	5,211,189,002.62	6.87	-43.53
Long-term borrowings	3,190,900,396.35	4.12	2,355,004,648.70	3.10	35.49
Estimated liabilities	103,038,497.66	0.13	151,935,993.70	0.20	-32.18

Other explanation

The change in cash and bank balances was primarily due to the debt repayment and the increase in working capital expenses as a result of revenue growth at the end of the Reporting Period.

The change in accounts receivable was primarily due to the increasing business volume and the rising freight rates, leading to revenue growth and the increased accounts receivable.

The change in short-term borrowings was primarily due to the adjustment of debt structure, with additional short-term borrowings amounting to RMB1,200 million during the Reporting Period.

The change in dividend payables was primarily due to the dividend for 2023 declared during the Reporting Period which is not yet paid at the end of the Reporting Period.

The change in non-current liabilities due within one year was mainly due to the repayment of long-term borrowings due within one year made by the Group at the end of the Reporting Period.

The change in long-term borrowings was primarily due to the adjustment of debt structure during the Reporting Period, with additional borrowings amounting to HK\$700 million on the basis of repayment of long-term borrowings falling due.

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

Chapter 3 Management Discussion and Analysis

2. Overseas Assets

Applicable Not applicable

(1) *Asset Size*

Including: overseas assets of RMB20,272 million, accounting for 26.71% 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 IX. 24 to the Financial Statements in “Chapter 11 Financial Report” of this Report.

4. Other Description

Applicable Not applicable

Chapter 3 Management Discussion and Analysis

(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 RMB9,970 million, representing an increase of RMB833 million as compared to RMB9,137 million at the beginning of the year, representing an increase of 9.11%, primarily due to the adjustment of the book value of the Group's long-term equity investment according to the operating conditions of DHL-Sinotrans International Air Courier Ltd., Loscam International Holdings Co., Ltd. and other joint ventures and associates 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 Category	Opening balance	Gains and losses from changes in fair value for Reporting Period	Accumulated changes in fair value recognised in equity	Impairment accrued during the Reporting Period	Acquisition during the Reporting Period	Disposal/redemption during the Reporting Period	Other changes	Closing balance
Equity securities	110,321,447.76	-12,760,961.67	694,065.02					98,254,551.11
Others	1,739,827,558.17					47,429,862.10		1,787,257,420.27
Total	1,850,149,005.93	-12,760,961.67	694,065.02			47,429,862.10		1,885,511,971.38

Chapter 3 Management Discussion and Analysis

Securities Investment

Applicable Not applicable

Unit: RMB

Type of securities	Stock code	Stock abbreviation	Initial investment	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	21,172,941.98		115,383.88				21,288,325.86	Other equity instrument investments
Equity securities	HK02618	JD Logistics	184,647,154.48	Self-financing	88,628,316.00	-12,722,500.00	578,444.00				76,484,260.00	Other non-current financial assets
Equity securities	SH600179	Antong Holdings	777,684.20	Self-financing	415,522.50	-28,255.53					387,266.97	Held-for-trading financial assets
Equity securities	SZ001872	China Merchants Port	15,570.07	Self-financing	33,163.74		237.14				33,400.88	Held-for-trading financial assets
Equity securities	SZ002766	Soling	121,222.65	Self-financing	56,156.80	-6,285.44					49,871.36	Held-for-trading financial assets
Equity securities	SZ600221	HNA	21,955.92	Self-financing	15,346.74	-3,920.70					11,426.04	Held-for-trading financial assets
Total	/	/	193,660,458.92	/	110,321,447.76	-12,760,961.67	694,065.02	-	-	-	98,254,551.11	/

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

Chapter 3 Management Discussion and Analysis

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

Applicable Not applicable

1. Major Subsidiaries Controlled by the Company

Company Name	Nature of business	Registered Capital	Share holding (%)	Total assets (RMB: ten thousand)	Net assets (RMB: ten thousand)	Operating income (RMB: ten thousand)	Net profit (RMB: ten thousand)
Sinotrans Logistics Co., Ltd.	Logistics	1,444,000,000.00	100	2,335,800.53	834,059.22	930,663.73	16,766.40
Sinotrans Air Transportation Development Co., Ltd.	Air freight forwarding and cross-border e-commerce logistics	905,481,720.00	100	1,201,982.42	807,515.26	799,401.02	14,728.37
Sinotrans South China Co., Ltd.	Freight forwarding, logistics, and storage and terminal services	1,349,668,931.90	100	1,130,171.28	447,891.93	742,219.57	29,511.58
Sinotrans Eastern Company Limited	Freight forwarding, logistics, and storage and terminal services	1,120,503,439.18	100	802,550.87	336,117.93	944,417.37	22,165.86
Sinotrans Central China Co., Ltd.	Freight forwarding, logistics, and storage and terminal services	645,339,941.77	100	714,088.85	251,741.75	671,290.81	26,954.84

2. Major Joint Ventures and Associates

Company Name	Nature of business	Registered Capital	Share holding (%)	Total assets (RMB: ten thousand)	Net assets (RMB: ten thousand)	Operating income (RMB: ten thousand)	Net profit (RMB: ten thousand)
DHL-Sinotrans International Air Courier Ltd.	International express	US\$14.50 million	50	791,944.49	523,625.40	995,315.25	148,883.15
Loscam International Co., Ltd.	Pallet leasing	US\$101	45	948,176.37	524,301.59	117,583.16	19,755.10

Details of the financial information of the major joint ventures and associates of the Group are set out in Note IX.12 under "Chapter 11 Financial Report" of this Report.

(VII) Structured Entities Controlled by the Company

Applicable Not applicable

Chapter 3 Management Discussion and Analysis

V. OTHER DISCLOSURES

(I) Potential Risks

Applicable Not applicable

1. *External Political and Economic Risks*

Due to the turbulent international political situation, including Russia-Ukraine conflicts and the constant Sino-US trade friction, the external environment became more complicated and the market volatility and uncertainty continued to increase, which may adversely affect the overall development of China's logistics industry and the operating performance of the Company.

Counter measures: The Company will enhance macroeconomic and industry cycle research, closely track market changes, regularly form macroeconomic and logistics industry research, and propose targeted suggestions to enhance the Company's ability to respond to cyclical changes. Combining Sinotrans' cargo flow current situation and resource advantages, the Company will sort and analyze key market industries, the Company's strategies and core customer needs, study the layout of Channel hubs between China and key trade regions and the major countries of "the Belt and Road", and clarify the direction of channel construction of the Company and promote the implementation of the Company's strategy.

2. *Market Changes and Competition Risks*

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

Counter measures: The Company will deepen cooperation with strategic customers and core customers, promote positive growth of business volume by discovering the needs of existing customers, expand the increment by strengthening the development of new customers, new fields and new regions; strengthen strategic cooperation with core resource providers, enhance control over controllable transportation resources, and improve the service capabilities of water, land, and air transportation channels; based on channel resources and capacity building, the Company conducts exploratory research and combines them to form innovative solutions and replicate and promote such solutions, forming new competitive advantages. Meanwhile, the Company will strengthen collaborative capabilities and strive to promote synergy and integration between domestic and overseas subsidiaries, as well as among overseas subsidiaries.

Chapter 3 Management Discussion and Analysis

3. *Risks associated with product development*

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

Counter measures: the Company will improve the network layout in key regions, key nodes, and key channels to provide customers with end-to-end supply chain solutions and services during the whole process. The Company will strengthen channel capacity building and increase the proportion of self-handled and controllable goods, contributing to optimizing business structure and enhancing core competitiveness. Meanwhile, by combining digital transformation and technological empowerment, the Company will develop products of water, land and air transportation, and drive operational and management model transformation.

4. *Overseas Business Risk*

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

Counter measures: The Company will optimize its overseas risk control mechanisms, strengthen internal management, as well as identify key risk control measures for key companies, key businesses and key fields. The Company will enhance the control of country-specific risks in overseas projects, conduct risk assessments for new projects, comprehensively utilize various measures to prevent and control relevant risks, focus on improving foreign exchange planning capabilities, utilize exchange rate management systems to empower precise management of foreign currency positions, strengthen the investigation and monitoring of high level compliance-risk businesses, and continuously improve compliance management practices.

5. *Credit Receivable Risk*

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

Counter measures: The Company will continue to improve its relevant systems of credit risk management, and clarify and upgrade specific standards and requirements such as collection and claims and liabilities protection measures, and ensure the effective implementation of daily customer credit control management work. By promoting the adjustment of customer structure, the Company will also strengthen the systematic management for the whole chain from credit granting to payment collection. Besides, by continuous optimization and upgrading of information technology means, the Company will closely track the risks during the performance process and regularly monitor the credit status of the contract counterparty, so as to ensure tracking and early alerting in the process while accelerate the efficiency of customer payment collection, thereby effectively reducing the risk of bad debts.

Chapter 3 Management Discussion and Analysis

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

In the second half of the year, confronted by the complicated and changeable international situation, insufficient effective domestic demand, divergence in economic operation, several latent risks in key areas, and pains in the transformation from old to new drivers, we will adhere to strategic focus, insist on the principle of striving a balance between stability and progress, paying equal attention to quantity and quality, combining heavy and light assets, replacing the old with the new drivers and entering and exiting in an orderly manner, vigorously develop new quality productivity, and comprehensively promote various key tasks.

1. *Paying equal attention to quantity and quality to make great efforts to implement key annual tasks*

Firstly, we will strengthen management and control, comprehensively promote the implementation of the control of accounts receivable and cash flow, and promote the continuous improvement of relevant financial indicators. **Secondly, we will develop the market**. On the basis of in-depth insight into customer needs, we will focus on the leading customers to stabilize fundamentals and optimize costs to meet the needs of small and medium-sized customers. We will anchor the strategic marketing direction, continue to exploit new tracks, improve the customer management capability through model optimization, improve the strategic marketing efficiency through innovation driving, and promote the improvement of goods control capability.

2. *Moving forward to accelerate the process of comprehensive digital transformation quickly but steadily*

The customer relation management system will strive to achieve online units covering 45% of the Company's business revenue during the year. **The product management system** will complete the productization pilot of certain regions of air freight, sea freight and railway freight, and realize the closed loop of business management process and system operation process. **The delivery management system** will complete the full coverage of major business lines by the standardization system document.

3. *Gradually spreading out to comprehensively promote the new carrier model*

The **air freight** will continue to improve the results of the "new carrier" model. **On the capacity side**, we will focus on the cooperation with strategic resources parties, and actively explore the capacity resources in Central and Eastern Europe, Central and South America, Southeast Asia and the Middle East on the basis of solidifying the advantages of European and American air routes; **At both ends**, we will build the collection and distribution service capabilities by focusing on the two core domestic regions of Jiangsu-Zhejiang-Shanghai, and the Guangdong-Hong Kong-Macao Greater Bay Area, as well as key overseas regions such as Liege in Belgium and Budapest in Hungary.

The **sea freight, on the trunk line**, we will continue to deepen the strategic cooperation with core shipping companies, focusing on strengthening the construction of sea freight channels in the Middle East, Southeast Asia, Japan and South Korea, and actively expanding the sea freight channels in India, Pakistan and Europe to achieve sustained growth in controllable capacity; **At both ends**, we will continue to strengthen resource investment and capacity building in key overseas regions.

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Management Discussion and Analysis

The **railway freight** will increase operating platforms and key routes, and strengthen the management of controllable capacity. Firstly, we will strengthen the construction of railway channels and products, and actively strive to construct platforms for self-operating freight trains. Secondly, we will strengthen the construction of railway channels and products, as well as the centralized procurement and capacity management at the headquarters, to ensure 100% centralized procurement by the headquarters of the self-operated platform business of China-Europe Railway Express, and continue to empower trunk lines to reduce costs and increase efficiency. Thirdly, we will actively and innovatively build railway products, stabilize the product scale of China-Laos-Thailand express line, and accelerate the exploration of railway less-than-container-load (LCL) products and sea-rail combined end-to-end railway products, so as to lay a solid foundation for large-scale operation.

The **trucking channel** will achieve sustained growth in scale and controllable capacity. We will strengthen the market competitiveness of advantageous trucking lines and realize the sustained growth of controllable capacity. At the same time, we will introduce high-quality suppliers and high-grade social capacity, and consolidate our control over multi-resource capacity. The annual target of active capacity on the SDCC platforms is 250,000 units.

In terms of resource allocation, we will closely follow the “going global” pace of Chinese enterprises to invest in key logistics nodes and overseas circulation facilities in key regions, build global distribution centers and create a resource allocation system of “combining light and heavy assets, and entering and exiting in an orderly manner”.

4. *Deepening the reform to deeply promote deep-seated organizational change*

In terms of organizational support, we will implement and strengthen the goal of overall operational capability of the headquarters around the product system, and promote the top-level design of business operation organization. We will focus on the new carrier model to research and build a strategic implementation organization system that permeates into business entities. **In terms of integration**, we will improve the coordinated development model in Hong Kong and promote the resource allocation of the logistics segment. **In terms of regional optimization and adjustment**, we will promote the regional resource integration, and build an integrated product, service and operation system with business opportunity management, controllable capacity and operation capability extending at both ends as the core.

5. *Making continuous efforts to accelerate the innovation-driven development of multi-tracks*

Firstly, we will strengthen customer orientation to lead technological innovation, strengthen joint innovation with customers, and continuously improve the logistics service capabilities. **Secondly, we will focus on the R&D and application of strong AI technology**, and form three AI demonstration applications, namely general questions and answers, commercial plans and document processing. **Thirdly, we will build an independent and controllable core technology system** and continuously improve the independent research and development capabilities of core technologies.

Chapter 3 Management Discussion and Analysis

(III) Other Disclosures

Applicable Not applicable

1. **Income Tax**

During the Reporting Period, the Group's income tax expenses amounted to RMB414 million, representing a decrease of 23.43% as compared to RMB540 million for the corresponding period of last year, mainly due to the decrease in profit.

2. **Capital Expenditures**

During the Reporting Period, the Group's capital expenditure amounted to RMB696 million, among which RMB384 million was used for the construction of infrastructures, ports and terminals facilities and other projects, RMB138 million was used to purchase land use right and software, RMB154 million was used to purchase assets such as machineries, containers and vehicles, and RMB20 million was used for renovation and improvement of assets.

3. **Securities Investment**

As at 30 June 2024, the listed equity investments held by the Group was RMB98 million, the details of which are set out in Note IX. 2, 13, 14 to the Financial Statements under "Chapter 10 Financial Report" of this Report.

4. **Contingent Liabilities and Guarantees**

As at 30 June 2024, contingent liabilities mainly comprised outstanding lawsuits of the Group arising from its ordinary course of business amounting to RMB90 million (31 December 2023: RMB138 million).

Please see "XI. MATERIAL CONTRACTS AND PERFORMANCE – 2. Significant Guarantees Performed and Unfulfilled During the Reporting Period" under "Chapter 6 Significant Matters" of this Report for details of the guarantees.

5. **Borrowings and Bonds**

As at 30 June 2024, the Group's total borrowings amounted to RMB5,349 million (31 December 2023: RMB5,360 million), which comprised 2,927 million denominated in RMB, 287 million in US dollars, 1,496 million in Euro and 639 million in Hong Kong dollars. Of the above borrowings, RMB2,159 million was payable within a year.

As at 30 June 2024, the Group's total bonds payable amounted to RMB2,058 million (31 December 2023: RMB4,066 million). The above bonds was payable within a year.

Details of borrowings and bonds of the Group as at 30 June 2024 are set out in Note IX. 26, 35, 36 to the Financial Statements under "Chapter 10 Financial Report" of this Report.

Chapter 3 Management Discussion and Analysis

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”.

7. **Debt-to-Asset Ratio**

As at 30 June 2024, the debt-to-asset ratio of the Group was 47.17% (31 December 2023: 47.13%), which was calculated by dividing total liabilities by total assets of the Group as at 30 June 2024.

8. **Government Subsidies**

During the Reporting Period, government subsidies received by the Group in relation to income amounted to RMB996 million in total, details of which are set out in Note IX. 63 to the Financial Statements under “Chapter 10 Financial Report” of this Report.

9. **Employees**

Number of employees: 31,810 as at 30 June 2024 (31 December 2023: 32,935).

Training plan: During the Reporting Period, the offline training of the Group accumulated to 536,485 hours with 30,759 person times, while 225,193 online courses were completed (1,151,228.26 learning hours in total). The training contents of the Group mainly included party rules and discipline, strategy and corporate culture, confidentiality and security, safety in production, employee basic work skills, employee business knowledge, management skills and leadership improvement, new employee induction, 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 employee development.

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 IX. 30 and 39 to the Financial Statements under “Chapter 10 Financial Report” of this Report.

Chapter 3 Management Discussion and Analysis

10. Interim Dividend

(1) Interim dividend plan and schedule

Pursuant to the authorization of the 2023 Annual General Meeting, the Board has considered and approved the Resolution in Relation to Profit Distribution Plan for the First Half of 2024 at the 2nd meeting of the fourth session of the Board. The Company will pay the 2024 interim dividend of RMB0.145 per Share (tax included) in cash, based on the total share capital registered on the record date of the equity distribution (the Shares in the special account for repurchase of the Company deducted). As at the date of this Interim Report, the total share capital was 7,294,216,875 Shares, deducting the 28,262,936 A Shares in the special account for repurchase of the Company, based on which, the total interim dividend payout is expected to be RMB1,053,563,321.16 (tax included), accounting for 54.17% of the net profit attributable to the shareholders of the Company in the first half of 2024. For the details, please refer to the Announcement on the Profit Distribution Plan for the First Half of 2024 disclosed by the Company on the website of the SSE (www.sse.com.cn).

Pursuant to the Articles of Association of the Company, dividends payable to the holders of A Shares of the Company shall be paid in RMB, and 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 2024 for H Share 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 (28 August 2024) before the date of approved distribution of the first half of 2024 dividend by the Board, namely $\text{RMB}1 = \text{HK}\$1.09555$. Accordingly, the amount of interim dividend for each H Share of the Company is HK\$0.15885. The recommended interim dividend will be paid on or before 15 October 2024 to the Shareholders as registered on the record date.

Chapter 3 Management Discussion and Analysis

The record date of H shareholders for the interim dividend is at the close of business on 17 September 2024. For determining the entitlement to the interim dividend, the register of members of the Company will be closed from 12 September 2024 to 17 September 2024, 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 11 September 2024, 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.

The Company will withhold and pay on behalf of the individual holders of H Share 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 non-foreign 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.

Chapter 3 Management Discussion and Analysis

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 depository 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 10 Financial Report" of this Report.

12. Repurchase, Sale or Redemption of Securities

During the Reporting Period, 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

I. BRIEF INTRODUCTION OF SHAREHOLDERS' GENERAL MEETINGS

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

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

Applicable Not applicable

Explanations of general meetings

Applicable Not applicable

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

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

Chapter 4 Corporate Governance

II. CHANGES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT OF THE COMPANY

✓Applicable □Not applicable

Name	Position	Changes
Liu Zhenhua (Note 1)	Non-executive Director	Elected
Wang Xiaoli (Note 1)	Independent Non-executive Director	Elected
Ning Yaping (Note 1)	Independent Non-executive Director	Elected
Cui Xinjian (Note 1)	Independent Non-executive Director	Elected
Cui Fan (Note 1)	Independent Non-executive Director	Elected
Yang Guofeng (Note 2)	Non-executive Director	Elected
Li Xiaoyan (Note 3 and 4)	Chief Financial Officer	Appointed
Deng Weidong (Note 5)	Non-executive Director	Resigned
Liu Zhenhua (Note 2)	Non-executive Director	Resigned
Wang Taiwen (Note 1)	Independent Non-executive Director	Resigned
Meng Yan (Note 1)	Independent Non-executive Director	Resigned
Song Haiqing (Note 1)	Independent Non-executive Director	Resigned
Li Qian (Note 1)	Independent Non-executive Director	Resigned
Zhou Fangsheng (Note 6)	Independent Supervisor	Resigned
Wang Jiuyun (Note 3)	Chief Financial Officer	Resigned

Explanations of changes of Directors, Supervisors and Senior Management of the Company

✓Applicable □Not applicable

- On 7 June 2024, the 2023 Annual General Meeting of the Company considered and approved “the resolution in relation to the election of non-independent Directors” and “the resolution in relation to the election of independent Directors”, at which Mr. Liu Zhenhua was elected as non-executive Director, Ms. Wang Xiaoli, Ms. Ning Yaping, Mr. Cui Xinjian and Mr. Cui Fan were elected as independent non-executive Directors, each with a term of office for three years commencing from the date of the approval of the Shareholders at the Annual General Meeting. Mr. Wang Taiwen, Mr. Meng Yan, Mr. Song Haiqing and Ms. Li Qian were not nominated as independent non-executive Directors candidates of the fourth session of the Board because they have served or will serve consecutive terms of office for six years. Therefore, they ceased to serve as the independent non-executive directors of the Company from 7 June 2024.
- In August 2024, the Board received the resignation letter from Mr. Liu Zhenhua, the then non-executive Director, due to the work re-allocation, Mr. Liu Zhenhua resigned as the non-executive Director with effect from 8 August 2024. Accordingly, Mr. Liu Zhenhua also ceased to be the member of the Strategy Committee of the Company. On 29 August 2024, the second meeting of the fourth session of the Board considered and approved the “Proposal on the Election of the Non-executive Director”, at which, Mr. Yang Guofeng was elected as the non-executive Director, with a term of office from the date of the approval of the Shareholders at the proposed 2024 first extraordinary general meeting of the Company to the date of conclusion of the fourth session of the Board.

Chapter 4 Corporate Governance

3. In May 2024, the Board received the resignation letter from Mr. Wang Jiuyun, the then Chief Financial Officer of the Company, due to the work re-allocation, Mr. Wang Jiuyun resigned as the Chief Financial Officer with effect from 20 May 2024. On 20 May 2024, the 31st meeting of the third session of the Board considered and approved the “Proposal on the Appointment of Chief Financial Officer of the Company”, approving to appoint Ms. Li Xiaoyan as the Chief Financial Officer of the Company, with a term of office from 20 May 2024 to the date of conclusion of the third session of the Board.
4. On 11 June 2024, the first meeting of the fourth session of the Board considered and approved the “Proposal on the Re-appointment of Senior Management”, among which, Mr. Tian Lei was re-appointed as the General Counsel, with a term of office from 7 June 2024 to the date of his retirement for no longer serving as the General Counsel of the Company; the terms of office of other Senior Management are three years commencing from 7 June 2024.
5. On 18 March 2024, the Board received the resignation letter from Mr. Deng Weidong, the then non-executive Director, due to the work re-allocation, Mr. Deng Weidong resigned as the non-executive Director with effect from 18 March 2024. Accordingly, Mr. Deng Weidong also ceased to be the member of the Strategy Committee of the Company.
6. In August 2024, the Supervisory Committee received the resignation letter from Mr. Zhou Fangsheng, the then independent Supervisor, due to the reason of age, Mr. Zhou Fangsheng resigned as the independent Supervisor with effect from 8 August 2024.

III. 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)	1.45
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 II. Interim dividend”

(II) Implementation of the Profit Distribution Plan for the Year 2023

The 2023 Annual Profit Distribution Plan of the Company has been considered and approved at the 2023 Annual General Meeting of the Company on 7 June 2024. The Company distributed 2023 annual dividend of RMB0.145 per Share (tax included) to all Shareholders on the basis of 7,294,216,875 Shares of the total share capital registered deducting 28,262,936 A Shares repurchased in the special account for repurchase of the Company on the record date for the dividend distribution, the payment amounting to RMB1,053,563,321.16 (tax included) in total. The aforesaid cash dividend has been distributed on 22 July 2024.

On 19 October 2023, the Company has distributed the 2023 interim dividend of RMB0.145 per Share (tax included) in cash, the payment totaling RMB1,050,515,846.88 (tax included).

Thus, the Company’s cash dividend per Share for 2023 was RMB0.29 (tax included) in total, the payment totaling RMB2,104,079,168.04 (tax included). The Company’s annual cash dividends for 2023 is approximately RMB2.131 billion (tax inclusive) in aggregate (including the amount of the distributed 2023 interim dividend, the 2023 annual dividend and the cash used for H Share repurchases in the year 2023), accounting for 50.47% of the net profit attributable to shareholders of the listed company in the 2023 annual consolidated financial statements.

Chapter 4 Corporate Governance

IV. 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

Summary of Events

Enquiry Index

On 29 January 2024, the Company held the 28th meeting of the third session of the Board, on which the Resolution on the Fulfillment of the Exercise Conditions for the First Exercise Period under Share Option Incentive Scheme (Phase I) of the Company and the Proposed Cancellation of Part of Share Options. The exercise conditions for the first exercise period of the Share Option Incentive Scheme (Phase I) of the Company have been fulfilled, with 176 participants having fulfilled the exercise conditions for the first exercise period of the Share Option Incentive Scheme (Phase I) of the Company, and the Company proposed to cancel the 4,698,959 Share Options which have been granted but not yet exercised.

On 2 February 2024, upon review and confirmation of China Securities Depository and Clearing Corporation Shanghai Branch, 4,698,959 Share Options that have been granted but not yet exercised have been cancelled.

On 27 March 2024, a total of 173 participants exercised 21,017,064 Share Options which were completed the registration of share transfer in the First Exercise of the First Exercise Period under the Share Option Incentive Scheme (Phase I) of the Company.

For details, please refer to the announcements of the Company dated 29 January 2024, 2 February 2024, 28 March 2024 respectively on the websites of the SSE (www.sse.com.cn) and the SEHK (www.hkexnews.hk).

Chapter 4 Corporate Governance

(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

V. 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 by promoting the standardized and systematic management.

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 2024 to 30 June 2024 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 5 Board meetings and considered and approved 37 resolutions such as periodic reports, the profit distribution, the fulfillment of the exercise conditions, cancellation of part of Share Options, election of the new session of the Board, the appointment of chief financial officer and election of members of the special committee of the fourth session of the Board.

On 7 June 2024 and 11 June 2024, the Company held 2023 Annual General Meeting and the first meeting of the fourth session of the Board, respectively, at which the resolutions on election of the Board members and the Chairman of the Board were considered and approved. Thus, the fourth session of the Board comprised 11 Directors, including 6 non-executive Directors (the Chairman Mr. Wang Xiufeng, the non-executive Directors Mr. Liu Zhenhua, Ms. Luo Li, Mr. Yu Zhiliang, Mr. Tao Wu and Mr. Jerry Hsu), 1 Executive Director Mr. Song Rong, and 4 independent non-executive Directors (Ms. Wang Xiaoli, Ms. Ning Yaping, Mr. Cui Xinjian and Mr. Cui Fan).

Note: Mr. Liu Zhenhua resigned as the non-executive Director on 8 August 2024.

Chapter 4 Corporate Governance

(II) Changes in Information of Directors, Supervisors and Senior Management

During the Reporting Period, the Company has changed 1 non-executive Director, 4 independent non-executive Directors and 1 chief financial officer. Other than the above mentioned information, there were no disclosable changes regarding the Directors, Supervisors or the Senior Management as required by the Rule 13.51B of the SEHK Listing Rules during the Reporting Period. For details, please refer to “II. CHANGES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT OF THE COMPANY” in this chapter.

(III) Strategy and Sustainable Development Committee

On 29 August 2024, as considered and approved at the second meeting of the fourth session of the Board, the Strategy Committee was renamed as the Strategy and Sustainable Development Committee with effect from 29 August 2024. As at 30 June 2024, the Committee comprised the Chairman Mr. Wang Xiufeng (being the chairman), executive Director Mr. Song Rong, non-executive Directors Mr. Liu Zhenhua and Mr. Yu Zhiliang and independent non-executive Director Mr. Cui Xinjian. During the Reporting Period, the Strategy Committee held one meeting, at which it considered and approved the “Proposal on Improvement of Sinotrans Strategies for the 14th Five-Year Plan”.

Note 1: Mr. Deng Weidong and Mr. Song Haiqing resigned as the members of the Strategy Committee respectively on 18 March 2024 and 7 June 2024. On 11 June 2024, Mr. Liu Zhenhua and Mr. Cui Xinjian were appointed as the members of the Strategy Committee.

Note 2: Mr. Liu Zhenhua ceased to act as the member of the Strategy Committee since 8 August 2024.

Chapter 4 Corporate Governance

(IV) Audit Committee

As at 30 June 2024, the Audit Committee comprised all independent non-executive Directors of the fourth session of the Board, namely Ms. Ning Yaping (being the chairperson), Ms. Wang Xiaoli, Mr. Cui Xinjian and Mr. Cui Fan. During the Reporting Period, the Company convened 5 Audit Committee meetings and considered and approved proposals such as periodic reports, internal control evaluation reports, re-appointment of auditor and the appointment of chief financial officer.

The Audit Committee of the Company and ShineWing Certified Public Accountants LLP, the Company's auditor, have reviewed the unaudited consolidated interim financial statements of the Group for the six months ended 30 June 2024.

(V) Remuneration Committee

As at 30 June 2024, the Remuneration Committee comprised all independent non-executive Directors of the fourth session of the Board, 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 the fulfillment of the exercise conditions of the Share Option and the performance appraisal and remuneration distribution of Senior Management.

(VI) Nomination Committee

As at 30 June 2024, the Nomination Committee comprised all independent non-executive Directors and Chairman of the Board, namely Mr. Cui Xinjian (being the chairman), Mr. Wang Xiufeng, Ms. Wang Xiaoli, Ms. Ning Yaping and Mr. Cui Fan. During the Reporting Period, the Company held 3 Nomination Committee meetings, considered and approved the proposals on election of the new session of the Board and the appointment of chief financial officer and the re-appointment of Senior Management.

(VII) Supervisory Committee

On 7 June 2024, the Company held the 2023 Annual General Meeting to review and approve the proposal on the re-election of the Supervisors (with no changes in Supervisors). As at 30 June 2024, the fourth session of Supervisory Committee comprises 1 shareholder-representative Supervisor, 2 independent Supervisors and 2 staff-representative Supervisors, namely Ms. Zhang Zhiyi (being the chairperson of the Supervisory Committee), Mr. Fu Bulin, Mr. Zhou Fangsheng, Mr. Fan Zhaoping and Mr. Wang Shengyun. During the Reporting Period, the Company held 4 meetings of the Supervisory Committee, considered and approved 11 resolutions, such as periodic reports, the profit distribution, the fulfillment of the exercise conditions, cancellation of part of Share Options and election of the new session of the Supervisory Committee.

Note: Mr. Zhou Fangsheng ceased to act as an independent Supervisor since 8 August 2024.

(VIII) Model Code for Securities Transactions by Directors and Supervisors

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 and Supervisors. The Directors and Supervisors 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 and Supervisors for the six months from 1 January 2024 to 30 June 2024.

Chapter 5 Environment and Social Responsibility

I. ENVIRONMENTAL INFORMATION

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

Applicable Not applicable

(II) Explanation on Environmental Protection of Companies other than Key Pollutant Discharging Units

Applicable Not applicable

1. Particulars of administrative penalties due to environmental issues

Applicable Not applicable

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

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

Applicable Not applicable

The Company is not a key pollutant discharging entity as published by the environmental protection authorities. Sinotrans had no environmental pollution issues during the Reporting Period. The discharge of pollutants is as follows: 35.20 tonnes of oxynitride, 21.39 tonnes of oxysulfide and 794,800 cubic meters of waste water.

3. Reasons for non-disclosure of other environmental information

Applicable Not applicable

Chapter 5 Environment and Social Responsibility

(III) Subsequent Development of or Changes in the Disclosure of Environmental Information During the Reporting Period

Applicable Not applicable

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

Applicable Not applicable

Sinotrans attached great importance to energy conservation and environmental protection, conscientiously strengthened the organization and leadership of energy conservation and environmental protection, and developed a responsibility list for ecological environmental protection covering all employees. Sinotrans has developed and issued special environmental protection management systems, including the Compliance Management Measures for Corporate Pollution Permission (《公司排污許可合規管理辦法》) and the Safety Management Measures for Corporate Hazardous Waste (《公司危險廢物安全管理辦法》). Furthermore, it has established the 2024 Work Plan on the Screening and Rectification of Potential Environmental Risks (《公司2024年環境風險隱患排查整治工作方案》) to conduct a comprehensive screening and rectification of significant potential environmental risks, thus effectively enhancing measures for environmental risk prevention and control, and preventing and containing the occurrence of environmental emergencies at its best efforts. Sinotrans adopted the form of supervision and inspection by superiors, and self-examination and self-correction by subsidiaries to go deep into the first-line pollutant discharging entities to carry out screening of potential environmental risks. Targeted inspections of critical areas, key scenarios, and major pollution emission sources were carried out, focusing on identifying issues that are then systematically listed and addressed, and all subsidiaries were urged to learn from these identified issues.

Chapter 5 Environment and Social Responsibility

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

Applicable Not applicable

In the first half of 2024, Sinotrans continued to optimize its energy consumption structure, explored the application of green and low-carbon energy, created green logistics solutions and promoted green and low-carbon development. The Company mainly carried out the following work:

Firstly, advancing the optimization of energy structure and exploring the application of green and low-carbon energy. Sinotrans actively optimized its energy consumption structure and promoted the renewal and upgrading of transportation vehicles and large equipment. In the first half of 2024, the proportion of new energy forklifts has reached 84%. The electrification of loading and unloading equipment was gradually increased through measures such as adding new energy freight vehicles, reach stackers and cranes. In addition, the Company achieved successful grid connection and power generation of the green electricity project in the New Energy Vehicle Logistics Park (Shanghai) and actively promoted the use of shore power for ships at port.

Secondly, creating a green logistics solution. The Company actively carried out the green logistics strategy of Sinotrans, striving to provide customers with integrated services of “green planning, low-carbon operation and zero-carbon upgrade”. In the first half of 2024, the Company completed the first “end-to-end” and carbon-neutral project for international trains and created its first “zero-carbon” storage yard, setting a new benchmark for the green and sustainable development of the logistics industry.

Thirdly, strengthening daily energy-saving operation and control. Sinotrans actively promoted green lighting projects. The Company strengthened the monitoring of lighting facilities in the warehouse areas, adjusted the on and off time of lighting lamps according to the seasons, used LED lighting lamps in office areas and gradually retrofitted and used LED energy-saving lamps for roads and storage yards. Sensor devices were also installed to reasonably reduce the number of always-on lights, thus reducing electricity consumption.

Chapter 5 Environment and Social Responsibility

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

Applicable Not applicable

Sinotrans continued to take the China Merchants Foundation as a professional and unified public welfare platform. In the first half of 2024, it focused on supporting counties such as Qichun of Hubei and Yecheng of Xinjiang to promote rural revitalization in an all-round way in terms of sticking to revitalizing rural industries and financial assistance.

- **Hubei Qichun Industrial Revitalization Project.** The annual plan is to invest RMB3 million to support Qichun County to build a demonstration area for rural revitalization. 7 sewage treatment stations will be built in places including Zhulin Town, Datong Town, Guanyao Town, Chidong Town and Qizhou Town, aiming to address the long-standing issue of TP, TN and COD exceeding standards near Chidong Lake due to the discharge of domestic sewage.
- **Hubei Qichun Financial Assistance Project.** The annual plan is to invest RMB0.5 million to carry out anti-poverty insurance programs, enhancing the ability of low-income populations to withstand risks, which is conducive to consolidating and expanding the achievements in poverty alleviation and firmly guarding against the bottom line of large-scale return to impoverishment. The annual plan also includes an investment of RMB0.5 million for guarantee fee subsidy programs for small and micro agriculture-related enterprise, which is beneficial for promoting the development of new local business entities and encouraging more local agriculture-related entities to participate in working with and assisting farmers, yielding significant social benefits.
- **Xinjiang Yecheng “Seepage Control Canal” Construction Project.** The annual plan is to invest RMB4 million to help the planting base in Heyuan Town construct a “Seepage Control Canal” project, thus continuously working to ensure food security and promote the local characteristic and advantageous industries, and optimizing the local industrial structure.

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

Chapter 6 Significant Matters

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

Chapter 6 Significant Matters

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. 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 controlling shareholder of the Company, if the regulatory authority or the Company believes that there is substantial horizontal competition between the covenantor and the Company, the covenantor shall offer the Company the right of first refusal.
- Note 9: The covenantor shall fully support and facilitate the Company and its subsidiaries to achieve completeness of the certificates of title for assets including lands, estates and properties. After the completion of the merger by absorption, where the Company suffers actual loss from the problem that exist in the land use rights and the ownership of property assets held prior to the merger by absorption, or where there are indemnities, penalties, taxes or other fees that arise from the operation of defective land use rights and property assets by the Company and its subsidiaries after the merger by absorption, the covenantor undertakes to fully compensate the Company and its subsidiaries in a timely manner by way of cash within 30 days after the Company have determined the actual loss or relevant fees legally.
- Note 10: The covenantor shall fully support and facilitate the Company and its subsidiaries to achieve completeness of the certificates of title for assets including lands and properties. After the completion of the merger by absorption, where the Company and its subsidiaries suffer actual loss from the problems that exist in the land use rights and the ownership of property assets held prior to the merger by absorption, the Company and its subsidiaries shall be fully compensated in a timely manner by way of cash within 180 days after the Company and its subsidiaries have determined the relevant fees legally.
- Note 11: After the completion of the merger by absorption, if the Company suffers loss or assumes any responsibility from the payment issue of social insurance or housing provident fund prior to the merger by absorption, the covenantor undertakes to assume the corresponding indemnity after determining that loss or responsibility legally.
- Note 12: If the covenantor reduced its directly held shares (excluding H shares) issued by Sinotrans before the merger by absorption, the covenantor shall comply with the relevant provisions of the CSRC and the SSE on the reduction of shares.
- Note 13: For the full text of the above commitments, please refer to the “Section I Important Statements and Tips” in the “Announcement on the Listing through the merger by absorption of Sinoair by Sinotrans Limited and the Financial Statements for the Third Quarter of 2018” issued by the Company on the website of SSE (www.sse.com.cn) on 15 January 2019.

Chapter 6 Significant Matters

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

Applicable Not applicable

III. IRREGULAR OF GUARANTEES

Applicable Not applicable

IV. AUDIT OF THE INTERIM REPORT

Applicable Not applicable

V. CHANGES AND HANDLING OF MATTERS INVOLVED IN NONSTANDARD AUDIT OPINIONS OF ANNUAL REPORT IN THE LAST YEAR

Applicable Not applicable

VI. MATTERS RELATED TO BANKRUPTCY AND REORGANIZATION

Applicable Not applicable

VII. 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

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

Applicable Not applicable

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

Applicable Not applicable



Chapter 6 Significant Matters

X. 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 X to the Financial Statements under “Chapter 10 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 updated the annual caps of the provision and receiving of transportation and logistics services and leasing service with the terms 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	Annual cap of 2024	Actual amount of the Reporting Period	Annual cap of 2025	Annual cap of 2026
The provision of transportation and logistics services	25.00	5.35	32.50	42.25
The receiving of transportation and logistics services	35.00	9.13	45.50	59.15
The lease of properties and storage facilities as the lessee from the related party	6.50	1.18	7.48	8.60
The lease of properties and storage facilities as the lessor to the related party	0.40	0.09	0.46	0.53
The lease of containers and other equipment as the lessee from the related party	0.18	0.10	0.21	0.23
The lease of containers and other equipment as the lessor to the related party	2.00	0.28	2.30	2.65

Chapter 6 Significant Matters

- (2) On 26 October 2023, the Board considered and approved the resolution on the renewal of several continuing related party transactions, including a sub-proposal on 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 RMB1,781 million, and the Group's outstanding loan balance granted by the China Merchants Bank to the Group was RMB1,550 million.

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

3. Events Not Disclosed in the Temporary Announcements

Applicable Not applicable

Chapter 6 Significant Matters

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

1. **Events Disclosed in the Temporary Announcements and without Progress or Changes in Subsequent Implementation**
Applicable Not applicable
2. **Events Disclosed in the Temporary Announcements but with Progress or Changes in Subsequent Implementation**
Applicable Not applicable
3. **Events Not Disclosed in the Temporary Announcements**
Applicable Not applicable
4. **The Performance Achievements during the Reporting Period Shall be Disclosed if Undertakings on Performance is Involved**
Applicable Not applicable

(IV) Material Related Party Transactions involving Joint External Investments

1. **Events Disclosed in the Temporary Announcements and without Progress or Changes in Subsequent Implementation**
Applicable Not applicable
2. **Events Disclosed in the Temporary Announcements but with Progress or Changes in Subsequent Implementation**
Applicable Not applicable
3. **Events Not Disclosed in the Temporary Announcements**
Applicable Not applicable

Chapter 6 Significant Matters

(V) Claims and Liabilities with Related Parties

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

Applicable Not applicable

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

Applicable Not applicable

3. Events Not Disclosed in the Temporary Announcements

Applicable Not applicable

Unit: RMB

Related parties	Capital provided to related parties			Capital provided by related parties to listed company		
	Opening balance	Amount of the transaction	Closing balance	Opening balance	Amount of the transaction	Closing balance
Other companies controlled by the same parent company and ultimate controlling party	4,339,496,061.41	-764,252,588.65	3,575,243,472.76	1,131,061,418.39	782,076,987.36	1,913,138,405.75
Joint ventures and associates	570,181,161.56	374,700,518.76	944,881,680.32	565,379,114.55	1,399,903,549.57	1,965,282,664.12
Total	4,909,677,222.97	-389,552,069.89	4,520,125,153.08	1,696,440,532.94	2,181,980,536.93	3,878,421,069.87
Reasons for related claims and debts	Transactions with related companies.					
The impact of related claims and debts on the Company	Related claims and debts are conducted based on the time agreed under the contract or agreement in accordance with the financial settlement process and have no material effect on the operation results and financial position of the Company.					

Chapter 6 Significant Matters

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

Applicable Not applicable

On 26 October 2023, the Company entered into a Financial Services Agreement with the Finance Company, the term of which is from 1 January 2024 to 31 December 2026. According to the agreement, the maximum daily outstanding balance of the deposit placed by the Group with the Finance Company is RMB6 billion, the maximum daily outstanding balance of the loan (including accrued interest and handling fees) granted by the Finance Company to the Group is RMB10 billion and other financial service fees per year at the Finance Company shall not exceed RMB20 million from 2024 to 2026. During the Reporting Period, the Group's maximum daily deposit balance at Finance Company and outstanding loan balance granted by the Finance Company to the Group were RMB4,333 million and RMB287 million respectively, and the total fees of other financial service was RMB68.2 thousand.

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

1. Deposit business

Applicable Not applicable

Unit: RMB

Related party	Related relationship	The cap of daily outstanding deposit balance	Deposit interest rate range	Balances at the beginning of the Reporting Period	Amount of the transaction of the Reporting Period		Balances at the end of the Reporting Period
					Total deposits of the Reporting Period	Total withdrawals of the Reporting Period	
Finance Company	Other company controlled by the same parent company and ultimate controlling party	6,000,000,000.00	0.55%-4%	4,223,397,105.18	49,098,758,478.91	49,909,976,473.95	3,412,179,110.14
Total	/	/	/	4,223,397,105.18	49,098,758,478.91	49,909,976,473.95	3,412,179,110.14

Chapter 6 Significant Matters

2. Loan business

Applicable Not applicable

Unit: RMB

Related party	Related relationship	The cap of daily loan balance	Loan interest rate range	Balances at the beginning of the Reporting Period	Amount of the transaction of the Reporting Period		Balances at the end of the Reporting Period
					Total loans of the Reporting Period	Total repayments of the Reporting Period	
Finance Company	Other company controlled by the same parent company and ultimate controlling party	10,000,000,000.00	2.22%-3.35%	243,248,577.09	79,803,447.38	45,917,332.32	277,134,692.15
Total	/	/	/	243,248,577.09	79,803,447.38	45,917,332.32	277,134,692.15

3. Credit business or other financial business

Applicable Not applicable

Unit: RMB

Related party	Related relationship	Business type	Total	Actual amount
Finance Company	Other company controlled by the same parent company and ultimate controlling party	Comprehensive credit	8,000,000,000.00	277,134,692.15

4. Other explanation

Applicable Not applicable

(VII) Other Material Related Party Transactions

Applicable Not applicable

(VIII) Others

Applicable Not applicable

Chapter 6 Significant Matters

XI. MATERIAL CONTRACTS AND PERFORMANCE

1. Entrustment, Contracting and Leasing

Applicable Not applicable

2. Significant Guarantees Performed and Unfulfilled 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	External guarantee of the Company (excluding those provided to subsidiaries)					Whether the guarantee has been fulfilled	Is the guarantee overdue	Guarantee amount	Counter Guarantee situation	Guarantee to the related parties	Related relationships
							Type of guarantee	Main debt situation	Collateral (if any)	has been fulfilled	guarantee overdue						
Sinotrans South China Company Limited	Wholly-owned subsidiaries	Shenzhen Haixing Harbor Development Co., Ltd.	451,887,051.66	1 July 2019	1 July 2019	1 July 2037	Financing guarantee/ Joint liability	Performed Normally	Nil	No	No	No	0	No	Yes	Associates ventures	
Total guaranteed amount during the Reporting Period (excluding guarantees provided to subsidiaries)																	-7,531,450.86
Balance of total guarantees as at the end of the Reporting Period (A) (excluding guarantees provided to subsidiaries)																	451,887,051.66
Guarantees provided by the Company to subsidiaries																	
Total guaranteed amount to subsidiaries during the Reporting Period																	-49,367,991.39
Total guaranteed balance to subsidiaries as at the end of the Reporting Period (B)																	2,003,411,732.62
Total guarantees (including guarantees to subsidiaries) provided by the Company																	
Total guaranteed amount (A+B)																	2,455,298,784.28
Total guaranteed amount as a percentage of the net assets of the Company (%)																	6.00
Of which:																	
Guaranteed amount provided for shareholders, actual controller and their related parties (C)																	0
Debt guaranteed amount provided directly or indirectly to parties with gearing ratio exceeding 70% (D)																	207,240,726.57
Total guaranteed amount in excess of 50% of net asset value (E)																	0
Total guaranteed amount of the above three items (C+D+E)																	207,240,726.57
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 2024, the total credit guarantees was RMB5.272 billion.

3. Other Material Contracts

Applicable Not applicable

Chapter 6 Significant Matters

XII. PROGRESS STATEMENT ON THE USE OF RAISED FUNDS

Applicable Not applicable

XIII. EXPLANATION OF OTHER SIGNIFICANT MATTERS

Applicable Not applicable



Chapter 7

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 Security Regulatory Authorities Require to Disclose

Applicable Not applicable

(II) Changes in Restricted Shares

Applicable Not applicable

II. PARTICULARS OF SHAREHOLDERS

(I) Number of Shareholders:

Total number of ordinary Shareholders at the end of the Reporting Period (shareholders)	41,849
Of which: Total number of A Shares Shareholders	41,722
Total number of H Shares Shareholders	127
Total number of preferred Shareholders with restored voting rights at the end of the Reporting Period (shareholders)	/

Chapter 7

Changes of Shares and Particulars of Shareholders

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

Unit: Share

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

Name of Shareholders (Full Name)	Increase or Decrease during the Reporting Period	Number of Shares Held at the End of the Reporting Period	Percentage (%)	Number of Restricted Shares	Pledged, Marking or Frozen Status		Nature of Shareholders
					Shares of Status	Number	
Sinotrans & CSC Holdings Co., Ltd.	0	2,472,216,200	33.89	0	Nil	0	State-owned legal person
HKSCC NOMINEES LIMITED	168,890	2,000,744,389	27.43	0	Unknown	0	Overseas legal person
China Merchants Group Limited	0	1,600,597,439	21.94	0	Nil	0	State-owned legal person
Hong Kong Securities Clearing Company Limited (香港中央結算有限 公司)	21,502,695	167,977,738	2.30	0	Nil	0	Overseas legal person
China Reform Investment Limited (國新 投資有限公司)	78,972,708	78,972,708	1.08	0	Nil	0	State-owned legal person
Bank of China - E Fund Stable Yield Bond Securities Investment Fund (中國銀行-易方達穩健收益債券型 證券投資基金)	-12,132,630	44,078,290	0.60	0	Nil	0	Unknown
China Life Insurance Co., Ltd. - Traditional - General Insurance Products - 005L - CT001 SH (中國人壽保險股份有限公司-傳統 - 普通保險產品-005L CT001滙)	-94,020,720	41,748,379	0.57	0	Nil	0	Unknown
DEUTSCHE POST BETEILIGUNGEN HOLDING	0	35,616,000	0.49	0	Unknown	0	Overseas legal person
China Life Insurance Company Limited - Dividends - Individual Dividends - 005L - FH002 SH (中國人壽 保險股份有限公司-分紅-個人分 紅-005L-FH002滙)	-28,963,070	23,322,946	0.32	0	Nil	0	Unknown
Agricultural Bank of China Co., Ltd. - China Securities 500 Open-end Trading Index Securities Investment Fund (中國農業銀行股份有限公司-中 證500交易型開放式指數證券投資基 金)	9,843,600	18,767,472	0.26	0	Nil	0	Unknown

Chapter 7

Changes of Shares and Particulars of Shareholders

Shareholding of the Top 10 Holders of Unrestricted Shares (Excluding Shares Lent through Refinancing or restricted of Senior Management)

Name of shareholders	Number of shares unlock-up	Class and number of shares Class	Number
Sinotrans & CSC Holdings Co., Ltd.	2,472,216,200	Ordinary shares denominated in RMB	2,472,216,200
HKSCC NOMINEES LIMITED	2,000,744,389	Foreign shares listed overseas	2,000,744,389
China Merchants Group Limited	1,600,597,439	Ordinary shares denominated in RMB	1,600,597,439
Hong Kong Securities Clearing Company Limited (香港中央結算有限公司)	167,977,738	Ordinary shares denominated in RMB	167,977,738
China Reform Investment Limited (國新投資有限公司)	78,972,708	Ordinary shares denominated in RMB	78,972,708
Bank of China – E Fund Stable Yield Bond Securities Investment Fund (中國銀行－易方達穩健收益債券型證券投資基金)	44,078,290	Ordinary shares denominated in RMB	44,078,290
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)	41,748,379	Ordinary shares denominated in RMB	41,748,379
DEUTSCHE POST BETEILIGUNGEN HOLDING	35,616,000	Foreign shares listed overseas	35,616,000
China Life Insurance Company Limited – Dividends – Individual Dividends – 005L – FH002 SH (中國人壽保險股份有限公司 – 分紅 – 個人分紅 – 005L – FH002滬)	23,322,946	Ordinary shares denominated in RMB	23,322,946
Agricultural Bank of China Co., Ltd. – China Securities 500 Open-end Trading Index Securities Investment Fund (中國農業銀行股份有限公司 – 中證500交易型開放式指數證券投資基金)	18,767,472	Ordinary shares denominated in RMB	18,767,472
Explanations of the repurchase of special accounts among the top 10 shareholders		As at the end of the Reporting Period, the number of Shares held in the Sinotrans Special Securities Account for Repurchase (中國外運股份有限公司回購專用證券帳戶) was 28,262,936 A Shares, accounting for approximately 0.39% of the total issued share capital of the Company, which will be used for share options incentives.	
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		Sinotrans & CSC Holdings Co., Ltd. is a wholly-owned subsidiary of China Merchants Group Limited.	
Explanations on the shares and voting rights restored of preferred shareholders		Nil	

Chapter 7

Changes of Shares and Particulars of Shareholders

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

Applicable Not applicable

Unit: Share

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

Name of Shareholder (full name)	Number of Shares in the ordinary account and the credit securities account at the beginning of the Reporting Period		Number of Shares lending through refinancing and not yet repaid at the beginning of the Reporting Period		Number of Shares in the ordinary account and the credit securities account at the end of the Reporting Period		Number of Shares lending through refinancing and not yet repaid at the end of the Reporting Period	
	Total number	Percentage (%)	Total number	Percentage (%)	Total number	Percentage (%)	Total number	Percentage (%)
Agricultural Bank of China Co., Ltd. - China Securities 500 - Open-end Trading Index Securities Investment Fund (中國農業銀行股份有限公司- 中證500交易型開放式指數證券 投資基金)	8,923,872	0.12	2,550,600	0.03	18,767,472	0.26	637,200	0.01

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

Unit: Share

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

Shareholder (full name)	Additions/ withdrawals during the Reporting period	Number of Shares lending through refinancing and not yet repaid at the end of the Reporting Period		Number of Shares in the ordinary account, the credit securities and lending through refinancing and not yet repaid at the end of the Reporting Period	
		Total number	Percentage (%)	Total number	Percentage (%)
Agricultural Bank of China Co., Ltd. - China Securities 500 - Open-end Trading Index Securities Investment Fund (中國農業銀行股份有限公司-中證500交易 型開放式指數證券投資基金)	N/A	637,200	0.01	19,404,672	0.27

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

Applicable Not applicable

Chapter 7

Changes of Shares and Particulars of Shareholders

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

As at 30 June 2024, so far as the Directors of the Company were aware, the following parties (other than Directors, Supervisors and chief executives) had interests and short positions in the Shares of the Company which were required to be disclosed to the Company and Hong Kong Stock Exchange pursuant to the provisions in Divisions 2 and 3 of Part XV of SFO, or to be recorded in the register kept by the Company pursuant to Section 336 of SFO.

Name	Corporate interests	Class of Shares	Percentage in total issued share capital	Percentage in issued H share capital
China Merchants (Note 1)	4,072,813,639(L)	A Shares	55.84%	–
	192,478,000(L)	H Shares	2.64%	9.44%
Pandanus Associates Inc. (Note 2)	203,342,000(L)	H Shares	2.79%	9.98%
LSV ASSET MANAGEMENT (Note 3)	171,317,800(L)	H Shares	2.35%	8.40%
Brown Brothers Harriman & Co. (Note 4)	141,495,213(L)	H Shares	1.94%	6.94%
	141,495,213(P)	H Shares	1.94%	6.94%

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

- (1) As at 30 June 2024, China Merchants held 58.48% of the Company's total issued shares. China Merchants directly held 1,600,597,439 A Shares (long position), indirectly held 2,472,216,200 A Shares (long position) and 106,683,000 H Shares (long position) through Sinotrans & CSC (its direct wholly-owned subsidiary) and Sinotrans (Hong Kong) Holdings Limited (its indirect wholly-owned subsidiary), respectively, and indirectly held 85,795,000 H Shares (long position) through China Merchants Investment Development (Hong Kong) Limited (its direct wholly-owned subsidiary).
- (2) According to the Disclosure of Interests Form submitted by Pandanus Associates Inc. on the website of Hong Kong Stock Exchange, 203,342,000 H Shares (long position) are interests of corporations controlled by substantial shareholders, of which 27,670,000 H Shares (long position) are reported as unlisted derivatives settled in cash.
- (3) According to the Disclosure of Interests Form submitted by LSV ASSET MANAGEMENT on the website of Hong Kong Stock Exchange, LSV ASSET MANAGEMENT held 128,648,800 H Shares (long position) in the capacity of investment manager. 42,669,000 H Shares (long position) are deemed interest through its general partnership interest in certain limited partnerships.
- (4) According to the Disclosure of Interests Form submitted by Brown Brothers Harriman & Co. on the website of Hong Kong Stock Exchange, Brown Brothers Harriman & Co. held 141,495,213 H Shares (long position) in the capacity of agent, all of which were lending pool.

Save as disclosed above, as at 30 June 2024, so far as the Directors were aware, there were no other parties (other than Directors, Supervisors or chief executive) who had any interests and short positions in the Shares of the Company which would fall to be recorded in the register kept by the Company pursuant to Section 336 of SFO and disclosed to the Company and Hong Kong Stock Exchange pursuant to the provisions in Divisions 2 and 3 of Part XV of SFO.

Chapter 7

Changes of Shares and Particulars of Shareholders

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

Applicable Not applicable

III. PARTICULARS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

(I) Changes in Shareholding of Current and Resigned Directors, Supervisors 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
Song Rong	Executive Director, President	0	100,000	100,000	Exercise of Share Options
Li Shichu	Vice President, Secretary of the Board	0	60,000	60,000	Exercise of Share Options
Gao Xiang	Vice President, Chief Digital Officer	0	60,000	60,000	Exercise of Share Options
Wang Dupeng	Vice President	56,400	116,400	60,000	Exercise of Share Options
Wang Jian	Vice President	0	60,000	60,000	Exercise of Share Options
Tian Lei	General Counsel	0	80,000	80,000	Exercise of Share Options
Wang Jiuyun (Resigned)	Chief Financial Officer	0	60,000	60,000	Exercise of Share Options

Other situation explanations

Applicable Not applicable

During the Reporting Period, the changes in the shareholding of the Director and Senior Management were mainly due to the implementation of the first exercise of the First Exercise Period under Share Option Incentive Scheme (Phase I) of the Company. The source of exercisable Shares is A Shares repurchased by the Company from the open market.

Chapter 7

Changes of Shares and Particulars of Shareholders

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

✓Applicable □ Not applicable

Unit: Shares

Name	Position	Number of Share Options Held at the Beginning of the Reporting Period	Number of Share Options Granted During the Reporting Period	Number of Share Options Exercisable During the Reporting Period	Number of Share Options Exercised During the Reporting Period	Number of Share Options Held at the End of the Reporting Period
Song Rong	Executive Director, President	1,286,800	0	428,933	100,000	1,186,800
Li Shichu	Vice President, Secretary of the Board	768,800	0	256,267	60,000	708,800
Gao Xiang	Vice President, Chief Digital Officer	898,800	0	299,600	60,000	838,800
Wang Dupeng	Vice President	686,600	0	228,867	60,000	626,600
Wang Jian	Vice President	686,600	0	228,867	60,000	626,600
Tian Lei	General Counsel	835,800	0	278,600	80,000	755,800
Wang Jiuyun (Resigned)	Chief Financial Officer	768,800	0	256,267	60,000	708,800
Total	/	5,932,200	0	1,977,401	480,000	5,452,200

Chapter 7 Changes of Shares and Particulars of Shareholders

(III) Other Information

Applicable Not applicable

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

As at 30 June 2024, so far as the Directors of the Company were aware, the interests or short positions of the Directors, Supervisors, chief executive or their associates in the shares or debentures of the Company or any associated corporation of the Company which were required to be notified to the Company and Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of SFO (including interests and short positions which they are deemed to have under such provisions of the SFO), or which were required pursuant to Section 352 of SFO to be recorded in the register kept by the Company referred to therein, or which were required to be notified to the Company and Hong Kong Stock Exchange pursuant to the Model Code were as follows:

Name	Position	Category of Shares	Nature of interests	Number of Shares interested (Note 1)	Approximate	Approximate
					percentage of the total number of the relevant class of Shares of the Company as at 30 June 2024 (%)	percentage of the issued share capital of the Company as at 30 June 2024 (%)
Song Rong	Executive Director, President	A Shares	Beneficial Owner	1,286,800(L) (Note 2)	0.02	0.02

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

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

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

IV. CHANGES OF CONTROLLING SHAREHOLDERS OR ACTUAL CONTROLLERS

Applicable Not applicable

Chapter 8 Particulars of Preferred Shares

Applicable Not applicable



Chapter 9 Particulars of Bonds

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

(I) Corporate Bonds (Including Enterprise Bonds)

Applicable Not applicable

1. Basic Information of Corporate Bonds

Unit: Hundred million Currency: RMB

Name of bond	Short name	Date of issuance	Value date	Latest sell-back date after		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	
				31 August 2024	Maturity date										
Sinotrans Limited 2021 Corporate Bonds Publicly Issued to Professional Investors (First Tranche)	21 Sinotrans 01	188446	23 July 2021	26 July 2021	Nil	26 July 2026	20 (Note 3)	3.15 (Note 3)	Annual interest, 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 above bonds are attached with issuer's option of coupon rate adjustment, and investors' option of sell-back, effective at the end of the third year.
- In accordance with the sell-back clauses stipulated in the Prospectus for 2021 Corporate Bonds Publicly Issued to Professional Investors (First Tranche) of Sinotrans Limited disclosed on 21 July 2021, the Company released the Announcement on Coupon Rate Adjustment in 2024 in Respect of Sinotrans Limited 2021 Corporate Bonds Publicly Issued to Professional Investors (First Tranche) and the First Notice on Exercise of Sell-back Options in 2024 in Respect of Sinotrans Limited 2021 Corporate Bonds Publicly Issued to Professional Investors (First Tranche) on 28 June 2024. Holders of the "21 Sinotrans 01" corporate bonds have the options to apply for the sell-back within the sell-back record period (from 1 July 2024 to 5 July 2024), to sell all or part of the "21 Sinotrans 01" corporate bonds held by themselves back to the Company at the nominal value, being RMB100 per share of bond (exclusive of interest).
- On 23 July 2024, the Company published the Announcement on Results of Exercise of Sell-back Options in 2024 in Respect of Sinotrans Limited 2021 Corporate Bonds Publicly Issued to Professional Investors (First Tranche), stating that the size of the "21 Sinotrans 01" corporate bonds sold back is 1,980,000 board lots (10 shares per board lot, with nominal value of RMB100 per share of bond) and the amount reaches RMB1.980 billion (exclusive of interest). The Company has completed the redemption on 26 July 2024. As at the date of this Report, the balance of the "21 Sinotrans 01" corporate bonds is RMB20 million, and the coupon rate is 2.15% for the tranche of bonds that are effective from 26 July 2024 to 25 July 2026.

Chapter 9 Particulars of Bonds

Counter measure of the Company for the risk of terminating the listing transaction of the 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. Modifications, Changes and Implementation of Guarantees, Debt Repayment Plans and Other Debt Repayment Safeguard Measures during the Reporting Period and the Related Impact

Applicable Not applicable

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

Chapter 9 Particulars of Bonds

Other Explanation

After the issuance of the Corporate Bonds, the Company further strengthens the management of assets and liabilities, liquidity management and the management of the use of proceeds according to the debt structure, ensures that the funds are used as planned, and timely and fully prepares the funds for the annual interest payment and principal repayment upon maturity, so as to fully protect the interests of investors. In order to fully and effectively protect the interests of bondholders, the Company has formulated a series of work plans for 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 a set of guarantee measures to ensure the safe payment of interest and redemption of bonds.

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

Applicable Not applicable

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

Unit: RMB

Name of bond	Short name	Code	Date of issuance	Value date	Maturity date	Balance of bond	Interest rate (%)	Manner of payment of principal and interest	Transaction site	Investor suitability arrangements (if any)	Trading mechanism	Whether there is a risk of terminating the listing transaction
Sinotrans Limited First Tranche of Medium-term Notes in 2021	21 Sinotrans MTN001	102101041	7 June 2021	9 June 2021	9 June 2024	0	3.5	Annual interest, no compound interest, repayment of principal upon maturity	National Association of Financial Market Institutional Investors	Nil	Nil	No

Note: Sinotrans has repaid the principal of the "21 Sinotrans MTN001" medium-term notes and the interest accrued thereon totaling RMB2.070 billion on 7 June 2024; as at the end of the Reporting Period, the balance of the "21 Sinotrans MTN001" medium-term notes is 0.

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

Chapter 9 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. *The Implementation and Changes of Guarantees, Debt Repayment Plans and Other Debt Repayment Safeguard Measures during the Reporting Period and Related Impact*

Applicable Not applicable

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

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

Applicable Not applicable

(III) Proceeds from Corporate Bonds

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

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

Chapter 9

Particulars of Bonds

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

Applicable Not applicable

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

Applicable Not applicable

1. **Non-Operating Current Accounts and Lending**

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

As at the beginning of the Reporting Period, the balance of the Company's consolidated current accounts and lending/borrowing receivable to other parties were not directly attributable to operating activities (the "Non-Operating Current Accounts and Lending"): RMB51.7 million;

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

Yes No

As at the end of the Reporting Period, the Non-Operating Current Accounts and Lending not recovered total: RMB50.3 million

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

As at the end of the Reporting Period, the ratio of the consolidated Non-Operating Current Accounts and Lending not recovered to the consolidated net assets: 0.12%

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

Chapter 9 Particulars of Bonds

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

Fully implemented Not fully implemented

2. Debt Situation

(1) Interest-bearing debts and the related changes

1.1 Debt structure

The balance of the Company's headquarters' interest-bearing debts amounted to RMB4,655 million as at the beginning of the Reporting Period and RMB3,837 million as at the end of the Reporting Period, indicating a decrease of 17.57%.

Unit: Hundred million Currency: RMB

Categories of interest-bearing debts	Past due	Maturity	Over six months	Aggregate amount	Proportion in interest-bearing debts (%)
		Within six months (inclusive)			
Unsecured debentures		20.58		20.58	53.63
Bank loans			12.67	12.67	33.02
Other interest-bearing debts		0.20	4.92	5.12	13.35
Total		20.78	17.59	38.37	—

In the unsecured debentures subsisting as at the end of the Reporting Period, the balance of corporate bonds is RMB2,058 million, among which, RMB2,038 million was repurchased and redeemed in July 2024, the balance of enterprise bonds is RMB0, and the balance of the debt financing instruments of non-financial enterprises is RMB0.

Chapter 9

Particulars of Bonds

1.2 Structure of consolidated interest-bearing debts

The balance of the Company's interest-bearing debts included in the consolidated statements amounts to RMB12,778 million as at the beginning of the Reporting Period and RMB10,556 million as at the end of the Reporting Period, indicating a decrease of 17.39% during the Reporting Period.

Unit: Hundred million Currency: RMB

Categories of interest-bearing debts	Past due	Maturity within	Over	Aggregate amount	Proportion in interest-bearing debts (%)
		six months (inclusive)	six months		
Unsecured debentures		20.58		20.58	19.50
Bank loans		2.24	48.49	50.72	48.05
Loans of non-bank financial institutions		0.02	2.75	2.77	2.63
Other interest-bearing debts		6.59	24.89	31.48	29.82
Total		29.43	76.13	105.56	—

In the consolidated unsecured debentures subsisting as at the end of the Reporting Period, the balance of corporate bonds is RMB2,058 million, among which, RMB2,038 million was repurchased and redeemed in July 2024, the balance of enterprise bonds is RMB0, and the balance of the debt financing instruments of non-financial enterprises is RMB0.

1.3 Offshore bonds

As at the end of the Reporting Period, the balance of offshore bonds issued and included in the consolidated statements amounts to RMB0, and the balance of offshore bonds to fall due in the period from September to December 2024 is RMB0.

Chapter 9 Particulars of Bonds

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

Applicable Not applicable

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

Unit: Hundred million Currency: RMB

Items of indebtedness	Balance as at the end of the period	Balance in 2023	Changes (%)
Short-term borrowings	16.83	3.95	326.03
Short-term borrowings from finance companies	2.50	2.15	16.21
Bills payable	0.93	0.81	15.14
Non-current liabilities due within one year	29.43	52.11	-43.53
Long-term borrowings	31.66	23.27	36.05
Long-term borrowings from finance companies	0.25	0.28	-10.71
Bonds payable	0.00	19.99	-100.00
Long-term payables	0.20	0.24	-14.98
Lease liabilities	23.76	24.98	-4.88

Other explanations:

- The change in short-term borrowings was primarily due to the acquisition of RMB1.2 billion of current borrowings during the Reporting Period.
- The change in non-current liabilities due within one year and bonds payable was primarily due to the reclassification of the repurchased corporate bonds into non-current liabilities due within one year.
- The change in long-term borrowings was primarily due to the acquisition of HK\$700 million of long-term borrowings by the Company.

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

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

Applicable Not applicable

Chapter 9 Particulars of Bonds

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

Applicable Not applicable

(VII) Key Accounting Data and Financial Indicators

Applicable Not applicable

Main indicators	Unit: RMB		
	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	1.18	1.23	-4.07
Quick ratio	1.18	1.23	-4.07
Debt-asset ratio (%)	47.17	47.13	Increased by 0.04 percentage point
	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 shareholders of the Company	1,798,868,219.23	1,930,530,037.00	-6.82
EBITDA to total debt ratio	0.37	0.27	37.76
Interest coverage ratio	12.71	12.27	3.58
Cash interest coverage ratio	-6.85	6.86	-199.90
EBITDA interest coverage ratio	18.54	16.95	9.38
Loan repayment ratio (%)	100.00	100.00	0.00
Interest payment ratio (%)	100.00	100.00	0.00

Other explanations:

1. The change in EBITDA to total debt ratio was primarily due to the substantial decrease in interest-bearing debt compared to the beginning of the year.
2. The change in cash interest coverage ratio was primarily due to the significant year-on-year decrease in the net cash flows from operating activities during the Reporting Period.

II. PARTICULARS OF CONVERTIBLE CORPORATE BONDS

Applicable Not applicable

Chapter 10

Consolidated Statement of Financial Position

30 June 2024

Item	Note	Unit: RMB	
		30 June 2024	31 December 2023
Current assets			
Cash and bank balances	IX.1	8,946,298,830.76	13,964,177,974.41
Including: Deposits with finance companies	IX.1	3,412,179,110.14	4,223,397,105.18
Financial assets held for trading	IX.2	481,965.25	520,189.78
Derivative financial assets			
Bills receivable	IX.3	87,233,896.94	119,812,566.60
Accounts receivable	IX.4	17,223,359,849.70	12,327,492,866.76
Receivables financing	IX.5	505,154,640.97	457,564,278.87
Prepayments	IX.6	5,778,512,438.18	4,771,381,928.43
Centralized management of receivables			
Other receivables	IX.7	2,617,780,032.71	2,460,313,672.46
Including: Dividend receivables	IX.7	42,966,709.58	37,507,529.28
Inventories	IX.8	63,738,671.89	58,682,194.17
Including: Raw materials	IX.8	37,444,743.90	34,096,660.67
Goods in stock (finished goods)	IX.8	10,991,868.88	8,795,312.74
Contract assets			
Assets held for sale			
Non-current assets due within one year	IX.9	12,520,000.00	15,120,000.00
Other current assets	IX.10	497,398,036.10	446,308,469.68
Total current assets		35,732,478,362.50	34,621,374,141.16
Non-current assets			
Debt investments	IX.11		
Other debt investments			
Long-term receivables			
Long-term equity investments	IX.12	9,969,965,374.63	9,137,465,343.85
Other equity instrument investments	IX.13	415,338,825.86	415,223,441.98
Other non-current financial assets	IX.14	964,536,539.30	976,841,095.30
Investment properties	IX.15	2,801,875,581.82	2,885,653,066.58
Fixed assets	IX.16	14,633,966,539.66	14,754,217,864.73
Including: Original value of fixed assets		26,001,879,318.25	25,633,338,374.60
Accumulated depreciation		11,013,102,918.75	10,525,479,415.57
Provision for impairment of fixed assets		354,810,019.79	353,784,787.29
Construction in progress	IX.17	923,269,561.82	824,783,662.00
Right-of-use assets	IX.18	2,828,510,879.81	2,992,846,534.37
Intangible assets	IX.19	6,191,669,228.16	6,225,037,576.87
Development expenditure	IX.71	181,444,636.66	165,869,779.23
Goodwill	IX.20	1,996,826,817.14	2,041,548,400.08
Long-term prepaid expense	IX.21	243,886,537.90	248,669,625.21
Deferred tax assets	IX.22	300,348,448.12	275,619,584.39
Other non-current assets	IX.23	306,734,058.25	321,472,116.06
Total non-current assets		41,758,373,029.13	41,265,248,090.65
Total assets		77,490,851,391.63	75,886,622,231.81

The notes form an integral part of the financial statements

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

Xiu Feng Wang
Person-in-charge
of the Company

Xiao Yan Li
Person-in-charge of
accounting work

Gui Lin Ding
Person-in-charge of
Accounting Department

Chapter 10

Consolidated Statement of Financial Position

30 June 2024

Item	Note	Unit: RMB	
		30 June 2024	31 December 2023
Current liabilities			
Short-term borrowings	IX.26	1,932,940,325.21	610,217,777.09
Financial liabilities held for trading			
Derivative financial liabilities			
Bills payable	IX.27	93,067,448.74	80,827,292.06
Accounts payable	IX.28	15,554,879,245.78	12,370,364,373.41
Advances from customers			
Contract liabilities	IX.29	4,010,555,180.23	4,256,879,722.73
Employee remuneration payable	IX.30	1,716,761,927.89	2,360,635,022.87
Including: Wages payable	IX.30	1,565,861,091.11	2,193,082,670.25
Welfare payable	IX.30	294,477.14	484,252.42
Taxes and dues payable	IX.31	461,282,429.00	534,249,488.81
Including: Taxes payable	IX.31	450,008,973.96	518,066,634.78
Other payables	IX.32	3,165,043,940.83	2,318,749,515.89
Including: Dividend payables	IX.32	1,130,164,179.84	69,477,271.80
Liabilities held for sell			
Non-current liabilities due within one year	IX.33	2,942,893,285.75	5,211,189,002.62
Other current liabilities	IX.34	293,842,616.56	294,338,994.75
Total current liabilities		30,171,266,399.99	28,037,451,190.23
Non-current liabilities			
Long-term borrowings	IX.35	3,190,900,396.35	2,355,004,648.70
Bonds payable	IX.36		1,999,383,890.41
Including: Preferred shares			
Perpetual bonds			
Lease liabilities	IX.37	2,375,937,793.09	2,497,732,805.59
Long-term payables	IX.38	20,000,000.00	23,525,000.00
Long-term employee remuneration payable	IX.39	4,508,137.42	4,552,603.60
Estimated liabilities	IX.40	103,038,497.66	151,935,993.70
Deferred income	IX.41	401,520,564.40	406,187,032.26
Deferred tax liabilities	IX.22	235,724,637.94	238,991,734.02
Other non-current liabilities	IX.42	52,161,955.00	52,576,521.50
Total non-current liabilities		6,383,791,981.86	7,729,890,229.78
Total liabilities		36,555,058,381.85	35,767,341,420.01

Chapter 10

Consolidated Statement of Financial Position

30 June 2024

Unit: RMB

Item	Note	30 June 2024	31 December 2023
Shareholders' equity			
Share capital	IX.43	7,294,216,875.00	7,294,216,875.00
Other equity instruments			
Including: Preferred shares			
Perpetual bonds			
Capital reserves	IX.44	6,637,174,592.38	6,637,791,041.06
Less: Treasury shares	IX.45	111,234,609.84	193,951,597.00
Other comprehensive income	IX.46	-241,050,485.38	-30,890,925.81
Including: Translation difference of the financial statements in foreign currency		-307,400,502.83	-260,132,731.36
Special reserves	IX.47	143,858,046.55	129,860,229.97
Surplus reserves	IX.48	2,076,495,475.54	2,076,495,475.54
Including: Statutory surplus reserves		2,076,495,475.54	2,076,495,475.54
Discretionary surplus reserves			
Undistributed profits	IX.49	22,783,551,315.67	21,888,204,114.36
Total equity attributable to shareholders of the Company		38,583,011,209.92	37,801,725,213.12
Non-controlling interests		2,352,781,799.86	2,317,555,598.68
Total shareholders' equity		40,935,793,009.78	40,119,280,811.80
Total liabilities and shareholders' equity		77,490,851,391.63	75,886,622,231.81

The notes form an integral part of the financial statements

Chapter 10 Statement of Financial Position of the Company

30 June 2024

Unit: RMB

Item	Note	30 June 2024	31 December 2023
Current assets			
Cash and bank balances	XVII.1	2,661,641,183.49	6,690,061,399.84
Including: Deposits with finance companies	XVII.1	1,178,284,371.69	1,417,855,600.70
Financial assets held for trading			
Derivative financial assets			
Bills receivable			
Accounts receivable	XVII.2	1,047,609,786.10	1,040,841,279.70
Receivables financing	XVII.3	47,311,920.46	21,949,473.78
Prepayments		171,675,546.11	124,077,585.97
Centralized management of receivables			
Other receivables	XVII.4	15,893,382,240.72	13,048,259,857.92
Including: Dividend receivables	XVII.4	255,885,225.71	63,165,640.92
Inventories		90,833.63	26,075.94
Including: Raw materials			
Goods in stock (finished goods)			
Contract assets			
Assets held for sell			
Non-current assets due within one year		275,594,362.02	290,893,907.68
Other current assets		67,639,264.18	62,839,295.40
Total current assets		20,164,945,136.71	21,278,948,876.23
Non-current assets			
Debt investments		1,396,121,902.18	1,328,745,776.06
Other debt investments			
Long-term receivables			
Long-term equity investments	XVII.5	20,328,820,903.66	19,389,379,005.63
Other equity instrument investments			
Other non-current financial assets		1,694,082,287.67	1,694,082,287.67
Investment properties		8,915,518.08	9,156,627.30
Fixed assets		19,410,983.96	22,500,390.43
Including: Original value of fixed assets		129,107,245.77	132,785,860.90
Accumulated depreciation		109,696,261.81	110,349,407.35
Provision for impairment of fixed assets			
Construction in progress		2,716,371.97	2,716,371.97
Right-of-use assets		440,355,212.40	453,718,510.79
Intangible assets		210,093,985.02	198,212,534.13
Development expenditure		125,069,858.49	118,680,218.80
Goodwill			
Long-term prepaid expense		4,864,002.25	4,246,460.24
Deferred tax assets			
Other non-current assets			
Total non-current assets		24,230,451,025.68	23,221,438,183.02
Total assets		44,395,396,162.39	44,500,387,059.25

The notes form an integral part of the financial statements

Chapter 10

Statement of Financial Position of the Company

30 June 2024

Item	Note	30 June 2024	31 December 2023
<i>Unit: RMB</i>			
Current liabilities			
Short-term borrowings	XVII.6	1,200,000,000.00	
Financial liabilities held for trading			
Derivative financial liabilities			
Bills payable			
Accounts payable		843,248,373.24	795,078,988.67
Advances from customers			
Contract liabilities		38,297,852.90	89,920,552.60
Employee remuneration payable		115,386,019.12	167,368,542.35
Including: Wages payable		100,524,229.85	142,603,893.48
Welfare payable		11,816.00	
Taxes and dues payable		1,897,620.36	2,049,024.62
Including: Taxes payable		1,300,222.93	1,450,823.47
Other payables		13,181,006,649.65	12,211,849,430.47
Including: Dividend payables		1,050,451,440.39	
Liabilities held for sell			
Non-current liabilities due within one year		2,077,830,156.57	2,088,614,977.91
Other current liabilities			
Total current liabilities		17,457,666,671.84	15,354,881,516.62
Non-current liabilities			
Long-term borrowings	XVII.7	67,000,000.00	67,000,000.00
Bonds payable	XVII.8		1,999,383,890.41
Including: Preferred shares			
Perpetual bonds			
Lease liabilities		492,298,580.00	499,763,782.21
Long-term payables			
Long-term employee remuneration payable			
Estimated liabilities		1,731,676.33	1,731,676.33
Deferred income		9,000,000.00	9,000,000.00
Deferred tax liabilities			
Other non-current liabilities			
Total non-current liabilities		570,030,256.33	2,576,879,348.95
Total liabilities		18,027,696,928.17	17,931,760,865.57

Chapter 10

Statement of Financial Position of the Company

30 June 2024

Item	Note	Unit: RMB	
		30 June 2024	31 December 2023
Shareholders' equity			
Share capital		7,294,216,875.00	7,294,216,875.00
Other equity instruments			
Including: Preferred shares			
Perpetual bonds			
Capital reserves	XVII.9	10,711,470,884.73	10,713,308,264.02
Less: Treasury shares		111,234,609.84	193,951,597.00
Other comprehensive income		-14,059,679.72	-14,059,679.72
Including: Translation difference of the financial statements in foreign currency			
Special reserves		6,638,362.00	6,336,078.00
Surplus reserves		2,076,495,475.54	2,076,495,475.54
Including: Statutory surplus reserves		2,076,495,475.54	2,076,495,475.54
Discretionary surplus reserves			
Undistributed profits	XVII.10	6,404,171,926.51	6,686,280,777.84
Total shareholders' equity		26,367,699,234.22	26,568,626,193.68
Total liabilities and shareholders' equity		44,395,396,162.39	44,500,387,059.25

The notes form an integral part of the financial statements

Chapter 10

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the period ended 30 June 2024

Unit: RMB

Item	Note	January-June 2024	January-June 2023
I. Total operating income	IX.50	56,367,697,848.32	48,098,846,577.08
Including: Operating income	IX.50	56,367,697,848.32	48,098,846,577.08
II. Total operating cost		55,807,889,239.95	47,385,298,647.95
Including: Operating costs	IX.50	53,463,409,924.35	45,083,505,489.24
Tax and surcharges	IX.51	152,865,469.14	122,700,398.82
Selling expenses	IX.52	486,348,242.06	517,653,080.89
Administrative expenses	IX.53	1,501,363,787.53	1,595,487,989.04
Research and development expenses	IX.54	77,293,608.06	25,876,391.87
Finance costs	IX.55	126,608,208.81	40,075,298.09
Including: Interest expenses		210,853,549.97	252,624,392.66
Interest income		88,737,253.96	139,397,672.07
Net exchange loss (net gains denoted by "-")		-17,172,860.84	-81,581,181.06
Add: Other income	IX.56	1,008,588,896.50	1,048,381,531.27
Investment income (loss denoted by "-")	IX.57	975,046,770.36	1,087,866,908.02
Including: Share of results of associates and joint ventures		976,888,371.48	1,033,724,979.62
Income from derecognition of financial assets measured at amortised cost			
Hedging income (loss denoted by "-")			
Gain from changes in fair value (loss denoted by "-")	IX.58	-12,760,961.67	-27,289,720.98
Credit impairment loss (loss denoted by "-")	IX.59	-100,111,356.22	-45,641,748.66
Impairment of assets (loss denoted by "-")	IX.60	5,044.87	-515,864.48
Income from disposal of assets (loss denoted by "-")	IX.61	12,065,190.24	61,986,480.15
III. Operating profit (loss denoted by "-")		2,442,642,192.45	2,838,335,514.45
Add: Non-operating income	IX.62	33,678,139.73	45,757,370.26
Including: Government grants	IX.63	1,692,872.26	7,204,285.94
Less: Non-operating expenses	IX.64	-21,428,864.30	29,117,864.85
IV. Total profit (total loss denoted by "-")		2,497,749,196.48	2,854,975,019.86
Less: Income tax expenses	IX.65	413,593,955.61	540,144,004.99
V. Net profit (net loss denoted by "-")		2,084,155,240.87	2,314,831,014.87
(I) Classified by attribution of ownership			
1. Net profit attributable to shareholders of the Company (net loss denoted by "-")		1,945,058,469.75	2,185,892,780.49
2. Profit or loss attributable to non-controlling interests (net loss denoted by "-")		139,096,771.12	128,938,234.38
(II) Classified by the continuity of operations			
1. Net profit from continuing operations (net loss denoted by "-")		2,084,155,240.87	2,314,831,014.87
2. Net profit from discontinued operations (net loss denoted by "-")			

The notes form an integral part of the financial statements

Chapter 10

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the period ended 30 June 2024

Item	Note	Unit: RMB	
		January-June 2024	January-June 2023
VI. Other comprehensive income, net of tax		-211,513,250.13	172,309,982.46
Other comprehensive income attributable to shareholders of the Company, net of tax		-210,159,559.57	171,964,235.20
(I) Other comprehensive income not to be subsequently reclassified to profit or loss		86,537.91	-5,105,736.69
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		86,537.91	-5,105,736.69
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		-210,246,097.48	177,069,971.89
1. Other comprehensive income to be reclassified to profit or loss under the equity method		-162,978,326.01	156,546,398.24
2. Changes in fair value of other debt investments			
3. Reclassification of financial assets			
4. Credit impairment provision of other debt investments			
5. Cash flow hedge reserve (effective portion of gains or losses from cash flow hedges)			
6. Translation difference of the financial statements in foreign currency		-47,267,771.47	20,523,573.65
7. Others			
Other comprehensive income attributable to non-controlling interests, net of tax		-1,353,690.56	345,747.26
VII. Total comprehensive income		1,872,641,990.74	2,487,140,997.33
Total comprehensive income attributable to shareholders of the Company		1,734,898,910.18	2,357,857,015.69
Total comprehensive income attributable to non-controlling interests		137,743,080.56	129,283,981.64
VIII. Earnings per share:			
Basic earnings per share	IX.66	0.2680	0.3017
Diluted earnings per share	IX.66	0.2674	0.3017

The notes form an integral part of the financial statements

Chapter 10

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

For the period ended 30 June 2024

Unit: RMB

Item	Note	January-June 2024	January-June 2023
I. Operating income	XVII.11	2,769,847,772.79	2,373,519,870.09
Less: Operating costs	XVII.11	2,649,493,505.05	2,221,347,483.57
Tax and surcharges		460,284.74	210,785.87
Selling expenses		29,453,023.10	38,854,709.56
Administrative expenses		145,020,896.63	156,752,720.81
Research and development expenses		57,896,835.87	63,378,253.97
Finance costs	XVII.12	38,033,137.60	-43,279,863.42
Including: Interest expenses	XVII.12	161,257,159.69	136,383,266.59
Interest income	XVII.12	122,469,164.32	156,228,369.45
Net exchange loss (net gains denoted by "-")	XVII.12	-1,233,942.51	-25,850,352.50
Add: Other income		758,031.49	8,948,624.23
Investment income (loss denoted by "-")	XVII.13	942,964,421.47	2,603,478,492.91
Including: Share of results of associates and joint ventures	XVII.13	749,914,354.16	838,225,246.28
Income from derecognition of financial assets measured at amortised cost			
Hedging income (loss denoted by "-")			
Gain from changes in fair value (loss denoted by "-")			
Credit impairment loss (loss denoted by "-")		-24,493,906.95	2,603,961.20
Impairment of assets (loss denoted by "-")			
Income from disposal of assets (loss denoted by "-")		202,842.93	
II. Operating profit (loss denoted by "-")		768,921,478.74	2,551,286,858.07
Add: Non-operating income		127,566.71	43,897.39
Including: Government grants			
Less: Non-operating expenses		1,446,628.34	3,711,796.47
III. Total profit (total loss denoted by "-")		767,602,417.11	2,547,618,958.99
Less: Income tax expenses			
IV. Net profit (net loss denoted by "-")		767,602,417.11	2,547,618,958.99
Net profit from continuing operations (net loss denoted by "-")		767,602,417.11	2,547,618,958.99
Net profit from discontinued operations (net loss denoted by "-")			

Chapter 10

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

For the period ended 30 June 2024

Unit: RMB

Item	Note	January-June 2024	January-June 2023
V. Other comprehensive income, net of tax			
(I) Other comprehensive income not to be subsequently reclassified to profit or loss			
1. Change in amount arising from re-measurement of the defined benefit plan			
2. Other comprehensive income not to be reclassified to profit or loss under the equity method			
3. Changes in fair value of other equity instrument investments			
4. Changes in fair value attributable to changes in credit risk			
5. Others			
(II) Other comprehensive income to be subsequently reclassified to profit or loss			
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 loss impairment of other debt investments			
5. Cash flow hedge reserve (effective portion of gains or losses from cash flow hedges)			
6. Translation difference of the financial statements in foreign currency			
7. Others			
VI. Total comprehensive income		767,602,417.11	2,547,618,958.99

The notes form an integral part of the financial statements

Chapter 10 Consolidated Statement of Cash Flows

For the period ended 30 June 2024

Item	Note	Unit: RMB	
		January-June 2024	January-June 2023
I. Cash flows from operating activities:			
Cash received from sales of goods and provision of services		54,126,922,693.21	49,887,518,119.90
Tax rebate received		172,881,304.25	84,058,981.41
Cash received from other operating activities	IX.68	1,161,796,853.92	1,429,887,860.77
Sub-total of cash inflows from operating activities		55,461,600,851.38	51,401,464,962.08
Cash paid for goods and services		51,067,229,457.99	44,352,002,021.42
Cash paid to and on behalf of employees		4,193,074,725.43	4,193,606,791.51
Cash paid for taxes and dues		1,144,816,017.40	1,006,543,541.34
Cash paid for other operating activities	IX.68	704,891,926.39	1,170,938,757.79
Sub-total of cash outflows from operating activities		57,110,012,127.21	50,723,091,112.06
Net cash flows from operating activities	IX.68	-1,648,411,275.83	678,373,850.02
II. Cash flows from investment activities:			
Cash received from disposal of investments		213,400.00	
Cash received from investment income		48,487,484.24	164,271,921.52
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		96,565,941.19	105,624,775.83
Net cash received from disposal of subsidiaries and other operating units			
Cash received from other investment activities	IX.68	2,600,000.00	4,232,417.55
Sub-total of cash inflows from investment activities		147,866,825.43	274,129,114.90
Cash paid for acquisition of fixed assets, intangible assets, and other long-term assets		706,081,387.96	950,434,164.87
Cash paid for investments		63,792,000.00	120,996,379.67
Net cash paid for acquisition of subsidiaries and other operating units			
Cash paid for other investment activities	IX.68	968,769.37	
Sub-total of cash outflows from investment activities		770,842,157.33	1,071,430,544.54
Net cash flows from investment activities		-622,975,331.90	-797,301,429.64
III. Cash flows from financing activities:			
Cash received from capital contributions		27,850,000.00	93,403,154.35
Including: Cash received by subsidiaries from capital contributions of non-controlling interests		27,850,000.00	93,403,154.35
Cash received from borrowings		2,517,017,720.73	363,268,382.10
Cash received from other financing activities	IX.68	79,129,307.00	
Sub-total of cash inflows from financing activities		2,623,997,027.73	456,671,536.45
Cash paid for repayment of debts		4,583,830,451.16	402,055,005.50
Cash paid for distribution of dividends, profits or settlement of interest	IX.68	264,547,901.29	1,068,244,369.37
Including: Dividends and profits paid by the subsidiaries to non-controlling interests		119,265,976.02	128,684,253.76
Cash paid for other financing activities	IX.68	432,032,313.54	449,652,213.18
Sub-total of cash outflows from financing activities		5,280,410,665.99	1,919,951,588.05
Net cash flows from financing activities		-2,656,413,638.26	-1,463,280,051.60
IV. Effect of foreign exchange rate changes		2,805,244.77	194,776,230.87
V. Net increase in cash and cash equivalents	IX.69	-4,924,995,001.22	-1,387,431,400.35
Add: Balance of cash and cash equivalents at the beginning of the year		13,821,461,962.17	16,405,563,975.61
VI. Balance of cash and cash equivalents at the end of the year	IX.69	8,896,466,960.95	15,018,132,575.26

The notes form an integral part of the financial statements

Chapter 10

Statement of Cash Flows of the Company

For the period ended 30 June 2024

Item	Note	Unit: RMB	
		January-June 2024	January-June 2023
I. Cash flows from operating activities:			
Cash received from sales of goods and provision of services		2,661,600,213.06	2,514,178,265.26
Tax rebate received			
Cash received from other operating activities		191,267,548.84	256,165,407.91
Sub-total of cash inflows from operating activities		2,852,867,761.90	2,770,343,673.17
Cash paid for goods and services		2,666,447,318.32	2,275,469,906.92
Cash paid to and on behalf of employees		170,608,040.66	170,247,658.74
Cash paid for taxes and dues		1,799,253.71	760,085.25
Cash paid for other operating activities		108,762,487.66	267,123,515.62
Sub-total of cash outflows from operating activities		2,947,617,100.35	2,713,601,166.53
Net cash flows from operating activities	XVII.14	-94,749,338.45	56,742,506.64
II. Cash flows from investment activities:			
Cash received from disposal of investments			233,988,760.20
Cash received from investment income			
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		251,555.82	
Net cash received from disposal of subsidiaries and other operating units			
Cash received from other investment activities		57,164,192.59	296,619,455.46
Sub-total of cash inflows from investment activities		57,415,748.41	530,608,215.66
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets		45,929,687.72	15,527,531.85
Cash paid for investments		182,500,000.00	305,998,863.67
Net cash paid for acquisition of subsidiaries and other operating units			
Cash paid for other investment activities		2,663,989,465.31	1,177,227,015.71
Sub-total of cash outflows from investment activities		2,892,419,153.03	1,498,753,411.23
Net cash flows from investment activities		-2,835,003,404.62	-968,145,195.57
III. Cash flows from financing activities:			
Cash received from capital contributions			
Cash received from borrowings		1,200,000,000.00	
Cash received from other financing activities		79,701,514.79	1,840,043,405.65
Sub-total of cash inflows from financing activities		1,279,701,514.79	1,840,043,405.65
Cash paid for repayment of debts		2,000,000,000.00	
Cash paid for distribution of dividends, profits or settlement of interest		72,158,700.00	807,763,136.12
Cash paid for other financing activities		315,270,829.90	1,116,011,777.07
Sub-total of cash outflows from financing activities		2,387,429,529.90	1,923,774,913.19
Net cash flows from financing activities		-1,107,728,015.11	-83,731,507.54
IV. Effect of foreign exchange rate changes		13,518,163.38	50,833,592.72
V. Net increase in cash and cash equivalents		-4,023,962,594.80	-944,300,603.75
Add: Balance of cash and cash equivalents at the beginning of the year		6,678,660,070.77	8,035,397,765.29
VI. Balance of cash and cash equivalents at the end of the year		2,654,697,475.97	7,091,097,161.54

The notes form an integral part of the financial statements

Chapter 10 Consolidated Statement of Changes in Equity

For the period ended 30 June 2024

Item	January-June 2024										Total shareholders' equity		
	Share capital	Preferred shares	Perpetual bonds	Others	Capital reserves	Treasury shares	Less: comprehensive income	Other	Including Translation difference of the financial statements in foreign currency	Undistributed profits		Sub-total	Non-controlling interests
(V) Internal transfers of shareholders' equity													
1. Capital transferred from capital reserves													
2. Capital transferred from surplus reserves													
3. Recovery of losses by surplus reserves													
4. Transfer of changes in defined benefit plans into retained earnings													
5. Transfer of other comprehensive income into retained earnings													
6. Others													
IV. Balance at the end of current year	7,294,216,875.00				6,637,174,522.38	111,234,609.84	-241,050,485.38	-307,400,512.83	143,868,046.55	22,783,551,315.67	38,583,011,209.92	2,582,781,799.86	40,935,793,009.78

The notes form an integral part of the financial statements

Chapter 10

Consolidated Statement of Changes in Equity

For the period ended 30 June 2024

Item	January-June 2023													
	Share capital	Preferred shares	Other equity instruments	Capital reserves	Treasury shares	Less: comprehensive income	Other comprehensive income	Including: Translation difference of the financial statements in foreign currency	Special reserves	Surplus reserves	Undistributed profits	Sub-total	Non-controlling interests	Total shareholders' equity
(V) Internal transfers of shareholders' equity	-60,888,000.00													
1. Capital transferred from capital reserves				-72,687,887.83	-133,575,887.83									
2. Capital transferred from surplus reserves														
3. Recovery of losses by surplus reserves														
4. Transfer of changes in defined benefit plans into retained earnings														
5. Transfer of other comprehensive income into retained earnings														
6. Others				-72,687,887.83	-133,575,887.83									
IV. Balance at the end of current year	7,294,216,875.00			6,431,933,172.12	193,951,597.00	-27,288,068.73	-2,550,757,324.48	120,744,685.18	1,704,231,688.65	21,270,249,406.65	36,600,168,331.87	2,286,244,525.27	38,886,350,857.14	

The notes form an integral part of the financial statements

Chapter 10 Statement of Changes in Equity of the Company

For the period ended 30 June 2024

Unit: RMB

Item	January-June 2024						Sub-total						
	Share capital	Preferred shares	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
I. Closing balance of the prior year	7,294,216,875.00					10,713,308,264.02	193,951,597.00	-14,059,679.72		6,336,078.00	2,076,495,475.54	6,686,280,777.84	26,568,626,193.68
Add: Changes in accounting policies													
Correction of prior errors													
Others													
II. Balance at the beginning of current year	7,294,216,875.00					10,713,308,264.02	193,951,597.00	-14,059,679.72		6,336,078.00	2,076,495,475.54	6,686,280,777.84	26,568,626,193.68
III. Increases/decreases in current year						-1,837,379.29	-82,716,807.16			302,284.00		-282,103,851.33	-200,926,959.46
(I) Total comprehensive income												767,602,417.11	767,602,417.11
(II) Capital contributed and reduced by shareholders						-1,837,379.29	-82,716,807.16						
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) Appropriation and use of special reserves													
1. Appropriation of special reserves						8,983,122.21	-82,716,807.16			302,284.00			8,983,122.21
2. Use of special reserves						-10,820,501.50				1,772,680.44			71,896,435.66
(IV) Profit distribution													
1. Appropriation of surplus reserves													
Including: Statutory surplus reserves													
Discretionary surplus reserves													
2. Distribution to shareholders													
3. Others													
(V) Internal transfers of shareholders' equity													
1. Share capital transferred from capital reserves													
2. Share capital transferred from surplus reserves													
3. Recovery of losses by surplus reserves													
4. Transfer of changes in defined benefit plans into retained earnings													
5. Transfer of other comprehensive income into retained earnings													
6. Others													
IV. Balance at the end of current year	7,294,216,875.00					10,711,470,884.73	111,234,609.84	-14,059,679.72		6,638,362.00	2,076,495,475.54	6,404,171,926.51	26,367,699,234.22

The notes form an integral part of the financial statements

Chapter 10 Statement of Changes in Equity of the Company

For the period ended 30 June 2024

Unit: RMB

Item	January-June 2023							Sub-total					
	Share capital	Preferred shares	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
I. Closing balance of the prior year	7,355,104,875.00					10,756,312,325.64	300,792,201.55	-14,142,716.87		3,884,086.95	1,704,231,858.65	5,108,267,970.16	24,612,936,207.98
Add: Changes in accounting policies													
Correction of prior errors													
Others													
II. Balance at the beginning of current year	7,355,104,875.00					10,756,312,325.64	300,792,201.55	-14,142,716.87		3,884,086.95	1,704,231,858.65	5,108,267,970.16	24,612,936,207.98
III. Increases/decreases in current year (decreases denoted by "-")	-60,888,000.00					-66,793,511.21	-108,880,804.55			1,445,873.78		1,820,883,141.49	1,811,448,108.61
(I) Total comprehensive income												2,547,618,958.99	2,547,618,958.99
(II) Capital contributed and reduced by shareholders						15,884,376.62	26,775,283.28						-10,880,906.66
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						15,880,974.78	26,775,283.28						15,820,974.78
4. Others						73,401.84							-26,701,881.44
(III) Appropriation and use of special reserves										1,445,873.78			1,445,873.78
1. Appropriation of special reserves										1,999,575.61			1,999,575.61
2. Use of special reserves										-553,701.83			-553,701.83
(IV) Profit distribution												-726,735,817.50	-726,735,817.50
1. Appropriation of surplus reserves including: Statutory surplus reserves													
Discretionary surplus reserves													
2. Distribution to shareholders													
3. Others													
(V) Internal transfers of shareholders' equity													
1. Share capital transferred from capital reserves													
2. Share capital transferred from surplus reserves													
3. Recovery of losses by surplus reserves													
4. Transfer of changes in defined benefit plans into retained earnings													
5. Transfer of other comprehensive income into retained earnings													
6. Others						-72,687,887.83	-133,575,887.83						-72,687,887.83
IV. Balance at the end of current year	7,294,216,875.00					10,689,518,814.43	193,916,397.00	-14,142,716.87		5,329,970.73	1,704,231,858.65	6,929,151,111.65	26,424,354,316.59

The notes form an integral part of the financial statements

Chapter 10

Notes to the Financial Statements

For the period ended 30 June 2024

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

I. GENERAL INFORMATION OF THE COMPANY

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

According to the Approval on the Conversion of Sinotrans Limited into an Overseas Fund-raising Company (GJMQG〔2002〕No.870) issued by the State Economy and Trade Commission and the Disclosure 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 China Foreign Transportation & Changjiang Shipping Group 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 Corporation Limited (hereinafter referred to as “Sinoair”) as a subsidiary by the Company was considered and adopted at the Company’s extraordinary general meeting and the 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 a 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 (hereinafter referred to as “SSE”) on 18 January 2019.

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

The Company and its subsidiary (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.

Chapter 10

Notes to the Financial Statements

For the period ended 30 June 2024

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

II. BASIS FOR THE PREPARATION

The Group has evaluated its ability to continue as a going concern for the 12 months from 30 June 2024 and has not identified any events or circumstances that may cast significant doubt over its ability to continue as a going concern. Therefore, the financial statements are prepared on a going concern and accrual basis 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”), and the relevant disclosures required by the Rules for 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, 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 parent company’s financial position of the Company as of 30 June 2024; as well as the consolidated and the Company’s financial performance and cash flows between January and June in 2024.

IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES OF THE COMPANY

1. ACCOUNTING YEAR

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

2. OPERATING CYCLE

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

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.

Chapter 10 Notes to the Financial Statements

For the period ended 30 June 2024
(Unless indicated otherwise, all amounts are expressed in RMB)

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

4. ACCOUNTING BASIS AND MEASUREMENT (CONTINUED)

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.

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Notes to the Financial Statements

For the period ended 30 June 2024

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

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

5. METHODS FOR DETERMINING MATERIALITY CRITERIA AND BASIS FOR SELECTION

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

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

Chapter 10

Notes to the Financial Statements

For the period ended 30 June 2024
(Unless indicated otherwise, all amounts are expressed in RMB)

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

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

Item	Materiality Criteria
Material capitalised research and development projects	The Group discloses capitalised research and development projects as material capitalised research and development projects if any one of the opening balance, the closing balance, and the amount transferred to intangible assets during the period is greater than RMB10 million.
Material associates/joint ventures	The Group discloses associates/joint ventures as material associates/joint ventures when the investment income based on the equity method for the year exceeds 5 percent of the Group's consolidated total profit or when the book value of the investment at the end of the period exceeds 1 percent 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.

Chapter 10

Notes to the Financial Statements

For the period ended 30 June 2024

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

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

6. BUSINESS COMBINATION

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

6.1 Business combination involving entities under common control

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

Assets and liabilities acquired from the business combination are measured at the book value of the combined entities at the date of acquisition. The difference between the book value of the net assets acquired and the consideration paid is adjusted to the capital (or share) premium in capital reserves. If the capital (or share) premium is not sufficient to absorb the difference, any excess is adjusted to retained earnings.

Costs that are directly attributable to the business combination are charged to current profits and losses when incurred.

6.2 Business combination not involving entities under common control

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

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

Identifiable assets, liabilities, and contingent liabilities of the acquiree acquired by the acquirer in a combination that meets the conditions for recognition are measured at fair value at the date of acquisition.

The difference between the consideration paid for the business combination over the share of the fair value of the acquiree's identifiable net assets acquired in the business combination is recognised as an asset and initially measured at cost as goodwill. 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 business combination are reviewed. If, after review, the consideration paid for the business combination remains less than the fair value share of the acquiree's identifiable net assets acquired in the business combination, it is recognised in the current profits and losses.

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

7. GOODWILL

Goodwill resulting from business combination 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 annually.

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

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

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

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

8.1 Criteria for judging control

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

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

- (1) The purpose and design of the investee.
- (2) What the relevant activities of the investee are and how decisions are made in relation to those activities.
- (3) Whether the rights obtained by the Group give the Group the current ability to dominate relevant activities.
- (4) Whether the Group is exposed to the risk of or has the right to, variable returns as a result of its involvement in the underlying activities of the investee.
- (5) Whether the Group has the ability to influence the amount of the return by using its power over the investee.

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

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

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

8.2 The preparation of consolidated financial statements

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

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

For subsidiaries acquired through business combinations not under common control, their operating results and cash flows since the acquisition date (the date 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 the subsidiaries acquired through business combination under common control or combined parties under absorption merge, whether the business combination occurs at any point in the reporting period, the financial statements items of the combining entities or businesses in which the common control combination occurs as if the combination had occurred from the date when the combining entities or businesses first came under the control of the controlling party, The subsidiaries' or combined parties' operating results and cash flows properly shall be 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.

All intra-group assets and liabilities, equity, income, expenses, and cash flows relating to transactions between entities of the Group are eliminated in full-on 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 other comprehensive income of a subsidiary belonging to non-controlling interests shall be presented as "total comprehensive income attributable to non-controlling interests" under the line item of total comprehensive income in the consolidated statement of profit or loss and other comprehensive income.

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

Chapter 10 Notes to the Financial Statements

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

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

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

8.2 The preparation of consolidated financial statements (Continued)

For the transaction of acquiring non-controlling interests of the subsidiary or disposing of part of the equity investment without losing control of the subsidiary, it is regarded as equity transaction accounting, and the book value of the Company's shareholder's equity and non-controlling interests is adjusted to reflect the changes of related equity in the subsidiary. Differences between the adjustment of non-controlling interests and the fair value of consideration are adjusted to capital reserve. If the differences exceed the capital reserve, retained earnings shall be adjusted.

When a business combination is achieved in stages and does not involve entities under common control, it is further determined if it is a "package deal" or not a "package deal": if it belongs to a "package deal", accounting treatment of transactions as a transaction in which control is acquired. If it does not belong to a "package deal", accounting treatment as the acquisition of 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 purchase of the acquirer's equity held prior to the date of purchase involves other comprehensive income and other changes in owners' equity under the equity and equity accounting method, it shall be recognised as current profit or loss or retained earnings on the acquisition date.

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

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Notes to the Financial Statements

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

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 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 fair value risk.

11. FINANCIAL INSTRUMENTS

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

For the purchase or sale of financial assets in a conventional method, the assets to be received and the liabilities to be borne for this shall be recognised on the trading day, or the assets to be sold shall be derecognised on the trading day.

Financial assets and financial liabilities are measured at fair value at initial recognition. For financial assets and financial liabilities measured at fair value through profit or loss, related transaction costs are directly included in the current profits and losses; for other types of financial assets and financial liabilities, related transaction costs are included in the initially recognised amount. When the Group initially recognises contract assets 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), the transaction price as defined by the revenue standard is initially measured.

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For the period ended 30 June 2024
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IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES OF THE COMPANY (CONTINUED)

11. FINANCIAL INSTRUMENTS (CONTINUED)

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

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

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

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

11.1 Classification and measurement of financial assets

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

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

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

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

11. FINANCIAL INSTRUMENTS (CONTINUED)

11.1 Classification and measurement of financial assets (Continued)

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 measured at fair value through other comprehensive income. The accounts receivable and notes receivable that are classified as at fair value through other comprehensive income at the time of acquisition are shown in accounts receivable financing, and the remaining items with a maturity of one year or less at the time of acquisition are shown in other current assets. Other such financial assets with maturities of more than one year from the date of acquisition are shown as other debt investments, and those with maturities of one year or less from the balance sheet date are shown as non-current assets with maturities of less than one year.

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

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

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

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

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

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

11. FINANCIAL INSTRUMENTS (CONTINUED)

11.1 Classification and measurement of financial assets (Continued)

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.

11.1.1 Financial assets at amortised cost

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

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

- For credit assets that have been or were originally credit-impaired, the Group calculates its interest income from the initial recognition of the financial asset based on the amortised cost of the financial asset and the effective interest rate adjusted for credit;
- For financial assets that have been purchased or originating without credit impairment but have become credit-impaired in subsequent periods, the Group calculates its interest income in the subsequent periods based on the amortised cost of the financial asset and the effective interest rate. If the financial instrument has no credit impairment due to an improvement in its credit risk in subsequent periods, and this improvement can be linked to an event that occurs after the application of the above provisions, the Group will multiply the financial interest rate by the effective interest rate. The book balance of assets is used to calculate and determine interest income.

11.1.2 Financial assets at fair value through other comprehensive income

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

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

11. FINANCIAL INSTRUMENTS (CONTINUED)

11.1 Classification and measurement of financial assets (Continued)

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

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

11.1.3 *Financial assets at fair value through profit or loss*

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

11.2 Impairment of financial instruments

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

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

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

11. FINANCIAL INSTRUMENTS (CONTINUED)

11.2 Impairment of financial instruments (Continued)

For other financial instruments, except the financial assets purchased or originating with credit impairment, the Group shall evaluate the credit risk changes of the relevant financial instruments since the initial recognition at the end of each reporting period. 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 retracted amount of credit loss provision shall be recorded in the current profits and losses as impairment loss or gain. For financial assets measured at fair value through other comprehensive income, the Group shall recognise its credit loss provision in other comprehensive income, and record impairment loss or gain into the current profits and losses, without reducing the book value of the financial assets listed in the statement of financial position.

The Group measured loss provision 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 provision for the financial instrument at 12-month expected credit loss at each balance sheet date. Relevant reversal of loss provision is included in the current profits and losses as gain on impairment.

11.2.1 Significant increase in credit risk

By comparing the default risk of financial instruments at the end of the reporting period 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, 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.

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 end of the reporting period, 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.).

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Notes to the Financial Statements

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

11. FINANCIAL INSTRUMENTS (CONTINUED)

11.2 Impairment of financial instruments (Continued)

11.2.1 Significant increase in credit risk (Continued)

- (3) Whether the external market indicators of the credit risk of the same financial instrument or similar financial instrument with the same expected duration have changed significantly. These indicators include credit spreads, the price of credit default swaps for borrowers, the length and extent to which the fair value of financial assets is less than its amortised cost, and other market information related to borrowers (such as the price changes of borrowers' debt instruments or equity instruments).
- (4) Whether the external credit rating of the financial instruments there is any significant change in the actual or expected.
- (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.
- (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, the jump in interest rates, the demand for additional collateral or collateral, or other changes to the contractual framework of the financial instrument.
- (13) Whether the expected performance and repayment behavior of the debtor changes significantly.

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

11. FINANCIAL INSTRUMENTS (CONTINUED)

11.2 Impairment of financial instruments (Continued)

11.2.1 Significant increase in credit risk (Continued)

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

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

11.2.2 Credit-impaired financial assets

A financial asset is credit-impaired when one or more events of the Group are expected to have adverse effects on the future cash flow of the financial assets. Evidence of 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.

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 has occurred event.

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

11. FINANCIAL INSTRUMENTS (CONTINUED)

11.2 Impairment of financial instruments (Continued)

11.2.3 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 notes 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 is located, geographical location of the debtor, value of collateral relative to financial assets, etc. When receivables are involved in disputes or litigations, or when the debtors are in operating difficulties, reorganisation, or bankruptcy, the Group accrues credit losses on an individual basis.

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

- For financial assets, the credit loss shall be the present value of the difference between the contractual cash flow to be collected by the Group and the expected cash flow to be collected.
- For lease receivables, the credit loss shall be the present value of the difference between the contractual cash flow to be collected by the Group and the expected cash flow to be collected.
- For financial assets that are credit-impaired at the end of the reporting period but are not purchased or originated, the credit loss is the difference between the book balance of the financial asset 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 end of the reporting period without unnecessary additional cost or effort.

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

11. FINANCIAL INSTRUMENTS (CONTINUED)

11.2 Impairment of financial instruments (Continued)

11.2.4 Specific recognition criteria and accrual method for credit losses on major receivables

Item	Accrual method	Types of portfolio	Basis/criteria for portfolio determination	Criteria/explanations for accrual
Bills receivable	Accrual on an individual basis	—	When notes receivable are involved in disputes or litigations, or when the debtor is in operating difficulties, reorganisation, or bankruptcy, the Group accrues credit losses on an individual basis.	Individual recognition
	Accrual by portfolio	Commercial acceptance bills portfolio	The commercial acceptances bills held by the Group are mainly from customers with good credit and have maintained long-term and stable cooperation with the Group, which have similar credit risk characteristics.	0%. All of the notes receivable held by the Group have a maturity of less than 360 days. The Group considers that the notes receivable held by the Group are not subject to significant credit risk and will not incur significant losses due to default (the notes receivables are expected to be recovered in full), and the Group has not made any provision for credit losses based on materiality considerations.
Receivables financing	Accrual by portfolio	Bank acceptance bills portfolio	The acceptors of bankers' acceptances held by the Group at fair value through other comprehensive income are mainly large commercial banks and listed commercial banks with high credit ratings and similar credit risk characteristics.	

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

11. FINANCIAL INSTRUMENTS (CONTINUED)

11.2 Impairment of financial instruments (Continued)

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

Item	Accrual method	Types of portfolio	Basis/criteria for portfolio determination	Criteria/explanations for accrual
Accounts receivable	Accrual on an individual basis	—	When accounts receivables are involved in disputes or litigations, or when the debtor is in operating difficulties, reorganisation, or bankruptcy, the Group accrues credit losses on an individual basis.	Individual recognition
	Accrual by portfolio	Low-risk portfolio	The receivables in the Group's low-risk portfolio are mainly receivables from related parties, joint ventures, associates, and their subsidiaries within the scope of China Merchants' consolidated statements of operations, etc., which have similar credit risk characteristics.	0%. The above organizations have low credit risk and the Group has not accrued for credit losses based on materiality considerations. If the credit risk of the above organisations deteriorates, the Group adjusts them to the ageing group or accounts receivable with credit losses accrued on an individual basis.
		Ageing portfolio	The Group's ageing portfolio consists of receivables other than low-risk portfolio items and items with credit losses accrued on an individual basis, the ageing of which reflects their credit risk characteristics.	1.45% within 1 year; 41.68% for 1 to 2 years; 88.26% for 2 to 3 years; and 100% over 3 years. The ageing is based on transaction dates and the expected credit loss rates determined by the forward-looking adjustments to the age-based migration rates and historical loss rates represent a reasonable estimate of the expected credit losses. The Group evaluates the expected credit loss rate of the ageing portfolio of receivables annually and does not adjust the rate when the evaluation result is lower than the accrued rate of the previous year, and increases the rate when the evaluation result is higher than the accrued rate of the previous year.

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

11. FINANCIAL INSTRUMENTS (CONTINUED)

11.2 Impairment of financial instruments (Continued)

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

Item	Accrual method	Types of portfolio	Basis/criteria for portfolio determination	Criteria/explanations for accrual
Other receivables	Accrual on an individual basis (phase III)	—	When other receivables are involved in disputes or litigations, or when the debtor is in operating difficulties, reorganisation, or bankruptcy, the Group accrues credit losses on an individual basis.	Individual recognition
	Accrual by portfolio (phase I and phase II)	Low-risk portfolio (phase I)	Other receivables in the Group's low-risk portfolio are mainly receivables from government entities, related entities within the scope of China Merchants' consolidated statements of operations, joint ventures, associates and their subsidiaries, etc., as well as deposits, guarantees, reserves, and advances, which have similar credit risk characteristics.	0%. The above categories of payments have low credit risk and the Group has not accrued for credit losses based on materiality considerations. If the credit risk of the debtors involved in the above receivable categories deteriorates, the Group adjusts them to other receivables with credit loss provisions, either in the ageing portfolio or individually.

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

11. FINANCIAL INSTRUMENTS (CONTINUED)

11.2 Impairment of financial instruments (Continued)

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

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

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

11. FINANCIAL INSTRUMENTS (CONTINUED)

11.2 Impairment of financial instruments (Continued)

11.2.5 Write-off of financial assets

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

11.3 Transfer of financial assets

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

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

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

The overall transfer of financial assets meets the conditions for derecognition, for the classification of financial assets measured at amortised cost and the classification of financial assets measured at fair value through other comprehensive income, the difference between the book value of the transferred financial assets 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. For non-tradable equity instruments designated by the Group to be measured at fair value through other comprehensive income, the accumulated gains or losses previously recorded in other comprehensive income shall be transferred from other comprehensive income and be recorded in retained earnings.

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

11. FINANCIAL INSTRUMENTS (CONTINUED)

11.3 Transfer of financial assets (Continued)

If the partial transfer of financial assets meets the conditions for the 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 in the part of the recognition of termination and the accumulative amount of the fair value changes originally recorded in other comprehensive income plus the book value allocated to the part of the derecognition on the date of derecognition shall be recorded into the current profits and losses. For non-tradable equity instruments designated by the Group to be measured at fair value through other comprehensive income, the accumulated gains or losses previously recorded in other comprehensive income shall be transferred from other comprehensive income and be recorded in retained earnings.

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

11.4 Classification of financial liabilities and equity instruments

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

11.4.1 Classification, recognition, and measurement of financial liabilities

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

11.4.1.1 Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss, including trading financial liabilities (including derivatives belonging to financial liabilities) and financial liabilities designated 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.

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.

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

11. FINANCIAL INSTRUMENTS (CONTINUED)

11.4 Classification of financial liabilities and equity instruments (Continued)

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

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

The financial liabilities 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 based on fair value according to the risk management or investment strategy stated in the Group's official written documents, and use this as a basis for key management within the Group Staff reports; (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 at fair value through profit or loss, changes in the fair value of such financial liabilities arising from changes in the Group's own credit risk are recognised in other comprehensive income, and changes in other fair values are recognised in the current profits and losses. On derecognition of the financial liability, the cumulative change in fair value attributable to changes in own credit risk previously recognised in other comprehensive income is transferred to retained earnings. Dividends or interest expenses related to these financial liabilities are recognised in the current profits and losses. If the treatment of the effects of changes in the own credit risk of such financial liabilities as described above would cause or enlarge an accounting mismatch in profit or loss, the Group recognises the entire gain or loss on such financial liabilities (including the amount of the effect of changes in own credit risk) in the current profits and losses.

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

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

11. FINANCIAL INSTRUMENTS (CONTINUED)

11.4 Classification of financial liabilities and equity instruments (Continued)

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

11.4.1.2 Other financial liabilities

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

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

11.4.1.2.1 Financial guarantee contract

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

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

11. FINANCIAL INSTRUMENTS (CONTINUED)

11.4 Classification of financial liabilities and equity instruments (Continued)

11.4.2 *Derecognition of financial liabilities*

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

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

11.4.3 *Equity instruments*

Equity instruments are contracts that prove ownership of the residual interest in the Group's assets after deducting all liabilities. The Group issues (including refinancing), repurchases, sales, or write-offs of equity instruments as changes in equity. The Group does not recognise changes in the fair value of equity instruments. Transaction costs associated with an equity transaction are deducted from the equity.

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

11.5 Derivative instruments and embedded derivative instruments

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

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

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

11. FINANCIAL INSTRUMENTS (CONTINUED)

11.5 Derivative instruments and embedded derivative instruments (Continued)

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

- (1) The economic characteristics and risks of embedded derivative instruments are not closely related to the ones of the main contract;
- (2) Separate instruments with the same terms as the embedded derivative instruments comply with the definition of derivative instruments;
- (3) Mixed contracts are not measured at fair value through profit or loss.

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

11.6 Offset of financial assets and financial liabilities

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

11.7 Compound instrument

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

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.

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

11. FINANCIAL INSTRUMENTS (CONTINUED)

11.7 Compound instrument (Continued)

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

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

12. INVENTORIES

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

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

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

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

Consumables are expensed by the one-off amortisation method.

12.2 Criteria for recognizing and providing for provision for value reduction of inventories

At the end of the reporting period, inventories are measured at the lower of cost and net realisable value. When the net realisable value is lower than the cost, a provision is made for the decline in value.

The net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. The net realisable value of inventories is determined based on the concrete evidence obtained, with reference to the purpose of holding inventory and the impact of events after the end of the reporting period.

The inventories held by the Group mainly consist of fuel for vehicles and vessels, spare parts, and packaging used in the course of providing transportation and logistics services, which have low unit prices and small overall amounts and are not material to the Group. At the end of the year, the Group does not provide for provision for value reduction for 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 provides for provision for value reduction for inventories on a lot-by-lot basis or by individual inventory items.

When the circumstances that previously caused inventories to be written down below cost no longer exist and the net realisable value is higher than the book value, the original amount of the write-down is reversed and charged to the current profits and losses.

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

13. LONG-TERM EQUITY INVESTMENT

13.1 Determination basis for 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 invested entities, it has taken into account the potential voting right factors such as the current convertible bonds of the investee unit and the current executable warrants held by the investor and other parties.

13.2 Determination of initial investment cost

For the long-term equity investment acquired through a business combination involving entities under common control, the initial investment cost of the long-term equity investment shall be the share of the owner's 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 adjusted to capital reserve. If the balance of capital reserve is not sufficient, any excess is adjusted to retained earnings. To issue equity securities as the cost of business combination, the initial investment cost of the long-term equity investment shall be the share of the owner's equity of the acquiree in the book value of the final ultimate controlling party's consolidated financial statements on the acquisition date, the face value of the total issued shares is recognised as share capital. The difference between the initial investment cost adjusted to capital reserve. If the balance of capital reserve is not sufficient, any excess is adjusted to retained earnings.

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 taken as the cost of the business combination on the acquisition date.

The intermediary fees such as auditing, legal services, evaluation and consultation, and other related administrative expenses incurred by the merging party or the purchaser for 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 measured at the initial 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.

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

13. LONG-TERM EQUITY INVESTMENT (CONTINUED)

13.3 Subsequent measurement and profit or loss recognition method

13.3.1 Long-term equity investment accounted for using the cost method

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

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

13.3.2 Long-term equity investment accounted for using the equity method

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

When adopting equity method accounting, if the initial investment cost of long-term equity investment is greater than the fair value share of identifiable net assets of the invested entity, the initial investment cost of 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 invested entity, the difference shall be recorded into the current profits and losses, and the long-term equity investment cost shall be adjusted accordingly.

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

13. LONG-TERM EQUITY INVESTMENT (CONTINUED)

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

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

When adopting equity method accounting, the investment income and other comprehensive income shall be recognised respectively according to the share of net profit or loss and other comprehensive income of the invested unit. The book value of long-term equity investment shall be adjusted accordingly. The book value of 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 long-term equity investment shall be adjusted and included in capital reserve for other changes in the owner's equity of the investee rather than net profit or loss, other comprehensive income, and profit distribution. When recognising the share of the net profit and loss of the investee, the net profit of the investee shall be adjusted and recognised on the basis of the fair value of the identifiable assets of the invested unit at the acquisition date. If the accounting policies and periods adopted by the invested unit are inconsistent with those of the Group, the financial statements of the investee shall be adjusted in accordance with the accounting policies of the Group and the accounting period of the Group, and the investment income and other comprehensive income shall be recognised accordingly. Unrealised profit or loss resulting from the Group's transactions with its associates and joint ventures are recognised as investment income or loss to the extent that those attributable to the Group's equity interest are eliminated. However, unrealized profit or loss resulting from the Group's transactions with its investee which represent impairment losses on the transferred assets are not eliminated.

When it is recognised that the net loss of the invested unit 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 invested unit shall be written down to zero. In addition, if the Group has the obligation to bear additional losses to the investee entity, it shall recognise the estimated liabilities according to the expected obligations and record them into the current investment loss. Where net profits are subsequently made by the investee, the Group resumes recognising its share of those profits only after its share of the profits exceeds the share of losses previously not recognised.

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

13. LONG-TERM EQUITY INVESTMENT (CONTINUED)

13.4 Disposal of long-term equity investment

At the time of the disposal of long-term equity investments, the difference between its book value and the actual price obtained shall be recorded in the current profits and losses. For long-term equity investment accounted for using the equity method, the remaining shares after disposal are still accounted for using the equity method. Other comprehensive income recognised by the equity method is accounted for on the same basis as the assets or liabilities directly disposed of by the investee, and is carried forward proportionately to the current profits and losses; owner's equity is carried forward proportionately to the current profits and losses. For long-term equity investments accounted for using the cost method, if the remaining equity after disposal is still accounted for using the cost method, other comprehensive income recognised due to the use of the equity method 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; the net assets of the investee recognised due to the use of the equity method are excluded from the equity method. Changes in net profit or loss, other comprehensive income, and equity other than profit distributions are carried forward on a pro-rata basis to the current profits and losses.

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

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

13. LONG-TERM EQUITY INVESTMENT (CONTINUED)

13.4 Disposal of long-term equity investment (Continued)

If the Group loses joint control or significant influence on the invested entity due to the disposal of part of its equity investment, the remaining equity after disposal shall be accounted for according to the criteria of recognition and measurement of financial instruments, and the difference between the fair value and book value on the date of the loss of joint control or significant impact shall be included in the current profits and losses. Other comprehensive income recognised by the original equity method shall be accounted for on the same basis as the assets or liabilities directly disposed of by the invested entity when the equity method is terminated. Owner's equity recognised by the invested party due to the change of owner's rights and interests other than net profit and loss, other comprehensive income, and profit distribution shall be terminated when the equity method is terminated. All of them will be transferred to the current investment income.

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

14. INVESTMENT PROPERTIES

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

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

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

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

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

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

15. FIXED ASSETS AND DEPRECIATION

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

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

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

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

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

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

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

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

16. CONSTRUCTION IN PROGRESS

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

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

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

17. INTANGIBLE ASSETS

17.1 Intangible assets

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

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

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

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

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

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

17. INTANGIBLE ASSETS (CONTINUED)

17.2 Research and development expenditures

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

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

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

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

- (1) Completion of an intangible asset so that it can be used or sold is technically feasible.
- (2) Intention to complete the intangible asset for use or for sale.
- (3) How intangible assets generate economic benefits include proving the existence of a market for the products produced by using the intangible assets or the existence of a market for the intangible assets themselves.
- (4) Having sufficient technical, financial, and other resources to support the completion of the development of the intangible assets, and having the ability to use or sell the intangible assets.
- (5) Expenditure attributable to the development stage of the intangible asset can be measured reliably.

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

17. INTANGIBLE ASSETS (CONTINUED)

17.2 Research and development expenditures (Continued)

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

18. LONG-TERM PREPAID EXPENSE

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

19. IMPAIRMENT OF NON-FINANCIAL ASSETS OTHER THAN GOODWILL

At the end of each reporting period, 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, intangible assets with 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 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.

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

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

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

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

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

20. ESTIMATED LIABILITIES

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

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

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

21. EMPLOYEE BENEFITS

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

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

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.

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

21. EMPLOYEE BENEFITS (CONTINUED)

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 wages, bonuses, allowances and subsidies, employee benefits, social insurance premiums such as medical insurance, work injury insurance and maternity insurance, housing provident fund, trade union funds and employee education funds, short-term paid absences, short-term profit-sharing plans, non-monetary benefits, and other short-term remunerations. During the accounting period when employees provide services, the Group shall recognise the short-term benefits payable as a liability and record it into the cost or expense of related assets according to the beneficiaries of the services provided by the employees.

Post-employment benefits refer to the various forms of remuneration and welfare provided by the Group after the employee retires or dissolves labour relations with the enterprise in order to obtain the services provided by the employee, with the exception of short-term remunerations and termination benefits. Post-employment benefits include endowment 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. Where 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 escrow plan shall be recognised as a liability and recorded into the current profits and losses or the cost of related assets.

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

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

21. EMPLOYEE BENEFITS (CONTINUED)

Termination benefit means that the Group terminates the labor relationship with the employee before the expiration of the employee's labor contract or compensates the employee to encourage the employee to voluntarily accept the reduction. Where the Group provides termination benefits to the employees, the liability arising from the termination benefits shall be recognised at an early date and recorded into the current profits and losses if: (1) The Group cannot unilaterally withdraw the termination benefits provided by the termination plan or reduction proposal; (2) When the Group confirms the costs or expenses related to the restructuring related to the payment of termination benefits.

Other long-term employee benefits refer to all employee remunerations except short-term remunerations, 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 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, shall be recognised in related cost or expense at the grant date, with a corresponding increase in capital reserve.

23. BONDS PAYABLE

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

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

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

24. REVENUE RECOGNITION

The Group recognises revenue at the transaction price apportioned to the performance obligation in the contract when it is satisfied, i.e., when the customer acquires control of the relevant goods or services. A performance obligation is a contractual commitment by the Group to transfer clearly distinguishable goods or services to the customer. The transaction price is the amount of consideration that the Group expects to be entitled to receive as a result of the transfer of goods or services to the customer, but excluding amounts collected on behalf of third parties and amounts that the Group expects to be returned to the customer. In determining the transaction price, the Group considers factors such as the impact of variable consideration, significant financing components embedded in the contract, non-cash consideration, and consideration payable to customers.

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

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

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

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

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

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

24. REVENUE RECOGNITION (CONTINUED)

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

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

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

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

The Group's logistics, e-commerce, and agency and its related businesses based on the identity of the principally liable person usually are point-to-point logistic services to clients; customers obtain and consume the economic interests brought by the performance at the same time of the Group's performance. As the logistics and e-commerce business services provided by the Group are usually completed within a relatively short period of time within an accounting period, services provided across accounting periods are not material to the Group and therefore the Group recognises the realisation of revenue at the point of completion for the above services.

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

24. REVENUE RECOGNITION (CONTINUED)

The Group recognises revenue for its agency and related businesses carried out in the role of an agent when the relevant agency act is completed.

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

A contract asset is a right to receive consideration for goods or services that the Group has transferred to a customer and that is dependent on factors other than the passage of time. For the accounting policy regarding contract asset impairment, please refer to Note IV. 11. The Group's unconditional (that is, time-dependent) right to collect considerations from customers is presented separately as receivables.

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

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

The cost of obtaining a contract

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

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

24. REVENUE RECOGNITION (CONTINUED)

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 standard, are recognised as an asset when the following conditions are met: (1) The cost is directly related to a current or expected contract; (2) The cost increases the Group's future resources available to meet its performance obligations; and (3) The cost is expected to be recoverable. These assets are amortised using the same basis as revenue recognition for the goods or services to which the asset relates and are recognised in the current profits and losses.

25. GOVERNMENT GRANTS

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

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

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

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

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

Government grants related to the Group's daily activities are included in other income or offset 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 and expenditure.

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

26. BORROWING COSTS

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

The remaining borrowing costs are recognised as an expenses in the period in which they are incurred.

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

27. INCOME TAXES

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

27.1 Current income tax

At the balance sheet date, for current income 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.

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

27. INCOME TAXES (CONTINUED)

27.2 Deferred tax assets and deferred tax liabilities

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

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

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

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

At the balance sheet date, deferred tax assets and deferred tax liabilities are measured at the tax rates that are expected to apply 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.

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

27. INCOME TAXES (CONTINUED)

27.2 Deferred tax assets and deferred tax liabilities (Continued)

Current income taxes and deferred income taxes are recorded in other comprehensive income or equity, except for current income taxes and deferred income taxes related to transactions and events directly in other comprehensive income or equity, and the deferred income tax resulting from business combinations adjusts the book value of goodwill, in which the remaining current income tax and deferred income tax expense or gain are recorded in the current profits and losses.

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.

27.3 Offset of income taxes

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

The Group's deferred tax assets and deferred tax liabilities are presented net of offset 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 income tax assets and liabilities on a net basis or to acquire the assets and settle the liabilities simultaneously.

28. FOREIGN CURRENCY OPERATIONS AND TRANSLATION OF FOREIGN CURRENCY STATEMENTS

28.1 Foreign currency operations

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

Chapter 10 Notes to the Financial Statements

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

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

28. FOREIGN CURRENCY OPERATIONS AND TRANSLATION OF FOREIGN CURRENCY STATEMENTS (CONTINUED)

28.1 Foreign currency operations (Continued)

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, except (1) Exchange differences on foreign currency special borrowings eligible for capitalisation are capitalised to the cost of the related assets during the capitalisation period; (2) Exchange differences on hedging instruments that are hedged to avert the foreign exchange risk are accounted for under the hedge accounting method; (3) Exchange differences on monetary items classified as fair value through other comprehensive income are included in current profits and losses, except for those arising from changes in book balance other than the amortised cost, which is recognised in other comprehensive income.

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

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

28.2 Translation of foreign currency statements

For the purpose of preparing consolidated financial statements, foreign currency financial statements of foreign operations are translated into RMB as follows: All assets and liability items in the statement of financial position are translated at the spot exchange rate at the balance sheet date; equity items 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 equity items is recognised as other comprehensive income and included in 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”.

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

28. FOREIGN CURRENCY OPERATIONS AND TRANSLATION OF FOREIGN CURRENCY STATEMENTS (CONTINUED)

28.2 Translation of foreign currency statements (Continued)

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 shareholder's 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 shareholders' 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.

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. The Group does not reassess whether a contract is a lease or contains a lease unless there is a change in the terms and conditions of the contract.

29.1 The Group as lessee

29.1.1 Separation of leases

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

Chapter 10 Notes to the Financial Statements

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

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

29. LEASES (CONTINUED)

29.1 The Group as lessee (Continued)

29.1.2 Right-of-use asset

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

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

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

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

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Notes to the Financial Statements

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

29. LEASES (CONTINUED)

29.1 The Group as lessee (Continued)

29.1.3 Lease liabilities

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

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

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

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

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

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For the period ended 30 June 2024
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IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES OF THE COMPANY (CONTINUED)

29. LEASES (CONTINUED)

29.1 The Group as lessee (Continued)

29.1.3 Lease liabilities (Continued)

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

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

29.1.4 Short-term leases and low-value asset leases

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

29.1.5 Lease modification

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

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

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

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

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

29. LEASES (CONTINUED)

29.2 The Group as lessor

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

29.2.1 Separation of leases

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

29.2.2 Classification of leases

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

29.2.3 The Group records operating lease business as a lessor

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

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

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For the period ended 30 June 2024
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IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES OF THE COMPANY (CONTINUED)

29. LEASES (CONTINUED)

29.2 The Group as lessor (Continued)

29.2.4 The Group records finance lease business as a lessor

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

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

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

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

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

29.2.5 Sublease

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

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Notes to the Financial Statements

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

29. LEASES (CONTINUED)

29.2 The Group as lessor (Continued)

29.2.6 Lease modification

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

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

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

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

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

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

29. LEASES (CONTINUED)

29.3 Sale and leaseback transactions

29.3.1 The Group as seller and lessee

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

29.3.2 The Group as buyer and lessor

Where the asset transfer in a sale and leaseback transaction is not a sale, the Group does not recognise the transferred asset, but recognises a financial asset equal to the amount of the transfer proceeds, and accounts for the financial asset in accordance with the Accounting Standards for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments. If the asset transfer is a sale, the Group accounts for the purchase of the asset and the lease of the asset in accordance with other applicable business accounting standards.

30. NON-CURRENT ASSETS HELD FOR SALE OR DISPOSAL GROUPS

30.1 Recognition criteria and accounting treatment for non-current assets held for sale or disposal groups

The Group classifies as held for sale when it recovers the book value of a non-current asset or disposal group primarily through a sale, including a non-monetary asset exchange with commercial substance, rather than through the continued use of the non-current asset or disposal group.

A non-current asset or disposal group classified as held for sale is subject to both: (1) Immediate sale in its current condition, as is customary for the sale of such an asset or disposal group in similar transactions, and (2) a sale is highly probable, i.e., the Group has resolved on a plan to sell and has received firm purchase commitments and the sale is expected to be completed within one year.

The Group measures non-current assets or disposal groups held for sale at the lower of their book value or fair value less selling expenses. If the book value is higher than the fair value less selling expenses, the book value is written down to the fair value less selling expenses, and the amount of the write-down is recognised as an impairment of assets in the current profits and losses. An impairment provision is also made for held-for-sale assets. If the fair value of non-current assets held for sale, net of selling expenses, increases at subsequent balance sheet dates, the amount previously written down is restored and reversed within the impairment amounts of the assets recognised after classification as held for sale, and the reversed amount is recognised in the current profits and losses.

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

30. NON-CURRENT ASSETS HELD FOR SALE OR DISPOSAL GROUPS (CONTINUED)

30.1 Recognition criteria and accounting treatment for non-current assets held for sale or disposal groups (Continued)

Non-current assets held for sale or non-current assets in disposal groups are not depreciated or amortised, and interest and other charges on liabilities in the disposal groups held for sale continue to be recognised.

Equity investments in associates or joint ventures are classified in whole or in part as held-for-sale assets, 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.

30.2 Recognition criteria and presentation of discontinued operations

A discontinued operation is a component of the Group that can be separately distinguished, has been disposed of or classified as held for sale, and meets one of the following conditions:

- (1) The component represents a separate major business or a major area of operations.
- (2) The component is part of a single coordinated plan to dispose of a separate major business or a separate major area of operations.
- (3) The component is a subsidiary acquired exclusively for resale.

Gains and losses from discontinued operations and those from continuing operations are presented separately in the statement of profit or loss and other comprehensive income, with operating gains and losses such as impairment losses and reversals from discontinued operations and gains and losses on disposals being reported as discontinued operations. For discontinued operations presented in the current period, the Group restates the information previously presented as gains and losses from continuing operations in the current financial statements as discontinued operations in the comparable accounting periods.

31. SAFETY PRODUCTION COSTS

In accordance with the Administrative Measures on the Withdrawal and Use of Safety Production Costs by Enterprises No. 136 of Caizi [2022] jointly issued by the Ministry of Finance and the Ministry of Emergency Management on 13 December 2022, the Group extracts safety production costs which will be credited to the cost of relevant products or current profits and losses, and at the same time be transferred to the special reserve. When the extracted safety production costs are used as expenses, they are directly deducted from the special reserve. When the extracted safety production costs are used to form fixed assets, the expenses incurred are collected under the account "Construction in progress" and recognised as fixed assets when the safety projects are completed and ready for use; at the same time, the cost of the fixed assets are deducted from the special reserve, and the same amount of accumulated depreciation is recognised. Such fixed assets are not depreciated in subsequent periods.

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

32. ASSET SECURITISATION BUSINESS

When a financial asset is transferred, it is judged on the basis of the transfer of substantially all the risks and rewards of ownership of the relevant financial asset. If substantially all the risks and rewards of ownership of the relevant financial asset have been transferred, the corresponding financial asset is derecognised. If substantially all the risks and rewards of ownership of the relevant financial asset have not been transferred but have been retained, the financial asset is not derecognised. If substantially all the risks and rewards of ownership of the relevant financial asset have been neither transferred nor retained, derecognition is determined based on the extent of control over the financial asset. If control over the financial asset is relinquished, the financial asset is derecognised; if control over the financial asset is not relinquished, the financial asset is recognised to the extent of its continuing involvement in the financial asset, and the related liability is recognised accordingly.

If the transfer of the financial asset meets the criteria for derecognition of the whole financial asset, the difference between the consideration received for the transfer and the corresponding book value is recognised in the current profits and losses, and the cumulative change in fair value of the relevant financial asset originally recognised directly in shareholders' equity is also recognised in the current profits and losses. If the conditions for derecognition of the partial transfer are met, the book value of the whole financial asset involved in the transfer is apportioned between the part that is derecognised and the part that is not derecognised based on the relative fair value of each part, and the part that is derecognised is treated based on the apportioned book value and with reference to the overall transfer treatment. If the conditions for derecognition are not met, the consideration received is recognised as a financial liability.

33. NON-MONETARY ASSET EXCHANGE

A non-monetary asset exchange is measured at fair value if the non-monetary asset exchange has commercial substance and the fair value of the exchange-in asset or exchange-out asset can be measured reliably. For the exchange-in asset, the fair value of the exchange-out asset and the related tax payable are initially measured as the cost of the exchange-in asset; for the exchange-out asset, the difference between the fair value and the book value of the exchange-out asset is recognised in the current profits and losses upon derecognition. If there is sufficient evidence that the fair value of the exchange-in asset is more reliable, the fair value of the exchange-in asset plus the relevant tax payable is used as the initial measurement amount of the exchange-in asset; for the exchange-out asset, the difference between the fair value of the exchange-in asset and the book value of the exchange-out asset is charged to the current profits and losses upon derecognition.

Non-monetary asset exchanges that do not meet the condition of being measured at fair value are measured at book value. For the exchange-in asset, the book value of the exchange-out asset plus the relevant tax payable is used as the initial measurement amount of the exchange-in asset; for the exchange-out asset, no gain or loss is recognised upon derecognition.

When there is a discrepancy between the point of recognition of the exchange-in asset and the point of derecognition of the exchange-out asset, the exchange-in asset meets the asset recognition condition and, if the exchange-out asset has not yet met the derecognition condition, the obligation to deliver the exchange-out asset is recognised as a liability at the same time as the exchange-in asset is recognised; if the exchange-in asset has not yet met the asset recognition condition and the exchange-out asset meets the derecognition condition, the right to acquire the exchange-in asset is recognised as an asset at the same time as the exchange-out asset is derecognised.

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Notes to the Financial Statements

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

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

33. NON-MONETARY ASSET EXCHANGE (CONTINUED)

Where multiple assets are received simultaneously in a non-monetary asset exchange that is measured at fair value, the net amount of the total fair value of the exchange-out assets less the fair value of the exchange-in financial assets is apportioned according to the relative proportion of the fair value of each exchange-in asset other than the exchange-in financial assets, and the amount apportioned to each exchange-in asset plus the relevant tax payable is initially measured as the cost of each exchange-in asset. If there is sufficient evidence that the fair value of the exchange-in assets is more reliable, the fair value of each exchange-in asset and the related tax payable are initially measured as the cost of each exchange-in asset. Where the non-monetary asset exchange is measured at book value, the total book value of the exchange-out asset is apportioned to each exchange-in asset according to the relative proportion of the fair value of each exchange-in asset, and the amount apportioned plus the relevant tax payable is recognised as the initial measurement amount of each exchange-in asset. If the fair value of the exchange-in asset cannot be measured reliably, the book value of the exchange-out asset is apportioned according to the relative proportion or other reasonable proportion of the original book value of each exchange-in asset.

Where multiple assets are given up simultaneously in a non-monetary asset exchange measured at fair value, the difference between the fair value of each exchange-out asset and its book value is recognised in the current profits and losses upon the derecognition of each exchange-out asset. If there is sufficient evidence that the fair value of the exchange-in asset is more reliable, the total fair value of the exchange-in asset is apportioned to each exchange-out asset according to the relative proportion of the fair value of each exchange-out asset. The difference between the amount apportioned to each exchange-out asset and the book value of each exchange-out asset is recognised in the current profits and losses on the derecognition of each exchange-out asset. Where the non-monetary asset exchange is measured at book value, no gain or loss is recognised on the derecognition of each exchange-out asset.

34. DEBT RESTRUCTURING

34.1 Recording debt restructuring obligations as a debtor

A debt restructuring in which the debt is settled by assets is derecognised when the relevant assets and the settled debt meet the conditions for derecognition, and the difference between the book value of the settled debt and the book value of the transferred assets is recognised in the current profits and losses.

A debt restructuring that converts a debt into an equity instrument is derecognised when the settled debt meets the conditions for derecognition. The equity instrument is measured by the Group at its fair value upon initial recognition, and if the fair value cannot be reliably measured, it is measured at the fair value of the settled debt. The difference between the book value of the settled debt and the amount recognised for the equity instrument is recognised in the current profits and losses.

For a debt restructuring in the form of modifying other terms, the restructured debt shall be recognised and measured by the Group in accordance with the Accounting Standards for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments and Accounting Standards for Business Enterprises No. 37 – Presentation of Financial Instruments.

If a debt restructuring is carried out by using multiple assets to pay off debts or by means of a combination, equity instruments, and restructured debts shall be recognised and measured according to the above-mentioned methods. The difference between the book value of the settled debts and the book value of the transferred assets and the sum of the recognised amounts of the equity instruments and restructured debts shall be included in the current profits and losses.

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

34. DEBT RESTRUCTURING (CONTINUED)

34.2 Recording debt restructuring obligations as a creditor

When a debt restructuring is carried out by means of settlement of a debt with assets or conversion of a debt into an equity instrument, the Group recognizes the related assets when they meet the definition and recognition criteria.

For a debt restructuring in which assets are used to pay off debts, assets other than the transferred financial assets are initially recognised at cost. The cost of inventory includes the fair value of the abandoned creditors' rights and other costs directly attributable to the assets, such as taxes, transportation costs, handling charges, insurance premiums, etc., incurred to enable the assets to reach their current position and state. The cost of an investment in an associate or joint venture includes the fair value of the abandoned creditors' rights and other costs directly attributable to the asset, such as taxes. The cost of investment properties includes the fair value of the abandoned creditor's rights and other costs such as taxes that are directly attributable to the assets. The cost of a fixed asset includes the fair value of the abandoned creditors' rights and other costs directly attributable to the asset, such as taxes, transportation costs, handling charges, installation costs, and professional services fees, incurred before making the asset available for the intended use. The cost of a biological asset includes the fair value of the abandoned creditors' rights and other costs attributable to the asset, such as taxes, transportation costs, and insurance premiums. The cost of an intangible asset includes the fair value of the abandoned creditors' rights and other costs that are directly attributable to the asset such as taxes, incurred before making the asset available for the intended use. The difference between the fair value and the book value of the abandoned creditors' rights should be recognised in the current profits and losses.

When a debt restructuring that converts debt into an equity instrument results in the Group converting creditor's rights into an equity investment in an associate or joint venture, the Group measures the cost of its initial investment at the fair value of the abandoned creditors' rights and other costs directly attributable to the asset, such as taxes. The difference between the fair value and the book value of the abandoned creditors' rights is recognised in the current profits and losses.

For a debt restructuring in the form of modifying other terms, the creditor's rights restructured shall be recognised and measured by the Group in accordance with the Accounting Standards for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments.

If a debt restructuring is carried out by using multiple assets to pay off debts or by means of a combination, firstly, the transferred financial assets and creditor's rights restructured are recognised and measured in accordance with the Accounting Standards for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments, and then the net amount of the fair value of the abandoned creditors' rights after deducting the recognised amounts of the transferred financial assets and the creditor's rights restructured are allocated in proportion to the fair value of each asset other than the transferred financial assets, and on this basis, the cost of each asset is determined separately in accordance with the above method. The difference between the fair value and the book value of the abandoned creditors' rights is recognised in the current profits and losses.

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Notes to the Financial Statements

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

V. CRITICAL JUDGMENTS MADE IN THE APPLICATION OF ACCOUNTING POLICIES AND KEY ASSUMPTIONS AND UNCERTAINTY IN ACCOUNTING ESTIMATES

In the application of the Group's accounting policies, which are described in Note IV, the inherent uncertainty in operating activities requires the Group to make judgments, estimates, and assumptions about the book value of statement items that cannot be measured accurately. These judgments, estimates, and assumptions are based on the historical experience of the management and other factors that are considered to be relevant. Actual results may differ from these estimates.

The judgments, estimates, and assumptions are reviewed by the Group regularly. The effects are recognised in the period in which an estimate is revised if the revision to the accounting estimate affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

1. KEY ASSUMPTIONS AND UNCERTAINTY IN CRITICAL ACCOUNTING JUDGMENTS AND ACCOUNTING ESTIMATES

At the balance sheet date, key assumptions and uncertainties in critical accounting judgments and accounting estimates that are likely to lead to significant adjustments in the book value of assets and liabilities in future periods are as follows:

1.1 Derecognition of transfers of financial assets

The Group transfers financial assets in the normal course of business through methods such as conventional transactions and asset securitisation. The Group is required to make significant judgments and estimates in the process of determining whether or not all of the transferred financial assets can be derecognised.

Where the Group transfers financial assets to a special purpose vehicle through a structured transaction, the Group analyses and assesses whether the relationship with the special purpose vehicle substantially demonstrates that the Group has control over the special purpose vehicle and therefore consolidation is required. The judgment of consolidation will determine whether the derecognition analysis should be performed at the level of the consolidation entity, or at the level of the single entity from which the financial assets are transferred.

The Group is required to analyse the contractual cash flow rights and obligations related to the transfer of financial assets to determine whether it meets the conditions for derecognition based on the following judgments.

- Whether the right to obtain the contractual cash flows has been transferred; or whether the cash flows have met the "pass-through" requirements and been transferred to an independent third party.
- Assess to what extent the risks and rewards of ownership of financial assets are transferred. The Group uses significant accounting estimates and judgments in estimating cash flows and other factors that affect the degree of risk and reward transfer before and after the transfer.

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

V. CRITICAL JUDGMENTS MADE IN THE APPLICATION OF ACCOUNTING POLICIES AND KEY ASSUMPTIONS AND UNCERTAINTY IN ACCOUNTING ESTIMATES (CONTINUED)

1. KEY ASSUMPTIONS AND UNCERTAINTY IN CRITICAL ACCOUNTING JUDGMENTS AND ACCOUNTING ESTIMATES (CONTINUED)

1.2 Recognition of expected credit losses

Significant increase in credit risk: In assessing expected credit losses on financial assets, the Group is required to judge whether the credit risk on financial assets has increased significantly since the acquisition, taking into account both qualitative and quantitative information and incorporating forward-looking information in the process.

Establishment of asset groups with similar credit risk characteristics: When expected credit losses are measured on a portfolio basis, financial instruments are grouped based on similar risk characteristics. The Group continually assesses whether these financial instruments continue to have similar credit risk characteristics to ensure that should the credit risk characteristics change, the financial instruments will be reclassified appropriately. This may result in the creation of a new portfolio or the reclassification of assets into an existing portfolio to better reflect the similar credit risk characteristics of such assets.

Use of models and assumptions: The Group uses different models and assumptions to assess expected credit losses on financial assets. The Group determines the most applicable model for each class of financial assets and the assumptions used to determine these models through judgment, including those assumptions related to key drivers of credit risk.

Forward-looking information: In assessing expected credit losses, the Group uses reasonable and informed forward-looking information that is based on assumptions about the future course of different economic drivers and how these economic drivers may interact with each other.

Default rate: The default rate is an important input for expected credit risk. The default rate is an estimate of the likelihood of default in a given period in the future and is calculated based on historical data, assumptions, and expectations of future conditions.

Loss given default: The loss given default is an estimate of the losses incurred in the event of default. It is based on the difference between the contractual cash flows and the cash flows expected to be received by the borrower and takes into account the cash flows generated by the collateral and the overall credit enhancement.

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Notes to the Financial Statements

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V. CRITICAL JUDGMENTS MADE IN THE APPLICATION OF ACCOUNTING POLICIES AND KEY ASSUMPTIONS AND UNCERTAINTY IN ACCOUNTING ESTIMATES (CONTINUED)

1. KEY ASSUMPTIONS AND UNCERTAINTY IN CRITICAL ACCOUNTING JUDGMENTS AND ACCOUNTING ESTIMATES (CONTINUED)

1.3 Goodwill impairment

As at 30 June 2024, the book value of goodwill was RMB1,996,826,817.14. The Group conducts impairment tests on goodwill at least annually. In the impairment test of goodwill, it is necessary to calculate the present value of the expected future cash flow of the relevant asset group or asset group portfolio and to estimate the future cash flow of the asset group or asset group portfolio. At the same time, it is necessary to determine a pre-tax interest rate that appropriately reflects the time value of money in the current market and asset-specific risks. All these matters involve the judgment of the management.

1.4 Recognition of deferred income tax

The Group recognises deferred tax assets for all unused deductible temporary differences and deductible losses to the extent of the sufficient taxable income used to deduct deductible temporary differences and deductible losses that are likely to be obtained in the future. This requires the management of the Group to use a large number of judgments to estimate the time and amount of future taxable income, and to determine the amount of deferred tax assets that should be recognised by taking into account tax planning strategies.

The Group operates in many countries and regions and withdraws the income tax payable in each region according to the local tax law and relevant regulations. The Group will calculate and make provisions for deferred tax liabilities in accordance with the requirements of relevant state agencies, the Group's development strategy, and the distribution plan of retained earnings of subsidiaries, associates, and joint ventures, as well as the provisions of the relevant tariff law. If the actual distribution of future profits exceeds expectations, the corresponding deferred tax liabilities will be recognised and recorded in profits and losses at the earlier of the change of the distribution plan and the announcement of profit distribution.

1.5 Impairment of long-term equity investments

As at 30 June 2024, the book value of the Group's investment in associates amounted to RMB5,125,498,195.00 (1 January 2024: RMB5,058,019,352.84); the book value of the Group's investment in joint ventures as at 30 June 2024 amounted to RMB4,844,467,179.63 (1 January 2024: RMB4,079,445,991.01). For long-term equity investments that have indications of impairment, the Group determines whether a long-term equity investment is impaired by estimating the recoverable amount of the long-term equity investment and comparing it with its book value. If the book value of the long-term equity investment is greater than the estimated recoverable amount, an impairment provision is made accordingly.

Chapter 10 Notes to the Financial Statements

For the period ended 30 June 2024
(Unless indicated otherwise, all amounts are expressed in RMB)

V. CRITICAL JUDGMENTS MADE IN THE APPLICATION OF ACCOUNTING POLICIES AND KEY ASSUMPTIONS AND UNCERTAINTY IN ACCOUNTING ESTIMATES (CONTINUED)

1. KEY ASSUMPTIONS AND UNCERTAINTY IN CRITICAL ACCOUNTING JUDGMENTS AND ACCOUNTING ESTIMATES (CONTINUED)

1.6 Fair value of financial instruments

For financial instruments that lack an active market, the Group adopts a valuation method to determine their fair value. Valuation methods make the best use of observable market information; when observable market information is not available, an estimate is made of the significant unobservable information included in the valuation method.

Observable input values refer to input values that can be obtained from market data. The input values reflect the assumptions that market participants use to price related assets or liabilities.

Unobservable input values refer to input values that cannot be obtained from market data. The input values shall be determined based on the best available information on the assumptions used by market participants in pricing the relevant assets or liabilities.

1.7 Estimated useful life and estimated residual value of fixed assets and intangible assets

The Group determines the useful life and residual value of fixed assets and intangible assets. The estimation is based on the historical experience of the actual useful life and the residual value of fixed assets and intangible assets with similar properties and functions and may have significant changes due to technological innovation and severe industry competition. When the estimated useful life and the residual value of fixed assets or intangible assets are less than the previous estimates, the Group will increase the depreciation/amortisation, or write off or offset the technologically obsolete fixed assets or intangible assets.

1.8 Impairment of non-current assets other than financial assets (other than goodwill and long-term equity investments)

The Group determines at the balance sheet date whether there is any indication that non-current assets other than financial assets may be impaired, and performs impairment tests on those assets when there is an indication of impairment. In addition, intangible assets with indefinite useful lives are tested for impairment annually. The recoverable amount of an asset or asset group is determined based on the higher of the value in use of the asset or asset group and the net amount of its fair value less disposal expenses. In estimating its value in use, the future cash flows of the asset or asset group are projected and discounted using a discount rate. The management makes an accounting estimate on the use of the asset and forecasts future cash flows on a reasonable and informed basis and determines the present value of the future cash flows using a discount rate that reflects the time value of money in the current market and the specific risks associated with the asset.

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Notes to the Financial Statements

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V. CRITICAL JUDGMENTS MADE IN THE APPLICATION OF ACCOUNTING POLICIES AND KEY ASSUMPTIONS AND UNCERTAINTY IN ACCOUNTING ESTIMATES (CONTINUED)

1. KEY ASSUMPTIONS AND UNCERTAINTY IN CRITICAL ACCOUNTING JUDGMENTS AND ACCOUNTING ESTIMATES (CONTINUED)

1.9 Determine the lease term of a lease contract with a renewal option

For a lease contract signed as a lessee with the renewal option, the Group uses judgments to determine the lease term of the lease contract. The assessment of whether it is reasonably certain that the Group will exercise this option affects the length of the lease term, which in turn has a significant impact on the amount of the lease liability and right-of-use asset recognised under the lease.

1.10 Contingent liabilities

The Group is faced with numerous legal disputes in the course of its going concern, the outcome of which is subject to a significant degree of uncertainty. When the economic benefits associated with a particular legal dispute are considered to be likely to flow out and the amount can be measured reliably, the Group's management makes provisions for them based on professional legal advice. Significant contingent liabilities faced by the Group, other than those considered to be highly unlikely to result in an outflow of economic benefits, are disclosed in Note XII. The management uses judgments to determine whether provisions should be made for related legal disputes or whether they should be disclosed as contingent liabilities.

VI. SIGNIFICANT CHANGES IN ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

1. CHANGES IN ACCOUNTING POLICIES AND EFFECTS

The Ministry of Finance issued the Interpretation of Accounting Standards for Business Enterprises No. 17 (Caikuai [2023] No. 21) on 25 October 2023, which regulates the classification of current liabilities and non-current liabilities, the disclosure of supplier financing arrangements, and the accounting treatment for sale-and-leaseback transactions, and is required to be implemented as of 1 January 2024. The Group has prepared the current financial statements in accordance with the above requirements. The relevant provisions of Interpretation of Accounting Standard for Business Enterprises No. 17 on the classification of current and non-current liabilities and the accounting treatment for sale-and-leaseback transactions have no material impact on the Group and the Company. The information on supplier financing arrangements required to be disclosed in the Interpretation of Accounting Standard for Business Enterprises No. 17 are detailed in Note IX. 68.

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Notes to the Financial Statements

For the period ended 30 June 2024
(Unless indicated otherwise, all amounts are expressed in RMB)

VI. SIGNIFICANT CHANGES IN ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

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 is no correction of prior errors of the Group during the period.

4. OTHER ADJUSTMENTS

There are no other adjustments disclosed by the Group during the period.

VII. TAXES

1. MAIN TAX CATEGORIES AND RATES

Tax categories	Tax bases	Tax rates
Value-added tax	Taxable value-added amount (the balance of the output tax less deductible input tax)	0%, 3%, 5%, 6%, 9%, 13%
Urban maintenance & construction tax	Turnover tax payable	1%, 5%, 7%
Education surcharge and local education surcharge	Turnover tax payable	3%, 2%
Stamp duty	Registered capital, capital reserve, economic contract amount, etc.	0.05%, 0.03%, etc.
Property tax	Taxable residual value and rental income of properties	1.2%, 12%
Urban land use tax	The actual area of the land occupied	0.6–30 RMB/m ²
Enterprise income tax (Note)	Taxable income	0–38%

Note: The enterprise income tax of the Company and its subsidiaries was calculated at the local current tax rate. The income tax rate of the Group's subsidiaries located in Mainland China is 25%. The income tax rates of main subsidiaries in the countries or regions outside the mainland of the PRC are as follows:

Country or region	Applicable income tax rate
Hong Kong, China	16.50%
Japan	38%
South Korea	20.90%
Belarus	18%
Netherlands	25.80%

Chapter 10

Notes to the Financial Statements

For the period ended 30 June 2024

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

VII. TAXES (CONTINUED)

2. SIGNIFICANT TAX PREFERENCES AND APPROVALS

2.1 Enterprise income tax

- (1) According to the *Announcement of the Ministry of Finance, the State Taxation Administration, and the National Development and Reform Commission on the Continuation of Enterprise Income Tax Policy for Western Development* (the Ministry of Finance 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 *Announcement of the Ministry of Finance and the State Taxation Administration on Tax Policies to Further Support the Development of Small and Micro Enterprises and Individual Businesses* (the Ministry of Finance and the State Taxation Administration Announcement No. 12 of 2023), the policy of reducing the taxable income to a percentage of 25% and applying the enterprise income tax rate of 20% is extended to 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.
- (3) 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.
- (4) 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 China Merchants Great Stone Trade Logistics Co., Ltd., a subsidiary of the Group, (hereinafter referred to as "China Merchants Great Stone Trade Company") are exempted from the enterprise income tax.

Chapter 10 Notes to the Financial Statements

For the period ended 30 June 2024
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VII. TAXES (CONTINUED)

2. SIGNIFICANT TAX PREFERENCES AND APPROVALS (CONTINUED)

2.1 Enterprise income tax (Continued)

- (5) In accordance with the *Notice of the Ministry of Finance and the State Taxation Administration on Certain Issues of Enterprise Income Tax Treatment of Enterprise Reorganisation Business* (Cai Shui [2009] No. 59), the *Notice of the Ministry of Finance and the State Taxation Administration on Enterprise Income Tax Treatment Issues Related to the Promotion of Enterprise Restructuring* (Cai Shui [2014] No. 109) and the *Announcement of the State Taxation Administration on the Administration of Enterprise Income Tax for the Transfer of Assets (Equity)* (the State Taxation Administration Announcement [2015] No. 40) on the application of special tax treatment, during the reporting period, the Group met the requirements of applying the special tax treatment for the internal equity and asset transfers required in the aforesaid notices and announcements, without an adjustment on the tax base of the related assets and liabilities.

2.2 Value-added tax

- (1) In accordance with the *Notice of the Ministry of Finance and the State Taxation Administration on Comprehensively Launching a Pilot Project for the Levy of Value-added Tax in Place of Business Tax* (Cai Shui [2016] No. 36), the international freight forwarding business operated by the Group enjoys the tax concession of exemption from the VAT.
- (2) According to the *Interim Measures for the Administration of Value-added Tax Collection on the Provision of Real Estate Operation and Lease Services by Taxpayers*, general taxpayers may choose to apply the simplified tax method to the leasing of their properties acquired before 30 April 2016 and calculate the tax payable at a tax rate of 5%. During the reporting period, the Group's real estate leasing business that met the aforesaid conditions was subject to the value-added tax at a rate of 5%.
- (3) According to the *Business Tax to VAT Cross-border Taxable Acts VAT Exemption Administration Measures (for Trial Implementation)*, logistics auxiliary services (except warehousing services and collection and delivery services) sold to offshore units that are consumed entirely outside the country are exempt from the VAT. The aviation ground services, port and terminal services, freight and passenger yard services, salvage and rescue services, loading and unloading services provided by taxpayers to foreign units engaged in international transportation and Hong Kong, Macao, and Taiwan transportation business are logistics auxiliary services consumed entirely outside China when they stop at China's airports, terminals, stations, airspace, inland waterways and sea areas. Subsidiaries of the Group engaged in the above business are entitled to this tax benefit.

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Notes to the Financial Statements

For the period ended 30 June 2024

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

VII. TAXES (CONTINUED)

2. SIGNIFICANT TAX PREFERENCES AND APPROVALS (CONTINUED)

2.3 Other taxes

- (1) Pursuant to the *Announcement of the Ministry of Finance and the State Taxation Administration 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 Extending the Period for the Implementation of Some Preferential Tax Policies* (the Ministry of Finance and the State Taxation Administration Announcement No. 4 of 2022) and 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), from 1 January 2022 to 31 December 2027, the property tax and urban land use tax are provisionally exempted for the properties 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. If at the same time, the properties and land are used for the operations of other products in the agricultural products wholesale markets and agricultural trade markets, the levy and exemption of the property tax and urban land use tax is determined based on the ratio of the area for trading other products to the area for trading agricultural products. Certain subsidiaries of the Group were entitled to the above tax incentives during the reporting period.

Chapter 10 Notes to the Financial Statements

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VIII. BUSINESS COMBINATION AND CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION OF MAIN SUBSIDIARIES INCLUDED IN THE SCOPE OF CONSOLIDATION FOR THE PERIOD

No.	Name	Grade	Enterprise type	Place of registration	Main business location	Nature of business	Paid-in capital	Total shareholding ratio of the Group (%)	Total voting ratio of the Group (%)	Acquisition method	Remark
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	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	1	—
3	Sinotrans Air Transport Development Co., Ltd.	2nd	1	Beijing	Beijing	Air freight forwarding and courier services	905,481,720.00	100.00	100.00	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	1	—
5	Sinotrans Central China Co., Ltd.	2nd	1	Qingdao, Shandong Province	Qingdao, Shandong Province	Freight forwarding, logistics and storage, and terminal services	645,339,941.77	100.00	100.00	1	—
6	Sinotrans Chemical International Logistics Co., Ltd.	2nd	1	Shanghai	Shanghai	Integrated logistics	339,554,483.66	59.20	59.20	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	1	—
8	Trade Sky International Limited	2nd	3	HKSAR	Xiamen, Fujian Province	Transportation	171,374,160.00	100.00	100.00	1	—
9	Sinotrans North China Co., Ltd.	2nd	1	Tianjin	Tianjin	Freight forwarding	140,193,047.50	100.00	100.00	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	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	3	—
12	Wide Shine Development Limited	2nd	3	HKSAR	HKSAR	Container leasing	79,287,945.35	100.00	100.00	2	—
13	Sinotrans Northeast Co. Ltd	2nd	1	Dalian, Liaoning Province	Dalian, Liaoning Province	Freight forwarding and logistics	150,000,000.00	100.00	100.00	1	—
14	China Marine Shipping Agency Co., Ltd.	2nd	1	Beijing	Beijing	Freight forwarding	30,000,000.00	100.00	100.00	1	—
15	Sinotrans Chongqing Co., Ltd.	2nd	1	Chongqing	Chongqing	Freight forwarding	60,869,000.00	100.00	100.00	1	—
16	Sinotrans Brazil Logistics Co., Ltd.	2nd	3	Brazil	Brazil	Integrated logistics	2,065,554.43	100.00	100.00	1	—
17	SINOTRANS (HK) LOGISTICS LIMITED	2nd	3	HKSAR	HKSAR	Freight forwarding and logistics	530,557.66	100.00	100.00	2	—

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VIII. BUSINESS COMBINATION AND CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

1. GENERAL INFORMATION OF MAIN SUBSIDIARIES INCLUDED IN THE SCOPE OF CONSOLIDATION FOR THE PERIOD (Continued)

No.	Name	Grade	Enterprise type	Place of registration	Main business location	Nature of business	Paid-in capital	Total shareholding ratio of the Group (%)	Total voting ratio of the Group (%)	Acquisition method	Remark
18	Sanawat Al-Khier Company For General Trading And Marine Services	2nd	3	Iraq	Iraq	Integrated logistics	292,842.00	100.00	100.00	1	—
19	Sinotrans Logistics Co., Ltd.	2nd	1	Shenzhen, Guangdong Province	Shenzhen, Guangdong Province	Logistics	1,346,761,911.29	100.00	100.00	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	1	—
21	Sinotrans Cold Chain Logistics Co., Ltd.	2nd	1	Shenzhen, Guangdong Province	Shenzhen, Guangdong Province	Logistics	66,000,000.00	100.00	100.00	1	—
22	China Merchants Great Stone Investment Consulting (Shenzhen) Co., Ltd.	2nd	1	Shenzhen, Guangdong Province	Belarus	Logistics	701,410,000.00	42.00	100.00	1	—
23	Sinotrans Logistics Investment Holdings Co., Ltd.	2nd	1	Beijing	Beijing	Logistics	433,110,000.00	100.00	100.00	2	—
24	SE LOGISTICS HOLDING B.V.	2nd	3	Netherlands	Netherlands	Logistics	7,780.50	100.00	100.00	3	—
25	Sinotrans Overseas Development Co., Ltd.	2nd	3	HKSAR	HKSAR	Freight forwarding	10,611.78	100.00	100.00	1	—
26	Sinotrans Engineering Logistics Co., Ltd.	2nd	1	Nantong, Jiangsu Province	Nantong, Jiangsu Province	Logistics	140,000,000.00	100.00	100.00	1	—

Note: (1) Enterprise type: 1. domestic non-financial subsidiary; 2. domestic financial subsidiary; 3. overseas subsidiary; 4. public institution; 5. infrastructure unit.

(2) Acquisition method: 1. establishment with investment; 2. business combination involving entities under common control; 3. business combination not involving entities under common control; 4. others.

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.

Chapter 10 Notes to the Financial Statements

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VIII. BUSINESS COMBINATION AND CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2. DISPOSAL OF SUBSIDIARIES

Name of subsidiary	Disposal price of equity	Shareholding ratio	Share disposal method	Point of loss of control	Basis for determining the point of loss of control	The difference between the disposal price and the share of the net assets of the subsidiary at the consolidated financial statement level corresponding to the disposal of the investment	Ratio of the remaining equity interest at the date of loss of control	Book value of the remaining equity interest at the date of loss of control	Fair value of the remaining equity interest at the date of loss of control	Gain or loss from remeasurement of the remaining equity interest at the date of loss of control	Methodology and key assumptions for determining the fair value of the remaining equity interest at the date of loss of control	Transfer of other comprehensive income/special reserves related to equity investment in original subsidiaries to investment profit or loss
China Marine Fujian Ningde Shipping Agency Co., Ltd.	-	100%	Bankruptcy liquidation	27 June 2024	Note 1	25,230.63	--	--	--	--	--	--

Note 1: China Marine Fujian Ningde Shipping Agency Co., Ltd. (hereinafter referred to as Ningde Shipping Agency Company), a subsidiary of the Group, filed an application for bankruptcy and liquidation with the Intermediate People's Court of Ningde City, Fujian Province (hereinafter referred to as the Ningde Intermediate Court) on 6 June 2024 due to the insufficiency of its assets to settle all its debts as they fall due. On 13 June 2024, the Ningde Intermediate Court ruled to accept the application for bankruptcy and liquidation of Ningde Shipping Agency Company and appointed Fidelity (Ningde) Law Firm as the administrator. By 27 June 2024, Ningde Shipping Agency Company had completed the transfer of all properties, seals, accounts papers, and other documents with the administrator, and the Group no longer included them in the scope of consolidation.

3. CHANGES IN THE SCOPE OF CONSOLIDATION FOR OTHER REASONS

Compared with the end of the previous year, the Group increased 1 second-level subsidiary (Sinostrans Engineering Logistics Co., Ltd.) and 3 third-level subsidiaries (Shandong Sinostrans Land Railway Supply Chain Co., Ltd., Sinostrans (Ningxia) Logistics Development Co., Ltd., and Sinostrans Yixing Supply Chain (Beijing) Co., Ltd.) as a result of new establishment during the period.

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Notes to the Financial Statements

For the period ended 30 June 2024

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

VIII. BUSINESS COMBINATION AND CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. 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	Shareholding ratio (%)	Voting ratio (%)	Registered capital	Investment amount	Reasons for not being included in the scope of consolidation
1	Xinjiang New Railway Sinotrans Logistics Co., Ltd.	51.00	51.00	RMB10 million	RMB5.1 million	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.
2	Sinotrans High-Tech Logistics (Suzhou) Co., Ltd.	60.00	60.00	USD19.57 million	USD11.742 million	As agreed in the Articles of Incorporation of Sinotrans High-Tech Logistics (Suzhou) Co., Ltd., the Board of Directors shall decide all major matters of the company and decisions on major matters shall be unanimously approved by all directors in order to be effective. The Group holds 60% of the voting ratio on the Board of Directors and cannot separately control Sinotrans High-Tech Logistics (Suzhou) Co., Ltd. Therefore, it was not included in the scope of consolidation.
3	Shaanxi Sinotrans Guotie Logistics Co., Ltd.	51.00	51.00	RMB10 million	RMB5.1 million	According to the Articles of Incorporation of Shaanxi Sinotrans Guotie Logistics Co., Ltd., a resolution of the shareholders' meeting shall be valid only if approved by shareholders representing more than two-thirds of the voting rights, the Group does not hold more than two-thirds of the voting rights and cannot control Shaanxi Sinotrans Guotie Logistics Co., Ltd. alone. Therefore, it was not included in the scope of consolidation.
4	Chengdu Bonded Logistics Investment Co., Ltd.	54.29	54.29	RMB175 million	RMB95 million	According to the Articles of Incorporation of Chengdu Bonded Logistics Investment Co., Ltd., the shareholders' meeting shall decide all material matters of the company, and decisions on material matters shall be valid only with the consent of shareholders representing at least two-thirds of the voting rights, the Group holds less than two-thirds of the voting rights and cannot control Chengdu Bonded Logistics Investment Co., Ltd. alone. Therefore, it was not included in the scope of consolidation.

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

VIII. BUSINESS COMBINATION AND CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. SIGNIFICANT NON-WHOLLY OWNED SUBSIDIARIES

(1) Non-controlling interests

January-June 2024

No.	Company name	Profits and losses			Cumulative non-controlling interests at the end of the period
		Shareholding ratio of non-controlling interests (%)	attributable to non-controlling interests in the period	Dividends paid to non-controlling interests in the period	
1	Sinotrans Changjiang Co., Ltd.	11.00	13,607,882.16	-22,670,704.29	186,278,930.50

Note: On 1 July 2023, Sinotrans Changjiang Co., Ltd. (hereinafter referred to as Sinotrans Changjiang Company), acquired 100% equity interest in China Yangtze River Shipping Co., Ltd. (hereinafter referred to as Yangtze River Company) by way of a capital increase and share enlargement through a merger under the common control of another subsidiary of China Merchants. Upon completion of the transaction, the Group's shareholding in Sinotrans Changjiang Company changed to 89%. During the comparative period (January-June 2023), Sinotrans Changjiang Company remained a wholly-owned subsidiary of the Group.

(2) Main financial information

Item	Closing balance/ amount accumulated in current period Sinotrans Changjiang Co., Ltd.
Current assets	4,034,889,890.60
Non-current assets	697,539,848.27
Total assets	4,732,429,738.87
Current liabilities	2,940,923,663.95
Non-current liabilities	82,438,864.53
Total liabilities	3,023,362,528.48
Operating income	4,400,306,265.13
Net profits attributable to owners of the parent company	123,708,019.62
Profits and losses attributable to non-controlling interests	11,566,633.78
Total comprehensive income attributable to shareholders of the Company	123,708,019.62
Total comprehensive income attributable to non-controlling interests	11,566,633.78
Net cash flows from operating activities	-37,834,644.29

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Notes to the Financial Statements

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

VIII. BUSINESS COMBINATION AND CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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

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

Sinotrans Overseas Development Co., Ltd. (hereinafter referred to as Overseas Development Company), a subsidiary of the Group, purchased a 16% equity interest in PT. SINOTRANS CSC INDONESIA from PT. TRANSLINDO NUSA PASIFIC during the period for a purchase price of US\$116,749. PT. SINOTRANS CSC INDONESIA is a subsidiary of SINOTRANS (HK) LOGISTICS LIMITED (hereinafter referred to as SINOTRANS (HK) HOLDINGS COMPANY), another subsidiary of the Group. Upon completion of the above transactions, the Group's total shareholding in PT. SINOTRANS CSC INDONESIA changed to 65%.

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

<u>Item</u>	<u>PT. SINOTRANS CSC INDONESIA</u>
Purchase cost/disposal consideration or capital increase/reduction	
by minority shareholders	841,430.28
Including: Cash	841,430.28
Less: Share of net assets of subsidiaries in proportion to equity	
interests acquired/disposed of/reduced	1,775,947.49
Difference	-934,517.21
Including: Adjustment to capital reserves	-934,517.21

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

IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS

In the financial statements, unless otherwise specified, “Opening” refers to 1 January 2024, “Closing” refers to 30 June 2024, “Current Period” refers to the period from 1 January to 30 June 2024, and “Prior Period” refers to the period from 1 January to 30 June 2023.

1. CASH AND BANK BALANCES

Item	Closing balance			Opening balance		
	Amount in original currency	Exchange rate	Amount in RMB	Amount in original currency	Exchange rate	Amount in RMB
Cash on hand	—	—	5,086,257.51	—	—	2,827,065.78
Including: RMB	484,595.39	1.0000	484,595.39	141,141.83	1.0000	141,141.83
USD	318,244.35	7.1268	2,268,063.83	163,746.23	7.0827	1,159,765.42
HKD	118,486.51	0.9127	108,142.64	116,957.18	0.9062	105,986.60
JPY	1,061,894.63	0.0447	47,466.69	748,170.88	0.0502	37,558.18
EUR	7,941.53	7.6617	60,845.62	8,851.16	7.8592	69,563.04
Others	—	—	2,117,143.34	—	—	1,313,050.71
Cash at banks	—	—	5,485,902,607.71	—	—	9,606,396,536.84
Including: RMB	2,560,010,672.73	1.0000	2,560,010,672.73	6,194,917,701.99	1.0000	6,194,917,701.99
USD	252,264,771.25	7.1268	1,797,840,571.74	324,673,810.66	7.0827	2,299,567,198.76
HKD	513,235,301.52	0.9127	468,429,859.70	491,446,012.79	0.9062	445,348,376.79
JPY	1,520,800,659.28	0.0447	67,979,789.47	1,771,901,089.82	0.0502	88,949,434.71
EUR	31,363,771.18	7.6617	240,299,805.65	42,122,686.08	7.8592	331,050,614.44
Others	—	—	351,341,908.42	—	—	246,563,210.15
Other cash and bank balances	—	—	49,831,869.81	—	—	142,716,012.24
Including: Deposited in external financial institutions	—	—	43,130,855.40	—	—	131,557,266.61
Including: RMB	43,129,934.47	1.0000	43,129,934.47	130,146,626.36	1.0000	130,146,626.36
USD	129.22	7.1268	920.93	130.03	7.0827	920.96
Others	—	—	-	—	—	1,409,719.29
Deposited in finance companies	—	—	6,701,014.41	—	—	11,158,745.63
Including: RMB	6,701,014.41	1.0000	6,701,014.41	11,158,745.63	1.0000	11,158,745.63
Deposits with finance companies	—	—	3,405,478,095.73	—	—	4,212,238,359.55
Including: RMB	2,875,992,334.85	1.0000	2,875,992,334.85	3,342,228,858.48	1.0000	3,342,228,858.48
USD	73,229,639.80	7.1268	521,892,996.93	121,785,139.71	7.0827	862,567,609.03
HKD	1.70	0.9127	1.55	-	-	-
EUR	991,002.31	7.6617	7,592,762.40	946,901.98	7.8592	7,441,892.04
Total	—	—	8,946,298,830.76	—	—	13,964,177,974.41
Including: Total amount deposited abroad	—	—	1,730,845,281.59	—	—	1,922,249,891.83

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.

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Notes to the Financial Statements

For the period ended 30 June 2024

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

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

1. CASH AND BANK BALANCES (CONTINUED)

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

Item	Closing balance	Opening balance	Reasons for restricted use
Funds deposited subject to restrictions on litigation	31,188,851.89	94,504,485.96	Court freeze
Interest receivable	6,701,014.41	11,256,162.30	Not yet settled
Guarantee money	3,361,600.00	26,618,758.26	Guarantee money
Others	8,580,403.51	10,336,605.72	—
Total	49,831,869.81	142,716,012.24	—

2. FINANCIAL ASSETS HELD FOR TRADING

Item	Closing balance	Opening balance
Financial assets classified as measured at fair value through profit or loss	—	—
Including: Equity instrument investments	481,965.25	520,189.78
Total	481,965.25	520,189.78

3. BILLS RECEIVABLE

(1) Classification of bills receivable

Type	Closing balance	Opening balance
Commercial acceptance bills	87,233,896.94	119,812,566.60
Total	87,233,896.94	119,812,566.60

Chapter 10 Notes to the Financial Statements

For the period ended 30 June 2024
(Unless indicated otherwise, all amounts are expressed in RMB)

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

3. BILLS RECEIVABLE (CONTINUED)

(2) There were no pledged bills receivable at the end of the period.

(3) **Bills receivable that have been endorsed or discounted at the end of the period and are not yet due at the balance sheet date**

Type	Amount derecognised at the end of the period	Amount not derecognised at the end of the period
Commercial acceptance bills	-	80,135,285.49
Total	-	80,135,285.49

(4) There were no bills transferred to accounts receivable due to non-performance by the drawer at the end of the period.

(5) **Credit loss provision for bills receivable**

Category	Closing balance				Opening balance			
	Book balance		Credit loss provision		Book balance		Credit loss provision	
	Amount	Proportion (%)	Amount	Accrual ratio (%)	Amount	Proportion (%)	Amount	Accrual ratio (%)
Credit loss provisions by portfolio	87,233,896.94	100.00	-	-	119,812,566.60	100.00	-	-
Total	87,233,896.94	100.00	-	-	119,812,566.60	100.00	-	-

1) **Bills receivable with credit loss provision on a portfolio basis**

Type	Closing balance Book balance	Credit loss provision	Accrual ratio (%)
Commercial acceptance bills portfolio	87,233,896.94	-	-
Total	87,233,896.94	-	-

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. Note: As at 30 June 2024 and 31 December 2023, there were no commercial acceptance bills held by the Group subject to significant credit risk and resulted in significant losses due to default (bills receivable are expected to be collected in full), and the Group did not make provisions for credit losses based on materiality considerations.

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Notes to the Financial Statements

For the period ended 30 June 2024

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

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

3. BILLS RECEIVABLE (CONTINUED)

- (6) There was no actual write-off of bills receivable during the 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 the period.
- (8) The maturity date of the bill receivables mentioned above is all within 360 days.

4. ACCOUNTS RECEIVABLE

(1) Overall status of accounts receivable

Item	Closing balance	Opening balance
Accounts receivable	17,869,725,543.92	12,876,094,240.75
Less: Credit loss provision	646,365,694.22	548,601,373.99
Total	17,223,359,849.70	12,327,492,866.76

(2) Overall aging of accounts receivable

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

Item	Closing balance			Opening balance		
	Book balance	Proportion (%)	Credit loss provision	Book balance	Proportion (%)	Credit loss provision
Within 1 year (including 1 year)	17,348,333,830.66	97.08	251,822,108.31	12,417,677,579.03	96.44	187,210,587.81
1 to 2 years (including 2 years)	239,677,663.70	1.34	119,565,607.77	199,149,653.26	1.54	107,243,161.90
2 to 3 years (including 3 years)	64,084,897.76	0.36	58,132,407.49	48,444,674.17	0.38	44,108,871.16
Over 3 years	217,629,151.80	1.22	216,845,570.65	210,822,334.29	1.64	210,038,753.12
Total	17,869,725,543.92	100.00	646,365,694.22	12,876,094,240.75	100.00	548,601,373.99

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

4. ACCOUNTS RECEIVABLE (CONTINUED)

(3) Classification of accounts receivable

Category	Book balance		Closing balance		Book balance		Opening balance		Credit loss provision		Book value
	Amount	Proportion (%)	Amount	Proportion (%)	Amount	Proportion (%)	Amount	Proportion (%)	Amount	Accrual ratio (%)	
Credit loss provisions on an individual basis	190,881,647.98	1.07	190,878,366.55	100.00	3,281.43	201,546,213.74	1.57	197,407,428.27	97.95	4,138,785.47	
Credit loss provisions by portfolio	17,678,843,895.94	98.93	455,487,327.67	2.58	17,223,356,568.27	12,674,548,027.01	98.43	351,193,945.72	2.77	12,323,354,081.29	
Including:											
Low risk portfolio	229,205,667.79	1.28	-	-	229,205,667.79	184,426,881.37	1.43	-	-	184,426,881.37	
Aging portfolio	17,449,638,228.15	97.65	455,487,327.67	2.61	16,994,150,900.48	12,490,121,145.64	97.00	351,193,945.72	2.81	12,138,927,199.92	
Total	17,869,725,543.92	100.00	646,365,694.22	—	17,223,359,849.70	12,876,094,240.75	100.00	548,601,373.99	—	12,327,492,866.76	

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Notes to the Financial Statements

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

4. ACCOUNTS RECEIVABLE (CONTINUED)

(3) Classification of accounts receivable (Continued)

Including: Accounts receivable with individual credit loss provisions at the end of the period

Company name	Book balance	Credit loss provision	Accrual ratio (%)	Reasons for accrual
Entity 1	30,477,272.22	30,477,272.22	100.00	Difficulty in fund flow
Entity 2	25,575,946.48	25,575,946.48	100.00	Involved in litigation
Entity 3	12,976,547.62	12,976,547.62	100.00	Business operating difficulties
Entity 4	8,196,691.03	8,196,691.03	100.00	Involved in litigation
Entity 5	7,709,254.60	7,709,254.60	100.00	Application for enforcement of unenforceable assets
Entity 6	6,706,283.62	6,706,283.62	100.00	Application for enforcement of unenforceable assets
Entity 7	6,700,911.89	6,700,911.89	100.00	Difficulty in fund flow
Entity 8	6,018,149.49	6,018,149.49	100.00	Business reorganisation in bankruptcy
Entity 9	5,546,206.21	5,546,206.21	100.00	Involved in litigation
Others	80,974,384.82	80,971,103.39	100.00	Involved in litigation, disputes, etc.
Total	190,881,647.98	190,878,366.55	—	—

(4) Accounts receivable of low-risk portfolio

Item	Book balance	Accrual ratio (%)	Credit loss provision
Accounts receivable from related parties	229,205,667.79	—	—
Total	229,205,667.79	—	—

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

4. ACCOUNTS RECEIVABLE (CONTINUED)

(5) Accounts receivable of aging portfolios

Item	Book balance	Accrual ratio (%)	Credit loss provision
Within 1 year (including 1 year)	17,128,354,154.57	1.45	248,361,135.24
1 to 2 years (including 2 years)	185,560,196.92	41.68	77,341,490.08
2 to 3 years (including 3 years)	50,589,218.98	88.26	44,650,044.67
Over 3 years	85,134,657.68	100.00	85,134,657.68
Total	17,449,638,228.15	—	455,487,327.67

(6) Changes in credit loss provision of accounts receivable

Item	Opening balance	Amount of change during the period			Other changes	Closing balance
		Accrual	Recovery or reversal	Carry-forward or write-off		
Current period	548,601,373.99	107,671,472.49	9,726,449.19	—	-180,703.07	646,365,694.22
Prior period	551,139,675.42	55,556,490.53	11,997,131.63	—	2,886,978.01	597,586,012.33

Note: Other changes are mainly the effect of translation in foreign currency statements, and changes in exchange rates.

(7) Credit loss provisions recovered or reversed during the 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 before recovery or reversal	Recovered or reversal amount
Entity 1	35,545,846.17	Payment recovery	Difficulty in fund flow	35,545,846.17	5,068,573.95
Entity 2	7,221,139.43	Payment recovery	Involved in litigation	7,221,139.43	3,847,721.82
Others	3,034,946.26	Payment recovery	Involved in litigation	3,034,946.26	810,153.42
Total	45,801,931.86	—	—	45,801,931.86	9,726,449.19

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

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

4. ACCOUNTS RECEIVABLE (CONTINUED)

- (8) There was no actual write-off of accounts receivable during the 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 the period.

(10) Top five in terms of accounts receivable

Company name	Relationship with the Group	Amount	Aging	Credit loss provision	As a percentage of total accounts receivable (%)
Entity 1	Client	282,526,672.32	Within 1 year, 1 to 2 years	4,332,633.70	1.58
Entity 2	Client	245,084,709.84	Within 1 year, 1 to 2 years	11,631,567.30	1.37
Entity 3	Client	215,673,686.40	Within 1 year, 1 to 2 years	3,134,344.22	1.21
Entity 4	Client	183,988,400.25	Within 1 year	2,667,831.80	1.03
Entity 5	Client	158,615,576.69	Within 1 year	2,299,925.86	0.89
Total	—	1,085,889,045.50	—	24,066,302.88	6.08

- (11) The Group had no accounts receivable involving government grants at the end of the period.

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For the period ended 30 June 2024
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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. RECEIVABLES FINANCING

Type	Closing balance	Opening balance
Bank acceptance bills	505,154,640.97	457,564,278.87
Total	505,154,640.97	457,564,278.87

- (1) There were no bank acceptance bills due to defective endorsement, etc. at the end of the period.
- (2) There were no pledged receivables financing at the end of the period.
- (3) **Receivables financing that has been endorsed or discounted at the end of the period and is not yet due at the balance sheet date**

Type	Amount derecognised at the end of the period	Amount not derecognised at the end of the period
Bank acceptance bills	293,017,997.18	–
Total	293,017,997.18	–

Note: The Group determines whether the bank acceptance bills receivable should be derecognised upon endorsement or discounting based on the credit risk rating of the acceptance bank. As the acceptance banks of the bank acceptance bills obtained by the Group are mainly large commercial banks and listed joint-stock commercial banks with high credit ratings, other bank acceptance bills do not account for a significant proportion and have small individual amounts and a large quantity. The Group derecognises the bank acceptance bills upon endorsement or discounting based on the materiality principle, unless public information indicates that there are significant abnormal changes in the credit risk of the acceptance banks.

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

5. RECEIVABLES FINANCING (CONTINUED)

(4) There were no receivables financings at the end of the period that were transferred to accounts receivable as a result of the non-performance of the issuer.

(5) Credit loss provision for receivables financing

Category	Closing balance				Opening balance			
	Book balance		Credit loss provision		Book balance		Credit loss provision	
	Amount	Proportion (%)	Amount	Accrual ratio (%)	Amount	Proportion (%)	Amount	Accrual ratio (%)
Credit loss provisions by portfolio	505,154,640.97	100.00	-	-	457,564,278.87	100.00	-	-
Total	505,154,640.97	100.00	-	—	457,564,278.87	100.00	-	—

1) Receivables financing with credit loss provision on a portfolio basis

Type	Closing balance		Accrual ratio (%)
	Book balance	Credit loss provision	
Bank acceptance bills portfolio	505,154,640.97	-	-
Total	505,154,640.97	-	—

Note: As at 30 June 2024 and 31 December 2023, there were no bank acceptance bills held by the Group subject to significant credit risk and resulted in significant losses due to default of the banks (receivables financing are expected to be collected in full), and the Group did not make provisions for credit losses based on materiality considerations.

Chapter 10 Notes to the Financial Statements

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

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

5. RECEIVABLES FINANCING (CONTINUED)

- (6) There was no actual write-off of receivables financing during the period.
- (7) **Changes in receivables financing and fair value movements during the 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 ratings, with maturities of usually no more than 6 months, and very low credit risk. At the balance sheet date, the book value of the bank acceptance bills receivable approximates the fair value.
- (8) There were no outstanding amounts due from shareholders' entities holding 5% (including 5%) of the voting shares of the Company at the end of the period.
- (9) The maturity date of the bank acceptance bills mentioned above is all within 360 days.

6. PREPAYMENTS

- (1) The aging of prepayments is analysed as follows:

Item	Closing balance			Opening balance		
	Book balance Amount	Proportion (%)	Impairment provision	Book balance Amount	Proportion (%)	Impairment provision
Within 1 year (including 1 year)	5,636,571,161.63	97.55	-	4,677,414,610.68	98.03	-
1 to 2 years (including 2 years)	95,793,156.04	1.66	-	46,750,527.43	0.98	-
2 to 3 years (including 3 years)	17,587,322.31	0.30	-	13,419,317.90	0.28	-
Over 3 years	28,560,798.20	0.49	-	33,797,472.42	0.71	-
Total	5,778,512,438.18	100.00	-	4,771,381,928.43	100.00	-

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Notes to the Financial Statements

For the period ended 30 June 2024

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

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

6. PREPAYMENTS (CONTINUED)

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

Company name	Closing balance	Aging	Reasons for non-settlement
Entity 1	21,654,499.94	1 to 2 years	Business not completed
Entity 2	7,319,306.13	1 to 2 years	Business not completed
Entity 3	5,000,000.00	Over 3 years	Business not completed
Total	33,973,806.07	—	—

(3) Top five entities in terms of prepayments

Company name	Relationship with the Group	Amount	Aging	As a percentage of the total prepayments (%)	Reasons for non-settlement
Entity 1	Supplier	252,417,922.63	Within 1 year	4.37	Business not completed
Entity 2	Supplier	142,437,508.75	Within 1 year	2.46	Business not completed
Entity 3	Supplier	108,806,316.26	Within 1 year	1.88	Business not completed
Entity 4	Supplier	101,898,532.99	Within 1 year	1.76	Business not completed
Entity 5	Supplier	99,194,226.79	Within 1 year	1.72	Business not completed
Total	—	704,754,507.42	—	12.19	—

(4) There were no outstanding amounts due from shareholders' entities holding 5% (including 5%) of the voting shares of the Company at the end of the period.

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For the period ended 30 June 2024
(Unless indicated otherwise, all amounts are expressed in RMB)

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

7. OTHER RECEIVABLES

Item	Closing balance	Opening balance
Interest receivable	1,202,628.68	1,160,913.17
Dividends receivable	42,966,709.58	37,507,529.28
Other receivables	2,573,610,694.45	2,421,645,230.01
Total	2,617,780,032.71	2,460,313,672.46

(1) Interest receivable

1) Classification of interest receivable due for collection

Item	Closing balance	Opening balance
Entrusted loans	1,202,628.68	1,160,913.17
Subtotal	1,202,628.68	1,160,913.17
Less: Credit loss provision	—	—
Total	1,202,628.68	1,160,913.17

2) Significant overdue interest receivable

Loan unit	Book balance	Overdue time	Reason for overdue	Whether an impairment occurs and judgment basis
MAXX LOGISTICS FZCO.	1,202,628.68	Within 1 year, 1 to 6 years	Unsettled for now	Expected to be recovered without impairment
Total	1,202,628.68	—	—	—

- 3) The Group has assessed and concluded that as of 30 June 2024, no provision for credit losses is required for interest receivable.

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

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

7. OTHER RECEIVABLES (CONTINUED)

(2) Dividends receivable

Investee	Opening balance	Increase due to changes in the scope of consolidation	Increase in current period	Decrease in current period	Closing balance	Reason for non-recovery	Whether an impairment occurs and judgment basis
Dividends receivable aged within 1 year	10,264,519.48	-	53,946,664.54	48,487,484.24	15,723,699.78	—	—
Including: New Land Bridge (Lianyungang) Terminal Co., Ltd.	-	-	15,723,699.78	-	15,723,699.78	Declared but not issued	No
Wuhan Port Container Co., Ltd.	6,112,000.00	-	-	6,112,000.00	-	—	—
Xinjiang New Railway Sinotrans Logistics Co., Ltd.	4,152,519.48	-	-	4,152,519.48	-	—	—
Weihai Weidong Shipping Co., Ltd.	-	-	26,164,440.00	26,164,440.00	-	—	—
Ningbo Dagang Container Co., Ltd.	-	-	5,295,824.05	5,295,824.05	-	—	—
Ningbo Dagang New Century Container Co., Ltd.	-	-	2,367,516.07	2,367,516.07	-	—	—
Sinotrans Turkey Limited	-	-	2,028,409.64	2,028,409.64	-	—	—
Beijing Medlink Supply Chain Management Co., Ltd.	-	-	881,650.00	881,650.00	-	—	—
Sinotrans Huajie International Logistics (Beijing) Co., Ltd.	-	-	800,000.00	800,000.00	-	—	—
Sinomaritime Shipping Agency (Taizhou) Co., Ltd.	-	-	440,000.00	440,000.00	-	—	—
Nantong Sinotrans Dongzaogang Logistics Development Co., Ltd.	-	-	180,000.00	180,000.00	-	—	—
Pingze Container Terminal Co., Ltd.	-	-	65,125.00	65,125.00	-	—	—
Dividends receivable aged over 1 year	27,243,009.80	-	-	-	27,243,009.80	—	—
Including: Sinotrans High-Tech Logistics (Suzhou) Co., Ltd.	24,000,000.00	-	-	-	24,000,000.00	Declared but not issued	No
SINOTRANS ALMAJDOUIE MIDDLE EAST CO., LTD.	1,860,983.72	-	-	-	1,860,983.72	Incomplete payment approval process	No
Shenyang Henglu Logistics Co., Ltd.	1,382,026.08	-	-	-	1,382,026.08	Declared but not issued	No
Total	37,507,529.28	-	53,946,664.54	48,487,484.24	42,966,709.58	—	—

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For the period ended 30 June 2024
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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. OTHER RECEIVABLES (CONTINUED)

(3) Other receivables

1) Analysis by aging

Item	Closing balance			Opening balance		
	Book balance	Proportion (%)	Credit loss provision	Book balance	Proportion (%)	Credit loss provision
Within 1 year (including 1 year)	2,053,396,354.52	75.47	6,609,610.93	1,938,324,564.67	75.53	9,441,765.89
1 to 2 years (including 2 years)	233,890,908.45	8.60	2,279,108.89	219,655,220.21	8.56	3,110,881.93
2 to 3 years (including 3 years)	130,570,825.97	4.80	2,499,636.44	129,557,393.97	5.05	1,651,155.06
Over 3 years	302,931,793.99	11.13	135,790,832.22	278,684,853.15	10.86	130,372,999.11
Total	2,720,789,882.93	100.00	147,179,188.48	2,566,222,032.00	100.00	144,576,801.99

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For the period ended 30 June 2024

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

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

7. OTHER RECEIVABLES (CONTINUED)

(3) Other receivables (Continued)

2) Classification of other receivables

Category	Book balance			Closing balance			Book balance			Opening balance				
	Amount	Proportion (%)	Book value	Amount	Proportion (%)	Book value	Amount	Proportion (%)	Amount	Proportion (%)	Book value	Amount	Proportion (%)	Book value
Credit loss provisions on an individual basis	44,580,828.17	1.64	23,695.78	44,557,132.39	99.95	23,695.78	41,900,917.88	1.63	41,870,634.43	99.93	30,283.45	41,870,634.43	99.93	30,283.45
Credit loss provisions by portfolio	2,676,209,054.76	98.36	2,573,586,998.67	102,622,056.09	3.83	2,573,586,998.67	2,524,321,114.12	98.37	102,706,167.56	4.07	2,421,614,946.56	102,706,167.56	4.07	2,421,614,946.56
Including:														
Low risk portfolio	2,404,875,068.78	88.39	-	-	-	-	2,183,352,587.87	85.09	-	-	-	2,183,352,587.87	-	2,183,352,587.87
Aging portfolio within 1 year	169,477,203.44	6.23	162,867,592.51	6,609,610.93	3.90	162,867,592.51	242,096,561.36	9.43	9,441,765.89	3.90	232,654,795.47	9,441,765.89	3.90	232,654,795.47
Aging portfolio over 1 year	101,856,782.54	3.74	5,844,347.38	96,012,445.16	94.26	5,844,347.38	98,871,964.89	3.85	93,264,401.67	94.33	5,607,583.22	93,264,401.67	94.33	5,607,583.22
Total	2,720,789,882.93	100.00	2,573,610,694.45	147,179,188.48	—	2,573,610,694.45	2,566,222,032.00	100.00	144,576,801.99	—	2,421,645,230.01	144,576,801.99	—	2,421,645,230.01

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

7. OTHER RECEIVABLES (CONTINUED)

(3) Other receivables (Continued)

2) Classification of other receivables (Continued)

Including: Other receivables with individual credit loss provisions at the end of the period

Company name	Book balance	Credit loss provision	Accrual ratio (%)	Reasons for accrual
Entity 1	9,647,694.04	9,647,694.04	100.00	Not expected to be recovered
Entity 2	7,408,578.92	7,384,883.14	99.68	Involved in litigation
Entity 3	6,756,823.00	6,756,823.00	100.00	Involved in litigation
Guangxi Yunyu Port Co., Ltd.	2,680,000.00	2,680,000.00	100.00	Not expected to be recovered
Entity 4	2,500,000.00	2,500,000.00	100.00	Insolvent business, listed as a defaulting creditor
Sinotrans Hongfeng (Shanghai) International Logistics Co., Ltd.	2,143,511.37	2,143,511.37	100.00	Business closed
Entity 5	1,385,250.00	1,385,250.00	100.00	Bankruptcy liquidation, not expected to be recovered
Entity 6	1,266,533.14	1,266,533.14	100.00	Historical issues, not expected to be recovered
Entity 7	1,242,000.00	1,242,000.00	100.00	Historical issues, not expected to be recovered
Entity 8	1,000,000.00	1,000,000.00	100.00	Involved in litigation
Entity 9	1,000,000.00	1,000,000.00	100.00	Involved in litigation
Others	7,550,437.70	7,550,437.70	100.00	Involved in litigation, business disputes, etc.
Total	44,580,828.17	44,557,132.39	—	—

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Notes to the Financial Statements

For the period ended 30 June 2024

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

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

7. OTHER RECEIVABLES (CONTINUED)

(3) Other receivables (Continued)

3) Other receivables of low-risk portfolio

Item	Book balance	Accrual ratio (%)	Credit loss provision
Deposits, collateral	1,280,524,194.48	-	-
Government grants	871,180,840.49	-	-
Advances	130,549,094.23	-	-
Related party payments	99,842,516.50	-	-
Reserves	19,290,186.92	-	-
Compensation	3,488,226.16	-	-
Total	2,404,875,058.78	—	-

4) Other receivables of aging portfolio

Item	Book balance	Accrual ratio (%)	Credit loss provision
Within 1 year (including 1 year)	169,477,203.44	3.90	6,609,610.93
1 to 2 years (including 2 years)	7,010,485.67	32.51	2,279,108.89
2 to 3 years (including 3 years)	2,612,607.04	57.40	1,499,636.44
Over 3 years	92,233,699.83	100.00	92,233,699.83
Total	271,333,995.98	—	102,622,056.09

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For the period ended 30 June 2024
(Unless indicated otherwise, all amounts are expressed in RMB)

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

7. OTHER RECEIVABLES (CONTINUED)

(3) Other receivables (Continued)

5) Analysis by nature of payments

Item	Closing balance			Opening balance		
	Book balance	Credit loss provision	Book value	Book balance	Credit loss provision	Book value
Deposits, collateral	1,466,751,501.32	82,595,405.43	1,384,156,095.89	1,434,025,329.14	88,510,425.31	1,345,514,903.83
Government grants	871,180,840.49	-	871,180,840.49	724,575,007.32	-	724,575,007.32
Advances	177,389,543.44	25,932,266.62	151,457,276.82	156,987,910.11	20,250,661.50	136,737,248.61
Related party payments	104,666,027.87	4,823,511.37	99,842,516.50	77,012,113.30	2,143,511.37	74,868,601.93
Compensation	17,336,506.58	7,938,594.97	9,397,911.61	15,508,573.23	7,960,377.41	7,548,195.82
Reserves	19,290,186.92	-	19,290,186.92	12,293,182.79	-	12,293,182.79
Others	64,175,276.31	25,889,410.09	38,285,866.22	145,819,916.11	25,711,826.40	120,108,089.71
Total	2,720,789,882.93	147,179,188.48	2,573,610,694.45	2,566,222,032.00	144,576,801.99	2,421,645,230.01

6) Credit loss provision for other receivables accrued, recovered or reversed during the period

Credit loss provision	Stage 1	Stage 2	Stage 3	Total
	12-Month expected credit losses	Expected credit losses over the entire life (Not credit-impaired)	Expected credit losses over the entire life (Credit-impaired)	
Opening balance	9,441,765.89	93,264,401.67	41,870,634.43	144,576,801.99
Opening balance in current period	—	—	—	—
- Transfer to stage 2	-273,408.94	273,408.94	-	-
- Transfer to stage 3	-	-	-	-
- Reverse to stage 2	-	-	-	-
- Reverse to stage 1	-	-	-	-
Accrual in current period	-2,583,454.10	2,115,720.35	2,683,728.72	2,215,994.97
Reversal in current period	-	-	-49,662.05	-49,662.05
Carry forward in current period	-	-	-	-
Write-off in current period	-	-	-	-
Other changes	24,708.08	358,914.20	52,431.29	436,053.57
Closing balance	6,609,610.93	96,012,445.16	44,557,132.39	147,179,188.48

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

7. OTHER RECEIVABLES (CONTINUED)

(3) Other receivables (Continued)

7) Credit loss provisions recovered or reversed during the period

Company name	Book balance of other receivables	Reason and method of recovery or reversal	Basis for determining the original credit loss provision	Accumulated amount of credit loss provision before recovery or reversal	Recovered or reversal amount
Others	912,728.46	Payment recovery	Involved in litigation	912,728.46	49,662.05
Total	912,728.46	—	—	912,728.46	49,662.05

8) There was no actual write-off of other receivables during the period.

9) There were no outstanding amounts due from shareholders holding 5% (including 5%) voting shares of the Company at the end of the period.

10) The top five of the closing balances in other receivables

Company name	Relationship with the Group	Amount	Aging	Percentage of total other receivables (%)	Credit loss provision	Nature or content
Entity 1	Non-related party	382,566,518.13	Within 1 year	14.06	-	Government grants
Entity 2	Non-related party	128,247,319.67	Within 1 year	4.71	-	Government grants
Entity 3	Non-related party	77,521,872.00	Within 1 year	2.85	-	Government grants
Entity 4	Non-related party	50,411,220.00	Within 1 year	1.85	-	Government grants, deposits, collateral
Entity 5	Non-related party	47,707,709.00	Within 1 year	1.75	-	Government grants
Total	—	686,454,638.80	—	25.22	-	—

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For the period ended 30 June 2024
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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. OTHER RECEIVABLES (CONTINUED)

(3) Other receivables (Continued)

11) Other receivables in relation to government grants

Company name	Government grant items	Amount	Aging	Expected time received and amount
Entity 1	Logistics industry subsidies	382,566,518.13	Within 1 year	Full payment is expected to be recovered by October 2024
Entity 2	Logistics industry subsidies	128,247,319.67	Within 1 year	Full payment is expected to be recovered by December 2024
Entity 3	Logistics industry subsidies	77,521,872.00	Within 1 year	Expected recovery of RMB5 million in December 2025 and the remaining portion expected in December 2026
Entity 4	Logistics industry subsidies	50,398,320.00	Within 1 year	Full payment is expected to be recovered by December 2024
Entity 5	Logistics industry subsidies	47,707,709.00	Within 1 year	Full payment is expected to be recovered by December 2024
Entity 6	Logistics industry subsidies	44,892,425.90	Within 1 year	Full payment is expected to be recovered by December 2024
Entity 7	Logistics industry subsidies	39,466,991.26	Within 1 year	Fully recovered in August 2024
Entity 8	Logistics industry subsidies	17,386,110.93	Within 1 year, 1 to 2 years	Expected recovery of RMB1,324,9500 in December 2024 and the remaining portion expected in December 2025
Entity 9	Logistics industry subsidies	15,446,114.33	Within 1 year	Full payment is expected to be recovered by December 2024
Others	Logistics industry subsidies	67,547,459.27	Within 1 year, 1 to 2 years, 2 to 3 years	Full payment is expected to be recovered before December 2025
Total	—	871,180,840.49	—	—

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 is located, when the conditions stipulated in the policies are met and the government grants are expected to be received.

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

7. OTHER RECEIVABLES (CONTINUED)

(3) Other receivables (Continued)

12) There were no prepayments transferred to other receivables during the period.

13) The Group had no other receivables related to the centralized management of funds at the end of the period.

8. INVENTORIES

(1) Classification of inventories

Item	Closing balance			Opening balance		
	Book balance	Provision for value reduction/ Provision for impairment of contract performance costs	Book value	Book balance	Provision for value reduction/ Provision for impairment of contract performance costs	Book value
Raw materials	40,546,992.37	3,102,248.47	37,444,743.90	37,198,909.14	3,102,248.47	34,096,660.67
Goods in stock	13,509,188.13	2,517,319.25	10,991,868.88	11,317,676.86	2,522,364.12	8,795,312.74
Revolving materials (packaging, low-value consumables, etc.)	15,302,059.11	-	15,302,059.11	15,790,220.76	-	15,790,220.76
Total	69,358,239.61	5,619,567.72	63,738,671.89	64,306,806.76	5,624,612.59	58,682,194.17

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

Item	Opening balance	Increase in current period		Decrease in current period		Closing balance
		Accrual	Others	Reversal or carry-forward	Others	
Raw materials	3,102,248.47	-	-	-	-	3,102,248.47
Goods in stock	2,522,364.12	-	-	5,044.87	-	2,517,319.25
Total	5,624,612.59	-	-	5,044.87	-	5,619,567.72

Note: The Group's inventories mainly consist of fuel oil for vehicles and vessels, spare parts, and packaging materials used in the provision of transportation and logistics services, which have low unit prices and small aggregate amounts and are of no significance to the Group. At the end of the period, the Group does not make provisions for value reduction of the inventories that are still in their normal useful lives and functioning properly; for those inventories beyond their useful lives or damaged, the Group makes provisions for value reduction in batches or on the basis of individual inventory items.

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

9. NON-CURRENT ASSETS DUE WITHIN ONE YEAR

Item	Closing balance	Opening balance
Debt investments due within one year	12,520,000.00	15,120,000.00
Total	12,520,000.00	15,120,000.00

(1) Debt investments due within one year

Item	Closing balance			Opening balance		
	Book balance	Credit loss provision	Book value	Book balance	Credit loss provision	Book value
Loans to associates and joint ventures	12,520,000.00	-	12,520,000.00	15,120,000.00	-	15,120,000.00
Total	12,520,000.00	-	12,520,000.00	15,120,000.00	-	15,120,000.00

Note: The Group had assessed and concluded that as of 30 June 2024, no provision for credit losses is required for debt investments due within one year.

- (2) The Group had no debt investments due within one year that were actually written off during the period.

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Notes to the Financial Statements

For the period ended 30 June 2024

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

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

10. OTHER CURRENT ASSETS

Item	Closing balance	Opening balance
Deductible VAT taxation expenses (certification)	400,666,076.77	338,502,984.73
Prepaid taxes	83,279,990.24	94,353,515.86
Others	13,451,969.09	13,451,969.09
Subtotal	497,398,036.10	446,308,469.68
Less: Impairment provision	-	-
Total	497,398,036.10	446,308,469.68

11. DEBT INVESTMENTS

(1) Debt investments details

Item	Closing balance			Opening balance		
	Book balance	Credit loss provision	Book value	Book balance	Credit loss provision	Book value
Loans to associates and joint ventures	12,520,000.00	-	12,520,000.00	15,120,000.00	-	15,120,000.00
Total	12,520,000.00	-	12,520,000.00	15,120,000.00	-	15,120,000.00
Less: Debt investments due within one year	12,520,000.00	-	12,520,000.00	15,120,000.00	-	15,120,000.00
Debt investments due after one year	-	-	-	-	-	-

Note: As at 30 June 2024, for loans to associates and joint ventures, the Group had assessed and concluded that no provision for credit losses is necessary.

(2) Details of debt investments as at the end of the period (Including debt investments due within one year)

Item	Closing balance					Opening balance				
	Face value (Book balance)	Coupon rate	Effective interest rate	Maturity date	Amount overdue	Face value (Book balance)	Coupon rate	Effective interest rate	Maturity date	Amount overdue
Shanghai Pu'an Storage Co., Ltd.	12,520,000.00	—	12.50%	2024-11-20	-	15,120,000.00	—	12.50%	2024-11-20	-

(3) The Group had no credit loss provision for debt investments accrued, recovered, or reversed during the period.

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For the period ended 30 June 2024
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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

12. LONG-TERM EQUITY INVESTMENTS

(1) Classification of long-term equity investments

Item	Opening balance	Effects from changes in the scope of consolidation	Increase in investment	Decrease in investment	Other increase (Decrease denoted by "-")	Effects from translation in foreign currency statements	Closing balance
Investments in joint ventures	4,083,466,264.15	-	5,292,000.00	-	758,186,722.89	1,542,465.73	4,848,487,452.77
Investments in associates	5,066,722,332.72	-	63,496,781.51	122,572.88	3,458,142.57	708,722.33	5,134,263,406.25
Subtotal	9,150,188,596.87	-	68,788,781.51	122,572.88	761,644,865.46	2,251,188.06	9,982,750,859.02
Less: Impairment provision of long-term equity investments	12,723,253.02	-	-	-	-	62,231.37	12,785,484.39
Total	9,137,465,343.85	-	68,788,781.51	122,572.88	761,644,865.46	2,188,956.69	9,969,965,374.63

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For the period ended 30 June 2024

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

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

12. LONG-TERM EQUITY INVESTMENTS (CONTINUED)

(2) Details of long-term equity investments

Investee	Investment costs	Opening balance	Opening balance of impairment provision	Effects from changes in the scope of consolidation	Increase in investment	Decrease in investment	Investment profit or loss under equity method	Changes in current period				Effects from transition in foreign currency statements	Closing balance of impairment provision
								Other comprehensive income adjustments	Cash dividends and profits declared	Impairment provision	Others		
Joint ventures	1,850,085,420.28	4,083,468,284.15	4,020,273.14	-	5,292,000.00	-	783,585,515.70	888,336.73	26,297,099.54	-	1,542,463.73	4,020,273.14	4,848,487,482.77
DHL-Sinotrans International Air Courier Ltd.	68,144,535.07	1,873,711,280.04	-	-	-	-	744,415,734.31	-	-	-	-	-	2,618,126,944.35
Dongguan Port Container Terminals Co., Ltd.	376,633,338.00	365,387,969.80	-	-	-	-	-2,875,140.32	-	-	-	-	-	332,512,829.28
New Land Bridge (Nanyang) Terminal Co., Ltd.	132,585,575.46	219,535,510.81	-	-	-	-	5,227,103.63	-	15,723,693.78	-	917,422.63	-	209,956,337.29
Sinotrans High-Tech Logistics (Suifu) Co., Ltd.	105,691,247.23	183,700,977.59	-	-	-	-	6,230,566.59	61,032.38	-	-	387,204.11	-	190,349,779.67
Chengdu Bonded Logistics Investment Co., Ltd.	95,000,000.00	129,400,913.17	-	-	-	-	1,429,285.01	-	-	-	-	-	130,830,198.18
Sinotrans Saters Logistics Co., Ltd.	82,570,000.00	126,189,277.16	-	-	-	-	7,501,286.26	-	-	-	-	-	133,700,563.42
Nissin-Sinotrans International Logistics Co., Ltd.	55,518,961.25	123,461,682.33	-	-	-	-	7,222,772.70	837,274.35	-	-	-	-	131,520,628.38
Sinotrans Suzhou Logistics Center Co., Ltd.	97,898,300.00	106,777,551.20	-	-	-	-	1,887,531.70	-	-	-	-	-	108,665,082.90
Shanghai Tongyun International Logistics Co., Ltd.	40,949,188.75	92,246,732.68	-	-	-	-	-346,823.09	-	-	-	-	-	91,899,909.59
Shenyang Jinyun Automobile Logistics Co., Ltd.	100,000,000.00	87,819,900.83	-	-	-	-	-1,155,154.25	-	-	-	-	-	86,664,746.58
Wujiao Degang Container Co., Ltd.	49,855,251.00	60,872,640.81	-	-	-	-	2,979,703.22	-	5,285,824.05	-	-	-	68,855,146.59
Qingdao Port Dongjiekou Sinotrans Logistics Co., Ltd.	51,000,000.00	54,228,109.66	-	-	-	-	101,835.88	-	-	-	-	-	54,329,945.54
Sinotrans PSC Cold Chain Logistics Co., Ltd.	90,000,000.00	49,065,150.06	-	-	-	-	-889,205.72	-	-	-	-	-	48,175,944.34
Yingri Xinyuan Energy Technology Co., Ltd.	50,000,000.00	50,000,000.00	-	-	-	-	-1,933,449.63	-	-	-	-	-	48,066,550.37
Jiangsu Sinotrans Yanggao Supply Chain Management Co., Ltd.	48,000,000.00	49,221,188.71	-	-	-	-	-295,315.57	-	-	-	-	-	48,925,873.14
SIPG Sinotrans Container Depot Co., Ltd.	30,000,000.00	46,039,026.17	-	-	-	-	605,387.15	-	-	-	-	-	46,641,413.32
Shanghai Wei-Hong Yishida International Logistics Co., Ltd.	58,286,343.25	45,335,981.06	-	-	-	-	-588,687.87	-	-	-	-	-	44,747,293.19
Jiangsu Sinotrans Lusi Port Heavy Logistics Development Co., Ltd.	40,000,000.00	40,653,432.52	-	-	-	-	448,125.37	-	-	-	-	-	41,102,557.89
Wujiao Degang International Trade Transportation Co., Ltd.	17,372,235.90	38,119,277.88	-	-	-	-	790,813.13	-	-	-	-	-	38,910,091.01
Sinotrans Avarex (Shanghai) International Aviation Express Delivery Co., Ltd.	19,911,240.00	36,421,674.87	-	-	-	-	2,054,980.95	-	-	-	-	-	38,476,655.82
MAXI LOGISTICS ZCO.	31,170,670.04	30,982,948.82	-	-	-	-	1,851,302.42	-	-	226,112.11	-	-	33,060,363.35
Sinotrans Logistics (Pakistan) Limited	1,457,094.00	28,072,032.52	-	-	-	-	-1,219,107.68	-	-	-	-	-	26,852,924.84
Sinotrans Senko International Cold Chain Logistics (Shanghai) Co., Ltd.	32,500,000.00	26,789,080.57	-	-	-	-	-559,885.84	-	-	-	-	-	26,148,194.73
Dalian Pihong Express Logistics Co., Ltd.	16,419,924.68	25,831,206.63	-	-	-	-	-	-	-	-	-	-	25,831,206.63
Wujiao Degang New Century Container Co., Ltd.	19,815,788.28	24,110,411.80	-	-	-	-	745,396.11	-	2,387,516.07	-	-	-	22,468,291.84
Sinotrans Turkey Limited	1,040,119.70	20,988,593.33	-	-	-	-	3,310,735.48	-	2,028,409.64	7,545.03	-	-	22,278,514.20
Wenzhou Comprehensive Bonded Zone Hongyin Supply Chain Management Co., Ltd.	14,700,000.00	20,379,900.35	-	-	-	-	660,975.56	-	-	-	-	-	21,040,875.91
Xinjiang New Relieve Sinotrans Logistics Co., Ltd.	5,100,000.00	16,912,235.72	-	-	-	-	2,414,406.24	-	-	-	-	-	19,326,641.96
Xuzhou Manzer Sinotrans Co., Ltd.	15,242,481.77	13,745,000.20	-	-	-	-	-235,637.45	-	-	-	-	-	13,509,362.75
SINOTRANS AMAUDOUIE MIDDLE EAST CO., LTD.	5,518,348.95	12,197,239.47	-	-	-	-	284,214.53	-	-	-	-	-	12,481,454.00
Suzhou Sinotrans Zhong International Freight Co., Ltd.	6,729,579.00	11,454,439.77	-	-	-	-	119,777.48	-	-	-	-	-	11,574,217.25
Suzhou Sinotrans Guolie Logistics Co., Ltd.	5,100,000.00	10,077,351.57	-	-	-	-	487,882.10	-	-	-	-	-	10,565,233.67
Shanghai United Cold Chain Logistics Co., Ltd.	15,000,000.00	7,756,307.57	-	-	-	-	-762,924.69	-	-	-	-	-	6,993,382.88
Others	76,899,341.49	85,076,003.49	4,020,273.14	-	5,292,000.00	-	3,172,392.99	-	881,650.00	-	34,181.85	-	92,892,886.32

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For the period ended 30 June 2024
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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

12. LONG-TERM EQUITY INVESTMENTS (CONTINUED)

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

Investee	Investment costs	Opening balance	Effects from changes in the scope of consolidation	Increases in investment	Decrease in investment	Investment profit or loss under equity method	Investment comprehensive income adjustments	Other changes in equity	Cash dividends and profits declared	Impairment provision	Effects from translation in foreign currency statements	Others	Closing balance	Closing balance of impairment provision
Associates														
Luxsiam International Holdings Co., Ltd.	3,875,834,055.17	5,066,722,332.72	-	63,466,781.51	122,572.88	193,302,855.78	-162,978,326.01	278,032.80	27,144,440.00	-	708,722.33	-	5,134,263,406.25	8,765,211.25
Shenzhen Haibei Harbor Development Co., Ltd.	2,012,021,379.88	2,750,901,517.88	-	-	-	90,136,248.86	-170,989,800.36	-	-	-	-	-	2,670,046,956.38	-
Jiangsu Jiangyin Port Group Co., Ltd.	442,358,642.42	400,580,017.96	-	-	-	37,360,128.12	-	-	-	-	-	-	437,939,146.08	-
Jiangsu Jiangyin Port Group Co., Ltd.	59,319,000.00	397,480,882.44	-	-	-	38,464,819.94	-	-	-	-	2,573,882.50	-	435,945,702.38	-
China Merchants Haren Development Investment Co., Ltd.	351,328,381.51	417,305,476.65	-	-	-	-439,551.61	-	-	26,164,440.00	-	-	-	419,439,817.34	-
Weihai Weikang Shipping Co., Ltd.	206,722,882.90	285,733,937.40	-	-	-	21,263,771.00	8,010,854.35	278,032.80	-	-	894,077.44	-	288,788,122.75	-
Wuhan Per Container Co., Ltd.	128,465,980.38	188,657,756.82	-	-	-	4,296,327.45	-	-	-	-	-	-	193,976,416.51	-
Shanghai Pusan Storage Co., Ltd.	78,173,640.00	80,522,788.41	-	-	-	782,032.17	-	-	-	-	-	-	81,294,816.59	-
Wingjo Chuanxian International Logistics Co., Ltd.	80,000,000.00	80,075,349.80	-	-	-	-1,303.14	-	-	-	-	-	-	80,074,046.66	-
Zhejiang Saopu Chongqing Port Co., Ltd.	56,100,000.00	56,382,702.92	-	-	-	1,080,737.14	-	-	-	-	-	-	59,443,440.06	-
China Merchants Sirotrans (Shenzhen) Industrial Innovation Private Equity Investment Fund Partnership (Limited Partnership) (Note 1)	56,496,379.67	7,016,955.38	-	42,500,000.00	-	-1,652,352.22	-	-	-	-	-	-	47,894,603.16	-
Qinghai Logistics Technology Co., Ltd.	48,000,000.00	43,321,507.13	-	-	-	-3,519,132.53	-	-	-	-	-	-	39,802,374.60	-
Marashan Jianshun Port Co., Ltd.	21,000,000.00	31,721,316.55	-	-	-	394,453.54	-	-	-	-	-	-	32,115,770.09	-
Shanghai Bulk Commodity Warehouse Receipt Registration Co., Ltd.	30,000,000.00	30,000,426.25	-	-	-	-14,086.30	-	-	-	-	-	-	29,986,339.95	-
Sirotrans Green Natural (Guangdong) International Supply Chain Co., Ltd.	24,800,000.00	24,800,000.00	-	-	-	-33,534.72	-	-	-	-	-	-	24,766,465.28	-
Shenyang Fujun Cold Chain Logistics Co., Ltd.	20,000,000.00	20,686,935.17	-	-	-	571,435.26	-	-	-	-	-	-	21,457,380.43	-
Shandong Ports Shipping Sirotrans Supply Chain Development Co., Ltd.	18,000,000.00	19,459,911.47	-	-	-	1,194,097.82	-	-	-	-	278,339.76	-	20,654,008.09	-
EUROSIAN RAIL GATEWAY CLOSED JOINT STOCK COMPANY	19,099,978.81	18,377,198.60	-	-	-	-272,082.31	-	-	-	-	-	-	18,383,446.05	-
Sirotrans Express (Shenzhen) Global Supply Chain Management Co., Ltd.	12,000,000.00	12,113,536.29	-	-	-	-40,839.94	-	-	-	-	-	-	12,072,696.35	-
Hebei Huang Liang Smart Logistics Co., Ltd. (Note 2)	12,000,000.00	-	-	12,000,000.00	-	-	-	-	-	-	-	-	12,000,000.00	-
Shougang Supply Chain Technology (Qinghai) Co., Ltd.	10,000,000.00	10,001,294.31	-	-	-	-103,388.16	-	-	-	-	-	-	9,897,906.15	-
Others	187,957,089.59	179,572,431.29	8,702,979.88	8,996,781.51	122,572.88	3,800,735.61	-	-	980,000.00	-	-3,037,557.37	-	188,229,876.36	8,765,211.25
Total	5,731,919,476.05	9,150,186,996.87	12,723,253.02	66,788,781.51	122,572.88	976,886,371.46	-162,978,326.01	1,176,389.63	53,441,539.54	-	2,251,188.06	-	9,982,150,666.02	12,765,464.39

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Notes to the Financial Statements

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

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

12. LONG-TERM EQUITY INVESTMENTS (CONTINUED)

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

Note 1: China Merchants Sinotrans (Shenzhen) Industrial Innovation Private Equity Investment Fund Partnership (Limited Partnership) (hereinafter referred to as "China Merchants Innovation Private Fund") was invested and established by the Company, Shenzhen China Merchants Innovation Investment Fund Center (Limited Partnership) and China Merchants Innovation Investment Management Co., Ltd. on 8 September 2019 with a registered capital of RMB300.10 million, of which, the Company, as a limited partner, contributed RMB150 million. During the year, the Company made paid-in contributions of RMB42.50 million, and the cumulative paid-in contributions totaled RMB56,496,400. According to the Articles of Incorporation of China Merchants Innovation Private Fund, the Company is able to exercise significant influence over it, which is accounted for by the equity method.

Note 2: Hebei Huanjing Lugang Smart Logistics Co., Ltd. was invested and established by the Group's subsidiary, Sinotrans Logistics Investment Holdings Co., Ltd. (hereinafter referred to as the "Logistics Investment Company"), and Hebei Expressway Yanzhao Yihang Group Co., Ltd. on 19 December 2023 with a registered capital of RMB30 million, of which, the Logistics Investment Company contributed RMB12 million with a 40% shareholding. During the year, the Logistics Investment Company made paid-in contributions of RMB12 million. According to the Articles of Incorporation of Hebei Huanjing Lugang Smart Logistics Co., Ltd., the Logistics Investment Company is able to exercise significant influence over it, which is accounted for by the equity method.

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

Item	Opening balance	Effects from changes in the scope of consolidation	Increase in current period	Decrease in current period		Effects from translation in foreign currency statements	Closing balance
				Decrease	Reasons for decreases		
Beijing China Merchants Science City Real Estate Development Co., Ltd.	5,831,525.70	-	-	-	-	41,698.80	5,873,224.50
Sinotrans Hongfeng (Shanghai) International Logistics Co., Ltd.	4,020,273.14	-	-	-	-	-	4,020,273.14
Beijing Sima Ling Clothing Co., Ltd.	1,484,388.36	-	-	-	-	10,614.24	1,495,002.60
Beijing Shungang Clothing Accessories Co., Ltd.	1,387,065.82	-	-	-	-	9,918.33	1,396,984.15
Total	12,723,253.02	-	-	-	-	62,231.37	12,785,484.39

Note: As of 30 June 2024, the Group reviewed the operating conditions, asset status, and industry operating environment of its major joint ventures and associates, and found no obvious signs of impairment. Therefore, no impairment provision was made for long-term equity investments during the period.

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

12. LONG-TERM EQUITY INVESTMENTS (CONTINUED)

(4) Significant joint venture investments

Name of invested entities	Main business location	Place of registration	Nature of business	Registered capital	Shareholding ratio (%)	Voting ratio (%)	Total assets at the end of the period	Total liabilities at the end of the period	Total net assets at the end of the period	Total operating income for the period	Net profit for the period	Net profit of the investee attributable to the parent company for the period
Joint ventures												
DHL Sincrans International Air Courier Ltd.	China	Beijing	Air-freight courier	USD14.50 million	50.00	50.00	7,919,444,866.21	2,663,190,877.51	5,236,253,988.70	9,953,152,531.23	1,488,831,468.62	1,488,831,468.62
Total							7,919,444,866.21	2,663,190,877.51	5,236,253,988.70	9,953,152,531.23	1,488,831,468.62	1,488,831,468.62

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Notes to the Financial Statements

For the period ended 30 June 2024

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

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

12. LONG-TERM EQUITY INVESTMENTS (CONTINUED)

(5) Main financial information of material joint ventures

Item	Closing/ current period DHL-Sinotrans International Air Courier Ltd.	Opening/ prior period DHL-Sinotrans International Air Courier Ltd.
Current assets	6,461,357,447.66	6,067,272,801.90
Including: Cash and cash equivalents	4,632,806,093.55	3,355,334,327.27
Non-current assets	1,458,087,418.55	1,247,821,136.10
Total assets	7,919,444,866.21	7,315,093,938.00
Current liabilities	2,041,357,302.34	3,202,230,269.04
Non-current liabilities	641,833,575.17	365,441,148.88
Total liabilities	2,683,190,877.51	3,567,671,417.92
Net assets	5,236,253,988.70	3,747,422,520.08
Non-controlling interests	-	-
Net assets attributable to owners of the parent company	5,236,253,988.70	3,747,422,520.08
Share of net assets calculated at the shareholding ratio	2,618,126,994.35	1,873,711,260.04
Adjustments	-	-
- Goodwill	-	-
- Unrealised profits on internal transactions	-	-
- Others	-	-
Book value of equity investments in joint ventures	2,618,126,994.35	1,873,711,260.04
Fair value of equity investments with open market price	-	-
Operating income	9,953,152,531.23	10,187,820,238.86
Finance costs	-8,420,680.07	-18,399,960.39
Income tax expenses	499,892,267.36	503,126,974.49
Net profit	1,488,831,468.62	1,566,213,306.25
Net profit attributable to owners of the parent company	1,488,831,468.62	1,566,213,306.25
Net profit from discontinued operations	-	-
Other comprehensive income	-	-
Total comprehensive income	1,488,831,468.62	1,566,213,306.25
Dividends from joint ventures for the period	-	-

Chapter 10 Notes to the Financial Statements

For the period ended 30 June 2024
(Unless indicated otherwise, all amounts are expressed in RMB)

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

12. LONG-TERM EQUITY INVESTMENTS (CONTINUED)

(6) Significant associate investments

Name of invested entities	Main business location	Place of registration	Nature of business	Registered capital	Shareholding ratio (%)	Voting ratio (%)	Total assets at the end of the period	Total liabilities at the end of the period	Total net assets at the end of the period	Total operating income for the period	Net profit for the period	Net profit of the investee attributable to the parent company for the period
Associates												
Loscam International Holdings Co., Ltd.	Asia Pacific	The British Virgin Islands	Logistics equipment leasing	USD101	45.00	45.00	9,481,783,675.27	4,288,747,779.60	5,243,015,895.67	1,175,831,570.24	197,551,015.62	200,302,775.24
Total							9,481,783,675.27	4,288,747,779.60	5,243,015,895.67	1,175,831,570.24	197,551,015.62	200,302,775.24

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Notes to the Financial Statements

For the period ended 30 June 2024

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

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

12. LONG-TERM EQUITY INVESTMENTS (CONTINUED)

(7) Main financial information of material associates

Item	Closing/ current period Loscam International Holdings Co., Ltd.	Opening/ prior period Loscam International Holdings Co., Ltd.
Current assets	2,094,737,860.83	1,862,557,178.71
Including: Cash and cash equivalents	1,425,624,376.24	1,144,851,082.55
Non-current assets	7,387,025,814.44	7,131,693,867.51
Total assets	9,481,763,675.27	8,994,251,046.22
Current liabilities	3,037,799,891.51	3,117,310,364.93
Non-current liabilities	1,200,947,888.09	845,178,440.48
Total liabilities	4,238,747,779.60	3,962,488,805.41
Net assets	5,243,015,895.67	5,031,762,240.81
Non-controlling interests	777,572,114.60	386,645,278.63
Net assets attributable to owners of the parent company	4,465,443,781.07	4,645,116,962.18
Share of net assets calculated at the shareholding ratio	2,009,449,701.48	2,090,302,632.98
Adjustments	660,598,884.90	660,598,884.90
- Goodwill	-	-
- Unrealised profits on internal transactions	-	-
- Others	660,598,884.90	660,598,884.90
Book value of equity investments in associates	2,670,048,586.38	2,750,901,517.88
Fair value of equity investments with open market price	-	-
Operating income	1,175,831,570.24	1,105,925,401.51
Finance costs	81,862,556.85	67,761,766.26
Income tax expenses	87,248,343.37	129,468,016.78
Net profit	197,551,015.62	230,368,639.75
Net profit attributable to owners of the parent company	200,302,775.24	225,498,084.87
Net profit from discontinued operations	-	-
Other comprehensive income	-379,975,956.36	105,631,957.32
Total comprehensive income	-182,424,940.74	336,000,597.07
Dividends from associates for the period	-	45,833,850.00

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Notes to the Financial Statements

For the period ended 30 June 2024
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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

12. LONG-TERM EQUITY INVESTMENTS (CONTINUED)

(8) Summary information of other immaterial joint ventures and associates

Item	Closing/ current period	Opening/ prior period
Joint ventures:	—	—
Total book value of investments	2,226,340,185.28	2,205,734,730.97
Total amount of the following items calculated at the shareholding ratio	—	—
Net profit	39,169,781.39	45,232,977.09
Other comprehensive income	—	—
Total comprehensive income	39,169,781.39	45,232,977.09
Associates:	—	—
Total book value of investments	2,455,449,608.60	2,307,117,834.96
Total amount of the following items calculated at the shareholding ratio	—	—
Net profit	103,166,606.92	103,299,980.66
Other comprehensive income	8,010,854.35	—
Total comprehensive income	111,177,461.27	103,299,980.66

(9) As at 30 June 2024, the Group did not have any joint ventures or associates with significant restrictions on their ability to transfer funds to the Group.

(10) As at 30 June 2024, the Group had no significant excess losses incurred in its joint ventures or associates.

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For the period ended 30 June 2024

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

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

13. OTHER EQUITY INSTRUMENT INVESTMENTS

(1) Details of other equity instrument investments

Item	Opening balance	Changes in current period			Dividend income recognized during the period	Accumulated gains included in other comprehensive income	Accumulated losses included in other comprehensive income	Reasons for designation as at fair value through other comprehensive income
		Increase in investment	Decrease in investment	Others				
		Gains included in other comprehensive income for the period	Losses included in other comprehensive income for the period	Others	Closing balance			
CSC Cargo Co., Ltd.	394,050,500.00	-	-	-	394,050,500.00	-	-	Strategic purpose holding
Air China Limited	21,172,941.98	-	-	-	21,288,325.86	13,211,454.26	-	Strategic purpose holding
Total	415,223,441.98	-	-	-	415,338,825.86	13,211,454.26	-	-

(2) There were no other equity instrument investments derecognised during the period.

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Notes to the Financial Statements

For the period ended 30 June 2024
(Unless indicated otherwise, all amounts are expressed in RMB)

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

14. OTHER NON-CURRENT FINANCIAL ASSETS

Item	Closing balance	Opening balance
Financial assets classified as measured at fair value through profit or loss	964,536,539.30	976,841,095.30
Including: Equity instrument investments	964,536,539.30	976,841,095.30
Total	964,536,539.30	976,841,095.30

Note: As at 30 June 2024, other non-current financial assets mainly comprised the investment in China Southern Airlines Logistics Co., Ltd. of RMB541,444,631.36; the investment in Ouyeel Cloud Commerce Co., Ltd. of RMB147,747,600; 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 RMB76,484,260.00; the investment in SINO-BLR Industrial Investment Fund, L.P. of RMB41,806,458.19; and the investment in Shenyang Airport Logistics Co., Ltd. of RMB14,930,000.

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Notes to the Financial Statements

For the period ended 30 June 2024

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

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

15. INVESTMENT PROPERTIES

(1) Investment properties using the cost measurement model

Item	Buildings	Land use rights	Total
I. Original value	—	—	—
Opening balance	3,210,109,209.98	299,051,927.92	3,509,161,137.90
Acquisition for the period	115,633.82	—	115,633.82
Conversion of fixed assets to investment properties	33,752,006.57	—	33,752,006.57
Transfer from investment properties to fixed assets	82,083,575.54	—	82,083,575.54
Transfer from investment properties to intangible assets	—	8,503,943.45	8,503,943.45
Effects from translation in foreign currency statements	16,242,335.70	—	16,242,335.70
Closing balance	3,178,135,610.53	290,547,984.47	3,468,683,595.00
II. Accumulated depreciation and accumulated amortisation	—	—	—
Opening balance	563,119,664.11	57,226,775.09	620,346,439.20
Accrual in current period	56,429,028.29	3,440,025.61	59,869,053.90
Conversion of fixed assets to investment properties	16,633,305.27	—	16,633,305.27
Transfer from investment properties to fixed assets	34,498,204.00	—	34,498,204.00
Transfer from investment properties to intangible assets	—	1,672,734.94	1,672,734.94
Effects from translation in foreign currency statements	2,956,750.00	—	2,956,750.00
Closing balance	604,640,543.67	58,994,065.76	663,634,609.43
III. Impairment provision	—	—	—
Opening balance	3,161,632.12	—	3,161,632.12
Accrual in current period	—	—	—
Effects from translation in foreign currency statements	11,771.63	—	11,771.63
Closing balance	3,173,403.75	—	3,173,403.75
IV. Net amount	—	—	—
Opening balance	2,643,827,913.75	241,825,152.83	2,885,653,066.58
Closing balance	2,570,321,663.11	231,553,918.71	2,801,875,581.82

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Notes to the Financial Statements

For the period ended 30 June 2024
(Unless indicated otherwise, all amounts are expressed in RMB)

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

15. 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	22,773,365.55	In progress
Office building of Sinotrans (Changchun) Logistics Ltd.	3,930,338.87	In progress
Houses of Sinotrans Logistics on Munan Road No. 98	564,605.43	In progress
Total	27,268,309.85	—

- (3) The Group's investment properties are mainly rented warehouses, yards, and other logistics facilities. As at 30 June 2024, the Group had evaluated the leases, rental levels, and surrounding market prices involved in its major leased logistics facilities and found no obvious signs of impairment. Therefore, no provision for impairment of investment properties was made during the period.

16. FIXED ASSETS

Item	Closing balance	Opening balance
Fixed assets	14,633,966,379.71	14,754,074,171.74
Disposal of fixed assets	159.95	143,692.99
Total	14,633,966,539.66	14,754,217,864.73

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Notes to the Financial Statements

For the period ended 30 June 2024

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

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

16. FIXED ASSETS (CONTINUED)

(1) Fixed assets

1) Details of fixed assets classification

Item	Buildings	Port and terminal facilities	Motor vehicles and vessels	Machinery, equipment, furniture, appliances, and other equipment	Total
I. Original value	—	—	—	—	—
Opening balance	14,839,529,891.09	1,929,071,048.80	2,010,192,565.99	6,854,544,868.72	25,633,338,374.60
Effects from changes in the scope of consolidation	-	-	-	-	-
Acquisition for the period	19,928,247.12	2,043,564.33	69,664,688.87	97,007,539.99	188,644,040.31
Transfer to construction in progress for the period	205,704,595.78	10,000.00	-	53,885,233.44	259,599,829.22
Transfer from investment properties for the period	82,083,575.54	-	-	-	82,083,575.54
Disposals, obsolescence for the period	629,329.47	-	34,167,435.81	94,746,456.63	129,543,221.91
Reclassification	301,783.30	-	-357,652.21	55,868.91	-
Transfer to investment properties for the period	33,752,006.57	-	-	-	33,752,006.57
Effects from translation in foreign currency statements	1,618,694.65	-	-8,361,563.76	8,251,596.17	1,508,727.06
Closing balance	15,114,785,451.44	1,931,124,613.13	2,036,970,603.08	6,918,998,650.60	26,001,879,318.25
II. Accumulated depreciation	—	—	—	—	—
Opening balance	4,930,898,216.63	660,422,093.43	1,214,632,531.90	3,719,526,573.61	10,525,479,415.57
Effects from changes in the scope of consolidation	-	-	-	-	-
Accrual in current period	272,339,608.46	35,127,361.47	71,522,025.85	203,100,259.79	582,089,255.57
Transfer from investment properties for the period	34,498,204.00	-	-	-	34,498,204.00
Disposals, obsolescence for the period	249,784.74	-	25,904,844.95	84,864,438.85	111,019,068.54
Reclassification	301,783.30	-	-357,652.21	55,868.91	-
Transfer to investment properties for the period	16,633,305.27	-	-	-	16,633,305.27
Effects from translation in foreign currency statements	-290,112.76	-	-3,240,011.99	2,218,542.17	-1,311,582.58
Closing balance	5,220,864,609.62	695,549,454.90	1,256,652,048.60	3,840,036,805.63	11,013,102,918.75
III. Impairment provision	—	—	—	—	—
Opening balance	241,728,921.73	-	111,815,613.96	240,251.60	353,784,787.29
Accrual in current period	-	-	-	-	-
Effects from translation in foreign currency statements	1,025,232.50	-	-	-	1,025,232.50
Closing balance	242,754,154.23	-	111,815,613.96	240,251.60	354,810,019.79
IV. Net amount	—	—	—	—	—
Opening balance	9,666,902,752.73	1,268,648,955.37	683,744,420.13	3,134,778,043.51	14,754,074,171.74
Closing balance	9,651,166,687.59	1,235,575,158.23	668,502,940.52	3,078,721,593.37	14,633,966,379.71
Including: Net mortgaged assets at the end of the period	322,347,672.83	638,213.01	-	90,886,412.12	413,872,297.96

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Notes to the Financial Statements

For the period ended 30 June 2024
(Unless indicated otherwise, all amounts are expressed in RMB)

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

16. FIXED ASSETS (CONTINUED)

(1) Fixed assets (Continued)

2) Fixed assets fully depreciated at the end of the period but are still in use and temporary idleness, disposal, and scrap of fixed assets for the period

Item	Amount	Remark
1. Original value of fixed assets fully depreciated at the end of the period but still in use	3,052,091,999.31	—
2. Original value of temporarily idle fixed assets at the end of the period	61,761,704.58	—
3. Disposal and scrap of fixed assets for the period	—	—
(1) Original value of disposal and scrap of fixed assets for the period	129,543,221.91	—
(2) Net value of disposal and scrap of fixed assets for the period	18,524,153.37	—
(3) Gains and losses from disposal and scrap of fixed assets for the period	1,463,254.88	—

3) Temporary idle fixed assets

Item	Original book value	Accumulated depreciation	Impairment provision	Book value	Remark
Buildings	20,652,060.09	15,629,301.88	—	5,022,758.21	—
Motor vehicles and vessels	20,577,330.04	10,685,962.60	4,564,856.69	5,326,510.75	—
Machinery, equipment, furniture, appliances, and other equipment	20,532,314.45	19,000,248.53	—	1,532,065.92	—
Total	61,761,704.58	45,315,513.01	4,564,856.69	11,881,334.88	—

4) Fixed assets rented through operating lease

Item	Book value
Machinery, equipment, furniture, appliances, and other equipment	736,354,750.42
Total	736,354,750.42

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For the period ended 30 June 2024

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

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

16. FIXED ASSETS (CONTINUED)

(1) Fixed assets (Continued)

5) Fixed assets without the title certificate

Item	Closing book value	Opening book value	Remark
Hefei Supply and Marketing Logistics Park Warehouse	203,516,084.27	—	In progress
Warehouse of China Merchants Logistics Group Guangxi Co., Ltd.	201,075,368.73	204,738,913.29	In progress
Wuhu Sanshan Port Sinotrans Wharf Project Phase I	136,102,820.46	138,302,779.20	In progress
Harbin Distribution Center Phase II	72,691,623.88	74,434,080.03	In progress
Northeast Regional Logistics Center Warehouse	71,928,328.42	74,584,103.89	Temporary suspension of demolition
Caidian Logistics Base	45,418,127.63	47,384,948.99	In progress
Sinotrans (Changchun) Logistics Co., Ltd. Warehouse No. 0	38,941,070.16	39,738,370.43	In progress
Office building 1, Tianzhu Airport Logistics Park	36,212,367.05	38,637,726.31	In progress
Office building of Sinotrans (Zhengzhou) Airport Logistics Co., Ltd.	33,854,192.38	34,667,114.38	In progress
Changchun Distribution Center Warehouse No. 1	31,557,347.76	32,213,527.08	In progress
Rongcheng 7-11 warehouse and office building	29,900,102.93	30,844,288.55	In progress
Pudong International Airport Storage Project	29,199,327.15	31,485,415.23	In progress
Changchun Distribution Center Warehouse No. 7	28,944,367.19	29,543,904.95	In progress
Changchun Distribution Center Warehouse No. 3	26,809,968.24	27,343,448.40	In progress
Changchun Distribution Center Warehouse No. 5	23,491,180.25	23,972,137.19	In progress
Office building of Sinotrans (Changchun) Logistics Ltd.	22,661,390.01	23,390,254.65	In progress
11th Floor Project, Block C, Building 339, Chengdu	22,377,104.25	23,005,937.49	In progress
China Merchants Logistics Group Changchun Warehouse Package 1	21,941,092.48	22,360,579.36	In progress
Sinotrans (Changchun) Logistics Co., Ltd. Warehouse No. 5	20,611,049.43	21,046,890.03	In progress
Sinotrans (Zhengzhou) Airport Logistics Co., Ltd. Warehouse No. 1	20,559,926.70	20,991,571.56	In progress
Sinotrans (Changchun) Logistics Co., Ltd. Warehouse No. 1	19,656,876.10	20,130,087.94	In progress
Hefei Supply and Marketing Logistics Park Office Building	19,230,730.25	—	In progress
Wuhu Sanshan Port Warehouse	17,907,069.13	18,306,658.39	In progress
Sinotrans (Changchun) Logistics Co., Ltd. Warehouse No. 3	15,110,120.22	15,512,427.06	In progress
Warehouse 2 of Tianzhu Logistics Park	14,667,669.15	15,601,190.49	In progress
Wuhu Sanshan Port Joint Inspection Building and Dormitory Building	14,664,285.16	15,097,937.14	In progress
Sinotrans (Changchun) Logistics Co., Ltd. Warehouse No. 2	12,519,001.32	12,840,135.44	In progress
Nanjing Sinotrans International Logistics Co., Ltd. Warehouse 02	12,341,830.20	12,783,831.54	Temporary suspension of demolition
Nanjing Sinotrans International Logistics Co., Ltd. Warehouse 01	12,169,075.89	12,605,413.95	Temporary suspension of demolition
Sinotrans (Zhengzhou) Airport Logistics Co., Ltd. Warehouse No. 2	11,616,106.04	11,847,416.78	In progress
Sinotrans (Zhengzhou) Airport Logistics Co., Ltd. Warehouse No. 3	10,767,000.93	10,981,403.49	In progress
Nanjing Sinotrans International Logistics Co., Ltd. Warehouse No. 4	10,334,625.89	10,791,272.15	Temporary suspension of demolition
Warehouse 1 of Tianzhu Logistics Park	9,756,954.36	10,377,459.66	In progress
Nanjing Sinotrans International Logistics Co., Ltd. Warehouse No. 3	8,720,939.82	9,106,283.64	Temporary suspension of demolition
Wuhu Sanshan Port Waiting Building	6,526,783.41	6,722,752.23	In progress
China Merchants Logistics Group Changchun Phase I Complex	6,325,849.01	6,454,104.47	In progress
China Merchants Logistics Group Qingdao Logistics Centre 1# Warehouse	—	25,218,446.03	Completed
China Merchants Logistics Group Qingdao Logistics Centre 3# Warehouse	—	24,046,924.75	Completed
China Merchants Logistics Group Qingdao Logistics Centre 2# Warehouse	—	23,541,863.51	Completed
China Merchants Logistics Group Qingdao Logistics Centre 4# Warehouse	—	20,026,056.51	Completed
China Merchants Logistics Group Qingdao Logistics Centre Complex	—	18,681,133.37	Completed
China Merchants Logistics Group Qingdao Logistics Centre 5# Warehouse	—	18,205,245.51	Completed
Others	33,902,471.23	38,088,006.46	—
Total	1,354,010,227.48	1,295,652,041.52	—

Chapter 10 Notes to the Financial Statements

For the period ended 30 June 2024
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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

16. FIXED ASSETS (CONTINUED)

(1) Fixed assets (Continued)

6) Impairment testing of fixed assets

The Group's fixed assets mainly consist of self-owned warehouses, yards, parks, terminals and other logistics infrastructures as well as ancillary equipment, which normally do not generate cash inflows separately and are included in asset groups of the long-term assets of the operating entity to which they belong. As at 30 June 2024, the Group had reviewed the operating conditions of the main operating entities in relation to the above logistics facilities and the market conditions of similar assets, and found no significant adverse changes as compared with those as at 31 December 2023. Therefore, the Group judged that there was no obvious indication of impairment or further impairment of the asset groups in relation to the logistics facilities held by the aforementioned main operating entities.

(2) Disposal of fixed assets

Item	Closing balance	Opening balance
Machinery, equipment, furniture, appliances, and other equipment	159.95	143,692.99
Total	159.95	143,692.99

17. CONSTRUCTION IN PROGRESS

(1) Listed by classification

Item	Closing balance	Opening balance
Construction in progress	923,269,561.82	824,783,662.00
Construction materials	–	–
Total	923,269,561.82	824,783,662.00

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

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

17. CONSTRUCTION IN PROGRESS (CONTINUED)

(2) Details of construction in progress

Item	Closing balance			Opening balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Jiaying Haiyan Logistics Centre Project	242,026,991.70	-	242,026,991.70	151,478,630.21	-	151,478,630.21
Taicang Port Bonded Area Integrated Logistics Park Project	166,068,168.85	-	166,068,168.85	117,084,901.47	-	117,084,901.47
Sinotrans Lingang International Logistics Center Project	85,371,958.33	-	85,371,958.33	23,378,079.86	-	23,378,079.86
Comprehensive Bonded Zone Storage Project	55,183,529.74	-	55,183,529.74	54,823,550.50	-	54,823,550.50
Qingdao Nonferrous Minerals Synthesis and Distribution Center	47,081,210.41	-	47,081,210.41	41,018,836.15	-	41,018,836.15
Sinotrans International Freight Forwarding and Logistics Centre Project	44,341,913.59	-	44,341,913.59	44,341,913.59	-	44,341,913.59
Jinxia Logistics Center	33,174,897.36	-	33,174,897.36	13,971,170.65	-	13,971,170.65
Guiyang Comprehensive Bonded Zone Project	31,409,912.24	-	31,409,912.24	10,273,425.04	-	10,273,425.04
Lianyungang Shanghe Logistics Park Project	21,654,977.72	-	21,654,977.72	21,346,024.88	-	21,346,024.88
Shaanxi Company Distribution Center	17,567,153.96	-	17,567,153.96	16,947,885.91	-	16,947,885.91
Rizhao Smart Logistics Park	17,324,461.16	-	17,324,461.16	24,661,137.39	-	24,661,137.39
Shandong Sinotrans Warehouse Project	14,956,870.00	-	14,956,870.00	14,956,870.00	-	14,956,870.00
Sinotrans Logistics Development Hefei Supply and Marketing Logistics Park	13,422,771.16	-	13,422,771.16	134,024,899.51	-	134,024,899.51
Xinjiang Ganquanpu Distribution Center	12,574,749.89	-	12,574,749.89	12,574,749.89	-	12,574,749.89
Gantry crane yard project	12,389,016.08	-	12,389,016.08	12,389,016.08	-	12,389,016.08
Sinotrans Middle East Co., Ltd. SHEIN Project	10,529,604.88	-	10,529,604.88	10,455,753.74	-	10,455,753.74
Thailand Warehouse Phase II	9,763,842.58	-	9,763,842.58	-	-	-
Weihai Sinotrans International Intelligent Logistics Center Project	7,510,268.11	-	7,510,268.11	5,195,104.69	-	5,195,104.69
Zhejiang Sinotrans Fire Fighting Renovation Project	7,142,562.17	-	7,142,562.17	6,142,562.17	-	6,142,562.17
Shandong Qingzhou Sinotrans Storage & Transportation Warehouse No. 4	6,331,521.23	-	6,331,521.23	-	-	-
Sinotrans South China Foshan Sanshui Port Purchase of Remote-Control Gantry Crane Project	6,219,791.57	-	6,219,791.57	25,966,021.91	-	25,966,021.91
Other Projects	61,323,389.09	100,000.00	61,223,389.09	83,853,128.36	100,000.00	83,753,128.36
Total	923,369,561.82	100,000.00	923,269,561.82	824,883,662.00	100,000.00	824,783,662.00

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

17. CONSTRUCTION IN PROGRESS (CONTINUED)

(3) Changes in significant construction in progress during the period

Item	Budget	Opening balance	Increase in current period	Effects from changes in the scope of consolidation	Transfer to fixed assets	Other decreases	Closing balance	Proportion of project investment to budget amount (%)	Project progress (%)	Accumulated amount of interest capitalisation	Including: Amount of interest capitalisation for the period	Interest capitalization rate for the period (%)	Sources of funds
Jiaying Haiyan Logistics Centre Project	405,991,721.30	151,478,630.21	90,548,361.49	-	-	-	242,026,991.70	59.61	59.61	-	-	-	Self-owned capital
Taicang Port Bonded Area Integrated Logistics Park Project	382,395,015.00	117,084,901.47	48,983,267.38	-	-	-	166,068,168.85	43.43	43.43	1,205,834.48	1,012,699.32	2.11	Borrowings, self-owned capital
Sinotrans Logistics Development Hefei Supply and Marketing Logistics Park	322,510,000.00	134,024,899.51	50,415,611.43	-	171,017,739.78	-	13,422,771.16	73.88	73.88	2,877,183.70	1,157,770.15	2.35	Borrowings, self-owned capital
Total	1,110,896,736.30	402,588,431.19	189,947,240.30	-	171,017,739.78	-	421,517,931.71	---	---	4,083,018.18	2,170,469.47	---	---

(4) The Group's construction in progress mainly consists of newly constructed or reconstructed logistics centers, logistics parks, terminals, warehousing depots, and large-scale logistics equipment. As at 30 June 2024, the Group had assessed the construction status, feasibility study expectation, and future operation arrangement of the major construction projects in progress, and no obvious indication of impairment was found. Therefore, no provision for impairment was made for the construction in progress for the current period.

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Notes to the Financial Statements

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

18. RIGHT-OF-USE ASSETS

(1) Details of right-of-use assets classification

Item	Buildings	Land use rights	Port and terminal facilities	Motor vehicles and vessels	Machinery, equipment, furniture, appliances, and other equipment	Others	Total
I. Original value	—	—	—	—	—	—	—
Opening balance	4,894,417,904.74	44,782,871.42	3,082,091.02	2,313,783.30	14,917,311.15	24,623,976.37	4,984,137,938.00
Effects from changes in the scope of consolidation	-	-	-	-	-	-	-
Increase in current period	283,321,193.80	3,870,109.51	-	10,750,675.80	17,299,244.42	1,800,973.01	317,042,196.54
Decrease in current period (Note)	357,965,134.17	6,231,772.15	-	1,744,930.10	5,373,791.04	740,408.77	372,056,036.23
Effects from translation in foreign currency statements	-13,850,461.79	-	-	-	-	-	-13,850,461.79
Closing balance	4,805,923,502.58	42,421,208.78	3,082,091.02	11,319,529.00	26,842,764.53	25,684,540.61	4,915,273,636.52
II. Accumulated depreciation	—	—	—	—	—	—	—
Opening balance	1,965,909,186.63	7,714,260.64	919,499.62	1,768,447.90	7,547,950.22	7,432,058.62	1,991,291,403.63
Effects from changes in the scope of consolidation	-	-	-	-	-	-	-
Accrual in current period	383,344,979.77	5,371,861.45	513,681.85	1,164,221.64	4,311,105.97	5,198,073.29	399,903,923.97
Decrease in current period (Note)	289,939,592.97	4,321,010.40	-	1,646,647.98	4,496,169.04	506,941.25	300,910,361.64
Effects from translation in foreign currency statements	-3,522,209.25	-	-	-	-	-	-3,522,209.25
Closing balance	2,055,792,364.18	8,765,111.69	1,433,181.47	1,286,021.56	7,362,887.15	12,123,190.66	2,086,762,756.71
III. Impairment provision	—	—	—	—	—	—	—
Opening balance	-	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-	-
IV. Net amount	—	—	—	—	—	—	—
Opening balance	2,928,508,718.11	37,068,610.78	2,162,591.40	545,335.40	7,369,360.93	17,191,917.75	2,992,846,534.37
Closing balance	2,750,131,138.40	33,656,097.09	1,648,909.55	10,033,507.44	19,479,877.38	13,561,349.95	2,828,510,879.81

Note: The decrease in the original value and accumulated depreciation of right-of-use assets for the period was 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.

The Group leases a number of assets, including buildings, land use rights, port and terminal facilities, motor vehicles and vessels, machinery, equipment, furniture, appliances, and other equipment, etc. The lease contracts are entered into for terms of 1 to 28 years and contain partial renewal or termination options. In determining the term of the lease and assessing the length of the non-cancellable period, the Group determines the period for which the contract is enforceable in accordance with the terms of the contracts.

Chapter 10 Notes to the Financial Statements

For the period ended 30 June 2024
(Unless indicated otherwise, all amounts are expressed in RMB)

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

18. RIGHT-OF-USE ASSETS (CONTINUED)

(1) Details of right-of-use assets classification (Continued)

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 short-term lease expenses charged to profit or loss for the period under simplified treatment amounted to RMB320,803,121.56 (prior period: RMB402,628,732.11) and the lease expenses for low-value assets amounted to RMB8,277,186.93 (prior period: RMB11,687,801.48).

The Group's leases have no variable lease payment terms. The total cash outflow in relation to leases for the period was RMB699,782,453.71 (prior period: RMB808,677,463.49).

19. INTANGIBLE ASSETS

Item	Amortisation period	Opening balance	Effects from changes in the scope of consolidation	Increase in current period	Decrease in current period (Note 1)	Reclassification	Effects from translation in foreign currency statements	Closing balance
I. Total original value	—	8,735,573,346.97	-	146,750,688.80	18,934,538.46	-	-9,675,317.03	8,853,714,180.28
Including: Land use rights	20-99 years	7,085,934,570.43	-	92,579,237.09	18,281,875.03	-	3,072,513.13	7,163,304,445.62
Trademark rights	10 years	5,007,651.46	-	-	-	-	-	5,007,651.46
Software	5 years	1,015,561,557.52	-	54,171,451.71	652,663.43	-	-915,909.34	1,068,164,436.46
Customer relationship	9 years, 10 years	546,679,032.88	-	-	-	-	-11,835,601.46	534,843,431.42
Others	5 years, 8 years	82,390,534.68	-	-	-	-	3,680.64	82,394,215.32
II. Total accumulated amortisation	—	2,451,621,813.33	-	162,542,173.68	5,867,853.78	-	-5,165,137.88	2,603,130,995.35
Including: Land use rights	20-99 years	1,515,886,711.98	-	80,712,821.71	5,231,840.43	-	1,054,655.56	1,592,422,348.82
Trademark rights	10 years	6,581.40	-	745.69	-	-	-	7,327.09
Software	5 years	684,928,229.09	-	51,898,466.03	636,013.35	-	-760,669.51	735,430,012.26
Customer relationship	9 years, 10 years	222,571,514.56	-	29,493,058.30	-	-	-5,460,357.24	246,604,215.62
Others	5 years, 8 years	28,228,776.30	-	437,081.95	-	-	1,233.31	28,667,091.56
III. Total impairment provision	—	58,913,956.77	-	-	-	-	-	58,913,956.77
Including: Land use rights	20-99 years	3,887,400.00	-	-	-	-	-	3,887,400.00
Trademark rights	10 years	5,000,000.00	-	-	-	-	-	5,000,000.00
Software	5 years	-	-	-	-	-	-	-
Customer relationship	9 years, 10 years	-	-	-	-	-	-	-
Others	5 years, 8 years	50,026,556.77	-	-	-	-	-	50,026,556.77
IV. Total book value	—	6,225,037,576.87	—	—	—	—	—	6,191,669,228.16
Including: Land use rights	20-99 years	5,566,160,458.45	—	—	—	—	—	5,566,994,696.80
Trademark rights	10 years	1,070.06	—	—	—	—	—	324.37
Software	5 years	330,633,328.43	—	—	—	—	—	332,734,424.20
Customer relationship	9 years, 10 years	324,107,518.32	—	—	—	—	—	288,239,215.80
Others	5 years, 8 years	4,135,201.61	—	—	—	—	—	3,700,566.99

Note 1: The decrease in the original value and accumulated amortization of intangible assets for the period was mainly due to the purchase and reserve of land use rights.

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Notes to the Financial Statements

For the period ended 30 June 2024

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

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

19. INTANGIBLE ASSET (CONTINUED)

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.

(1) 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	20,240,048.58	In negotiation with the government for the issuance of title certificate
Land use rights of Dayaowan Kaisan District Container Yard Phase II	5,690,244.20	In negotiation with the government for the issuance of title certificate
Total	25,930,292.78	—

(2) Impairment testing of intangible assets

The Group's intangible assets mainly consist of land use rights, software, and customer relationships, which normally do not generate cash inflows separately and are included in asset groups of the long-term assets of the operating entity to which they belong. As at 30 June 2024, the Group had reviewed the operating conditions of the main operating entities in relation to the above intangible assets and the market conditions of similar assets, and found no significant adverse changes as compared with those as at 31 December 2023. Therefore, the Group judged that there was no obvious indication of impairment or further impairment of the asset groups in relation to the intangible assets held by the aforementioned main operating entities.

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Notes to the Financial Statements

For the period ended 30 June 2024
(Unless indicated otherwise, all amounts are expressed in RMB)

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

20. GOODWILL

(1) Details of goodwill

Investee	Formation	Opening balance	Increase in current period		Decrease in current period		Effects from translation in foreign currency statements	Closing balance
			Business combination	Other increases	Derecognition of subsidiaries	Other decreases		
7 companies including KLG EUROPE EERSEL B.V. (Note)	Combination not under common control	2,115,117,259.78	-	-	-	-	-53,152,440.30	2,061,964,819.48
Sinotrans Cold Chain Logistics (Tianjin) Co., Ltd.	Combination not under common control	215,048,533.68	-	-	-	-	-	215,048,533.68
China Merchants Logistics Group Nanjing Co., Ltd.	Combination not under common control	170,927,814.49	-	-	-	-	-	170,927,814.49
Shenzhen Henglu Logistics Limited Company	Combination not under common control	134,843,091.03	-	-	-	-	-	134,843,091.03
OCEAN LORD INVESTMENT LIMITED	Combination not under common control	44,442,093.80	-	-	-	-	-	44,442,093.80
Sinotrans Cold Chain Logistics Harbin Co., Ltd.	Combination not under common control	29,621,440.67	-	-	-	-	-	29,621,440.67
SUNNY STEP INVESTMENT LIMITED	Combination not under common control	7,166,615.77	-	-	-	-	-	7,166,615.77
Others	Combination not under common control	41,623,993.09	-	-	-	-	-	41,623,993.09
Subtotal	—	2,758,790,842.31	-	-	-	-	-53,152,440.30	2,705,638,402.01
Impairment provision for goodwill	—	717,242,442.23	—	—	—	—	—	708,811,584.87
Total	—	2,041,548,400.08	—	—	—	—	—	1,996,826,817.14

Note: The effect of translation in foreign currency statements is due to the change in the exchange rate of the EUR to RMB at the end of the period compared to the beginning of the period.

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Notes to the Financial Statements

For the period ended 30 June 2024

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

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

20. GOODWILL (CONTINUED)

(2) Details of goodwill impairment provision

Investee	Opening balance	Effects from changes in the scope of consolidation	Accrual in current period	Effects from translation in foreign currency statements	Decrease in current period	Closing balance
7 companies including KLG						
EUROPE EERSEL B.V.	335,492,628.70	-	-	-8,430,857.36	-	327,061,771.34
Sinotrans Cold Chain Logistics (Tianjin) Co., Ltd.	215,048,533.68	-	-	-	-	215,048,533.68
Shenzhen Henglu Logistics Limited Company	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	717,242,442.23	-	-	-8,430,857.36	-	708,811,584.87

Note: As of 30 June 2024, 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 2023. The Group has judged that there is no obvious impairment or further indication of impairment for the aforesaid asset group or portfolio of asset groups to which the significant amount of goodwill has been apportioned.

21. LONG-TERM PREPAID EXPENSE

Item	Opening balance	Effects from changes in the scope of consolidation	Transfer from fixed assets	Increase in current period	Amortisation for the period	Effects from translation in foreign currency statements	Other decreases	Closing balance	Reasons for other decreases
Modification of assets	243,232,990.50	-	-	30,307,676.37	35,886,779.50	411,112.66	-	238,065,000.03	—
Others	5,436,634.71	-	-	2,132,567.36	1,748,603.79	939.59	-	5,821,537.87	—
Total	248,669,625.21	-	-	32,440,243.73	37,635,383.29	412,052.25	-	243,886,537.90	—

Chapter 10 Notes to the Financial Statements

For the period ended 30 June 2024
(Unless indicated otherwise, all amounts are expressed in RMB)

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

22. DEFERRED INCOME TAX

(1) Deferred tax assets not offset

Item	Closing balance		Opening balance	
	Deferred tax assets	Deductible temporary differences and deductible losses	Deferred tax assets	Deductible temporary differences and deductible losses
Lease liabilities	724,758,815.63	2,989,072,878.82	753,787,738.34	3,155,046,277.23
Unpaid wages	107,598,876.80	430,416,241.20	102,183,733.26	408,848,390.84
Deductible losses	77,741,698.16	310,966,792.64	80,036,685.90	320,146,743.60
Impairment provision unapproved by tax authorities	72,436,404.70	296,029,036.74	61,487,493.80	250,519,284.98
Changes in fair value of other non-current financial assets	16,987,095.42	102,952,093.48	14,773,122.01	89,534,072.79
Provision for one-time housing subsidy	5,570,751.63	22,283,006.50	5,570,751.63	22,283,006.50
Depreciation of fixed assets	3,302,531.08	13,199,923.16	3,190,124.22	12,804,853.53
Provision for pending litigation	2,280,853.86	9,123,415.45	6,461,794.39	25,847,177.56
Other deductible temporary differences	64,927,327.05	273,972,745.85	55,881,438.45	238,445,190.16
Total	1,075,604,354.33	4,448,016,133.84	1,083,372,882.00	4,523,474,997.19

1) Deductible temporary differences and deductible losses of unrecognized deferred tax assets

Item	Closing balance	Opening balance
Deductible temporary differences	1,291,734,540.09	1,335,850,273.53
Deductible losses	2,177,727,384.40	2,212,273,103.21
Total	3,469,461,924.49	3,548,123,376.74

Note: The Group recognises deferred tax assets to the extent of the taxable income used to deduct deductible temporary differences and deductible losses that is likely to be obtained in the future, and the excess of deductible temporary differences and deductible losses over the future taxable income is not recognised as deferred tax assets.

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Notes to the Financial Statements

For the period ended 30 June 2024

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

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

22. DEFERRED INCOME TAX (CONTINUED)

(1) Deferred tax assets not offset (Continued)

2) The deductible losses of unrecognized deferred tax assets will mature in the following year:

Year	Closing balance	Opening balance	Remark
2024	—	209,165,412.28	—
2025	293,961,463.10	316,458,439.44	—
2026	403,817,440.06	427,055,401.41	—
2027	564,923,144.63	575,406,064.92	—
2028	639,205,099.76	684,187,785.16	—
2029	275,820,236.85	—	—
Deductible losses without a maturity date	—	—	—
Total	2,177,727,384.40	2,212,273,103.21	—

(2) Deferred tax liabilities not offset

Item	Closing balance		Opening balance	
	Deferred tax liabilities	Taxable temporary difference	Deferred tax liabilities	Taxable temporary difference
Right-of-use assets	685,913,888.35	2,828,510,879.81	715,035,794.13	2,992,846,534.37
Adjustment of the fair value of assets acquired by business combination	208,735,803.55	904,228,695.27	219,443,144.30	978,951,730.45
Valuation of financial assets and liabilities held for trading	79,452,066.47	317,808,265.86	79,452,066.47	317,808,265.86
Depreciation and amortisation	31,799,945.96	127,638,015.04	27,662,041.60	111,036,775.27
Changes in fair value of other equity instrument investments	3,302,863.57	13,211,454.26	3,274,017.60	13,096,070.38
Other taxable temporary differences	1,775,976.25	7,364,981.75	1,877,967.53	8,441,373.82
Total	1,010,980,544.15	4,198,762,291.99	1,046,745,031.63	4,422,180,750.15

Chapter 10 Notes to the Financial Statements

For the period ended 30 June 2024
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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

22. DEFERRED INCOME TAX (CONTINUED)

(3) Deferred tax assets or liabilities shown in the net amount after offset

Item	Offset amount of deferred tax assets against deferred tax liabilities at the end of the period	Closing balance of deferred tax assets or deferred tax liabilities after offset	Offset amount of deferred income tax assets against deferred tax liabilities at the beginning of the period	Opening balance of deferred tax assets or deferred tax liabilities after offset
Deferred tax assets	-775,255,906.21	300,348,448.12	-807,753,297.61	275,619,584.39
Deferred tax liabilities	-775,255,906.21	235,724,637.94	-807,753,297.61	238,991,734.02

23. OTHER NON-CURRENT ASSETS

Item	Closing balance			Opening balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Prepayment for land use rights	119,798,481.62	-	119,798,481.62	171,267,850.27	-	171,267,850.27
Lanshi Port-related assets (Note 1)	110,467,674.64	-	110,467,674.64	111,764,602.55	-	111,764,602.55
Prepayment for engineering equipment	76,467,901.99	-	76,467,901.99	38,439,663.24	-	38,439,663.24
Total	306,734,058.25	-	306,734,058.25	321,472,116.06	-	321,472,116.06

Note 1: Sinotrans South China Co., Ltd. (hereinafter referred to as "Sinotrans South China"), a subsidiary of the Group, and its subsidiary, Sinoway Shipping Limited, entered into equity transfer agreements with Guangdong Sinotrans Limited (hereinafter referred to as "Guangdong Sinotrans") and Keppel Telecommunications & Transportation Ltd. respectively on 27 September 2019 to acquire the entire equity interest in Keppel Logistics (Foshan) Co., Ltd. According to the equity transfer agreements, after the equity transfer, Keppel Telecommunications & Transportation Ltd. and Guangdong Sinotrans are still entitled to the interests (including the right of gain and risk of loss) held by Keppel Logistics (Foshan) Co., Ltd. in the assets of Lanshi Port and related areas and assume the related liabilities. Until the liquidation of Lanshi Port and related areas is completed, the assets equity and related liabilities shall be presented as other non-current assets and other non-current liabilities, respectively, with the net amount and changes therein presented in non-controlling interests.

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Notes to the Financial Statements

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

24. ASSETS UNDER RESTRICTED OWNERSHIP OR USE RIGHTS

Item	Closing balance				Opening balance			
	Book balance	Book value	Type of restriction	Details of restriction	Book balance	Book value	Type of restriction	Details of restriction
Cash and bank balances	49,831,869.81	49,831,869.81	Freeze, others	Note 1	142,716,012.24	142,716,012.24	Freeze, others	Note 1
Investment properties	14,573,563.65	13,626,282.09	Collateral	Note 2	14,573,563.65	13,772,017.71	Collateral	Note 2
Fixed assets	455,362,373.47	413,872,297.96	Collateral	Note 3	249,226,295.48	221,507,701.82	Collateral	Note 3
Intangible assets	658,922,275.26	617,161,795.13	Collateral	Note 4	295,479,936.98	279,487,403.75	Collateral	Note 4
Construction in progress	179,490,940.01	179,490,940.01	Collateral	Note 5	134,024,899.51	134,024,899.51	Collateral	Note 5
Other non-current assets- Lanshi Port related assets	110,467,674.64	110,467,674.64	Others	Note 6	111,764,602.55	111,764,602.55	Others	Note 6
Total	1,468,648,696.84	1,384,450,859.64	—	—	947,785,310.41	903,272,637.58	—	—

Note 1: For details of the cash and bank balances under restricted use right at the end of the period, see Note IX. 1.

Note 2: Investment properties with restricted ownership or use right at the end of the period included the book value, amounting to RMB13,626,282.09 (beginning of the period: RMB13,772,017.71), of the land of JIANGMEN HIGH TECH PORT DEVELOPMENT CO., LTD. (hereinafter referred to as "JIANGMEN PORT"), a subsidiary of the Group, pledged as collateral for long-term borrowings.

Note 3: Fixed assets with restricted ownership or use right at the end of the period included the followings: the book value of warehouses, plants, machinery and equipment, port and terminal facilities of JIANGMEN PORT, a subsidiary of the Group, pledged as collateral for long-term borrowings amounted to RMB163,079,441.48 (beginning of the period: RMB168,238,832.66); 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"), a subsidiary of the Group, was RMB148,698,927.42 (beginning of the period: RMB53,268,869.16); the book value of warehouses used as collaterals for long-term borrowings by Hunan Zhongnan International Land Port Co., Ltd. (hereinafter referred to as "Zhongnan International Land Port"), a subsidiary of the Group, was RMB100,533,795.58; and the book value of warehouses used as collaterals for long-term borrowings by Sinotrans Dongguan Logistics Co., Ltd. (hereinafter referred to as "Sinotrans Dongguan"), a subsidiary of the Group, was RMB1,560,133.48.

Note 4: Intangible assets with restricted ownership or use right at the end of the period included the followings: the book value of land used as collaterals for long-term borrowings by JIANGMEN PORT, a subsidiary of the Group, was RMB192,270,451.54 (beginning of the period: RMB194,326,820.02); the book value of land used as collaterals for long-term borrowings by Sinotrans Taicang International Logistics Co., Ltd. (hereinafter referred to as "Taicang Logistics"), a subsidiary of the Group, was RMB51,571,504.81 (beginning of the period: RMB52,114,362.73); the book value of land used as collaterals for long-term borrowings by Sinotrans Hefei, a subsidiary of the Group, was RMB32,687,022.96 (beginning of the period: RMB33,046,221.00); the book value of land used as collaterals for long-term borrowings by Zhongnan International Land Port, a subsidiary of the Group, was RMB105,021,982.09; the book value of land used as collaterals for long-term borrowings by Sinotrans Dongguan, a subsidiary of the Group, was RMB28,874,724.06; and the book value of land used as collaterals for long-term borrowings by Shanghai Sinotrans International Logistics Co., Ltd., a subsidiary of the Group, was RMB206,736,109.67.

Note 5: Construction in progress with restricted ownership or use right at the end of the period included the following: the book value of warehouses and supporting facilities under construction in Hefei Supply and Marketing Logistics Park, used as collaterals for long-term borrowings by Sinotrans Hefei, a subsidiary of the Group, was RMB13,422,771.16 (beginning of the period: RMB134,024,899.51); and the book value of warehouses and supporting facilities under construction for Taicang Port Bonded Area Integrated Logistics Park Project, used as collaterals for long-term borrowings by Taicang Logistics, a subsidiary of the Group, was RMB166,068,168.85.

Note 6: See Note IX. 23. for details.

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

25. ASSET IMPAIRMENT PROVISION AND CREDIT LOSS PROVISION

Item	Opening balance	Effects from changes in 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 the sale	Other increases in the period	Other decreases in the period	Effects from translation in foreign currency statements or exchange rate changes	Closing balance
Credit loss provision for accounts receivable	548,601,373.99	-	107,671,472.49	9,726,449.19	-	-	225,990.16	-	-406,698.23	646,365,694.22
Credit loss provision for other receivables	144,576,801.99	-	2,215,994.97	49,682.05	-	-	-	-	436,053.57	147,179,188.48
Provision for value reduction of inventories	5,624,612.59	-	-	5,044.87	-	-	-	-	-	5,619,567.72
Impairment provision for long-term equity investments	12,723,253.02	-	-	-	-	-	-	-	62,231.37	12,785,484.39
Impairment provision for investment properties	3,161,632.12	-	-	-	-	-	-	-	11,771.63	3,173,403.75
Provision for impairment of fixed assets	363,784,787.29	-	-	-	-	-	-	-	1,025,232.50	364,810,019.79
Impairment provision for construction in progress	100,000.00	-	-	-	-	-	-	-	-	100,000.00
Impairment provision for intangible assets	58,913,956.77	-	-	-	-	-	-	-	-	58,913,956.77
Impairment provision for goodwill	717,242,442.23	-	-	-	-	-	-	-	-8,430,857.36	708,811,584.87
Total	1,844,728,860.00	-	109,887,467.46	9,781,156.11	-	-	225,990.16	-	-7,302,261.52	1,937,766,899.99

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Notes to the Financial Statements

For the period ended 30 June 2024

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

26. SHORT-TERM BORROWINGS

(1) Classification of short-term borrowings

Category	Closing balance	Opening balance
Fiduciary loans	1,632,854,491.88	410,217,777.09
Guaranteed loans (Note)	300,085,833.33	200,000,000.00
Total	1,932,940,325.21	610,217,777.09

Note: Sinotrans Logistics Ltd., a subsidiary of the Group, borrowed RMB200,000,000 in loans from China Merchants Bank Co., Ltd. (hereinafter referred to as "China Merchants Bank"), which was guaranteed by the Company on a joint and several basis. China Merchants Logistics Shenzhen Co., Ltd., a subsidiary of the Group, borrowed RMB100,000,000 in loans from the Agricultural Bank of China Limited, which was guaranteed by Sinotrans Logistics Ltd., a subsidiary of the Group, on a joint and several basis. For details, please refer to Note X. 4. (6).

(2) The Group had no overdue short-term borrowings at the end of the period.

27. BILLS PAYABLE

Category	Closing balance	Opening balance
Bank acceptance bills	93,067,448.74	80,827,292.06
Total	93,067,448.74	80,827,292.06

Note: The Group had no overdue bills payable at the end of the period.

28. ACCOUNTS PAYABLE

(1) Details of accounts payable

Aging	Closing balance		Opening balance	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year (including 1 year)	15,357,657,398.65	98.73	12,181,921,080.34	98.47
1 to 2 years (including 2 years)	113,796,956.81	0.73	111,358,233.15	0.90
2 to 3 years (including 3 years)	31,121,312.54	0.20	36,632,683.30	0.30
Over 3 years	52,303,577.78	0.34	40,452,376.62	0.33
Total	15,554,879,245.78	100.00	12,370,364,373.41	100.00

Note: The above aging analysis of accounts payable is based on the time of purchasing goods or receiving services.

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

28. ACCOUNTS PAYABLE (CONTINUED)

(2) Significant accounts payable aged over one year

Company name	Amount	Aging	Reasons for non-payment
Shanghai Changjiang Shipping Corporation	12,334,920.00	1 to 2 years, 2 to 3 years	Unsettled
Entity 1	10,682,689.50	2 to 3 years	Unsettled
Entity 2	7,005,740.03	1 to 2 years, 2 to 3 years, over 3 years	Unsettled
Entity 3	6,919,815.44	1 to 2 years, 2 to 3 years	Unsettled
Entity 4	6,807,869.07	1 to 2 years	Unsettled
Entity 5	5,534,773.97	1 to 2 years	Unsettled
Total	49,285,808.01	—	—

- (3) There were no accounts payable from shareholders holding more than 5% (including 5%) voting shares of the Company at the end of the period.

29. CONTRACT LIABILITIES

(1) Details of contract liabilities

Item	Closing balance	Opening balance
Forwarding and related business advanced receipt	3,156,317,516.91	3,434,279,868.57
Logistics business advanced receipt	580,956,015.32	603,650,984.99
E-commerce business advanced receipt	273,281,648.00	218,948,869.17
Subtotal	4,010,555,180.23	4,256,879,722.73
Le Contract liabilities included in other non-current liabilities	—	—
Total	4,010,555,180.23	4,256,879,722.73

Note: The Group's payments are received in advance for logistics services related to a large number of customers and logistics and transportation service contracts (agreements, orders, etc.) associated with those customers. Logistics and transportation service contracts of the same business type are similar in terms of service content, mode, performance cycle, and payment arrangement. Therefore, the Group's obligation to provide services to customers based on the consideration received or receivable from customers under logistics and transportation service contracts is presented in summary by business type (the same as the classification of revenue).

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

29. CONTRACT LIABILITIES (CONTINUED)

(2) The revenue included the opening balance of contract liabilities recognised in the current period was RMB4,256,879,722.73 (ignoring the effect of translation of financial statements in foreign currencies), including contract liabilities arising from forwarding and related business advanced receipt of RMB3,434,279,868.57, contract liabilities arising from logistics business advanced receipt of RMB603,650,984.99, and contract liabilities arising from e-commerce business advanced receipt of RMB218,948,869.17.

(3) Qualitative and quantitative analysis of contract liabilities

Based on the consideration of business risks, the Group's transactions with certain types of customers are based on the advance payment mode, and the Group 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 of 30 June 2024, the transaction price received or receivable, net of estimated output tax, apportioned by the Group to the outstanding logistics and transportation service contracts was RMB4,010,555,180.23 (1 January 2024: RMB4,256,879,722.73). This amount represents the amount of revenue that the Group expects to recognize when the customer obtains control of the services in the future. The Group expects that RMB4,010,555,180.23 (ignoring the effect of translation of financial statements in foreign currencies) will be recognized as revenue in one year from the current reporting period.

(4) The Group's contract liabilities, summarized by type of business, have not changed significantly during the period.

30. 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	2,276,433,028.39	3,069,589,386.35	3,707,254,625.10	1,638,767,789.64
II. Post-employment benefits – defined contribution plans	73,486,787.62	440,977,038.58	443,523,014.44	70,940,811.76
III. Termination benefits	5,477,822.29	15,786,736.95	16,821,195.70	4,443,363.54
IV. Other benefits due within one year	–	151,539.71	151,539.71	–
V. Others	5,237,384.57	4,703,326.83	7,330,748.45	2,609,962.95
Total	2,360,635,022.87	3,531,208,028.42	4,175,081,123.40	1,716,761,927.89

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

30. 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	2,193,082,670.25	2,341,136,645.66	2,968,358,224.80	1,565,861,091.11
II. Employee welfare benefits	484,252.42	94,931,999.42	95,121,774.70	294,477.14
III. Social insurance premiums	7,927,609.45	185,317,106.27	185,019,258.60	8,225,457.12
Including: Medical insurance	7,005,359.84	158,785,132.85	158,567,825.40	7,222,667.29
Work-related injury insurance	460,958.45	14,281,920.62	14,222,404.77	520,474.30
Maternity insurance	410,071.04	10,099,123.35	10,077,070.91	432,123.48
Others	51,220.12	2,150,929.45	2,151,957.52	50,192.05
IV. Housing provident fund	5,090,607.20	214,282,155.06	212,547,538.28	6,825,223.98
V. Trade union funds and staff education funds	43,168,215.25	41,136,745.18	43,833,293.61	40,471,666.82
VI. Short-term paid absences	-	-	-	-
VII. Short-term profit-sharing scheme	-	-	-	-
VIII. Other short-term benefits	26,679,673.82	192,784,734.76	202,374,535.11	17,089,873.47
Total	2,276,433,028.39	3,069,589,386.35	3,707,254,625.10	1,638,767,789.64

(3) Defined contribution plan

Item	Opening balance	Increase in current period	Decrease in current period	Closing balance
I. Basic pension insurance premiums	16,712,314.38	323,747,772.35	320,761,239.93	19,698,846.80
II. Unemployment insurance premiums	893,398.74	15,020,307.76	13,131,026.52	2,782,679.98
III. Enterprise annuity contributions	55,881,074.50	102,208,958.47	109,630,747.99	48,459,284.98
Total	73,486,787.62	440,977,038.58	443,523,014.44	70,940,811.76

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

30. EMPLOYEE BENEFITS PAYABLE (CONTINUED)

(3) Defined contribution plan (Continued)

Note 1: According to the pension and unemployment insurance plan set up by the government agencies, the Group pays to such plans a contribution on the basis of 12% to 24% and 0.48% to 2% of the employees' basic wages on a monthly basis. Apart from the above monthly payment, the Group bears no longer further payment obligation. Corresponding expenses are recorded in the profit or loss of the current period or the cost of the related assets.

Note 2: The enterprise annuity contribution of the Group is jointly borne by the entity and its employees. The total annual contribution of the entity is 5% 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.

Note 3: The annuity fund of the Group adopts the mode of legal person entrustment management, and the enterprise annuity fund pooled is entrusted by SINOTRANS & CSC to the trustee for the entrusted management, and a contract for the trusted management of the enterprise annuity fund is signed.

Note 4: The Group should respectively contribute RMB425,956,730.82 and RMB15,020,307.76 (prior period: RMB394,035,259.27 and RMB12,490,511.92) to the pension insurance and unemployment insurance plan for the current period. As of 30 June 2024, the Group had RMB68,158,131.78 and RMB2,782,679.88 (1 January 2024: RMB72,593,388.88 and RMB893,398.74) of contributions payable to the pension and unemployment insurance plan which are due and unpaid during the reporting period. The contributions payable were paid after the reporting period.

31. TAXES AND DUES PAYABLE

Item	Closing balance	Opening balance
Enterprise income tax	264,862,367.97	319,172,989.17
Value-added tax	120,540,132.43	116,969,975.82
Individual income tax	21,406,677.01	39,355,812.86
Property tax	28,023,080.32	26,095,729.02
Urban land use tax	10,255,782.23	10,563,208.61
Stamp duty	5,915,297.28	4,187,035.87
Urban maintenance & construction tax	4,434,068.00	5,488,573.55
Education surcharge	3,623,690.57	4,559,597.14
Other taxes	2,221,333.19	7,856,566.77
Total	461,282,429.00	534,249,488.81

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For the period ended 30 June 2024
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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

32. OTHER PAYABLES

Item	Closing balance	Opening balance
Interest payable	-	-
Dividends payable	1,130,164,179.84	69,477,271.80
Other payables	2,034,879,760.99	2,249,272,244.09
Total	3,165,043,940.83	2,318,749,515.89

(1) Dividends payable

Item	Company name	Closing balance	Opening balance
	Public share	447,588,759.51	-
	SINOTRANS & CSC	358,471,349.00	-
	China Merchants Group Co., Ltd.	232,086,628.66	-
	Shanghai Changjiang Shipping Corporation	22,670,704.29	-
	CSC Cargo Co., Ltd.	15,406,120.68	-
	China Merchants Investment Development (Hong Kong) Limited	12,304,703.22	-
	Shenzhen Yantian Port Group Co., Ltd.	11,232,000.00	11,232,000.00
	Shanghai Chemical Industrial Park Fengxian Sub-zone Development Co., Ltd.	8,859,445.01	-
Ordinary share dividend	Guangdong Nanhai Food Import & Export Co., Ltd.	8,843,269.46	8,843,269.46
	Guangdong Food Import and Export Group Co., Ltd.	7,074,615.56	7,074,615.56
	GOLDEN FORTUNE ENTERPRISING (HK) COMPANY LIMITED	5,537,153.13	-
	Sinotrans Jiangxi Company	72,259.86	72,259.86
	EVERSUNRISE HONGKONG LIMITED	17,171.46	-
	China Foreign Shipping Agency Co., Ltd.	-	11,232,000.00
	China Merchants Port Group Co., Ltd.	-	11,232,000.00
	Shenzhen Nanyou (Holdings) Corp. Ltd.	-	11,232,000.00
	Shenzhen Navigation Group Co., Ltd.	-	7,488,000.00
	Nantong Economic and Technological Development Zone Holding Group Co., Ltd.	-	1,071,126.92
Total	—	1,130,164,179.84	69,477,271.80

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

32. OTHER PAYABLES (CONTINUED)

(2) Other payables

1) Other payables by nature of payment

Item	Closing balance	Opening balance
Deposits and guarantees collected	636,329,193.55	770,501,816.64
Current payables to related parties	623,414,033.25	572,988,319.97
Current transactions with non-related parties	512,918,350.89	575,140,427.09
Payment for project, equipment, and land	111,671,085.50	150,741,450.40
Others	150,547,097.80	179,900,229.99
Total	2,034,879,760.99	2,249,272,244.09

2) Aging analysis of other payables

Aging	Closing balance		Opening balance	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year (including 1 year)	1,397,220,548.39	68.66	1,649,192,071.21	73.32
1 to 2 years (including 2 years)	177,555,777.02	8.73	142,440,951.11	6.33
2 to 3 years (including 3 years)	92,174,204.59	4.53	86,456,435.11	3.85
Over 3 years	367,929,230.99	18.08	371,182,786.66	16.50
Total	2,034,879,760.99	100.00	2,249,272,244.09	100.00

3) Significant other payables aged over one year

Company name	Amount owed	Aging	Reasons for non-repayment
RED BRAVES FINANCE LTD.	119,265,784.68	1 to 2 years, 2 to 3 years, over 3 years	Not yet due for settlement
Entity 1	34,110,758.94	1 to 2 years	No agreed term
SINOTRANS & CSC	23,883,243.92	1 to 2 years, over 3 years	No agreed term
Entity 2	20,380,231.99	Over 3 years	No agreed term
Shanghai Tongyun International Logistics Co., Ltd.	14,000,000.00	Over 3 years	Not yet due for settlement
Entity 3	10,000,000.00	1 to 2 years	Not yet due for settlement
Entity 4	9,352,060.50	Over 3 years	Not yet due for settlement
Entity 5	7,141,373.00	1 to 2 years, 2 to 3 years, over 3 years	Not yet due for settlement
China United Tally (Shenzhen) Co., Ltd.	7,000,000.00	Over 3 years	Not yet due for settlement
Entity 6	6,150,507.31	2 to 3 years	Not yet due for settlement
Entity 7	5,377,743.74	Over 3 years	Not yet due for settlement
Total	256,661,704.08	—	—

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

32. OTHER PAYABLES (CONTINUED)

(2) Other payables (Continued)

4) Other payables with large balances at the end of the period

Company name	Amount owed	Aging	Nature or content
Shanghai Changjiang Shipping Corporation	183,198,164.14	Within 1 year	Current payables to related parties
RED BRAVES FINANCE LTD.	119,759,382.52	Within 1 year, 1 to 2 years 2 to 3 years, over 3 years	Current payables to related parties
Sinotrans Container Lines Overseas Company Limited	75,439,867.04	Within 1 year	Current payables to related parties
Entity 1	68,167,908.71	Within 1 year, 1 to 2 years	Current transactions with non-related parties
Csc Chongqing Changjiang National Shipping Company	57,995,745.69	Within 1 year	Current payables to related parties
Sinotrans Container Lines (Hainan) Co., Ltd.	31,171,234.29	Within 1 year	Current payables to related parties
SINOTRANS & CSC	26,827,428.87	within 1 year, 1 to 2 years, over 3 years	Current payables to related parties
Entity 2	20,380,231.99	Over 3 years	Others
Entity 3	19,153,383.99	Within 1 year, over 3 years	Current transactions with non-related parties
Entity 4	16,885,864.31	Within 1 year	Deposits and guarantees collected
Entity 5	16,028,220.70	Within 1 year, 2 to 3 years	Payment for project, equipment, and land
Entity 6	15,646,259.32	Within 1 year	Others
Shanghai Tongyun International Logistics Co., Ltd.	14,130,526.00	Within 1 year, over 3 years	Current payables to related parties
Beijing Aocheng Wuhe Real Estate Co., Ltd.	13,089,155.55	Within 1 year	Current payables to related parties
Entity 7	12,423,953.82	Within 1 year	Deposits and guarantees collected
Hubei Sinotrans Bulk Cargo Transportation Co., Ltd.	11,328,376.63	Within 1 year	Current payables to related parties
Entity 8	10,957,679.38	Within 1 year	Payment for project, equipment, and land
Entity 9	10,252,934.04	Within 1 year	Current transactions with non-related parties
Entity 10	10,000,000.00	1 to 2 years	Current transactions with non-related parties
Total	732,836,316.99	—	—

5) Amounts due to shareholders holding more than 5% (including 5%) voting shares of the Company

Company name	Closing balance	Opening balance
SINOTRANS & CSC	26,827,428.87	24,078,674.27
Total	26,827,428.87	24,078,674.27

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

33. NON-CURRENT LIABILITIES DUE WITHIN ONE YEAR

Item	Closing balance	Opening balance
Long-term borrowings due within one year	225,636,047.11	2,394,531,715.54
Including: Guaranteed loans	133,763,191.48	134,900,283.27
Mortgage loans	80,947,730.63	63,240,529.27
Fiduciary loans	10,925,125.00	2,196,390,903.00
Secured borrowings	—	—
Lease liabilities due within one year	613,135,085.73	657,313,471.64
Bonds payable due within one year	2,058,015,232.91	2,066,147,945.24
Long-term payables due within one year	46,106,920.00	93,195,870.20
Total	2,942,893,285.75	5,211,189,002.62

34. OTHER CURRENT LIABILITIES

Item	Closing balance	Opening balance
Pending output VAT	273,378,526.00	273,874,904.19
Others	20,464,090.56	20,464,090.56
Total	293,842,616.56	294,338,994.75

35. LONG-TERM BORROWINGS

Type of loan	Closing balance	Opening balance	Interest rate range at the end of the period (%)
Guaranteed loans (Note)	1,703,325,899.29	1,852,779,724.01	1.27–7.38
Mortgage loans	830,708,360.48	526,253,737.23	2.85–3.60
Fiduciary loans	882,502,183.69	2,370,502,903.00	1.00–3.85
Secured borrowings	—	—	—
Total	3,416,536,443.46	4,749,536,364.24	—
Less: Long-term borrowings due within one year	225,636,047.11	2,394,531,715.54	—
Including: Guaranteed loans	133,763,191.48	134,900,283.27	—
Mortgage loans	80,947,730.63	63,240,529.27	—
Fiduciary loans	10,925,125.00	2,196,390,903.00	—
Secured borrowings	—	—	—
Long-term borrowings due after one year	3,190,900,396.35	2,355,004,648.70	—

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

35. LONG-TERM BORROWINGS (CONTINUED)

Note: Guaranteed loans at the end of the period represented loans in EUR and USD borrowed by SE LOGISTICS HOLDING B.V. and China Merchants Great Stone Trade Company, the subsidiaries of the Group, from the Export-Import Bank of China and the China Development Bank. For details of joint liability guarantees provided by the Company, please refer to Note X. 4. (6).

(1) The Group had no overdue long-term borrowings at the end of the 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	Domestic currency	Foreign currency	Domestic currency
China Development Bank	2020-12-08	2027-12-08	EUR	1.27	99,268,044.00	760,561,972.72	101,701,033.00	799,288,758.56
Export-Import Bank of China	2020-12-08	2027-12-07	EUR	4.34	96,000,000.00	735,523,200.00	103,500,000.00	813,427,200.00
Bank of China	2024-06-24	2026-06-24	HKD	5.49	700,000,000.00	638,890,000.00	-	-
Bank of China	2019-01-02	2029-01-02	RMB	3.60	380,871,385.63	380,871,385.63	409,713,012.77	409,713,012.77
China Development Bank	2016-05-31	2027-04-15	USD	7.38	29,079,071.47	207,240,726.57	34,654,781.52	240,063,765.45

(3) The Group had no long-term borrowings extended at the end of the period.

(4) **The maturity date of long-term borrowings is analysed as follows**

Item	Closing balance	Opening balance
1 to 2 years (including 2 years)	1,024,836,588.73	254,605,174.03
2 to 5 years (including 5 years)	1,784,026,350.21	1,935,984,620.74
Over 5 years	382,037,457.41	164,414,853.93
Total	3,190,900,396.35	2,355,004,648.70

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

36. BONDS PAYABLE

(1) Details of bonds payable

Item	Closing balance	Opening balance
2021 corporate bonds (phase I)	2,058,015,232.91	2,026,655,123.24
2021 medium-term notes (phase I)	-	2,038,876,712.41
Less: Bonds payable due within one year	2,058,015,232.91	2,066,147,945.24
Total	-	1,999,383,890.41

Note: The Group's bonds payable include:

On 26 July 2021, approved by CSRC, the Company was permitted to issue unsecured corporate bonds with a nominal value of RMB100 and a total amount of RMB2 billion (2021 corporate bonds (phase I)). The bonds were issued with a term of 5 years, with fixed coupon and effective interest rates of 3.15% and 3.16%, respectively. 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. As at 30 June 2024, the Company published an announcement on the implementation of the resale of the 2021 corporate bonds (phase I), but the resale registration was yet to be completed. The Company temporarily adjusted the balance of all the bonds to non-current liabilities due within one year for presentation.

On 7 June 2021, by registration approved by the National Association of Financial Market Institutional Investors (ZSXZ [2021] MTN486), the Company issued the 2021 medium term-notes (phase I) (21 Sinotrans MTN001) with a nominal value of RMB100 and a total amount of RMB2 billion. The medium-term notes were issued with a term of 3 years, with fixed coupon and effective interest rates of 3.50% and 3.55%, respectively. The principal was repaid in lump sum and interest payments were made in installments. The medium-term notes were paid off during the period.

(2) The maturity date of bonds payable is analysed as follows

Item	Closing balance	Opening balance
1 to 2 years (including 2 years)	-	-
2 to 5 years (including 5 years)	-	1,999,383,890.41
Total	-	1,999,383,890.41

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

36. BONDS PAYABLE (CONTINUED)

(3) Specifics of bonds payable

Bond name	Face value	Coupon rate (%)	Issue Date	Bond term	Issue amount	Opening balance	Effects from changes in the scope of consolidation	Issue in the current period	Interest accrued at face value	Amortisation of premium and discount	Current repayments and interest payments	Effects from translation in foreign currency statements	Closing balance	In default
2021 corporate bonds (phase I)	2,000,000,000.00	3.15	2021-07-26	5 years	2,000,000,000.00	2,026,655,123.24	-	-	31,241,095.88	119,013.79	-	-	2,058,015,232.91	No
2021 medium-term notes (phase I)	2,000,000,000.00	3.50	2021-06-07	3 years	2,000,000,000.00	2,038,675,712.41	-	-	30,684,891.51	438,356.08	2,070,000,000.00	-	-	No
Total	4,000,000,000.00	-	-	-	4,000,000,000.00	4,065,331,835.65	-	-	61,926,027.39	557,369.87	2,070,000,000.00	-	2,058,015,232.91	-
Less: Bonds payable due within one year	-	-	-	-	-	2,066,147,946.24	-	-	-	-	-	-	2,066,015,232.91	-
Bonds payable due after one year	-	-	-	-	-	1,999,183,889.41	-	-	-	-	-	-	-	-

Note: The Group's bonds payable have a coupon rate that approximates the effective interest rate, and the amount of premium and discount is small. The Group uses the simplified method to amortise the premium and discount amounts evenly over the term of the bonds.

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

37. LEASE LIABILITIES

(1) Lease liabilities

Item	Closing balance	Opening balance
Lease payments	3,868,696,481.89	4,094,321,239.38
Less: Unrecognised financing expenses	879,623,603.07	939,274,962.15
Total	2,989,072,878.82	3,155,046,277.23
Less: Lease liabilities due within one year	613,135,085.73	657,313,471.64
Lease liabilities due after one year	2,375,937,793.09	2,497,732,805.59

Note: The discount rates for the above lease liabilities range from 3.04%-4.90%.

(2) Maturity of lease payments

Item	Closing balance
Year 1 after balance sheet date	724,640,647.73
Year 2 after balance sheet date	552,144,053.03
Year 3 after balance sheet date	365,679,750.80
Future years	2,226,232,030.33
Total	3,868,696,481.89

Note: The Group is not exposed to significant liquidity risk in relation to lease liabilities.

38. LONG-TERM PAYABLES

Item	Closing balance	Opening balance
Related party loans	20,000,000.00	67,033,850.20
Others	46,106,920.00	49,687,020.00
Total	66,106,920.00	116,720,870.20
Less: Long-term payables due within one year	46,106,920.00	93,195,870.20
Long-term payables due after one year	20,000,000.00	23,525,000.00

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

38. LONG-TERM PAYABLES (CONTINUED)

(1) Top five long-term payables in the closing balance (including long-term payables due within one year)

Item	Closing balance	Opening balance
Shenzhen International Holdings (Shenzhen) Co., Ltd. (Note 1)	46,106,920.00	46,162,020.00
SINOTRANS & CSC (Note 2)	20,000,000.00	20,000,000.00
Sinotrans Guangdong Co., Ltd.	-	47,033,850.20
Entity 1	-	3,525,000.00
Total	66,106,920.00	116,720,870.20

Note 1: Sinotrans Shenzhen International Logistics Co., Ltd., a subsidiary of the Group, borrowed RMB27.20 million and RMB18.40 million from Shenzhen International Holdings (Shenzhen) Co., Ltd. (hereinafter referred to as "Shenzhen International Holdings") in 2021 and 2022, respectively. On 8 April 2024, the two borrowings were due and Sinotrans Shenzhen International Logistics Co., Ltd., and Shenzhen International Holdings signed a loan extension agreement, agreeing on an additional one-year extension of the loan term. The loan interest rate is executed at 4.35% APR. Interest will be paid quarterly and the principal will be repaid in lump sum at maturity. The total principal and interest of the borrowings as at 30 June 2024 totaled RMB46,106,900 and were presented as non-current liabilities due within one year.

Note 2: Logistics Investment Company, 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 1.2%.

(2) The maturity date of long-term payables is analyzed as follows

Item	Closing balance	Opening balance
1 to 2 years (including 2 years)	-	3,525,000.00
2 to 5 years (including 5 years)	-	-
Over 5 years	20,000,000.00	20,000,000.00
Total	20,000,000.00	23,525,000.00

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

39. LONG-TERM EMPLOYEE BENEFITS PAYABLE

Item	Opening balance	Effects from changes in the scope of consolidation	Accrual in current period	Payments during the period	Actuarial adjustments	Interest adjustments	Foreign currency translation differences	Closing balance
I. Net liability for post-employment benefits – defined benefit plans	2,227,916.98	-	-	15,918.18	-	-	-	2,211,998.80
II. Termination benefits	1,009,780.86	-	-	28,548.00	-	-	-	981,232.86
III. Other long-term benefits	1,314,905.76	-	-	-	-	-	-	1,314,905.76
Total	4,552,603.60	-	-	44,466.18	-	-	-	4,508,137.42
Less: Long-term employee benefits payable due within one year	-	-	-	-	-	-	-	-
Long-term employee benefits payable due after one year	4,552,603.60	-	-	-	-	-	-	4,508,137.42

Note: The Group's post-employment benefits – defined benefit plans mainly represent the extra-universal costs for socialized transferred retirees accrued by Yangtze River Company, Sinotrans Jiuling Transport & Storage Co., Ltd., Zhoushan Customs Sinotrans Limited and so on. The number of beneficiaries involved in such plans as at 30 June 2024 was 100, and the scope of the impact and the amount are not material to the Group.

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

40. ESTIMATED LIABILITIES

Item	Closing balance	Opening balance	Reason
Pending litigation and cargo damage disputes	76,566,534.78	125,464,030.82	Note 1
One-time housing subsidy	22,283,006.50	22,283,006.50	Note 2
Disposal costs	4,188,956.38	4,188,956.38	Note 3
Total	103,038,497.66	151,935,993.70	—

Note 1: For litigation arising in the ordinary course of the Group's business and cargo damage disputes, the Group's Management estimated the risks in accordance with relevant laws and regulations and sought advice from the Group's legal advisers or professional lawyers. The amount of estimated liabilities provided as at 30 June 2024 for the pending litigation and cargo damage disputes that will most likely result in a loss was RMB76,566,534.78 (1 January 2024: RMB125,464,030.82). The specifics of the significant outstanding litigation and cargo damage disputes at the end of the period are described in Note XII.

Note 2: The one-time housing subsidy was an estimated liability of the Group prior to the restructuring in 2002. The Group does not expect to implement any new one-time housing subsidy scheme in the foreseeable future.

Note 3: The disposal costs were for the renovation of the leased cold storage by the subsidiaries of the Group, Sinotrans Cold Chain Logistics (Tianjin) Co., Ltd., and China Merchants International Cold Chain (Shenzhen) Co., Ltd. According to the lease contract, the costs were expected to be incurred to restore the warehouse to its original condition.

41. DEFERRED INCOME

Item	Opening balance	Effects from changes in the scope of consolidation	Increase in current period	Decrease in current period	Closing balance
Government grants (Note)	406,187,032.26	—	9,196,000.00	13,862,467.86	401,520,564.40
Total	406,187,032.26	—	9,196,000.00	13,862,467.86	401,520,564.40

Note: The deferred income is mainly the subsidized funds received by the Group from the government for promoting the development and standardization of the logistics industry.

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

42. OTHER NON-CURRENT LIABILITIES

Item	Opening balance	Increase due to changes in the scope of consolidation	Increase in current period	Decrease in current period	Effects from translation in foreign currency statements	Closing balance
Liabilities associated with Lanshi Port (Note)	52,576,521.50	-	-	414,566.50	-	52,161,955.00
Total	52,576,521.50	-	-	414,566.50	-	52,161,955.00
Less: Other non-current liabilities due within one year	-	-	-	-	-	-
Other non-current liabilities due after one year	52,576,521.50	-	-	414,566.50	-	52,161,955.00

Note: The details of liabilities associated with Lanshi Port are described in Note IX. 23.

43. SHARE CAPITAL

Item	Opening balance		Increase in current period	Decrease in current period	Closing balance	
	Investment amount	Proportion (%)			Investment amount	Proportion (%)
Domestic listing (A shares)	5,255,916,875.00	72.06	-	-	5,255,916,875.00	72.06
Listing (H shares) in Hong Kong, China	2,038,300,000.00	27.94	-	-	2,038,300,000.00	27.94
Total	7,294,216,875.00	100.00	-	-	7,294,216,875.00	100.00

Note: All A shares and H shares issued by the Company are ordinary shares with a par value of RMB1 per share and are entitled to the same equity.

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

44. CAPITAL RESERVES

Item	Opening balance	Increase in current period	Decrease in current period	Closing balance
I. Share capital premium	6,557,917,739.16	27,102,863.60	11,657,775.85	6,573,362,826.91
1. Capital invested by investors (Note 1)	2,987,188,170.57	26,168,346.39	3,587,680.16	3,009,768,836.80
2. Differences arising from the acquisition and disposal of non-controlling interests (Note 2)	2,155,101,433.75	934,517.21	-	2,156,035,950.96
3. Others (Note 3)	1,415,628,134.84	-	8,070,095.69	1,407,558,039.15
II. Other capital reserves	79,873,301.90	10,106,809.96	26,168,346.39	63,811,765.47
1. Other changes in equity of investees other than net gains and losses, other comprehensive income and profit distributions	19,928,462.19	1,176,359.53	-	21,104,821.72
2. Share-based payment for unexercised rights	59,944,839.71	8,930,450.43	26,168,346.39	42,706,943.75
3. Others	-	-	-	-
Total	6,637,791,041.06	37,209,673.56	37,826,122.24	6,637,174,592.38
Including: Exclusively state-owned capital reserves	—	—	—	—

Note 1: As described in Note IX.45, the Company organized the first centralized exercise of the first exercise period of the Stock Option Incentive Plan (Phase I) for the incentive recipients on 11 March 2024, and the actual number of shares exercised was 21,017,064, obtaining the exercise payment of RMB79,129,307, and the difference of RMB3,587,680.16 from the corresponding treasury share repurchase cost of RMB82,716,987.16 was adjusted to capital reserves. Other capital reserves transferred to share capital premium corresponding to the number of shares exercised amounted to RMB26,168,346.39.

Note 2: For details, please refer to Note VIII.6.

Note 3: On 1 July 2023, Sinotrans Changjiang Company, a subsidiary of the Group, acquired 100% equity interest in Yangtze River Company from another subsidiary of China Merchants in a business combination under common control. During the period, both parties to the transaction completed the settlement of profit and loss for the transition period and the Group adjusted the capital reserves by actual settlement amount of RMB8,070,095.69.

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

45. TREASURY SHARES

Item	Opening balance	Increase in current period	Decrease in current period	Closing balance
Domestic listed (A-share) treasury shares	193,951,597.00	-	82,716,987.16	111,234,609.84
Total	193,951,597.00	-	82,716,987.16	111,234,609.84

Note: Pursuant to the "Proposal on the Fulfillment of the Exercise Conditions for the First Exercise Period of the Company's Stock Option Incentive Plan (Phase I)" considered and passed at the Twenty-eighth Meeting of the Third Session of the Board of Directors of the Company, the exercise conditions for the first exercise period of the Company's Stock Option Incentive Plan (Phase I) have been fulfilled and 176 incentive recipients have met the conditions for the exercise of their options under the first exercise period of the Stock Option Incentive Plan (Phase I), with a total number of 22,951,132 shares at an exercise price of RMB3.765 per share. On 11 March 2024, the Company organized the first centralized exercise of options for the incentive recipients, and the actual number of options exercised was 21,017,064 shares. The shares granted under this exercise were A-share common stock repurchased by the Company, corresponding to a repurchase cost of RMB82,716,987.16.

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

46. OTHER COMPREHENSIVE INCOME

Item	Opening balance	Incurred during the period before income tax	Incurred during the period		Less: Income tax expenses	Amounts attributable to the parent company after tax	Amounts attributable to minority shareholders after tax	Closing balance
			Less: Transfer to profit or loss in the current year that charged to the other comprehensive income in the prior year	Less: Transfer to retained earnings in the current year that charged to the other comprehensive income in the prior year				
I. Other comprehensive income not to be subsequently reclassified to profit or loss	17,703,225.42	115,383.88	-	-	28,845.97	86,537.91	-	17,789,763.33
1. Change in amount arising from re-measurement of the defined benefit plan	-	-	-	-	-	-	-	-
2. Other comprehensive income not to be reclassified to profit or loss under the equity method	1,790,169.90	-	-	-	-	-	-	1,790,169.90
3. Changes in fair value of other equity instrument investments	15,913,055.52	115,383.88	-	-	28,845.97	86,537.91	-	15,999,593.43
4. Changes in fair value of the enterprise's own credit risk	-	-	-	-	-	-	-	-
5. Other comprehensive income not to be subsequently reclassified to profit or loss	-	-	-	-	-	-	-	-
II. Other comprehensive income to be subsequently reclassified to profit or loss	-48,594,151.23	-211,599,788.04	-	-	-	-210,246,097.48	-1,353,690.56	-258,840,248.71
1. Other comprehensive income to be reclassified to profit or loss under the equity method	211,538,580.13	-162,978,326.01	-	-	-	-162,978,326.01	-	48,560,254.12
2. Translation difference of the financial statements in foreign currency	-260,132,731.36	-48,621,462.03	-	-	-	-47,267,771.47	-1,353,690.56	-307,400,502.83
3. Other comprehensive income to be reclassified to profit or loss	-	-	-	-	-	-	-	-
Total	-30,890,925.81	-211,484,404.16	-	-	28,845.97	-210,159,559.57	-1,353,690.56	-241,050,485.38

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

47. SPECIAL RESERVES

Item	Opening balance	Increase in current period	Decrease in current period	Closing balance
Safety production costs	129,860,229.97	48,640,505.32	34,642,688.74	143,858,046.55
Total	129,860,229.97	48,640,505.32	34,642,688.74	143,858,046.55

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.

48. SURPLUS RESERVES

Item	Opening balance	Increase in current period	Decrease in current period	Closing balance
Statutory surplus reserves	2,076,495,475.54	-	-	2,076,495,475.54
Total	2,076,495,475.54	-	-	2,076,495,475.54

Note: According to the provisions of the Articles of Association of the Company, the statutory surplus reserves shall be withdrawn at the rate of 10% of the net profit. If the accumulated statutory surplus reserves of the Company reach 50% or more of the Company's registered capital, it may not be withdrawn.

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

49. UNDISTRIBUTED PROFIT

Item	Current period	Prior period
Closing balance of the prior period	21,888,204,114.36	20,139,567,944.29
Add: Adjustments to opening retained earnings	-	-328,470,472.12
Including: Changes in accounting policies (Note 1)	-	23,952,939.18
Business combinations under common control (Note 2)	-	-352,423,411.30
Opening balance of the current period	21,888,204,114.36	19,811,097,472.17
Increase in current period	1,945,058,469.75	2,185,892,780.49
Including: Net profit attributable to shareholders of the Company for the period	1,945,058,469.75	2,185,892,780.49
Decrease in current period	1,049,711,268.44	726,740,846.01
Including: Dividends distribution (Note 3)	1,049,711,268.44	726,735,817.50
Others	-	5,028.51
Closing balance of the current period	22,783,551,315.67	21,270,249,406.65

Note 1: On 1 January 2023, the Group implemented for the first time the relevant provision of *Interpretation of Accounting Standards for Business Enterprises No. 16* on the accounting treatment of deferred income tax related to assets and liabilities arising from a single transaction, which is not eligible for the exemption from initial recognition, and adjusted the opening undistributed profit of the prior period by RMB23,952,939.18.

Note 2: In 2023, the Group acquired 100% equity interests in Beijing Sinotrans Automobile Transportation Company, LONG TREND TRANSPORTATION LIMITED, and Yangtze River Company from other subsidiaries of China Merchants through business combination under common control, and retrospectively adjusted the opening undistributed profit of the previous period by RMB - 352,423,411.30.

Note 3: At the 2023 Annual General Meeting of the Company held on 7 June 2024, the Proposal on Profit Distribution Plan for the Year 2023 was considered and approved, and a final dividend for the year 2023 based on the total share capital registered on the date of record of equity distribution (net of the A shares held in the special account for the repurchase of shares by the Company) was paid, with a cash dividend of RMB0.145 (tax included) per share, and a cash dividend estimated to be distributed of RMB1,049,711,268.44 (H-share dividend to be converted at the exchange rate of HKD to RMB on the date of consideration and approval at the AGM). The proportion of distribution shall remain unchanged, with a corresponding adjustment to the total amount of distribution, if there is a change in the number of shares actually entitled to participate in equity distribution before the date of record. The equity distribution was completed on 22 July 2024, and there was no change in the number of shares actually entitled to participate in the equity distribution as previously described.

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

50. OPERATING INCOME, COSTS

Item	Current period		Prior period	
	Income	Costs	Income	Costs
Agency and related business	35,028,022,409.35	33,320,049,864.16	28,608,455,476.90	26,819,562,619.95
Professional logistics	15,214,278,699.56	14,089,934,391.10	14,767,847,190.50	13,488,388,225.98
E-commerce	6,125,396,739.41	6,053,425,669.09	4,722,543,909.68	4,775,554,643.31
Total	56,367,697,848.32	53,463,409,924.35	48,098,846,577.08	45,083,505,489.24

Note: The Group's operating income and cost presentation items are consistent with the classification of the operating segments.

(1) Information related to performance obligations

January-June 2024

Item	Agency and related business	Professional logistics	E-commerce
Operating income	—	—	—
Including: Recognition at a certain point	35,028,022,409.35	15,214,278,699.56	5,981,599,041.36
Recognition within a certain period	—	—	—
Lease income	—	—	143,797,698.05
Total	35,028,022,409.35	15,214,278,699.56	6,125,396,739.41

January-June 2023

Item	Agency and related business	Professional logistics	E-commerce
Operating income	—	—	—
Including: Recognition at a certain point	28,608,455,476.90	14,767,847,190.50	4,569,265,810.29
Recognition within a certain period	—	—	—
Lease income	—	—	153,278,099.39
Total	28,608,455,476.90	14,767,847,190.50	4,722,543,909.68

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

50. OPERATING INCOME, COSTS (CONTINUED)

(1) Information related to performance obligations (Continued)

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 can be classified into three types: agency and related business, professional 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 professional logistics, e-commerce, and agency and related businesses carried out by the Group usually provide customers with point-to-point logistics services. This enables customers to both obtain and consume economic benefits from the Group's performance at the same time as the Group's performance. As these services are typically completed within a relatively short period within an accounting period, the provision of services across accounting periods is not significant for the Group. Therefore, the Group recognizes the realization of income at the point of completion of the aforementioned services.

The income from the agency and related business conducted by the Group as an agent is recognized upon completion of the relevant agency activities.

The Group determines whether its identity at the time of performing a transaction is that of a principal or an agent based on whether it has control over the goods or services prior to transferring the goods or services to the customer. In the case of agency and related businesses, the Group's status as a principal or agent is determined primarily by considering whether it has assumed the corresponding risks and liabilities.

The logistics services provided by the Group to its customers are immediate consumable services, which usually do not involve warranty, refund, or other arrangements. The Group accrues estimated liabilities, as appropriate, when it is required by customers to pay compensation for damage to goods in the course of providing services.

(2) Statement of apportionment to remaining performance obligations

Details of the timing of recognition as revenue of the portion of the transaction price that has been received or receivable from the customer for which the Group has entered into contracts (agreements, orders, etc.) with the customer at the end of the period but has not yet performed, or has not yet fully performed, its performance obligations are set out in Note IX.29. The remaining transaction prices are not presented due to the expected term of these contracts being less than one year and the dispersed nature of the customers involved and a large number of contracts, which simplifies the treatment. The above contracts of the Group do not have variable consideration clauses.

(3) The Group had no significant contract changes or significant transaction price adjustments during the period. The amount of income adjusted in the current period for performance obligations fulfilled (or partially fulfilled) in the previous year is RMB0.00.

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

51. TAXES AND SURCHARGES

Item	Current period	Prior period
Property tax	68,123,217.84	54,771,541.90
Urban land use tax	23,506,593.42	21,020,679.17
Urban maintenance & construction tax	21,016,553.16	16,772,353.63
Stamp duty	19,249,806.53	15,376,400.53
Education surcharge and local education surcharge	16,439,507.52	11,294,453.40
Others	4,529,790.67	3,464,970.19
Total	152,865,469.14	122,700,398.82

52. SELLING EXPENSES

Item	Current period	Prior period
Employee benefits	391,156,601.47	421,366,569.10
Depreciation and amortisation expenses	21,013,761.56	18,278,205.53
Business entertainment expenses	19,928,354.83	20,265,038.60
Travel expenses	13,842,168.51	15,693,390.53
Short-term, low-value lease expenses	7,524,603.22	8,290,373.70
Office expenses	6,867,575.26	7,519,047.95
Vehicle expenses	5,627,662.38	5,929,071.65
Others	20,387,514.83	20,311,383.83
Total	486,348,242.06	517,653,080.89

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

53. ADMINISTRATIVE EXPENSES

Item	Current period	Prior period
Employee benefits	1,084,012,974.68	1,144,328,095.52
Depreciation and amortisation expenses	169,358,436.15	163,423,998.21
Technical service fee for communication network	47,534,570.56	48,393,389.39
Property and utilities (water, electricity, gas) fees	37,354,486.68	42,238,946.56
Intermediary service fee	26,410,210.22	28,962,147.12
Business entertainment expenses	20,611,385.80	22,335,483.65
Travel expenses	18,122,114.69	19,517,936.90
Short-term, low-value lease expenses	15,993,598.19	20,799,966.89
Vehicle expenses	14,590,624.59	15,966,231.87
Office expenses	11,855,549.52	15,745,489.12
Decoration and repair costs	11,393,135.11	14,217,521.51
Equity incentive (Note)	8,983,122.21	15,820,974.78
Others	35,143,579.13	43,737,807.52
Total	1,501,363,787.53	1,595,487,989.04

Notes: For details of the amount of the equity incentive item in administrative expenses, please refer to Note IX. 72.

54. RESEARCH AND DEVELOPMENT EXPENSES

Item	Current period	Prior period
Technical service fee	39,578,596.38	–
Depreciation and amortisation	26,873,783.63	23,367,746.58
Employee benefits	10,684,178.66	1,981,556.25
Others	157,049.39	527,089.04
Total	77,293,608.06	25,876,391.87

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Notes to the Financial Statements

For the period ended 30 June 2024

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

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

55. FINANCE COSTS

Item	Current period	Prior period
Interest expenses	213,099,818.70	253,235,883.86
Including: Bank and other borrowings	76,226,061.81	114,940,149.80
Bond interest	62,483,397.26	66,568,328.77
Interest expenses on lease liabilities	69,653,632.30	61,477,613.52
Others	4,736,727.33	10,249,791.77
Less: Capitalized interest expenses	2,246,268.73	611,491.20
Less: Interest income	88,737,253.96	139,397,672.07
Net exchange losses (net gains denoted by “-”)	-17,172,860.84	-81,581,181.06
Others	21,664,773.64	8,429,758.56
Total	126,608,208.81	40,075,298.09

56. OTHER INCOME

Item	Current period	Prior period
Financial subsidy for the logistics industry	886,938,855.40	892,635,677.14
Tax subsidy for Hubei Transformation and Comprehensive Reform Demonstration Zone	104,537,716.03	-
Tax Subsidy for Shanxi Transformation and Comprehensive Reform Demonstration Zone	-	82,755,515.95
Additional deduction for value-added tax	-	42,362,364.32
Others	17,112,325.07	30,627,973.86
Total	1,008,588,896.50	1,048,381,531.27

57. INVESTMENT INCOME

Item	Current period	Prior period
Income from long-term equity investments under the equity method	976,888,371.48	1,033,724,979.62
Investment income from holding other non-current financial assets	505,125.00	60,000,000.00
Investment income from the disposal of long-term equity investments	90,827.12	-
Investment income from disposal of subsidiaries	25,230.63	-
Investment income from the disposal of receivables financing	-2,462,783.87	-5,858,071.60
Total	975,046,770.36	1,087,866,908.02

The Group has no significant restrictions on the repatriation of investment income.

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

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

58. GAIN FROM CHANGES IN FAIR VALUE

Item	Current period	Prior period
Financial assets held for trading	-38,461.67	-93,664.82
Other non-current financial assets	-12,722,500.00	-27,196,056.16
Total	-12,760,961.67	-27,289,720.98

Note: Gains from changes in fair value during the period were mainly due to the decrease in fair value of shares held in JD Logistics (02618) by HKD14 million.

59. CREDIT IMPAIRMENT LOSS

Item	Current period	Prior period
Credit impairment losses on accounts receivable	-97,945,023.30	-43,559,358.90
Credit impairment losses on other receivables	-2,166,332.92	-2,082,389.76
Total	-100,111,356.22	-45,641,748.66

60. IMPAIRMENT OF ASSETS

Item	Current period	Prior period
Loss on decline in the value of inventories	5,044.87	-515,864.48
Total	5,044.87	-515,864.48

61. 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	12,065,190.24	61,986,480.15	12,065,190.24
Including: Gain on disposal of intangible assets	3,321,180.79	52,997,471.26	3,321,180.79
Gain on disposal of fixed assets	1,895,662.32	7,827,409.06	1,895,662.32
Others	6,848,347.13	1,161,599.83	6,848,347.13
Total	12,065,190.24	61,986,480.15	12,065,190.24

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Notes to the Financial Statements

For the period ended 30 June 2024

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

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

62. NON-OPERATING INCOME

Item	Current period	Prior period	Amount included in non-recurring profit or loss for the period
Liquidated damages, compensation	9,387,547.69	8,270,729.09	9,387,547.69
Unpayable accounts payable	7,190,780.95	8,603,182.09	7,190,780.95
Government grants	1,692,872.26	7,204,285.94	1,692,872.26
Income from scrapping of non-current assets	940,853.40	6,504,850.15	940,853.40
Others	14,466,085.43	15,174,322.99	14,466,085.43
Total	33,678,139.73	45,757,370.26	33,678,139.73

63. GOVERNMENT GRANTS

(1) As at 30 June 2024, the balance of government grants receivable for the Group amounted to RMB871,180,840.49 (31 December 2023: RMB724,575,007.32). For details of the expected timing of collection of the aforementioned government grants receivable, please refer to Note IX. 7.

(2) Liability items related to government grants

Item	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	Other changes	Closing balance	Asset-related/ revenue-related
Financial subsidy for the logistics industry	251,217,875.55	9,196,000.00	1,206,111.35	7,655,585.99	-	251,552,178.21	Asset-related/ revenue-related
Land restitution	66,827,348.47	-	24,226.20	1,035,073.32	-	65,768,048.95	Asset-related
Relocation compensation	51,922,051.42	-	-	2,065,882.56	-	49,856,168.86	Asset-related
Others	36,219,756.82	-	-	1,875,588.44	-	34,344,168.38	Asset-related/ revenue-related
Total	406,187,032.26	9,196,000.00	1,230,337.55	12,632,130.31	-	401,520,564.40	—

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

63. GOVERNMENT GRANTS (CONTINUED)

(3) Details of government grants

Item	Current period	Prior period
Government grants obtained related to assets:	—	—
Financial subsidy for the logistics industry	9,196,000.00	1,456,397.33
Municipal Engineering Construction award	—	16,593,704.08
Subtotal	9,196,000.00	18,050,101.41
Government grants obtained related to revenue:	—	—
Financial subsidy for the logistics industry	878,430,549.57	886,981,544.54
Tax subsidy for Hubei Transformation and Comprehensive Reform Demonstration Zone	104,537,716.03	—
Tax subsidy for Shanxi Transformation and Comprehensive Reform Demonstration Zone	—	82,755,515.95
Other government grants (Note)	13,451,035.30	28,243,158.35
Subtotal	996,419,300.90	997,980,218.84
Total	1,005,615,300.90	1,016,030,320.25
Less: Government grants included in deferred income	9,196,000.00	20,862,801.41
Add: Government grants transferred from deferred income to current profit or loss	13,862,467.86	18,055,934.05
Less: Government grants to offset related costs	—	—
Government grants included in current profit or loss	1,010,281,768.76	1,013,223,452.89
Including: Government grants included in other income	1,008,588,896.50	1,006,019,166.95
Government grants included in non-operating income	1,692,872.26	7,204,285.94

Note: The other government grants consist of non-material government grant items and are not disclosed separately.

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Notes to the Financial Statements

For the period ended 30 June 2024

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

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

64. NON-OPERATING EXPENSES

Item	Current period	Prior period	Amount included in non-recurring profit or loss for the period
Compensation, liquidated damages and pending litigation losses (Note 1)	-27,430,570.28	22,999,477.17	-27,430,570.28
Administrative fines, overdue payments	2,841,500.08	2,945,399.23	2,841,500.08
Losses from damage and scrapping of non-current assets	1,373,260.84	1,222,926.17	1,373,260.84
Others	1,786,945.06	1,950,062.28	1,786,945.06
Total	-21,428,864.30	29,117,864.85	-21,428,864.30

Note 1: The compensation, liquidated damages, and pending litigation losses mainly consist of provisions, payments, or reimbursements made by the Group in relation to litigation disputes and cargo damage disputes arising from logistics transportation service contracts in its daily operations. The negative cumulative amount for the current period is mainly due to Sinoair, the subsidiary of the Group, because the claim was not pursued due to the expiration of the statute of limitations, the associated risk has been mitigated, and the reversal of the previously provided estimated liabilities of 27.714 million yuan has led to this situation.

65. INCOME TAX EXPENSES

(1) Income tax expenses table

Item	Current period	Prior period
Current income tax	440,196,403.36	556,622,488.16
Adjustments in deferred income taxes	-26,602,447.75	-16,478,483.17
Total	413,593,955.61	540,144,004.99

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For the period ended 30 June 2024
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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

65. INCOME TAX EXPENSES (CONTINUED)

(2) Process of adjusting accounting profit and income tax expense

Item	Current period
Accounting profit	2,497,749,196.48
Income tax expense at the rate of 25% (prior period: 25%)	624,437,299.12
Tax implications of non-deductible expenses	12,317,566.85
Income not subject to tax	-126,281.25
Tax effect of unrecognised deductible losses and deductible temporary differences for the period	68,955,059.21
Tax effect of utilising unrecognised deductible losses and deductible temporary differences from prior years	-52,693,069.58
Effect of different tax rates applicable to subsidiaries in other regions	-6,868,877.44
Withholding tax based on the expected current earnings of subsidiaries, joint ventures, and associates established outside the parent company's domicile	-
Impact of the Subsidiary Tax Credit	-4,496,943.15
Change in deferred income tax asset/liability balance at the beginning of the period due to tax rate adjustments	-
Tax impact of unrecognised taxable temporary differences (Note 1)	-244,241,449.65
Retroactive payment (refund) of prior year's taxes	16,310,651.50
Income tax expenses	413,593,955.61

Note 1: 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 (simplified presentation as net investment income).

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

66. EARNINGS PER SHARE

Basic earnings per share is calculated based on net income attributable to the Company's ordinary shareholders for the year, divided by the weighted average number of ordinary shares outstanding.

Item	Current period	Prior period
Revenue	—	—
Net profit attributable to shareholders of the Company for the period	1,945,058,469.75	2,185,892,780.49
Including: Net profit from continuing operations	1,945,058,469.75	2,185,892,780.49
Shares	—	—
Weighted average of the Company's outstanding ordinary shares	7,257,196,829.00	7,245,902,375.00
Basic earnings per share (RMB/share)	0.2680	0.3017
Diluted earnings per share (RMB/share) (Note)	0.2674	0.3017

Note: On 30 June 2024, the exercise price of the Company's stock options granted to the incentive targets (See Note IX. 72) was lower than the average market price (weighted monthly) of the Company's A shares for the period, and there was a dilutive effect of such stock options.

67. LEASES

(1) The Group as lessor

Item	Current period	Prior period
I. Income status	—	—
Lease income	143,797,698.05	153,278,099.39
Including: Income related to variable lease payments not included in lease receipts	—	—
II. Undiscounted lease payments to be received after the balance sheet date	534,383,018.29	554,150,998.31
Year 1	173,737,060.16	183,411,753.50
Year 2	117,075,392.63	120,297,435.43
Year 3	94,947,420.86	71,266,488.50
Year 4	61,165,085.35	56,478,505.60
Year 5	44,924,283.91	44,458,187.58
Over 5 years	42,533,775.38	78,238,627.70

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For the period ended 30 June 2024
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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

67. LEASES (CONTINUED)

(1) The Group as lessor (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 lease subject with high versatility and short leasing periods.

(2) The Group as lessee

Item	Current period	Prior period
Interest expenses on lease liabilities	69,653,632.30	61,477,613.52
Short-term lease payments with simplified treatment included in the cost of the related assets or in current profit or loss	320,803,121.56	402,628,732.11
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	8,277,186.93	11,687,801.48
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	1,275,019.65	959,300.13
Total cash outflows related to leases	699,782,453.71	808,677,463.49

Note: The Group had no sale and leaseback transactions during the period.

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

68. 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	703,936,294.64	926,955,146.05
Deposit, security deposit, collection and advance payment, etc.	198,786,475.12	116,563,657.26
Leasing assets	143,797,698.05	153,278,099.39
Interest income	93,250,686.34	214,672,903.21
Others	22,025,699.77	18,418,054.86
Total	1,161,796,853.92	1,429,887,860.77

2) Cash paid for other operating activities

Item	Current period	Prior period
Deposit, security deposit, collection and advance payment, etc.	304,209,002.56	668,919,826.13
Information technology costs	91,759,225.52	89,499,306.48
Property and utilities (water, electricity, gas) fees	41,955,043.68	46,939,267.33
Business entertainment expenses	40,539,740.63	42,600,522.25
Travel expenses	31,964,283.20	35,211,327.43
Intermediary service fee	26,410,210.22	28,962,147.12
Compensation and liquidated damages	24,308,425.84	25,944,876.40
Short-term, low-value lease costs	23,518,201.41	29,090,340.59
Handling charge	21,664,773.64	8,429,758.56
Vehicle expenses	20,218,286.97	21,895,303.52
Office expenses	18,723,124.78	23,264,537.07
Insurance premium	15,331,022.99	10,450,370.36
Decoration and repair costs	12,268,994.30	17,641,343.51
Others	32,021,590.65	122,089,831.04
Total	704,891,926.39	1,170,938,757.79

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For the period ended 30 June 2024
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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

68. ITEMS IN THE CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)

(2) Cash related to investing activities

1) Significant cash paid for investing activities

Item	Current period	Prior period
Engineering and land payments for Sinotrans Lingang International Logistics Center Project	102,097,139.01	203,986,352.38
Total	102,097,139.01	203,986,352.38

2) Cash received from other investing activities

Item	Current period	Prior period
Repayment from Shanghai Pu'an Storage Co., Ltd.	2,600,000.00	2,600,000.00
Repayment from Sichuan Weibo New Material Group Co., Ltd.	-	1,632,417.55
Total	2,600,000.00	4,232,417.55

3) Cash paid for other investing activities

Item	Current period	Prior period
Reclassification of negative net cash received on disposal of subsidiaries	968,769.37	-
Total	968,769.37	-

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

68. 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 exercise of options under equity incentives	79,129,307.00	–
Total	79,129,307.00	–

2) Cash paid for other financing activities

Item	Current period	Prior period
Payment of principal and interest on lease liabilities	370,702,145.22	394,360,929.90
Repayment of loans and interest for Sinotrans Guangdong Co., Ltd.	47,552,398.38	–
Repayment of loans and interest for Dongguan Shilong Port Development Co., Ltd.	5,754,332.19	–
Repayment of loans and interest for Hainan Xunda Hongtong Storage Co., Ltd.	3,634,997.13	–
Repayment of loans and interest for OCEAN LIFTER LIMITED	3,385,620.62	–
Repayment of loans and interest for Shenzhen International Holdings (Shenzhen) Co., Ltd.	1,002,820.00	–
Refund of contributions from minority shareholders	–	27,580,000.00
Repurchased shares	–	26,775,283.28
Payment of consideration for business combination under common control	–	936,000.00
Total	432,032,313.54	449,652,213.18

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

68. ITEMS IN THE CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)

(3) Cash related to financing activities (Continued)

3) Changes in liabilities arising from financing activities

Item	Opening balance	Increase in current period		Decrease in current period		Closing balance
		Cash flow	Non-cash flow	Cash flow	Non-cash flow	
Short-term borrowings (Note 1)	610,217,777.09	1,474,925,400.49	14,068,589.86	243,216,366.96	-	1,855,995,400.48
Dividends payable	69,477,271.80	-	1,179,952,884.06	119,265,976.02	-	1,130,164,179.84
Long-term borrowings (including those due within one year)	4,749,536,364.24	1,042,092,320.24	62,157,471.95	2,415,896,009.47	21,353,703.51	3,416,536,443.45
Bonds payable (including those due within one year)	4,065,531,835.65	-	62,483,397.26	2,070,000,000.00	-	2,058,015,232.91
Lease liabilities (including those due within one year) and rentals payable transferred to other payables	3,179,420,946.94	-	386,695,828.84	370,702,145.22	99,556,869.69	3,095,857,760.87
Long-term accounts payable (including those due within one year)	116,720,870.20	-	1,576,265.31	52,190,215.51	-	66,106,920.00
Total	12,790,905,065.92	2,517,017,720.73	1,706,934,437.28	5,271,270,713.18	120,910,573.20	11,622,675,937.55

Note 1: Short-term borrowings do not include those arising from the Group's participation in supplier financing arrangements. For details, please refer to Note IX. 68. (6).

(4) Notes to the presentation of cash flows on a net basis

Item	Relevant facts	Basis for net presentation	Financial impact
Collections and advance payments	When the Group acts as an agent in an agency and related businesses, it involves the receipt or payment of money on behalf of customers.	The aforesaid amounts received or paid on behalf of customers are usually explicitly agreed in the contracts entered into between the Group and the customers and the intervals between receipt and payment are relatively short. In order to maintain the matching with the recognition of income, so as to enable investors to better understand the correspondence between the Group's cash flows and income and costs, the Group presents the amounts received or paid on behalf of customers in a 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.

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

68. ITEMS IN THE CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)

(5) Significant activities and financial impacts that do not involve cash receipts or payments during the year but that affect the financial position of the enterprise or may affect the enterprise's cash flows in the future

The Group provides credit to customers as a service provider and obtains credit from suppliers as a service purchaser in its daily operations, resulting in the Group having both operating receivables and payables at the end of the period, which will be collected or paid in cash in the following period. Apart from operating receivables and payables, the Group has no other significant activities or events that do not involve cash receipts or payments during the year but affect the financial position of the enterprise or may affect the enterprise's cash flows in the future.

(6) Supplier financing arrangements

1) Terms and conditions of supplier financing arrangements

Some of the Group's subsidiaries participate in financing arrangements between suppliers and financial institutions. The main economic consideration for participating in the financing arrangements is to provide assistance to small and medium-sized suppliers in terms of cash flow, thereby stabilizing or attracting transportation 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 payments (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 better understanding of the statements by the users of the statements.

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

68. ITEMS IN THE CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)

(6) Supplier financing arrangements (Continued)

2) *Items presented in the consolidated statement of financial position and related information*

Items presented	Closing balance
Short-term borrowings	76,944,924.73
Including: Amounts received by suppliers	76,944,924.73

3) *Range of payment due dates*

As previously stated, the timing of the Group's payments under supplier financing arrangements remains unchanged (the same as the due date of accounts payable). There is no significant difference in payment due dates between liabilities that are under supplier financing arrangements and comparable accounts payable that are not under supplier financing arrangements.

4) *Current period changes not involving cash receipts and disbursements*

The Group derecognized accounts payable and recognized short-term borrowings amounting to RMB230,715,659.10 in the current period due to participation in supplier financing arrangements.

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Notes to the Financial Statements

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

68. ITEMS IN THE CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)

(7) 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	2,084,155,240.87	2,314,831,014.87
Add: Impairment of assets	-5,044.87	515,864.48
CREDIT IMPAIRMENT LOSS	100,111,356.22	45,641,748.66
Depreciation of fixed assets and investment properties	641,958,309.47	617,941,213.88
Depreciation of right-of-use assets	399,903,923.97	381,013,787.75
Amortisation of intangible assets	162,542,173.68	149,331,018.99
Amortisation of long-term prepaid expenses	37,635,383.29	36,230,133.32
Losses from disposal of assets (gains denoted by "-")	-12,065,190.24	-61,986,480.15
Losses from damage and scrapping of non-current assets (gains denoted by "-")	432,407.44	-5,281,923.98
Losses from changes in fair value (gains denoted by "-")	12,760,961.67	27,289,720.98
Finance costs (income denoted by "-")	208,048,305.20	57,848,161.79
Investment losses (income denoted by "-")	-975,046,770.36	-1,087,866,908.02
Decrease in deferred tax assets (increase denoted by "-")	-24,728,863.73	-14,653,135.30
Increase in deferred tax liabilities (decrease denoted by "-")	-1,873,584.02	-1,825,347.87
Decrease in inventories (increase denoted by "-")	-5,051,432.85	4,138,733.77
Decrease in operating receivables (increase denoted by "-")	-6,243,043,795.21	-327,398,204.35
Increase in operating payables (decrease denoted by "-")	1,965,855,343.64	-1,457,395,548.80
Net cash flows from operating activities	-1,648,411,275.83	678,373,850.02
2. Major investing and financing activities not involving cash receipts and payments:	—	—
Conversion of debts into capital	-	-
Convertible corporate bonds due within one year	-	-
Fixed assets under financing lease	-	-
Conversion of the balance of salary difference in the prior year into national capital	-	-
3. Net changes in cash and cash equivalents:	—	—
Closing balance of cash	8,896,466,960.95	15,018,132,575.26
Less: Opening balance of cash	13,821,461,962.17	16,405,563,975.61
Add: Adjustments of the classification of account settlement reserves at the beginning of the period	-	-
Net increase in cash and cash equivalents	-4,924,995,001.22	-1,387,431,400.35

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For the period ended 30 June 2024
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IX. NOTES TO THE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

68. ITEMS IN THE CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)

(8) Net cash from acquisition and disposal of subsidiaries for the current period

Item	Current period
1. Information about the disposal of subsidiaries	—
1. Price of disposal of subsidiaries	—
2. Cash or cash equivalents received in the current period from the disposal of subsidiaries in the current period	—
Less: Cash and cash equivalents held by subsidiaries at the time of loss of control	968,769.37
Cash or cash equivalents received in the current period on disposal of subsidiaries in prior periods	—
3. Net cash received on disposal of subsidiaries	-968,769.37
4. Disposal of net assets of subsidiaries	-25,230.63
Current assets	968,769.37
Non-current assets	—
Current liabilities	994,000.00
Non-current liabilities	—

(9) Cash paid for the distribution of dividends, profits, or settlement of interest

Item	Current period	Prior period
Cash paid for the settlement of interest	145,281,925.27	202,376,346.16
Dividends and profits paid by subsidiaries to minority shareholders	119,265,976.02	128,684,253.76
Payment of dividends on ordinary shares	—	737,183,769.45
Total	264,547,901.29	1,068,244,369.37

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

69. CASH AND CASH EQUIVALENTS

Item	Closing balance	Opening balance
I. Cash	8,896,466,960.95	13,821,461,962.17
Including: Cash on hand	5,086,257.51	2,827,065.78
Cash at bank readily available for payment	8,891,380,703.44	13,818,634,896.39
Other cash and bank balances readily available for payment	—	—
II. Cash equivalents	—	—
III. Balance of cash and cash equivalents at the end of the period	8,896,466,960.95	13,821,461,962.17
Including: Restricted use in cash and cash equivalents by the Company or subsidiaries of the Group	—	—

At the end of the 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 period that are not cash and cash equivalents, please refer to Note IX.1.

70. 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	—	—	3,459,980,278.91
Including: USD	325,812,784.62	7.1268	2,322,002,553.43
HKD	513,353,789.73	0.9127	468,538,003.89
EUR	32,362,715.02	7.6617	247,953,413.67
JPY	1,521,862,553.91	0.0447	68,027,256.16
Others	—	—	353,459,051.76
Accounts receivable	—	—	7,013,927,423.60
Including: USD	809,751,966.83	7.1268	5,770,940,317.20
HKD	689,011,410.85	0.9127	628,860,714.68
EUR	15,499,696.23	7.6617	118,754,022.61
JPY	410,260,460.72	0.0447	18,338,642.59
Others	—	—	477,033,726.52
Accounts payable	—	—	5,688,802,172.99
Including: USD	657,599,853.37	7.1268	4,686,582,635.00
HKD	472,019,203.31	0.9127	430,811,926.86
EUR	17,955,392.68	7.6617	137,568,832.10
JPY	255,929,617.03	0.0447	11,440,053.88
Others	—	—	422,398,725.15

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

70. FOREIGN CURRENCY MONETARY ITEMS (CONTINUED)

(1) Foreign currency monetary items (Continued)

Item	Foreign currency balance at the end of the period	Exchange rate of translation	Closing balance in RMB
Non-current liabilities due within			
one year	—	—	227,125,468.04
Including: USD	10,447,462.74	7.1268	74,456,977.46
HKD	10,042,992.05	0.9127	9,166,238.84
EUR	15,876,003.72	7.6617	121,637,177.70
JPY	11,737,228.64	0.0447	524,654.12
Others	—	—	21,340,419.92
Long-term borrowings	—	—	2,288,339,766.47
Including: USD	29,975,775.58	7.1268	213,631,357.40
HKD	700,000,000.00	0.9127	638,890,000.00
EUR	187,402,066.00	7.6617	1,435,818,409.07
Lease liabilities	—	—	442,193,624.70
Including: USD	152,950.22	7.1268	1,090,045.63
HKD	95,289.68	0.9127	86,970.89
EUR	55,954,508.61	7.6617	428,706,658.62
Others	—	—	12,309,949.56

(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

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

71. RESEARCH AND DEVELOPMENT EXPENDITURE

(1) Presentation by nature of costs

Item	Current period	Prior period
Technical service fee	90,810,666.69	29,711,539.52
Depreciation and amortisation	26,873,783.63	23,367,746.58
Employee benefits	12,862,552.00	6,670,739.60
Others	279,091.18	750,572.04
Total	130,826,093.50	60,500,597.74
Including: Expensed research and development expenditure	77,293,608.06	25,876,391.87
Capitalised research and development expenditure	53,532,485.44	34,624,205.87

(2) Development expenditure on research and development projects eligible for capitalisation

Item	Opening balance	Increase in current period		Decrease in current period		Closing balance
		Internal development expenditure	Others	Recognised as intangible assets	Transfer to current profit or loss	
Sinotrans Sailing	31,027,339.10	713,399.58	-	-	-	31,740,738.68
LLCT	12,553,165.46	1,756,536.06	-	-	-	14,309,701.52
Network Cargo Platform Project	9,049,760.36	3,644,763.76	-	-	-	12,694,524.12
Land Transportation Information System Development	8,780,023.36	-	922,264.15	-	-	9,702,287.51
Data Autonomous Driving Technology Application Project	6,896,770.91	-	-	-	-	6,896,770.91
IoT Application Service Component Upgrade and Development Project	2,561,999.99	-	5,230,199.90	1,516,954.12	-	6,275,245.77
Construction of Sinotrans CRM System Phase II	5,599,999.98	-	-	-	-	5,599,999.98
Digital Operations Management System Product Management and Quotation Management Construction Project	5,377,358.34	-	-	-	-	5,377,358.34
Technology R&D – Business Management Project	6,162,669.37	-	547,169.81	2,735,849.04	-	3,973,990.14
Digital Requirements Transformation Project for BMS System Docking Finance	3,890,452.60	-	-	-	-	3,890,452.60
Operation Management Platform Project	-	-	3,676,735.87	-	-	3,676,735.87
Smart Supply Chain Project	-	-	3,396,226.42	-	-	3,396,226.42
Construction of Human Resources System	3,332,609.18	-	-	-	-	3,332,609.18

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

71. RESEARCH AND DEVELOPMENT EXPENDITURE (CONTINUED)

(2) Development expenditure on research and development projects eligible for capitalisation (Continued)

Item	Opening balance	Increase in current period		Decrease in current period		Closing balance
		Internal development expenditure	Others	Recognised as intangible assets	Transfer to current profit or loss	
Joint Innovation Project of Strategic Customers	2,909,433.95	-	283,018.87	-	-	3,192,452.82
Headquarters Business Function System Development Project	-	-	3,001,198.04	-	-	3,001,198.04
Customs Sharing Project	2,852,075.39	-	-	113,207.54	-	2,738,867.85
Sinotrans Online Self-service System Construction Project	2,716,981.14	-	-	-	-	2,716,981.14
Data Security Technology System Construction Project	2,530,472.58	-	-	-	-	2,530,472.58
Digital Visualization Application Implementation Project	-	-	2,461,754.70	-	-	2,461,754.70
Research and Development of Intelligent, Automated, and Smart Solutions	1,692,452.84	-	650,660.38	-	-	2,343,113.22
Technology R&D – Data Service Management	5,507,792.35	-	2,165,000.00	5,507,792.35	-	2,165,000.00
Logistics Control Tower Construction Project	2,049,159.11	-	-	-	-	2,049,159.11
Small Commodity Express Delivery Project	754,716.96	-	1,132,075.47	-	-	1,886,792.43
Data Integration Project for Shipping Agency and Air Cargo Operations	1,732,075.47	-	-	-	-	1,732,075.47
Data Risk Warning Function Optimization and Upgrade Project	1,698,113.16	-	-	-	-	1,698,113.16
Pan AI Application – General Q&A and Business Solution Large Model	-	-	1,641,509.43	-	-	1,641,509.43
Low-Code Development Platform Implementation Project	-	-	1,556,603.77	-	-	1,556,603.77
Sinotrans Billing Center Construction Project	1,556,603.76	-	-	-	-	1,556,603.76
Xinhuang Renovation Project	-	-	1,551,367.92	-	-	1,551,367.92
Water freight rate management platform	-	-	1,273,584.91	-	-	1,273,584.91
Carbon Management System Construction Project	-	-	1,188,679.25	-	-	1,188,679.25

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

71. RESEARCH AND DEVELOPMENT EXPENDITURE (CONTINUED)

(2) Development expenditure on research and development projects eligible for capitalisation (Continued)

Item	Opening balance	Increase in current period		Decrease in current period		Closing balance
		Internal development expenditure	Others	Recognised as intangible assets	Transfer to current profit or loss	
Data Technology Service Project	338,796.83	-	4,545,086.84	3,743,264.15	-	1,140,619.52
Intelligent forklift warehouse storage and pickup business human-machine collaborative automation	-	-	1,132,075.47	-	-	1,132,075.47
Smart Logistics Project	1,787,547.15	-	928,301.89	1,872,452.81	-	843,396.23
GTM System Construction Project	3,154,716.99	-	1,831,067.05	4,443,396.24	-	542,387.80
Construction of Financial Shared System	1,902,075.47	-	-	1,902,075.47	-	-
Business Operating System Project	-	-	2,294,339.61	2,294,339.61	-	-
Database Security Protection and Reinforcement Project	1,363,539.82	-	-	1,363,539.82	-	-
All Taxes Automated Filing Project	4,958,490.58	-	3,305,660.38	8,264,150.96	-	-
Others	31,132,587.03	424,528.29	2,278,677.62	4,200,605.90	-	29,635,187.04
Total	165,869,779.23	6,539,227.69	46,993,257.75	37,957,628.01	-	181,444,636.66

Note: The increase in development expenditure in others for the period is mainly the investment of external research and development entrusted by the Group. Development expenditure for the period as a percentage of total expenditure on research and development projects was 40.92%.

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

71. RESEARCH AND DEVELOPMENT EXPENDITURE (CONTINUED)

(3) Material capitalised research and development projects

Item	Progress of development	Estimated time of completion	Expected manner of generation of economic benefits	Point of commencement of capitalisation	Specific basis
Sinotrans Sailing	Sinotrans Sailing V2.0 Beta Version	2025-05-01	Self-use	2021-01-01	Completion of Feasibility Study by 1 September 2019, completion of Development Budgeting and Scheduling by 1 January 2020, internal formal project approval and commencement of Sinotrans Sailing product V1.0 interface design, UI, and development on 1 January 2021. In 2022-2023, the development of the enterprise version of the Sinotrans Sailing product and making it available for customer trials. From October 2023 to June 2024, on the basis of the standard version, the standardization of external data interfaces has been improved, and the modularization design of the components of the O&T product has been carried out. Market demand will be continuously investigated, and the iterative development will be completed gradually, so as to promote the market application of the O&T product.
LLCT	LLCT V3.0 Development Version	2025-12-31	Self-use	2021-12-01	Completion of Feasibility Study by 1 January 2021, completion of Development Budgeting and Scheduling by 1 February 2021, and commencement of V1.0 product development on 1 December 2021. In the first half of 2024, the LLCTV3.0 product continued to be developed iteratively in conjunction with actual customer use scenarios.

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

71. RESEARCH AND DEVELOPMENT EXPENDITURE (CONTINUED)

(3) Material capitalised research and development projects (Continued)

Item	Progress of development	Estimated time of completion	Expected manner of generation of economic benefits	Point of commencement of capitalisation	Specific basis
Network Cargo Platform Development Version	Network Cargo Platform V3.0 Development Version	2025-12-31	Self-use	2022-07-01	In May 2022, the feasibility study was completed, and the functions and processes of most of the platforms for network freight transport in the market were collected. In September 2022, the development of core functions such as waybill, track, payment, and invoicing was completed, and in March 2023, personalized development for key customers was started. In June 2023, V3.0 marketable product development was completed. In the first half of 2024, iterative development was carried out based on feedback from actual scenarios.

(4) As of 30 June 2024, the Group was assessed and concluded that no impairment provision was necessary for the development expenditure.

(5) As of 30 June 2024, the Group had no significant outsourced projects under development.

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

72. SHARE-BASED PAYMENT

(1) Share-based payment in general

Item	Each director of the issuer Rong Song	Non-directors among the five highest-paid individuals	Other managers and technical backbones	Total
Total amount of each equity instrument granted and not exercised at the beginning of the period	1,286,800.00	2,410,400.00 (Note 1)	65,529,641.00	69,226,841.00
Total amount of each equity instrument granted by the Company during the period	-	-	-	-
Total amount of each equity instrument exercised during the period	100,000.00	604,867.00	20,312,197.00	21,017,064.00
Total amount of each equity instrument written off by the Company during the period	-	-	-	-
Total amount of each equity instrument lapsed during the period	-	-	179,200.00	179,200.00
Total amount of each equity instrument granted and not exercised at the end of the period	1,186,800.00	1,805,533.00	45,038,244.00	48,030,577.00
Including: Total amount of each equity instrument exercisable at the end of the period	328,933.00	198,600.00	1,406,535.00	1,934,068.00
Total amount of each equity instrument granted and not exercised at the end of the period as a percentage of the total issued share capital at the end of the period	0.02%	0.02%	0.62%	0.66%
Range of exercise prices of stock options issued and outstanding at the end of the period and the remaining term of the contract	See notes for details	See notes for details	See notes for details	See notes for details
Range of exercise prices of other equity instruments at the end of the period and the remaining term of the contract	—	—	—	—
Share-based payment expense recognized during the period	178,003.83	333,432.10	8,471,686.28	8,983,122.21

Note 1: As of 30 June 2024, there were changes from the beginning of the period in the non-directors of the Company's five highest paid individuals, and the Company adjusted the opening presentation amounts for this category accordingly.

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

72. SHARE-BASED PAYMENTS (CONTINUED)

(1) Share-based payment in general (Continued)

Details of equity instruments granted in prior years:

In order to further enhance shareholder value, support the realization of the Company's strategy and long-term sustainable development, closely connect the interests of core employees with those of shareholders and the Company, further attract, motivate, and retain core talents, and optimize corporate governance, the Company has formulated the Sinotrans Limited Stock Option Incentive Plan (Phase I) (Draft). The Company's First Extraordinary General Meeting of Shareholders in 2022 considered and approved the Proposal on the Company's Stock Option Incentive Plan (Draft) and its Summary, the Proposal on the Implementation and Assessment Measures of the Company's Stock Option Incentive Plan and the Proposal on the Authorisation of the Board of Directors to Handle Matters Relating to the Company's Stock Option Incentive Plan.

According to the authorization of the shareholders' meeting, the eighth meeting of the third session of the Board of Directors of the Company held on 25 January 2022 considered and approved the Proposal on the Granting of Stock Options to the Incentive Targets of the Company's Stock Option Incentive Plan (Phase I). The Company granted 73,925,800 A-share stock options to 186 incentive targets with 25 January 2022 as the grant date, and the source of shares for exercise is the A-share stock repurchased by the Company. The incentive targets are the senior management and directors of the Company and its subsidiaries, as well as the management and technical backbone who have direct influence on the operating performance and sustainable development of the Company and its subsidiaries.

The vesting conditions of the stock option plan include service term conditions and certain company and individual performance conditions, etc. The stock option plan is exercised in three equal installments, with each installment vesting condition independently, and the exercise periods are from the first trading day 24 months after the grant date to the last trading day within 36 months after the grant date, from the first trading day 36 months after the grant date to the last trading day within 48 months after the grant date, and from the first trading day 48 months after the grant date to the last trading day within 60 months after the grant date, respectively.

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

72. SHARE-BASED PAYMENTS (CONTINUED)

(1) Share-based payment in general (Continued)

The company performance conditions are as follows:

Performance indicators	Effective from the first period	Effective from the second period	Effective from the third period
Return on equity attributable to the parent company	The Company's return on equity attributable to the parent company for the financial year prior to the effective point is not less than 10.25% and not less than the average value of the same industry (or the 75th percentile level of the benchmark companies).	The Company's return on equity attributable to the parent company for the financial year prior to the effective point is not less than 10.5% and not less than the average value of the same industry (or the 75th percentile level of the benchmark companies).	The Company's return on equity attributable to the parent company for the financial year prior to the effective point is not less than 10.75% and not less than the average value of the same industry (or the 75th percentile level of the benchmark companies).
CAGR of net profit attributable to owners of the parent company (based on 2020)	In the financial year prior to the effective point, the CAGR of net profit attributable to the parent company is not less than 11% and not less than the average value of the same industry (or the 75th percentile level of the benchmark companies).	In the financial year prior to the effective point, the CAGR of net profit attributable to the parent company is not less than 11.25% and not less than the average value of the same industry (or the 75th percentile level of the benchmark companies).	In the financial year prior to the effective point, the CAGR of net profit attributable to the parent company is not less than 11.5% and not less than the average value of the same industry (or the 75th percentile level of the benchmark companies).
Economic Value Added (EVA)	The EVA value of the Company in the financial year before the effective point is not less than RMB1.50 billion.	The EVA value of the Company in the financial year before the effective point is not less than RMB1.60 billion.	The EVA value of the Company in the financial year before the effective point is not less than RMB1.70 billion.

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

72. SHARE-BASED PAYMENTS (CONTINUED)

(1) Share-based payment in general (Continued)

The individual performance conditions are as follows:

Individual annual performance achievement/appraisal	Percentage of stock options actually available to individuals
Good and above	100%
Qualified	80%
Unqualified	0

The exercise price is determined based on the higher of the average trading price of the Company's A shares (RMB4.18 per share) one trading day prior to the announcement of the draft stock option plan and the summary, the average trading price of the Company's A shares (RMB4.29 per share) 20 trading days prior to the announcement, and the par value of the Company's A shares (RMB1 per share), which is RMB4.29 per share (subject to adjustment by the authorized Board of Directors based on dividend payments, increase by transferring, share reductions, rights issue, etc.). The closing price of the Company's A shares on the trading day prior to the grant date of this stock option plan was RMB4.03 per share.

As approved by the Fifteenth Session of the Third Board of Directors and the Third Session of the Supervisory Committee of the Company for the year 2022, the exercise price of the aforesaid stock option plan was adjusted to RMB4.11 per share (the exercise price before adjustment of RMB4.29 less the dividend payout of RMB0.18 per share) in accordance with the exercise price adjustment method and the profit distribution plan for the year 2021. As approved by the Nineteenth Session of the Third Board of Directors and the First Session of the Supervisory Committee of the Company for the year 2023, the exercise price of the aforesaid stock option plan was adjusted to RMB4.01 per share (the exercise price before adjustment of RMB4.11 less the dividend payout of RMB0.10 per share) in accordance with the exercise price adjustment method and the profit distribution plan for the half year of 2022. As approved by the Twenty-seventh Session of the Third Board of Directors and the Fifth Session of the Supervisory Committee for the year 2023 of the Company, and in accordance with the method of adjusting the exercise price and the profit distribution plan for the year 2022 and the profit distribution plan for the half-year of 2023, the exercise price of the aforesaid stock option plan was adjusted to RMB3.765 per share (RMB4.01, the exercise price before the adjustment, minus the amount of dividend payout per share of RMB0.10 for the year 2022 and the amount of dividend payout per share of RMB0.145 for the half-year of 2023). On 7 June 2024, the Company's 2023 Annual General Meeting of Shareholders considered and approved the *Proposal for the Distribution of Profit for the Year 2023*, and decided to pay a final dividend for the year 2023 based on the total share capital registered on the date of registration of shareholdings for the implementation of the equity distribution (less the A-shares held in the special account for the repurchase of shares by the Company), with a cash dividend of RMB0.145 (tax included) per share. The exercise price of the foregoing stock option plan is expected to be adjusted to RMB3.62 per share (RMB3.765 exercise price before adjustments less RMB0.145 per share dividend payout).

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

72. SHARE-BASED PAYMENTS (CONTINUED)

(1) Share-based payment in general (Continued)

Pursuant to the *Resolution on the Reaching of the Exercise Conditions for the First Exercise Period of the Company's Stock Option Incentive Plan (Phase I)* considered and approved at the Twenty-eighth Meeting of the Third Session of the Board of Directors of the Company, the conditions for the exercise of the first exercise period of the aforesaid stock option plan have been fulfilled, and 176 incentive recipients are eligible to exercise the first exercise period, with a feasible exercise number of 22,951,132 shares and an exercise price of RMB3.765 per share. The Company organized the first centralized exercise for the incentive recipients on 11 March 2024, and the actual number of shares exercised was 21,017,064 shares.

As at 30 June 2024, the number of unexercised shares granted under the stock option plan was 48,030,600 shares, representing 0.66% of the total issued share capital of the Company as at that date (including shares repurchased but not canceled). Unless approved by a special resolution of the AGM, the aggregate number of A shares of the Company in respect of which any one incentive participant has been granted rights and benefits (both exercised and unexercised) under the equity incentive plan which is wholly within the validity period shall not exceed 1% of the total issued A share capital of the Company; and the total number of Subject Shares involved in all of the Company's equity incentive plans in force shall not exceed, in aggregate, 10% of the total issued A share capital of the Company. The number of stock options and the number of underlying shares involved will be adjusted in the event of capital transferring from capital reserve, distribution of stock dividends, subdivision or reduction of shares, or share allotment prior to the exercise of stock options.

As at 30 June 2024, the average remaining waiting period for the stock option plan (Phases II and III) was 1.08 years.

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Notes to the Financial Statements

For the period ended 30 June 2024

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

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

72. SHARE-BASED PAYMENTS (CONTINUED)

(2) Equity-settled share-based payments

Item	Payments
Method of determining the fair value of equity instruments at the date of grant (Note 1)	The fair value of each stock option granted was calculated at the date of grant using the Black-Scholes option pricing model in accordance with <i>ASBE No. 11 – Share-based Payment and ASBE No. 22 – Recognition and Measurement of Financial Instruments</i> , and in accordance with the requirements of the State-owned Assets Supervision and Administration Commission of the State Council (SASAC) <i>Guidelines on the Implementation of Equity Incentives in Listed Companies Controlled by Central Enterprises</i> .
The basis for determining the number of exercisable equity instruments (Note 2)	The number of exercisable equity instruments was estimated based on the incumbency of incentive targets, the expected turnover rate, and the expected satisfaction of certain company and individual performance and other vesting conditions of stock options.
Reasons for significant differences between current period estimates and prior period estimates	Not applicable
Accumulated amount of equity-settled share-based payments credited to capital reserves	68,875,290.14
Total expense recognized for equity-settled share-based payments in the current period (Note 3)	8,983,122.21

Note 1: The fair value of each stock option under the aforesaid Company's stock option plan granted was calculated in accordance with the Black-Scholes option pricing model on the date of grant as RMB1.2451, and the risk-free interest rate used was the annualized interest rate of 2.3% for 3.5-year treasury bonds (same as expected maturity), the value of stock price volatility used was the historical volatility of 38.97% of the Company since its A-share listing, the expected maturity used was 3.5 years (weighted), the expected dividend rate used was 0% (according to the valuation principle and the regulatory requirements of SASAC, if the stock incentive plan stipulates the principle of adjusting the exercise price of the Company after dividends payment, the expected dividend rate will no longer be considered in the fair value assessment, and 0% will be used as input).

Note 2: As at 30 June 2024, a total of 11 incentive targets under the aforesaid stock option plan left or transferred out of the Group (of which one left or transferred out of the Group in the current period). The Group has deducted 4,691,400 stock options granted to these 11 individuals (of which 179,200 correspond to one individuals who left or transferred out of the Group in the current period), and expects that the number of new departures in the future will be zero and that both the Company and individual performance conditions can be fulfilled.

Note 3: The incentive targets of the aforesaid stock option plan granted by the Company included employees of certain subsidiaries, and the service costs of such employees were recognized in the statements of the subsidiaries and aggregated to the Group.

Chapter 10 Notes to the Financial Statements

For the period ended 30 June 2024
(Unless indicated otherwise, all amounts are expressed in RMB)

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

72. SHARE-BASED PAYMENTS (CONTINUED)

- (3) The Group had no cash-settled share-based payments during the period.

- (4) The Group had no modification or termination of share-based payment during the period.

73. SEGMENT REPORTING

In accordance with the Group's internal organisational structure, management requirements, and internal reporting system, the Group's operations are divided into three operating segments whose operating results are regularly evaluated by the Group's management to determine the allocation of resources to them and evaluate their performance. Based on operating segments, the Group determined three reporting segments: agency and related business, professional logistics, and e-commerce. These reporting segments are based on the income type of the Group.

The operating segments and reporting segments of the Group are analysed as follows:

Agency and related business: mainly includes arranging the delivery of goods to designated consignees in other locations within a specified time frame in accordance with customer instructions; including shipping agency services related to freight agency to shipping companies, providing storage, storage yards, container loading and unloading stations and terminal services.

Professional logistics: mainly includes any provision of customised and professional entire logistics services to customers.

E-commerce: mainly includes providing professional logistics solutions for import and export e-commerce customers, providing customers with various public services through a unified online logistics e-commerce platform, and providing customers with tracking and monitoring services for logistics equipment through a logistics equipment sharing platform.

Any information on segment reporting is disclosed in accordance with the accounting policies and measurement standards used by the segments when reporting to the management, and these measurement bases are consistent with the accounting and measurement basis at the time of the preparation of the financial statements.

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Notes to the Financial Statements

For the period ended 30 June 2024

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

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

73. SEGMENT REPORTING (CONTINUED)

January-June 2024

Item	Agency and related business	Professional logistics	E-commerce	Undistributed items	Inter-segment elimination	Total
Operating income:	—	—	—	—	—	—
Income from external transaction	35,028,022,409.35	15,214,278,699.56	6,125,396,739.41	-	-	56,367,697,848.32
Income from inter-segment transaction	3,051,502,989.94	183,449,924.07	1,150,771,948.29	-	-4,385,724,862.30	-
Total operating income from segments	38,079,525,399.29	15,397,728,623.63	7,276,168,687.70	-	-4,385,724,862.30	56,367,697,848.32
Total operating costs	34,563,429,926.14	14,780,337,686.81	6,179,548,611.79	284,573,015.21	-	55,807,889,239.95
Impairment of assets (loss denoted by "-")	-	5,044.87	-	-	-	5,044.87
Credit impairment loss (loss denoted by "-")	-48,949,158.33	-43,847,925.47	-7,345,482.00	31,209.58	-	-100,111,356.22
Gain from changes in fair value (loss denoted by "-")	-	-	-	-12,760,961.67	-	-12,760,961.67
Investment income (loss denoted by "-")	30,209,056.55	6,185,839.66	747,189,600.77	191,462,273.38	-	975,046,770.36
Including: Income from investments in associates and joint ventures	30,209,056.55	6,185,839.66	747,189,600.77	193,303,874.50	-	976,888,371.48
Income from disposal of assets (loss denoted by "-")	-	-	-	12,065,190.24	-	12,065,190.24
Other income	813,765,708.49	18,873,914.27	175,940,980.01	8,293.73	-	1,008,588,896.50
Operating profit	1,259,618,089.92	415,157,886.08	861,633,226.40	-93,767,009.95	-	2,442,642,192.45
Non-operating income	17,767,027.70	7,608,989.62	1,733,609.91	6,568,512.50	-	33,678,139.73
Non-operating expenses	5,338,701.82	-620,617.15	432,735.00	-26,579,683.97	-	-21,428,864.30
Total profit	1,272,046,415.80	423,387,492.85	862,934,101.31	-60,618,813.48	-	2,497,749,196.48
Income taxes	267,413,206.50	98,509,346.06	48,539,899.15	-868,496.10	-	413,593,955.61
Net profit	1,004,633,209.30	324,878,146.79	814,394,202.16	-59,750,317.38	-	2,084,155,240.87
Total assets	39,346,321,448.56	21,237,142,506.45	7,773,814,237.17	9,133,573,199.45	-	77,490,851,391.63
Total liabilities	16,338,367,946.46	6,132,004,824.61	2,115,869,182.84	11,968,816,427.94	-	36,555,058,381.85
Supplementary information:	—	—	—	—	—	—
Depreciation and amortisation expenses	556,030,172.20	572,284,323.20	71,244,255.73	42,481,039.28	-	1,242,039,790.41
Capital expenditures	680,890,505.45	264,986,652.32	29,307,276.04	101,599,099.37	-	1,076,783,533.18
Non-cash expenses other than depreciation and amortisation	48,949,158.33	43,842,880.60	7,345,482.00	-31,209.58	-	100,106,311.35
Increase in long-term equity investments in associates and joint ventures accounted for under the equity method	6,849,207.73	23,431,137.12	749,558,688.91	52,660,997.02	-	832,500,030.78

Chapter 10 Notes to the Financial Statements

For the period ended 30 June 2024
(Unless indicated otherwise, all amounts are expressed in RMB)

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

73. SEGMENT REPORTING (CONTINUED)

January-June 2023

Item	Agency and related business	Professional logistics	E-commerce	Undistributed items	Inter-segment elimination	Total
Operating income:	—	—	—	—	—	—
Income from external transaction	28,608,455,476.90	14,767,847,190.50	4,722,543,909.68	-	-	48,098,846,577.08
Income from inter-segment transaction	2,289,307,677.67	389,479,912.93	857,524,695.09	-	-3,536,312,285.69	-
Total operating income from segments	30,897,763,154.57	15,157,327,103.43	5,580,068,604.77	-	-3,536,312,285.69	48,098,846,577.08
Total operating costs	28,073,220,359.91	14,225,048,127.39	4,908,060,714.70	178,969,445.95	-	47,385,298,647.95
Impairment of assets (loss denoted by "-")	-	-	-	-515,864.48	-	-515,864.48
Credit impairment loss (loss denoted by "-")	-16,092,754.00	-16,902,712.59	-12,646,282.07	-	-	-45,641,748.66
Gain from changes in fair value (loss denoted by "-")	-	-	-	-27,289,720.98	-	-27,289,720.98
Investment income (loss denoted by "-")	30,429,378.53	-4,230,001.87	790,153,910.42	271,513,620.94	-	1,087,866,908.02
Including: Income from investments in associates and joint ventures	30,429,378.53	6,378,301.44	790,153,910.42	206,763,389.23	-	1,033,724,979.62
Income from disposal of assets (loss denoted by "-")	-	-	-	61,986,480.15	-	61,986,480.15
Other income	718,574,061.64	43,178,761.21	286,628,670.19	38.23	-	1,048,381,531.27
Operating profit	1,268,145,803.16	564,845,109.86	878,619,493.52	126,725,107.91	-	2,838,335,514.45
Non-operating income	24,889,454.98	9,145,988.43	1,978,069.08	9,743,857.77	-	45,757,370.26
Non-operating expenses	1,817,599.86	25,465,331.79	7,982.31	1,826,950.89	-	29,117,864.85
Total profit	1,291,217,658.28	548,525,766.50	880,589,580.29	134,642,014.79	-	2,854,975,019.86
INCOME TAX EXPENSES	330,742,929.01	149,819,356.48	58,916,501.71	665,217.79	-	540,144,004.99
Net profit	960,474,729.27	398,706,410.02	821,673,078.58	133,976,797.00	-	2,314,831,014.87
Total assets	41,180,666,548.13	20,980,238,503.69	7,768,609,961.30	8,633,731,919.88	-	78,563,246,933.00
Total liabilities	15,870,393,137.65	5,693,395,965.23	1,882,319,784.42	16,250,787,188.56	-	39,696,896,075.86
Supplementary information:	—	—	—	—	—	—
Depreciation and amortisation expenses	477,566,184.23	590,864,933.29	77,140,640.06	38,944,396.36	-	1,184,516,153.94
Capital expenditures	921,136,065.02	338,982,341.25	48,725,657.05	35,951,031.45	-	1,344,795,094.77
Non-cash expenses other than depreciation and amortisation	16,092,754.00	16,902,712.59	12,646,282.07	515,864.48	-	46,157,613.14
Increase in long-term equity investments in associates and joint ventures accounted for under the equity method	67,824,679.75	-4,026,320.76	789,805,369.97	324,631,463.74	-	1,178,235,192.70

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Notes to the Financial Statements

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

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

1. RELATED PARTIES WITH CONTROL RELATIONSHIPS

Name of controlling shareholders and the ultimate controlling party	Place of registration	Nature of business	Registered capital	Shareholding ratio (%)	Voting ratio (%)
China Merchants Group Co., Ltd.	Beijing	Conducting transportation undertaking etc.	RMB16,900 million	—	—

2. RELATED INFORMATION ON SUBSIDIARIES IS PROVIDED IN NOTE VIII.

3. THE MAIN RELATED PARTIES THAT HAVE TRANSACTIONS WITH THE GROUP BUT DO NOT HAVE A CONTROL RELATIONSHIP ARE AS FOLLOWS

Name of related party	Nature
OCEAN LIFTER I LIMITED	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
RED BRAVES FINANCE LTD.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
YANGTZE NAVIGATION (SINGAPORE) PTE. LTD.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Sinotrans Anhui Direct Storage and Transportation Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Beijing Aocheng Wuhe Real Estate Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Beijing Sinotrans Land Transportation Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Sinotrans Beijing Sanjianfang Warehouse Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Beijing Sinotrans Logistics Center Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Dalian Port Container Logistics Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Daliangang Group Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Dalian Container Terminal Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Dalian United King Port Auto Trade Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Dandong Port Group Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Dongguan Chiwan Wharf Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
China Freight Forwarding Fujian Hexi Storage & Transportation Company	Other enterprises controlled by the same controlling shareholder and ultimate controlling party

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

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

3. THE MAIN RELATED PARTIES THAT HAVE TRANSACTIONS WITH THE GROUP BUT DO NOT HAVE A CONTROL RELATIONSHIP ARE AS FOLLOWS (CONTINUED)

Name of related party	Nature
Sinotrans Guangdong Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Guangdong Yide Port Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Guangxi Sinotrans Fangchenggang Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Guangxi Sinotrans Nanning Storage and Transportation Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Guangxi Sinotrans Automobile Transportation Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Associated Maritime Company (Hong Kong) Limited	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Hailong No. 15 (Tianjin) Leasing Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Sinotrans Hebei Company Yuanshi Warehouse	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
SINOTRANS Henan, Jiuling Transport & Storage Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Hubei Sinotrans Bulk Cargo Transportation Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Sinotrans Jiangsu Logistics Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Liaoning Port Holding (Yingkou) Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Liaoning Port Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Liaoning Sinotrans Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Nanjing Yangyang Chemicals Transport & Trade Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
China Changjiang National Shipping (Group) Corporation	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Nanjing Merchants Bureau Real Estate Management Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Inner Mongolia Inland Bonded Logistics Park Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Inner Mongolia Sinotrans Logistics Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Ningbo Daxie Merchants International Terminal Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Panjin Port Group Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Xiamen Sinotrans Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party

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X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

3. THE MAIN RELATED PARTIES THAT HAVE TRANSACTIONS WITH THE GROUP BUT DO NOT HAVE A CONTROL RELATIONSHIP ARE AS FOLLOWS (CONTINUED)

Name of related party	Nature
Shandong Sinotrans Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Shanghai Foreign Trade Warehouse Jiefangdao Storage and Transportation Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Shanghai Foreign Trade Warehouse Pudong Company	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Shanghai Foreign Trade Yangxing Storage & Transportation Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
SCSC International Merchant&Shipping (Hong Kong) Company Limited	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Shanghai Changjiang International Shipping Agency Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Shanghai Changjiang Shipping Corporation	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Shanghai 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 Anda Storage and Transportation Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Shanghai Sinotrans Qiantang Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
SINOTRANS Shanghai Zhang HUA BANG Storage and Transportation Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Shekou Container Terminal Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Shenzhen Chiwan Port Development Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Shenzhen Chiwan Tug 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 Nanyou (Holdings) Corp. Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Shenzhen Merchants Home Technology Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Shenzhen China Merchants Ro-Ro Transportation Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Tianjin Sinotrans Binhai Logistics Management Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Wenzhou Sinotrans Logistics Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party

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For the period ended 30 June 2024
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X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

3. THE MAIN RELATED PARTIES THAT HAVE TRANSACTIONS WITH THE GROUP BUT DO NOT HAVE A CONTROL RELATIONSHIP ARE AS FOLLOWS (CONTINUED)

Name of related party	Nature
Wuhan Changjiang Waterway Institute of Planning and Design Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Wuhan Changjiang Steamship Company	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Wuhan Merchants Roll-on-roll Transportation Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
HONG KONG MING WAH 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
Xinjiang Sinotrans Regional Storage and Transportation 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
LONG LINK 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
Zhangzhou China Merchants Port Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Zhangzhou China Merchants Tugboat Company Limited	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
CSC (Wuhan) Green Shipping Technology Services Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
CSC Cargo Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Long Distance Transportation Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
China Merchants Port (Shenzhen) Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
China Merchants Bonded Logistics Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
China Merchants Port Group Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
China Merchants International Terminal (Qingdao) Limited	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
China Merchants Group Finance Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party

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Notes to the Financial Statements

For the period ended 30 June 2024

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

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

3. THE MAIN RELATED PARTIES THAT HAVE TRANSACTIONS WITH THE GROUP BUT DO NOT HAVE A CONTROL RELATIONSHIP ARE AS FOLLOWS (CONTINUED)

Name of related party	Nature
China Merchants Jinling SHIPYARD (Jiangsu) Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
China Merchants Jinling Shipyard (Nanjing) Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
China Merchants Jinling SHIPYARD (Weihai) Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Nanjing Tanker Corporation	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
China Merchants Automobile Trading Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
China Merchants Investment Development (Hong Kong) Limited	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
China Merchants Investment Development Company Limited	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
CHINA MERCHANTS INVESTMENTS LIMITED	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
China Merchants Viking Cruise Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
China Merchants Property Management Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
China Merchants New Materials Technology (Chongqing) Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
China Merchants Heavy Industry (Jiangsu) Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
China Merchants Sinotrans (Shenzhen) Industrial Innovation Private Equity Investment Fund Partnership (Limited Partnership)	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Zhaotong Supply Chain Management Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Zhengzhou Merchants Logistics Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Sinotrans 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 Jiangxi Company	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Sinotrans Nantong Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Sinotrans Inner Mongolia Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
SINOTRANS & CSC	Other enterprises controlled by the same controlling shareholder and ultimate controlling party

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For the period ended 30 June 2024
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X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

3. THE MAIN RELATED PARTIES THAT HAVE TRANSACTIONS WITH THE GROUP BUT DO NOT HAVE A CONTROL RELATIONSHIP ARE AS FOLLOWS (CONTINUED)

Name of related party	Nature
AVIC Property Management Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Sinotrans (Jiaxing) International Freight Forwarding Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Sinotrans Container Lines (Hainan) Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Sinotrans Container Lines (Hong Kong) Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Sinotrans Container Lines Overseas Company Limited	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Sinotrans Container Lines Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Sinotrans Shanghai (Group) Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Sinotrans Shanghai (Group) Property Development Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Chongqing Waiyun Logistics Company	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Chongqing Changhang Dongfeng Shipbuilding Industry Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Csc Chongqing Changjiang National Shipping Company	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
Chongqing Sinotrans Bulk Cargo Transportation Co., Ltd.	Other enterprises controlled by the same controlling shareholder and ultimate controlling party
MAXX LOGISTICS FZCO.	Joint ventures of the Group
SINOTRANS ALMAJDOUIE MIDDLE EAST CO., LTD.	Joint ventures of the Group
Beijing Medlink Supply Chain Management Co., Ltd.	Joint ventures of the Group
Beijing Sinotrans Huali Logistics Co., Ltd.	Joint ventures of the Group
Dongguan Port Container Terminals Co., Ltd.	Joint ventures of the Group
Dongguan Sinotrans Kuasheng E-Commerce Co., Ltd.	Joint ventures of the Group
Jiangsu Nantong Sinotrans Supply Chain Management Co., Ltd.	Joint ventures of the Group
Jiangsu Sinotrans Lvsj 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
Ningbo Dagang New Century Container Co., Ltd.	Joint ventures of the Group
Ningbo Taiping International Trade Transportation Co., Ltd.	Joint ventures of the Group
Rongyun (Xiamen) Supply Chain Co., Ltd.	Joint ventures of the Group

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Notes to the Financial Statements

For the period ended 30 June 2024

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

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

3. THE MAIN RELATED PARTIES THAT HAVE TRANSACTIONS WITH THE GROUP BUT DO NOT HAVE A CONTROL RELATIONSHIP ARE AS FOLLOWS (CONTINUED)

Name of related party	Nature
Shaanxi Sinotrans Guotie Logistics Co., Ltd.	Joint ventures of the Group
Shanghai Tongyun International Logistics Co., Ltd.	Joint ventures of the Group
Shanghai Wai-Hong Yishida International Logistics Co., Ltd.	Joint ventures of the Group
China United Tally (Shenzhen) Co., Ltd.	Joint ventures of the Group
Shenyang Jinyun Automobile Logistics Co., Ltd.	Joint ventures of the Group
Suzhou Sinotrans Zhongli International Freight Co., Ltd.	Joint ventures of the Group
Tangshan Port Sinotrans Shipping Agency Co., Ltd.	Joint ventures of the Group
Weihai Comprehensive Bonded Zone Hongxin Supply Chain Management Co., Ltd.	Joint ventures of the Group
Wuhan Eastlake Comprehensive Bonded Area Bonded Logistics Co., Ltd.	Joint ventures of the Group
Xinjiang New Railway Sinotrans Logistics Co., Ltd.	Joint ventures of the Group
New Land Bridge (Lianyungang) Terminal Co., Ltd.	Joint ventures of the Group
Yantai Comprehensive Bonded Zone Baoyuntong Supply Chain Management Co., Ltd.	Joint ventures of the Group
Yueshen Transportation Co., Ltd.	Joint ventures of the Group
Zhangjiagang Bonded Port Area Sinotrans Changjiang International Logistics Co., Ltd.	Joint ventures of the Group
Sinotrans Logistics (Pakistan) Limited	Joint ventures of the Group
Sinotrans Philippines Inc.	Joint ventures of the Group
Sinotrans Suzhou Logistics Center Co., Ltd.	Joint ventures of the Group
Sinotrans Turkey Limited	Joint ventures of the Group
Sinotrans Aramex (Shanghai) International Aviation Express Delivery Co., Ltd.	Joint ventures of the Group
DHL-Sinotrans International Air Courier Ltd.	Joint ventures of the Group
Sinotrans High-Tech Logistics (Suzhou) Co., Ltd.	Joint ventures of the Group
Sinotrans PFS Cold Chain Logistics Co., Ltd.	Joint ventures of the Group
Nissin-Sinotrans International Logistics Co., Ltd.	Joint ventures of the Group
Sinotrans Sarens Logistics Co., Ltd.	Joint ventures of the Group
Sinotrans Senko International Cold Chain Logistics (Shanghai) Co., Ltd.	Joint ventures of the Group
China-Vietnam Sinotrans Logistics Co., Ltd.	Joint ventures of the Group
Rushan Sinotrans Port Logistics Development Co., Ltd.	Joint ventures of the Group
Sinotrans PFS Yida (Shanghai) Logistics Co., Ltd.	A subsidiary of the Group's joint venture
China Changjiang Bunker (Sinopec) Co., Ltd.	A joint venture of the ultimate controlling party
Jiangsu China Changjiang Bunker (Sinopec) Co., Ltd.	A subsidiary of a joint venture of the ultimate controlling party
Shenzhen China Changjiang Bunker (Sinopec) Co., Ltd.	A subsidiary of a joint venture of the ultimate controlling party
Beijing Chentong Freightling Service Co., Ltd.	An associate of the Group
Beijing Honglian Technology Co., Ltd.	An associate of the Group

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Notes to the Financial Statements

For the period ended 30 June 2024
(Unless indicated otherwise, all amounts are expressed in RMB)

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

3. THE MAIN RELATED PARTIES THAT HAVE TRANSACTIONS WITH THE GROUP BUT DO NOT HAVE A CONTROL RELATIONSHIP ARE AS FOLLOWS (CONTINUED)

Name of related party	Nature
Guangxi Yunyu Port Co., Ltd.	An associate of the Group
Jiangmen Gaosha Outside Freight Agency Co., Ltd.	An associate of the Group
Jiangsu Jiangyin Port Group Co., Ltd.	An associate of the Group
Liaoning Sinotrans Hengjiu Transportation Service Co., Ltd.	An associate of the Group
Land and Sea New Channel Operation Co. Ltd.	An associate of the Group
Ma'anshan Tianshun Port Co., Ltd.	An associate of the Group
Nanjing Huaxing Loading and Unloading Service Co., Ltd.	An associate of the Group
Nantong Sinotrans Dongzaogang Logistics Development Co., Ltd.	An associate of the Group
Qingdao Yujiachang Container Storage And Transportation Co. Ltd.	An associate of the Group
Shenzhen Haixing Harbor Development Co., Ltd.	An associate of the Group
Shandong Port&Shipping Sinotrans Supply Chain Development Co., Ltd.	An associate of the Group
Shanghai Pu'an Storage Co., Ltd.	An associate of the Group
Shenyang Fuyun Cold Chain Logistics Co., Ltd.	An associate of the Group
Shenyang Henglu Logistics Co., Ltd.	An associate of the Group
Tianjin Runfeng Logistics Co., Ltd.	An associate of the Group
Weihai Weidong Shipping Co., Ltd.	An associate of the Group
Wuhan Port Container Co., Ltd.	An associate of the Group
Yangzhou Comprehensive Bonded Zone Supply Chain Management Co., Ltd.	An associate of the Group
China International Exhibition Transportation Co., Ltd.	An associate of the Group
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
Loscam Packaging Equipment Leasing (Shanghai) Co., Ltd.	A subsidiary of an associate of the Group
Loscam Supply Chain Management (Jiaxing) Co., Ltd.	A subsidiary of an associate of the Group
China Merchants Bank Co., Ltd.	An associate of the ultimate controlling party
COFCO Merchants (Shenzhen) Grain Electronic Trading Center Co., Ltd.	An associate of the ultimate controlling party

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Notes to the Financial Statements

For the period ended 30 June 2024

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

X. RELATED-PARTY RELATIONSHIP AND TRANSACTIONS (CONTINUED)

4. THE GROUP HAD THE FOLLOWING SIGNIFICANT RELATED TRANSACTIONS WITH THE ABOVE RELATED PARTIES DURING THE PERIOD

(1) Pricing policy and basis

- 1) In the process of providing freight agency and professional logistics services to customers, the Group has more demand for procurement of various transportation services and terminal services, etc., and the related parties are large domestic shipping and port operators, so there is a demand for the Group to procure shipping, container transportation and special equipment transportation and other related transportation services and terminal services from the related parties in its daily operations. At the same time, due to the different geographical distribution of business between the Group and Sinotrans Group's enterprises and some joint ventures and associates, there is also a demand for the Group to procure logistics services such as freight forwarding from the related parties. As the Group is a leading integrated logistics service provider in China, there is a demand for the Group to procure ship agency services, freight agency services, warehousing services, and leasing logistics equipment from the related parties.

- 2) On 26 October 2023, the Company entered into a Comprehensive Service Agreement with China Merchants, which is valid from 1 January 2024 to 31 December 2026. Pursuant to the agreement, the pricing of the Group's related transactions with China Merchants and its subsidiaries is at market price and the service terms are on general 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 region in the ordinary course of business by both parties under normal commercial terms. It is agreed that the Group will provide transportation and logistics services to China Merchants and its subsidiaries up to RMB2,500 million in 2024, RMB3,250 million in 2025 and RMB4,225 million in 2026, and that the Group will accept transportation and logistics services from China Merchants and its subsidiaries up to RMB3,500 million in 2024, RMB4,550 million in 2025 and RMB5,915 million in 2026. On 15 December 2023, the Comprehensive Service Agreement was approved by Company's General Meeting of Shareholders.

The Group's daily business operations require the continuous and stable use of office properties, warehouses, yards, container handling stations, and real estate operated by related parties for production offices, as well as the leasing of land, buildings, and logistics and transportation equipment from related parties. On 26 October 2023, the Company signed the *Lease Agreement* with China Merchants, which is effective from 1 January 2024 to 31 December 2026. Pursuant to the Agreement, the pricing of the Group's related transactions with China Merchants and its subsidiaries is at market price and on normal commercial terms. The aforesaid market price refers to the price at which the same or similar leased subject matter is provided or obtained by an independent third party in the same area in the ordinary course of business by both parties under normal commercial terms. The Group's leasing of properties, containers and other equipment from China Merchants and its subsidiaries is limited to not more than RMB668 million in 2024, not more than RMB769 million in 2025 and not more than RMB883 million in 2026. The limit for the Group to lease properties to China Merchants and its subsidiaries is not more than RMB240 million in 2024, RMB276 million in 2025, and RMB318 million in 2026. On 15 December 2023, the Lease Agreement was approved by the Company's General Meeting of Shareholders.

Chapter 10 Notes to the Financial Statements

For the period ended 30 June 2024
(Unless indicated otherwise, all amounts are expressed in RMB)

X. RELATED-PARTY RELATIONSHIP AND TRANSACTIONS (CONTINUED)

4. THE GROUP HAD THE FOLLOWING SIGNIFICANT RELATED TRANSACTIONS WITH THE ABOVE-RELATED PARTIES DURING THE PERIOD (CONTINUED)

(1) Pricing policy and basis (Continued)

- 3) On 26 October 2023, the Company entered into a 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 fees) is capped at RMB10 billion, and the total amount of other financial services expenses incurred in each year is capped at RMB20 million. On 15 December 2023, the Financial Services Agreement was approved by the Company's General Meeting of Shareholders.
- 4) On 15 December 2023, the Second Extraordinary General Meeting of Shareholders of the Company in 2023 considered and approved the *Proposal on Continuing Related Transactions with China Merchants Bank for the Years 2024–2026*. Pursuant to the Proposal, the Group opened an account with China Merchants Bank 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 Group's maximum loan balances with China Merchants Bank, including interest and handling fees payable, shall not exceed RMB10 billion in each of the years 2024, 2025, and 2026; China Merchants Bank shall provide the Group with other financial services such as settlement approved by the National Financial Regulatory Administration, and the fees and charges for other financial services shall be charged in accordance with the relevant regulations of the People's Bank of China.
- 5) On 27 March 2023, the Company entered into the Purchase Service Agreement, which is valid from 1 January 2023 to 31 December 2025, with Shenzhen Merchants Home Technology Co., Ltd. Pursuant to the agreement, such daily related transactions are priced on the basis of market prices, and the limit of the Group's purchases of commodities from Shenzhen Merchants Home Technology Co., Ltd. shall not exceed RMB120 million in 2023, RMB144 million in 2024 and RMB172.8 million in 2025.

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Notes to the Financial Statements

For the period ended 30 June 2024

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

X. RELATED-PARTY RELATIONSHIP AND TRANSACTIONS (CONTINUED)

4. THE GROUP HAD THE FOLLOWING SIGNIFICANT RELATED TRANSACTIONS WITH THE ABOVE-RELATED PARTIES DURING THE PERIOD (CONTINUED)

(2) Related party transactions for the purchase and sale of goods, rendering and acceptance of services

1) Sale of goods and rendering of services

Name of related party	Content of related transactions	Accumulated for the period	Accumulated prior period
Other enterprises controlled by the same controlling shareholder and ultimate controlling party	—	535,449,629.53	432,440,666.40
Sinotrans Container Lines Co., Ltd.	Transportation and related services	165,225,672.14	247,346,193.24
Sinotrans Container Lines Overseas Company Limited	Transportation and related services	74,324,718.19	-
Associated Maritime Company (Hong Kong) Limited	Transportation and related services	73,378,714.92	42,849,219.14
Sinotrans Container Lines (Hainan) Co., Ltd.	Transportation and related services	60,883,719.77	9,011,166.28
China Merchants Group Finance Co., Ltd.	Interest income	34,918,683.01	39,501,277.21
Sinotrans Container Lines (Hong Kong) Co., Ltd.	Transportation and related services	23,204,146.33	32,844,876.61
Zhaotong Supply Chain Management Co., Ltd.	Transportation and related services	18,155,471.61	-
China Merchants Viking Cruise Co., Ltd.	Transportation and related services	16,017,966.89	3,704,854.73
China Merchants Heavy Industry (Jiangsu) Co., Ltd.	Transportation and related services	8,273,361.70	12,366,284.23
YANGTZE NAVIGATION (SINGAPORE) PTE. LTD.	Transportation and related services	4,811,765.99	3,356,045.45
Shanghai Zhaotong Container Transportation Co., Ltd.	Transportation and related services	4,749,738.37	-
Shanghai China Merchants Ming Wah Shipping Company Limited	Transportation and related services	3,784,792.61	-
Chongqing Sinotrans Bulk Cargo Transportation Co., Ltd.	Transportation and related services	3,626,980.42	-
Nanjing Tanker Corporation	Transportation and related services	3,438,381.80	1,077,340.90
China Merchants Jinling SHIPYARD (Weihai) Co., Ltd.	Transportation and related services	3,174,684.54	3,203,694.93
Inner Mongolia Sinotrans Logistics Co., Ltd.	Transportation and related services	2,972,536.97	-
Shenzhen China Merchants Ro-Ro Transportation Co., Ltd.	Transportation and related services	2,962,523.44	1,601,908.32
Nanjing Yangyang Chemicals Transport & Trade Co., Ltd.	Transportation and related services	2,596,301.49	1,739,300.16
Dalian Port Container Logistics Co., Ltd.	Transportation and related services	2,586,215.35	2,638,069.20
Yiu Lian Dockyards (Shekou) Limited	Transportation and related services	2,197,723.23	-
SINOTRANS Henan, Jiuling Transport & Storage Co.	Property management fees	1,952,830.16	-
China Merchants Jinling SHIPYARD (Jiangsu) Co., Ltd.	Transportation and related services	1,921,666.54	-
Shanghai Changjiang International Shipping Agency Co., Ltd.	Transportation and related services	1,866,103.80	2,203,093.90
China Merchants New Materials Technology (Chongqing) Co., Ltd.	Transportation and related services	1,517,187.09	-
China Merchants Sinotrans (Shenzhen) Industrial Innovation Private Equity Investment Fund Partnership (Limited Partnership)	Partnership management fees	1,407,830.71	1,486,167.11
Sinotrans Inner Mongolia Co., Ltd.	Transportation and related services	1,284,895.90	4,093,741.00
SINOTRANS Shanghai Zhang HUA BANG Storage and Transportation Co., Ltd.	Property management fees	1,276,132.08	-
CSC Cargo Co., Ltd.	Transportation and related services	1,145,865.42	4,018,280.39
China Merchants Jinling Shipyard (Nanjing) Co., Ltd.	Transportation and related services	1,053,881.60	-
Shekou Container Terminal Co., Ltd.	Transportation and related services	209,442.48	4,320,500.20
Hong Kong Ming Wah Shipping Company Limited	Transportation and related services	48,993.34	6,149,405.29
China Merchants Automobile Trading Co., Ltd.	Transportation and related services	-	2,223,777.40
Long Distance Transportation Co., Ltd.	Transportation and related services	-	1,031,815.76
Others	Transport and related services, etc.	10,480,701.64	5,673,654.95

Chapter 10 Notes to the Financial Statements

For the period ended 30 June 2024
(Unless indicated otherwise, all amounts are expressed in RMB)

X. RELATED-PARTY RELATIONSHIP AND TRANSACTIONS (CONTINUED)

4. THE GROUP HAD THE FOLLOWING SIGNIFICANT RELATED TRANSACTIONS WITH THE ABOVE-RELATED PARTIES DURING THE PERIOD (CONTINUED)

(2) Related party transactions for the purchase and sale of goods, rendering and acceptance of services (Continued)

1) Sale of goods and rendering of services (Continued)

Name of related party	Content of related transactions	Accumulated for the period	Accumulated prior period
Joint ventures and their subsidiaries	—	419,041,111.58	368,306,237.28
Xinjiang New Railway Sinotrans Logistics Co., Ltd.	Transportation and related services	110,849,901.32	49,620,891.93
Nissin-Sinotrans International Logistics Co., Ltd.	Transportation and related services	67,654,096.10	56,389,822.05
Shaanxi Sinotrans Guotie Logistics Co., Ltd.	Transportation and related services	67,276,033.90	63,031,854.77
Ningbo Taiping International Trade Transportation Co., Ltd.	Transportation and related services	39,874,686.36	69,276,011.59
DHL-Sinotrans International Air Courier Ltd.	Transportation and related services	25,061,537.92	29,616,379.71
Sinotrans Aramex (Shanghai) International Aviation Express Delivery Co., Ltd.	Transportation and related services	21,028,142.74	20,465,183.79
Jiangsu Nantong Sinotrans Supply Chain Management Co., Ltd.	Transportation and related services	20,517,365.01	13,190,303.95
Beijing Medlink Supply Chain Management Co., Ltd.	Transportation and related services	15,274,036.30	11,574,249.94
Weihai Comprehensive Bonded Zone Hongxin Supply Chain Management Co., Ltd.	Transportation and related services	11,396,421.88	4,376,647.78
Shanghai Tongyun International Logistics Co., Ltd.	Transportation and related services	8,502,740.00	13,252,427.96
China-Vietnam Sinotrans Logistics Co., Ltd.	Transportation and related services	7,602,138.96	11,641,798.70
Sinotrans PFS Cold Chain Logistics Co., Ltd.	Transportation and related services	5,179,921.89	6,105,863.91
Sinotrans Sarens Logistics Co., Ltd.	Transportation and related services	4,652,179.50	6,874,113.13
Beijing Sinotrans Huali Logistics Co., Ltd.	Transportation and related services	3,160,167.84	2,382,775.91
Sinotrans PFS Yida (Shanghai) Logistics Co., Ltd.	Transportation and related services	2,706,621.83	1,769,422.53
Zhangjiagang Bonded Port Area Sinotrans Changjiang International Logistics Co., Ltd.	Transportation and related services	1,748,512.69	2,290,743.79
MAXX LOGISTICS FZCO.	Transportation and related services	1,465,965.04	1,589,921.76
Suzhou Sinotrans Zhongli International Freight Co., Ltd.	Transportation and related services	1,235,324.47	948,509.19
Sinotrans Senko International Cold Chain Logistics (Shanghai) Co., Ltd.	Transportation and related services	843,950.31	1,042,191.92
Others	Transport and related services, etc.	3,011,367.52	2,867,122.97

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Notes to the Financial Statements

For the period ended 30 June 2024

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

X. RELATED-PARTY RELATIONSHIP AND TRANSACTIONS (CONTINUED)

4. THE GROUP HAD THE FOLLOWING SIGNIFICANT RELATED TRANSACTIONS WITH THE ABOVE-RELATED PARTIES DURING THE PERIOD (CONTINUED)

(2) Related party transactions for the purchase and sale of goods, rendering and acceptance of services (Continued)

1) Sale of goods and rendering of services (Continued)

Name of related party	Content of related transactions	Accumulated for the period	Accumulated prior period
Associates and their subsidiaries	—	61,810,639.66	58,423,758.58
Weihai Weidong Shipping Co., Ltd.	Transportation and related services	13,914,558.20	14,599,970.00
Loscam Packaging Equipment Leasing (Shanghai) Co., Ltd.	Transportation and related services	11,999,197.45	10,261,916.74
Nantong Sinotrans Dongzaogang Logistics Development Co., Ltd.	Transportation and related services	9,120,174.08	8,166,032.69
Loscam Supply Chain Management (Jiaxing) Co., Ltd.	Transportation and related services	6,346,161.25	4,126,718.64
Qingdao Yujiachang Container Storage And Transportation Co. Ltd.	Transportation and related services	6,028,089.01	7,021,895.79
Shenyang Fuyun Cold Chain Logistics Co., Ltd.	Transportation and related services	4,047,619.06	4,047,619.06
Land and Sea New Channel Operation Co. Ltd.	Transportation and related services	3,342,371.02	2,444,839.11
Sinotrans Huajie International Logistics (Beijing) Co., Ltd.	Transportation and related services	2,510,387.64	1,978,928.32
Tianjin Runfeng Logistics Co., Ltd.	Transportation and related services	1,921,065.97	3,249,630.06
Nanjing Huaxing Loading and Unloading Service Co., Ltd.	Transportation and related services	-	1,006,290.00
Others	Transport and related services, etc.	2,581,015.98	1,519,918.17
Joint ventures and subsidiaries of the ultimate controlling party	—	388,475.64	273,852.66
Jiangsu China Changjiang Bunker (Sinopec) Co., Ltd.	Transportation and related services	191,476.41	193,683.35
China Changjiang Bunker (Sinopec) Co., Ltd.	Transportation and related services	186,527.53	55,406.61
Shenzhen China Changjiang Bunker (Sinopec) Co., Ltd.	Transportation and related services	10,471.70	24,762.70
An associate of the ultimate controlling party	—	3,025,902.42	3,499,751.67
China Merchants Bank Co., Ltd.	Interest income	3,025,902.42	3,443,147.90
COFCO Merchants (Shenzhen) Grain Electronic Trading Center Co., Ltd.	Transportation and related services	-	56,603.77
Total sale of goods and rendering of services	—	1,019,715,758.83	862,944,266.59

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For the period ended 30 June 2024
(Unless indicated otherwise, all amounts are expressed in RMB)

X. RELATED-PARTY RELATIONSHIP AND TRANSACTIONS (CONTINUED)

4. THE GROUP HAD THE FOLLOWING SIGNIFICANT RELATED TRANSACTIONS WITH THE ABOVE-RELATED PARTIES DURING THE PERIOD (CONTINUED)

(2) Related party transactions for the purchase and sale of goods, rendering and acceptance of services (Continued)

2) Purchase of goods and acceptance of services

Name of related party	Content of related transactions	Accumulated for the period	Accumulated prior period
Other enterprises controlled by the same controlling shareholder and ultimate controlling party	—	913,233,068.59	1,174,467,939.27
Sinotrans Container Lines (Hainan) Co., Ltd.	Transportation and related services	199,937,133.26	98,699,501.98
Sinotrans Container Lines Co., Ltd.	Transportation and related services	193,372,036.13	667,239,311.64
Sinotrans Container Lines Overseas Company Limited	Transportation and related services	65,056,485.81	—
Shanghai Zhaotong Container Transportation Co., Ltd.	Transportation and related services	55,290,244.57	464,234.68
Sinotrans Alashankou Company	Transportation and related services	31,220,772.20	14,552,897.84
Dandong Port Group Co., Ltd.	Transportation and related services	27,721,526.87	9,848,217.86
Liaoning Port Holding (Yingkou) Co., Ltd.	Transportation and related services	27,038,677.01	8,271,423.55
Hubei Sinotrans Bulk Cargo Transportation Co., Ltd.	Transportation and related services	25,417,944.32	—
YANGTZE NAVIGATION (SINGAPORE) PTE. LTD.	Transportation and related services	22,904,588.51	—
Nanjing Tanker Corporation	Transportation and related services	21,223,385.40	98,431,242.31
CSC (Wuhan) Green Shipping Technology Services Co., Ltd.	Transportation and related services	20,940,481.68	1,598,103.56
Shenzhen Merchants Home Technology Co., Ltd.	Purchase of goods	20,762,015.96	31,557,542.22
Liaoning Port Co., Ltd.	Transportation and related services	19,416,508.10	23,931,484.92
Yingkou Xingang Ore Terminal Co., Ltd.	Transportation and related services	15,341,207.32	4,441,180.95
China Merchants Property Management Co., Ltd.	Property management fees	14,402,046.18	10,417,563.18
Zhanjiang Port (Group) Co., Ltd.	Transportation and related services	13,285,833.99	14,839,814.80
SCSC International Merchant&Shipping (Hong Kong) Company Limited	Transportation and related services	12,542,521.60	14,902,456.57
Dalian Container Terminal Co., Ltd.	Transportation and related services	11,982,929.63	9,144,044.12
China Merchants International Terminal (Qingdao) Limited	Transportation and related services	8,777,876.24	8,436,646.46
Panjin Port Group Co., Ltd.	Transportation and related services	8,034,818.63	2,636,627.37
China Changjiang National Shipping (Group) Corporation	Transportation and related services	5,959,915.04	—
China Merchants Bonded Logistics Co., Ltd.	Transportation and related services	5,840,487.53	8,796,041.49
Beijing Aocheng Wuhe Real Estate Co., Ltd.	Property management fees	5,606,686.71	3,730,555.73
Yiu Lian Dockyards (Shekou) Limited	Transportation and related services	5,442,483.66	—
AVIC Property Management Co., Ltd.	Transportation and related services	5,149,455.65	486,198.11
Shenzhen Lianda Tug Co., Ltd.	Transportation and related services	4,350,346.70	5,101,252.83
China Merchants Group Finance Co., Ltd.	Interest expense, handling charge	4,204,501.12	5,290,441.77
Shenzhen Chiwan Tug Co., Ltd.	Transportation and related services	3,495,801.31	3,608,001.22
Shenzhen Chiwan Port Development Co., Ltd.	Transportation and related services	3,289,217.34	922,482.43
Zhanjiang Port International Container Terminal Co., Ltd.	Transportation and related services	2,630,977.61	4,726,929.16
SINOTRANS & CSC	Technical service fee	2,597,211.86	2,254,867.23
Shanghai Changjiang International Shipping Agency Co., Ltd.	Transportation and related services	2,548,901.86	4,503,652.41
Inner Mongolia Inland Bonded Logistics Park Co., Ltd.	Transportation and related services	2,206,338.80	6,995,252.27
Nanjing Merchants Bureau Real Estate Management Co., Ltd.	Property management fees	2,154,638.40	—
Zhaotong Supply Chain Management Co., Ltd.	Transportation and related services	2,074,130.21	—

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For the period ended 30 June 2024

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

X. RELATED-PARTY RELATIONSHIP AND TRANSACTIONS (CONTINUED)

4. THE GROUP HAD THE FOLLOWING SIGNIFICANT RELATED TRANSACTIONS WITH THE ABOVE-RELATED PARTIES DURING THE PERIOD (CONTINUED)

(2) Related party transactions for the purchase and sale of goods, rendering and acceptance of services (Continued)

2) Purchase of goods and acceptance of services (Continued)

Name of related party	Content of related transactions	Accumulated for the period	Accumulated prior period
Shanghai Investment Promotion Bureau Property Management Co., Ltd.	Property management fees	2,031,561.67	1,319,188.46
Dongguan Chiwan Wharf Co., Ltd.	Transportation and related services	1,924,128.27	378,399.04
Guangdong Yide Port Co., Ltd.	Transportation and related services	1,830,308.82	1,549,623.49
Wuhan Changjiang Steamship Company	Transportation and related services	1,640,850.00	5,233.96
Sinotrans Guangdong Co., Ltd.	Transportation and related services	1,636,080.90	19,926.15
Zhangzhou China Merchants Tugboat Company Limited	Transportation and related services	1,602,830.05	1,388,867.81
Chongqing Sinotrans Bulk Cargo Transportation Co., Ltd.	Transportation and related services	1,505,367.11	-
Sinotrans (Jiaxing) International Freight Forwarding Co., Ltd.	Transportation and related services	1,447,596.75	1,428,571.43
Zhangzhou China Merchants Port Co., Ltd.	Transportation and related services	1,394,931.01	1,674,587.02
China Merchants Port (Shenzhen) Co., Ltd.	Transportation and related services	1,394,916.09	547,984.49
Sinotrans Shanghai (Group) Property Development Co., Ltd.	Transportation and related services	1,357,485.72	844,180.82
Shenzhen China Merchants Ro-Ro Transportation Co., Ltd.	Transportation and related services	1,325,287.51	13,826,938.43
CSC Cargo Co., Ltd.	Transportation and related services	1,277,361.59	3,699,507.89
Sinotrans Shanghai (Group) Co., Ltd.	Property management fees	1,138,622.48	2,006,368.27
Dalian United King Port Auto Trade Co., Ltd.	Transportation and related services	1,127,079.64	-
Inner Mongolia Sinotrans Logistics Co., Ltd.	Transportation and related services	1,049,377.18	-
Zhanjiang Port Petrochemical Terminal Co., Ltd.	Transportation and related services	858,225.60	1,952,195.43
Shekou Container Terminal Co., Ltd.	Transportation and related services	658,907.12	1,186,281.57
Wuhan Merchants Roll-on-roll Transportation Co., Ltd.	Transportation and related services	470,091.74	2,091,669.72
Wuhan Changjiang Waterway Institute of Planning and Design Co., Ltd.	Expenditure on construction in progress	330,188.68	1,695,509.88
Tianjin Sinotrans Binhai Logistics Management Co., Ltd.	Transportation and related services	195,006.12	1,101,861.97
Sinotrans Jiangsu Logistics Co., Ltd.	Transportation and related services	164,278.65	1,582,490.02
Shanghai Foreign Trade Warehouse Pudong Company	Transportation and related services	-	21,579,463.01
Xinjiang Sinotrans Regional Storage and Transportation Co., Ltd.	Transportation and related services	-	5,152,200.00
China Freight Forwarding Fujian Hexi Storage & Transportation Company	Transportation and related services	-	4,261,134.78
SINOTRANS Shanghai Zhang HUA BANG Storage and Transportation Co., Ltd.	Transportation and related services	-	3,373,092.45
Ningbo Dixie Merchants International Terminal Co., Ltd.	Transportation and related services	-	1,981,380.75
Wenzhou Sinotrans Logistics Co., Ltd.	Transportation and related services	-	1,820,734.24
Guangxi Sinotrans Nanning Storage and Transportation Co., Ltd.	Transportation and related services	-	1,492,800.06
Liaoning Sinotrans Co., Ltd.	Transportation and related services	-	1,328,598.12
Guangxi Sinotrans Automobile Transportation Co., Ltd.	Transportation and related services	-	1,310,400.06
Sinotrans Hebei Company Yuanshi Warehouse	Transportation and related services	-	1,190,886.00
Shanghai Foreign Trade Warehouse Jiefangdao Storage and Transportation Co., Ltd.	Transportation and related services	-	1,108,069.71
Chongqing Changhang Dongfeng Shipbuilding Industry Co., Ltd.	Transportation and related services	-	1,095,872.63
Others	Transport and related services, etc.	14,652,458.68	24,645,952.95

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For the period ended 30 June 2024
(Unless indicated otherwise, all amounts are expressed in RMB)

X. RELATED-PARTY RELATIONSHIP AND TRANSACTIONS (CONTINUED)

4. THE GROUP HAD THE FOLLOWING SIGNIFICANT RELATED TRANSACTIONS WITH THE ABOVE-RELATED PARTIES DURING THE PERIOD (CONTINUED)

(2) Related party transactions for the purchase and sale of goods, rendering and acceptance of services (Continued)

2) Purchase of goods and acceptance of services (Continued)

Name of related party	Content of related transactions	Accumulated for the period	Accumulated prior period
Joint ventures and their subsidiaries	—	691,921,317.68	478,596,918.36
Xinjiang New Railway Sinotrans Logistics Co., Ltd.	Transportation and related services	171,830,607.29	184,583,690.24
Shaanxi Sinotrans Guotie Logistics Co., Ltd.	Transportation and related services	148,168,325.90	45,704,623.46
Sinotrans Turkey Limited	Transportation and related services	127,084,470.34	82,180,678.55
Beijing Sinotrans Huali Logistics Co., Ltd.	Transportation and related services	41,425,458.03	25,787,256.75
China-Vietnam Sinotrans Logistics Co., Ltd.	Transportation and related services	34,283,149.42	15,994,390.35
DHL-Sinotrans International Air Courier Ltd.	Transportation and related services	30,483,496.85	29,774,151.91
New Land Bridge (Lianyungang) Terminal Co., Ltd.	Transportation and related services	25,381,625.78	12,073,407.76
Jiangsu Nantong Sinotrans Supply Chain Management Co., Ltd.	Transportation and related services	23,347,700.64	21,412,409.79
Sinotrans Suzhou Logistics Center Co., Ltd.	Transportation and related services	15,669,756.59	14,687,952.18
Jiangsu Sinotrans Lvti Port Heavy Logistics Development Co., Ltd.	Transportation and related services	14,495,821.78	3,064,156.22
Dongguan Port Container Terminals Co., Ltd.	Transportation and related services	9,119,674.40	11,146,410.51
Sinotrans Philippines Inc.	Transportation and related services	5,984,898.75	770,270.06
Yantai Comprehensive Bonded Zone Baoyuntong Supply Chain Management Co., Ltd.	Transportation and related services	5,335,777.83	1,163,100.00
Nissin-Sinotrans International Logistics Co., Ltd.	Transportation and related services	5,335,384.85	1,078,162.43
Ningbo Taiping International Trade Transportation Co., Ltd.	Transportation and related services	4,852,361.75	745,995.36
Weihai Comprehensive Bonded Zone Hongxin Supply Chain Management Co., Ltd.	Transportation and related services	4,379,458.28	2,021,556.23
SINOTRANS ALMAJDOUIE MIDDLE EAST CO., LTD.	Transportation and related services	4,287,163.11	2,722,917.53
Wuhan Eastlake Comprehensive Bonded Area Bonded Logistics Co., Ltd.	Transportation and related services	3,248,476.70	-
Sinotrans Aramex (Shanghai) International Aviation Express Delivery Co., Ltd.	Transportation and related services	2,591,236.18	3,825,157.28
Rushan Sinotrans Port Logistics Development Co., Ltd.	Transportation and related services	1,776,050.00	-
Sinotrans Logistics (Pakistan) Limited	Transportation and related services	1,727,119.61	4,357,809.15
Jingjiang Sinotrans Bonded Logistics Co., Ltd.	Transportation and related services	1,679,957.44	107,252.83
Sinotrans High-Tech Logistics (Suzhou) Co., Ltd.	Transportation and related services	1,608,827.06	1,938,910.22
Tangshan Port Sinotrans Shipping Agency Co., Ltd.	Transportation and related services	1,479,021.56	3,045,881.60
Jiangsu Sinotrans Yangkou Port Logistics Development Co., Ltd.	Transportation and related services	1,217,591.34	-
Ningbo Dagang New Century Container Co., Ltd.	Transportation and related services	711,638.56	1,973,583.34
Shenyang Jinyun Automobile Logistics Co., Ltd.	Transportation and related services	648,253.23	1,840,125.46
Sinotrans Sarens Logistics Co., Ltd.	Transportation and related services	23,865.08	2,336,404.80
Dongguan Sinotrans Kuasheng E-Commerce Co., Ltd.	Transportation and related services	-	1,374,440.69
Others	Transport and related services, etc.	3,744,149.33	2,886,223.66

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For the period ended 30 June 2024

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

X. RELATED-PARTY RELATIONSHIP AND TRANSACTIONS (CONTINUED)

4. THE GROUP HAD THE FOLLOWING SIGNIFICANT RELATED TRANSACTIONS WITH THE ABOVE-RELATED PARTIES DURING THE PERIOD (CONTINUED)

(2) Related party transactions for the purchase and sale of goods, rendering and acceptance of services (Continued)

2) Purchase of goods and acceptance of services (Continued)

Name of related party	Content of related transactions	Accumulated for the period	Accumulated prior period
Associates and their subsidiaries	—	269,371,864.80	254,152,122.39
Weihai Weidong Shipping Co., Ltd.	Transportation and related services	65,371,024.74	56,938,489.63
Liaoning Sinotrans Hengjiu Transportation Service Co., Ltd.	Transportation and related services	39,106,627.82	74,662,018.99
Shandong Port&Shipping Sinotrans Supply Chain Development Co., Ltd.	Transportation and related services	35,052,309.52	-
Jiangsu Jiangyin Port Group Co., Ltd.	Transportation and related services	24,975,197.78	33,878,703.13
Loscam Packaging Equipment Leasing (Shanghai) Co., Ltd.	Transportation and related services	20,952,584.36	17,602,780.42
Nanjing Huaxing Loading and Unloading Service Co., Ltd.	Transportation and related services	13,376,288.98	7,147,016.40
Sinotrans Huajie International Logistics (Beijing) Co., Ltd.	Transportation and related services	12,047,187.34	8,850,952.12
Sinotrans Medical Technology (Chengdu) Co., Ltd.	Transportation and related services	11,594,770.28	299,109.33
Nantong Sinotrans Dongzaogang Logistics Development Co., Ltd.	Transportation and related services	7,552,131.33	14,112,334.73
Yangzhou Comprehensive Bonded Zone Supply Chain Management Co., Ltd.	Transportation and related services	7,187,298.70	4,980,797.34
Wuhan Port Container Co., Ltd.	Transportation and related services	7,089,763.49	6,974,066.98
Ma'anshan Tianshun Port Co., Ltd.	Transportation and related services	6,905,969.40	7,861,817.94
Qingdao Yujiachang Container Storage And Transportation Co. Ltd.	Transportation and related services	5,690,258.84	4,757,160.59
China-Europe Railway Express (Shenyang) Assembly Center Construction and Operation Co., Ltd.	Transportation and related services	4,637,509.81	951,837.20
Shenyang Henglu Logistics Co., Ltd.	Transportation and related services	2,877,798.12	2,811,291.56
China International Exhibition Transportation Co., Ltd.	Transportation and related services	1,150,425.37	8,825,957.75
Tianjin Runfeng Logistics Co., Ltd.	Transportation and related services	1,029,664.46	651,680.41
Beijing Chentong Freight Service Co., Ltd.	Transportation and related services	1,015,278.14	478,388.22
Jiangmen Gaosha Outside Freight Agency Co., Ltd.	Transportation and related services	1,007,922.60	777,435.24
Land and Sea New Channel Operation Co. Ltd.	Transportation and related services	-	1,351,973.33
Others	Transport and related services, etc.	751,853.72	238,311.08
A joint venture of the ultimate controlling party	—	10,387,019.94	-
China Changjiang Bunker (Sinopec) Co., Ltd.	Transportation and related services	10,387,019.94	-
An associate of the ultimate controlling party	—	7,400,450.33	3,928,191.40
China Merchants Bank Co., Ltd.	Interest expense, handling charge	7,400,450.33	3,928,191.40
Total services accepted	—	1,892,313,721.34	1,911,145,171.42

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For the period ended 30 June 2024
(Unless indicated otherwise, all amounts are expressed in RMB)

X. RELATED-PARTY RELATIONSHIP AND TRANSACTIONS (CONTINUED)

4. THE GROUP HAD THE FOLLOWING SIGNIFICANT RELATED TRANSACTIONS WITH THE ABOVE-RELATED PARTIES DURING THE PERIOD (CONTINUED)

(3) Balance of major creditor's rights and debts

Item	Name of related party	Closing balance	Opening balance	
Cash and bank balances	Other enterprises controlled by the same controlling shareholder and ultimate controlling party	3,412,179,110.14	4,223,397,105.18	
	China Merchants Group Finance Co., Ltd.	3,412,179,110.14	4,223,397,105.18	
	An associate of the ultimate controlling party	515,790,935.35	196,376,904.32	
	China Merchants Bank Co., Ltd.	515,790,935.35	196,376,904.32	
	Total cash and bank balances	3,927,970,045.49	4,419,774,009.50	
Accounts receivable	Other enterprises controlled by the same controlling shareholder and ultimate controlling party	98,101,177.14	72,451,990.14	
	Sinotrans Container Lines Co., Ltd.	39,975,214.07	22,446,726.21	
	Shanghai Changjiang Shipping Corporation	14,247,348.02	15,702,500.79	
	Sinotrans Container Lines (Hainan) Co., Ltd.	8,417,515.33	918,596.80	
	Sinotrans Container Lines Overseas Company Limited	7,494,715.06	-	
	Sinotrans Container Lines (Hong Kong) Co., Ltd.	3,372,050.21	9,846,126.30	
	Chongqing Sinotrans Bulk Cargo Transportation Co., Ltd.	2,332,235.47	1,314,758.90	
	SINOTRANS Henan, Jiuling Transport & Storage Co.	2,069,999.97	4,140,000.00	
	Shanghai Zhaotong Container Transportation Co., Ltd.	1,846,637.09	176,648.57	
	Shanghai China Merchants Ming Wah Shipping Company Limited	1,480,458.84	5,473,051.53	
	Nanjing Tanker Corporation	1,332,397.51	1,115,956.23	
	SINOTRANS Shanghai Zhang HUA BANG Storage and Transportation Co., Ltd.	1,276,132.08	-	
	China Merchants Viking Cruise Co., Ltd.	1,275,961.03	1,212,211.61	
	Nanjing Yangyang Chemicals Transport & Trade Co., Ltd.	1,210,020.12	1,338,387.61	
	Associated Maritime Company (Hong Kong) Limited	762,863.97	1,146,032.82	
	China Merchants Heavy Industry (Jiangsu) Co., Ltd.	701,345.00	2,186,000.00	
	YANGTZE NAVIGATION (SINGAPORE) PTE. LTD.	692,974.61	1,111,228.92	
	China Merchants Jinling SHIPYARD (Weihai) Co., Ltd.	103,748.18	1,005,221.95	
	Others	9,509,560.58	3,318,541.90	
		Joint ventures and associates and their subsidiaries	131,104,490.65	111,974,891.23
		Nissin-Sinotrans International Logistics Co., Ltd.	33,752,099.52	30,163,731.82
		Shaanxi Sinotrans Guotie Logistics Co., Ltd.	23,204,219.39	26,557,326.29
		Jiangsu Nantong Sinotrans Supply Chain Management Co., Ltd.	8,074,388.48	2,489,638.64
		DHL-Sinotrans International Air Courier Ltd.	7,359,217.02	6,086,842.44
		Beijing Medlink Supply Chain Management Co., Ltd.	7,283,401.62	2,311,331.14
		Loscam Packaging Equipment Leasing (Shanghai) Co., Ltd.	6,782,729.91	2,985,537.50
		Sinotrans Aramex (Shanghai) International Aviation Express Delivery Co., Ltd.	5,512,579.49	2,993,750.52
		Nantong Sinotrans Dongzaogang Logistics Development Co., Ltd.	5,261,710.35	1,200,516.68
		Weihai Comprehensive Bonded Zone Hongxin Supply Chain Management Co., Ltd.	3,563,085.90	2,083,779.88
		China-Vietnam Sinotrans Logistics Co., Ltd.	2,996,414.18	3,313,791.11
		MAXX LOGISTICS FZCO.	2,930,011.29	1,945,216.01
		Beijing Sinotrans Huali Logistics Co., Ltd.	2,288,450.46	807,132.67
	Loscam Supply Chain Management (Jiaxing) Co., Ltd.	2,178,480.61	1,715,257.65	
	Shanghai Tongyun International Logistics Co., Ltd.	2,045,868.30	1,802,202.43	

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Notes to the Financial Statements

For the period ended 30 June 2024

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

X. RELATED-PARTY RELATIONSHIP AND TRANSACTIONS (CONTINUED)

4. THE GROUP HAD THE FOLLOWING SIGNIFICANT RELATED TRANSACTIONS WITH THE ABOVE-RELATED PARTIES DURING THE PERIOD (CONTINUED)

(3) Balance of major creditor's rights and debts (Continued)

Item	Name of related party	Closing balance	Opening balance
	Sinotrans PFS Cold Chain Logistics Co., Ltd.	1,975,389.68	2,653,355.01
	Ningbo Taiping International Trade Transportation Co., Ltd.	1,851,771.39	997,097.26
	Weihai Weidong Shipping Co., Ltd.	1,594,644.25	1,666,047.03
	Zhangjiagang Bonded Port Area Sinotrans Changjiang International Logistics Co., Ltd.	1,519,326.12	104,458.94
	Sinotrans Sarens Logistics Co., Ltd.	1,499,700.00	3,606,131.30
	Sinotrans Huajie International Logistics (Beijing) Co., Ltd.	1,142,659.67	669,913.23
	SINOTRANS ALMAJDOUIE MIDDLE EAST CO., LTD.	831,391.23	3,791,873.39
	Sinotrans Senko International Cold Chain Logistics (Shanghai) Co., Ltd.	2,200.00	1,311,355.61
	Sinotrans Turkey Limited	-	2,514,497.73
	Others	7,454,751.79	8,204,106.95
	Total accounts receivable	229,205,667.79	184,426,881.37
Other receivables	Other enterprises controlled by the same controlling shareholder and ultimate controlling party	50,671,916.13	22,712,712.12
	Shanghai Changjiang Shipping Corporation	25,586,929.15	-
	China Merchants Sinotrans (Shenzhen) Industrial Innovation Private Equity Investment Fund Partnership (Limited Partnership)	5,060,612.88	3,568,312.33
	Zhengzhou Merchants Logistics Co., Ltd.	3,493,416.63	4,042,884.48
	Beijing Aocheng Wuhe Real Estate Co., Ltd.	3,140,072.40	2,966,874.48
	China Merchants Bonded Logistics Co., Ltd.	2,520,197.26	2,498,106.78
	China Merchants International Terminal (Qingdao) Limited	1,640,000.00	1,290,000.00
	Chongqing Waiyun Logistics Company	1,504,516.58	16,055.10
	Sinotrans Container Lines Co., Ltd.	1,419,972.16	858,800.00
	Long Distance Transportation Co., Ltd.	-	2,135,317.81
	Others	6,306,199.07	5,336,361.14
	Joint ventures and associates	53,994,111.74	54,299,401.18
	Shenyang Jinyun Automobile Logistics Co., Ltd.	20,249,247.88	20,250,237.89
	MAXX LOGISTICS FZCO.	13,832,763.32	12,719,323.08
	DHL-Sinotrans International Air Courier Ltd.	4,334,000.00	5,473,105.00
	Guangxi Yunyu Port Co., Ltd.	2,680,000.00	2,680,000.00
	Sinotrans Logistics (Pakistan) Limited	1,701,603.92	1,086,918.23
	Sinotrans Suzhou Logistics Center Co., Ltd.	1,117,580.94	964,688.36
	Sinotrans Philippines Inc.	559,766.55	2,321,221.84
	Others	9,519,149.13	8,803,906.78
	Total other receivables	104,666,027.87	77,012,113.30

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For the period ended 30 June 2024
(Unless indicated otherwise, all amounts are expressed in RMB)

X. RELATED-PARTY RELATIONSHIP AND TRANSACTIONS (CONTINUED)

4. THE GROUP HAD THE FOLLOWING SIGNIFICANT RELATED TRANSACTIONS WITH THE ABOVE-RELATED PARTIES DURING THE PERIOD (CONTINUED)

(3) Balance of major creditor's rights and debts (Continued)

Item	Name of related party	Closing balance	Opening balance
Dividends receivable	Joint ventures and associates	41,584,683.50	37,507,529.28
	Sinotrans High-Tech Logistics (Suzhou) Co., Ltd.	24,000,000.00	24,000,000.00
	New Land Bridge (Lianyungang) Terminal Co., Ltd.	15,723,699.78	-
	SINOTRANS ALMAJDOUIE MIDDLE EAST CO., LTD.	1,860,983.72	1,860,983.72
	Wuhan Port Container Co., Ltd.	-	6,112,000.00
	Xinjiang New Railway Sinotrans Logistics Co., Ltd.	-	4,152,519.48
	Shenyang Henglu Logistics Co., Ltd.	-	1,382,026.08
Interest receivable	Joint ventures	1,202,628.68	1,160,913.17
	MAXX LOGISTICS FZCO.	1,202,628.68	1,160,913.17
Prepayments	Other enterprises controlled by the same controlling shareholder and ultimate controlling party	14,291,269.35	20,934,253.97
	Liaoning Port Holding (Yingkou) Co., Ltd.	5,030,457.85	208,588.00
	Sinotrans Alashankou Company	3,514,310.77	1,531,685.64
	Dandong Port Group Co., Ltd.	1,709,636.62	2,722,254.51
	HONG KONG MING WAH SHIP MANAGEMENT COMPANY LIMITED	1,005,612.20	-
	Shanghai Changjiang Shipping Corporation	4,501.45	5,165,201.45
	Yingkou Xingang Ore Terminal Co., Ltd.	-	9,479,539.08
	Others	3,026,750.46	1,826,985.29
	Joint ventures and associates	188,684,830.40	153,741,522.38
	Shaanxi Sinotrans Guotie Logistics Co., Ltd.	66,609,427.84	47,239,100.00
	Jiangsu Jiangyin Port Group Co., Ltd.	61,676,023.56	52,456,749.73
	Sinotrans Medical Technology (Chengdu) Co., Ltd.	21,058,393.00	19,008,393.00
	Liaoning Sinotrans Hengjiu Transportation Service Co., Ltd.	19,481,632.52	14,454,142.67
	Sinotrans Turkey Limited	9,546,709.22	1,183,123.32
	MAXX LOGISTICS FZCO.	5,675,046.46	1,289,918.77
	Yangzhou Comprehensive Bonded Zone Supply Chain Management Co., Ltd.	1,135,025.52	-
	Sinotrans Huaijie International Logistics (Beijing) Co., Ltd.	1,000,000.00	16,047.30
	Sinotrans Suzhou Logistics Center Co., Ltd.	342,995.05	1,167,032.12
	Beijing Sinotrans Huali Logistics Co., Ltd.	1,951.46	1,329,155.34
	New Land Bridge (Lianyungang) Terminal Co., Ltd.	-	9,697,236.33
Tangshan Port Sinotrans Shipping Agency Co., Ltd.	-	1,039,356.20	
Others	2,157,625.77	4,861,267.60	
Total prepayments		202,976,099.75	174,675,776.35

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Notes to the Financial Statements

For the period ended 30 June 2024

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

X. RELATED-PARTY RELATIONSHIP AND TRANSACTIONS (CONTINUED)

4. THE GROUP HAD THE FOLLOWING SIGNIFICANT RELATED TRANSACTIONS WITH THE ABOVE-RELATED PARTIES DURING THE PERIOD (CONTINUED)

(3) Balance of major creditor's rights and debts (Continued)

Item	Name of related party	Closing balance	Opening balance
Non-current assets due within one year	Associates	12,520,000.00	15,120,000.00
	Shanghai Pu'an Storage Co., Ltd.	12,520,000.00	15,120,000.00
Accounts payable	Other enterprises controlled by the same controlling shareholder and ultimate controlling party	281,924,371.35	155,513,788.62
	Sinotrans Container Lines Co., Ltd.	52,292,099.26	8,294,119.37
	Sinotrans Container Lines (Hainan) Co., Ltd.	50,188,914.40	24,921,401.08
	Hubei Sinotrans Bulk Cargo Transportation Co., Ltd.	19,156,386.94	31,029,675.01
	Shanghai Changjiang Shipping Corporation	18,107,741.94	27,351,674.68
	Zhengzhou Merchants Logistics Co., Ltd.	16,059,513.85	9,818,736.27
	Beijing Sinotrans Logistics Center Co., Ltd.	14,742,556.24	-
	Beijing Sinotrans Land Transportation Co., Ltd.	13,729,508.27	-
	SCSC International Merchant&Shipping (Hong Kong) Company Limited	11,070,000.00	5,550,000.00
	Sinotrans Beijing Sanjianfang Warehouse Ltd.	7,376,511.96	-
	CSC (Wuhan) Green Shipping Technology Services Co., Ltd.	6,495,013.28	559,402.65
	Nanjing Tanker Corporation	5,767,155.29	8,354,874.68
	Panjin Port Group Co., Ltd.	5,151,105.00	-
	Yiu Lian Dockyards (Shekou) Limited	5,125,000.85	-
	Sinotrans Alashankou Company	4,459,640.26	522,145.20
	Shanghai Zhaotong Container Transportation Co., Ltd.	4,229,478.61	17,668.45
	Sinotrans Container Lines Overseas Company Limited	3,648,358.36	-
	Hailong No. 15 (Tianjin) Leasing Co., Ltd.	3,250,000.00	3,250,000.00
	Liaoning Port Holding (Yingkou) Co., Ltd.	2,532,501.00	2,537,548.82
	Daliangang Group Co., Ltd.	2,522,079.61	5,396.00
	Yingkou Xingang Ore Terminal Co., Ltd.	2,262,614.37	-
	Shenzhen Lianda Tug Co., Ltd.	2,169,634.00	1,580,336.00
	Zhanjiang Port (Group) Co., Ltd.	2,097,174.63	1,572,719.52
	China Changjiang National Shipping (Group) Corporation	1,914,171.31	-
	China Merchants Property Management Co., Ltd.	1,759,646.78	1,062,278.55
	Wuhan Changjiang Steamship Company	1,442,600.00	689,300.00
	Dalian Container Terminal Co., Ltd.	1,415,097.00	3,169,554.00
	CSC Cargo Co., Ltd.	1,368,846.31	624,942.14
	Shenzhen Chiwan Tug Co., Ltd.	1,349,905.00	1,067,880.00
	Zhaotong Supply Chain Management Co., Ltd.	1,348,543.54	28,728.07
	Chongqing Sinotrans Bulk Cargo Transportation Co., Ltd.	1,190,740.29	325,265.01
	Sinotrans Shanghai (Group) Co., Ltd.	1,047,619.04	2,734.03
	China Merchants Bonded Logistics Co., Ltd.	1,018,354.61	24,870.67
	YANGTZE NAVIGATION (SINGAPORE) PTE. LTD.	-	11,394,690.04
	AVIC Property Management Co., Ltd.	-	1,500,000.00
	Others	15,635,859.35	10,257,848.38

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For the period ended 30 June 2024
(Unless indicated otherwise, all amounts are expressed in RMB)

X. RELATED-PARTY RELATIONSHIP AND TRANSACTIONS (CONTINUED)

4. THE GROUP HAD THE FOLLOWING SIGNIFICANT RELATED TRANSACTIONS WITH THE ABOVE-RELATED PARTIES DURING THE PERIOD (CONTINUED)

(3) Balance of major creditor's rights and debts (Continued)

Item	Name of related party	Closing balance	Opening balance
	Joint ventures and associates	335,008,972.55	221,137,748.94
	Xinjiang New Railway Sinotrans Logistics Co., Ltd.	91,476,841.86	32,013,793.25
	Shaanxi Sinotrans Guotie Logistics Co., Ltd.	29,887,078.72	5,662,359.69
	Jiangsu Sinotrans Lvsì Port Heavy Logistics Development Co., Ltd.	24,462,949.18	18,662,795.49
	Shandong Port&Shipping Sinotrans Supply Chain Development Co., Ltd.	21,186,954.63	18,839,295.51
	China-Vietnam Sinotrans Logistics Co., Ltd.	21,158,958.30	13,502,601.82
	Beijing Sinotrans Huali Logistics Co., Ltd.	16,593,492.46	22,297,796.67
	Loscam Packaging Equipment Leasing (Shanghai) Co., Ltd.	15,663,228.01	17,451,533.51
	Jiangsu Nantong Sinotrans Supply Chain Management Co., Ltd.	14,049,730.31	8,219,382.62
	Weihai Weidong Shipping Co., Ltd.	13,474,119.55	5,457,991.19
	Sinotrans Turkey Limited	10,639,886.85	41,804.95
	Sinotrans Suzhou Logistics Center Co., Ltd.	7,826,342.90	2,478,371.35
	Qingdao Yujiachang Container Storage And Transportation Co. Ltd.	7,611,624.30	8,533,100.69
	Wuhan Port Container Co., Ltd.	5,504,208.78	4,829,675.99
	Yangzhou Comprehensive Bonded Zone Supply Chain Management Co., Ltd.	4,855,117.72	322,046.09
	Sinotrans Huajie International Logistics (Beijing) Co., Ltd.	4,474,748.31	8,174,282.94
	China Changjiang Bunker (Sinopec) Co., Ltd.	3,605,836.42	299,440.79
	Yantai Comprehensive Bonded Zone Baoyuntong Supply Chain Management Co., Ltd.	3,332,870.93	1,427,684.00
	Jiangsu Jiangyin Port Group Co., Ltd.	3,167,882.73	9,619,861.69
	Nanjing Huaxing Loading and Unloading Service Co., Ltd.	3,119,597.58	2,191,446.86
	Sinotrans Medical Technology (Chengdu) Co., Ltd.	3,077,993.85	433,882.06
	Sinotrans Logistics (Pakistan) Limited	3,030,045.47	5,018,126.80
	Ningbo Taiping International Trade Transportation Co., Ltd.	2,750,041.21	110,277.98
	Ma'anshan Tianshun Port Co., Ltd.	2,635,519.61	2,138,820.46
	Liaoning Sinotrans Hengjiu Transportation Service Co., Ltd.	2,522,665.34	6,067,612.54
	Sinotrans High-Tech Logistics (Suzhou) Co., Ltd.	1,840,201.47	660,566.09
	Rushan Sinotrans Port Logistics Development Co., Ltd.	1,776,050.00	-
	Nantong Sinotrans Dongzaogang Logistics Development Co., Ltd.	1,727,241.71	803,395.25
	Dongguan Port Container Terminals Co., Ltd.	1,597,335.66	976,233.04
	SINOTRANS ALMAJDOUIE MIDDLE EAST CO., LTD.	1,278,249.17	1,781,141.16
	China International Exhibition Transportation Co., Ltd.	1,150,425.37	695,219.33
	Nissin-Sinotrans International Logistics Co., Ltd.	1,055,924.94	1,196,034.23
	Weihai Comprehensive Bonded Zone Hongxin Supply Chain Management Co., Ltd.	1,055,095.07	843,262.72
	China-Europe Railway Express (Shenyang) Assembly Center Construction and Operation Co., Ltd.	425,116.00	10,219,174.99
	Shenyang Henglu Logistics Co., Ltd.	-	1,834,974.73
	New Land Bridge (Lianyungang) Terminal Co., Ltd.	-	1,127,801.88
	MAXX LOGISTICS FZCO.	-	1,076,515.80
	Others	6,995,598.14	6,129,444.78
	Total payables	616,933,343.90	376,651,537.56

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Notes to the Financial Statements

For the period ended 30 June 2024

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

X. RELATED-PARTY RELATIONSHIP AND TRANSACTIONS (CONTINUED)

4. THE GROUP HAD THE FOLLOWING SIGNIFICANT RELATED TRANSACTIONS WITH THE ABOVE-RELATED PARTIES DURING THE PERIOD (CONTINUED)

(3) Balance of major creditor's rights and debts (Continued)

Item	Name of related party	Closing balance	Opening balance
Other payables	Other enterprises controlled by the same controlling shareholder and ultimate controlling party	583,685,762.20	532,323,451.97
	Shanghai Changjiang Shipping Corporation	183,198,164.14	175,128,068.45
	RED BRAVES FINANCE LTD.	119,759,382.52	119,265,784.68
	Sinotrans Container Lines Overseas Company Limited	75,439,867.04	-
	Sinotrans Container Lines (Hainan) Co., Ltd.	31,171,234.29	-
	Csc Chongqing Changjiang National Shipping Company	57,995,745.69	57,995,745.69
	SINOTRANS & CSC	26,827,428.87	24,078,674.27
	Beijing Aocheng Wuhe Real Estate Co., Ltd.	13,089,155.55	-
	Hubei Sinotrans Bulk Cargo Transportation Co., Ltd.	11,328,376.63	18,136,121.60
	SINOTRANS Shanghai Zhang HUA BANG Storage and Transportation Co., Ltd.	9,130,165.04	2,751,512.73
	Shandong Sinotrans Co., Ltd.	7,046,725.33	4,009,638.56
	Shanghai Foreign Trade Warehouse Pudong Company	6,163,697.92	4,351,624.62
	Shanghai Foreign Trade Warehouse Jiefangdao Storage and Transportation Co., Ltd.	5,624,468.66	1,768,336.67
	Chongqing Sinotrans Bulk Cargo Transportation Co., Ltd.	5,351,077.47	5,780,273.96
	Daliangang Group Co., Ltd.	4,994,810.61	-
	SINOTRANS Henan, Jiuling Transport & Storage Co.	3,963,302.76	-
	Sinotrans Shanghai (Group) Co., Ltd.	3,680,906.01	1,778,878.70
	Sinotrans Anhui Direct Storage and Transportation Co., Ltd.	1,846,000.00	1,846,000.00
	Shanghai Foreign Trade Yangxing Storage & Transportation Co., Ltd.	1,649,373.75	494,251.17
	Liaoning Sinotrans Co., Ltd.	1,395,184.57	-
	China Merchants Property Management Co., Ltd.	1,362,778.49	50,000.00
	Shanghai Sinotrans Anda Storage and Transportation Co., Ltd.	1,335,056.08	388,089.53
	Dalian Container Terminal Co., Ltd.	1,298,134.00	-
	Sinotrans Container Lines Co., Ltd.	1,084,425.57	104,096,259.81
	Sinotrans Nantong Co., Ltd.	925,079.55	1,121,531.02
	Sinotrans Guangdong Co., Ltd.	182,097.25	1,357,177.33
	OCEAN LIFTER I LIMITED	-	3,688,752.18
	Others	7,843,124.41	4,236,731.00
	Joint ventures and associates	39,728,271.05	40,664,868.00
	Shanghai Tongyun International Logistics Co., Ltd.	14,130,526.00	14,596,360.00
	China United Tally (Shenzhen) Co., Ltd.	9,000,000.00	9,000,000.00
	Sinotrans Turkey Limited	3,434,987.61	3,413,732.20
	Yangzhou Comprehensive Bonded Zone Supply Chain Management Co., Ltd.	2,450,000.00	-
	Shenyang Fuyun Cold Chain Logistics Co., Ltd.	2,079,460.21	2,079,460.21
	Loscam Packaging Equipment Leasing (Shanghai) Co., Ltd.	1,713,519.10	1,533,771.40
	Sinotrans Suzhou Logistics Center Co., Ltd.	1,222,579.00	1,207,297.00
	Sinotrans Senko International Cold Chain Logistics (Shanghai) Co., Ltd.	1,076,761.80	1,076,761.80
	Rongyun (Xiamen) Supply Chain Co., Ltd.	1,000,000.00	1,000,000.00
	Yueshen Transportation Co., Ltd.	617,406.85	613,841.64
	Beijing Honglian Technology Co., Ltd.	612,602.77	194,000.00
	Shanghai Wai-Hong Yishida International Logistics Co., Ltd.	-	2,299,378.80
	Shaanxi Sinotrans Guotie Logistics Co., Ltd.	-	1,519,708.08
	Others	2,390,427.71	2,130,556.87
	Total other payables	623,414,033.25	572,988,319.97

Chapter 10 Notes to the Financial Statements

For the period ended 30 June 2024
(Unless indicated otherwise, all amounts are expressed in RMB)

X. RELATED-PARTY RELATIONSHIP AND TRANSACTIONS (CONTINUED)

4. THE GROUP HAD THE FOLLOWING SIGNIFICANT RELATED TRANSACTIONS WITH THE ABOVE-RELATED PARTIES DURING THE PERIOD (CONTINUED)

(3) Balance of major creditor's rights and debts (Continued)

Item	Name of related party	Closing balance	Opening balance
Dividends payable	Other enterprises controlled by the same controlling shareholder and ultimate controlling party	641,028,937.17	22,536,259.86
	SINOTRANS & CSC	358,471,349.00	-
	China Merchants Group Co., Ltd.	232,086,628.66	-
	Shanghai Changjiang Shipping Corporation	22,670,704.29	-
	CSC Cargo Co., Ltd.	15,406,120.68	-
	China Merchants Investment Development (Hong Kong) Limited	12,304,703.22	-
	Sinotrans Jiangxi Company	72,259.86	72,259.86
	LONG LINK LIMITED	17,171.46	-
	Shenzhen Nanyou (Holdings) Corp. Ltd.	-	11,232,000.00
	China Merchants Port Group Co., Ltd.	-	11,232,000.00
Contract liabilities	Other enterprises controlled by the same controlling shareholder and ultimate controlling party	29,477,584.20	31,148,261.90
	Associated Maritime Company (Hong Kong) Limited	17,258,978.19	13,908,687.56
	China Merchants Investment Development Company Limited	7,198,003.33	11,893,814.34
	Hong Kong Ming Wah Shipping Company Limited	2,092,053.18	3,635,358.52
	Others	2,928,549.50	1,710,401.48
	Joint ventures and associates	40,545,420.52	23,459,116.65
	Xinjiang New Railway Sinotrans Logistics Co., Ltd.	20,190,407.32	8,589,639.64
	Shaanxi Sinotrans Guotie Logistics Co., Ltd.	11,380,849.55	2,501,645.80
	Shenyang Fuyun Cold Chain Logistics Co., Ltd.	4,250,000.00	4,047,619.06
	Shanghai Tongyun International Logistics Co., Ltd.	2,985,721.51	1,853,128.08
	DHL-Sinotrans International Air Courier Ltd.	1,738,042.06	2,153,647.80
	Tianjin Runfeng Logistics Co., Ltd.	-	2,151,800.00
	Others	400.08	2,161,636.27
	Total contract liabilities	70,023,004.72	54,607,378.55
Long-term payables	Other enterprises controlled by the same controlling shareholder and ultimate controlling party	20,000,000.00	20,000,000.00
	SINOTRANS & CSC	20,000,000.00	20,000,000.00
Short-term borrowings	Other enterprises controlled by the same controlling shareholder and ultimate controlling party	250,109,567.15	215,217,777.09
	China Merchants Group Finance Co., Ltd.	250,109,567.15	215,217,777.09
	An associate of the ultimate controlling party	1,400,000,000.00	200,000,000.00
	China Merchants Bank Co., Ltd.	1,400,000,000.00	200,000,000.00
	Total short-term borrowings	1,650,109,567.15	415,217,777.09

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Notes to the Financial Statements

For the period ended 30 June 2024

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

X. RELATED-PARTY RELATIONSHIP AND TRANSACTIONS (CONTINUED)

4. THE GROUP HAD THE FOLLOWING SIGNIFICANT RELATED TRANSACTIONS WITH THE ABOVE-RELATED PARTIES DURING THE PERIOD (CONTINUED)

(3) Balance of major creditor's rights and debts (Continued)

Item	Name of related party	Closing balance	Opening balance
Long-term borrowings	Other enterprises controlled by the same controlling shareholder and ultimate controlling party	104,887,058.68	107,257,228.75
	CHINA MERCHANTS INVESTMENTS LIMITED	79,887,058.68	79,257,228.75
	China Merchants Group Finance Co., Ltd.	25,000,000.00	28,000,000.00
	An associate of the ultimate controlling party	139,595,375.74	74,560,105.99
	China Merchants Bank Co., Ltd.	139,595,375.74	74,560,105.99
	Total long-term borrowings	244,482,434.42	181,817,334.74
Non-current liabilities due within one year	Other enterprises controlled by the same controlling shareholder and ultimate controlling party	2,025,125.00	47,064,650.20
	China Merchants Group Finance Co., Ltd.	2,025,125.00	30,800.00
	Sinotrans Guangdong Co., Ltd.	-	47,033,850.20
	An associate of the ultimate controlling party	10,404,624.26	5,557,274.97
	China Merchants Bank Co., Ltd.	10,404,624.26	5,557,274.97
	Total non-current liabilities due within one year	12,429,749.26	52,621,925.17

(4) The Group had no related trustee management/contracting and entrusted management/outsourcing during the period.

(5) Related leases

1) The Group as the lessor

Name of lessee	Type of leased assets	Rental income recognised for the current period	Rental income recognised for the prior period
Sinotrans Container Lines (Hong Kong) Co., Ltd.	Transportation equipment	22,662,294.45	30,067,902.60
Sinotrans Container Lines Co., Ltd.	Transportation equipment	4,416,935.24	5,835,913.56
Shenyang Fuyun Cold Chain Logistics Co., Ltd.	Buildings	4,047,619.06	4,047,619.06
Sinotrans Senko International Cold Chain Logistics (Shanghai) Co., Ltd.	Buildings	2,365,059.71	2,393,200.84
Sinotrans Container Lines Overseas Company Limited	Buildings	2,109,593.25	-
Others	Buildings and transportation equipment	517,862.64	443,550.72
Total	—	36,119,364.35	42,788,186.78

Chapter 10 Notes to the Financial Statements

For the period ended 30 June 2024
(Unless indicated otherwise, all amounts are expressed in RMB)

X. RELATED-PARTY RELATIONSHIP AND TRANSACTIONS (CONTINUED)

4. THE GROUP HAD THE FOLLOWING SIGNIFICANT RELATED TRANSACTIONS WITH THE ABOVE RELATED PARTIES DURING THE PERIOD (CONTINUED)

(5) Related leases (Continued)

2) The Group as the lessee

Name of lessor	Type of leased assets	Rental expenditure for current period	Rental expenditure for the prior period
Beijing Aocheng Wuhe Real Estate Co., Ltd.	Lands and buildings	25,182,799.98	26,679,710.22
Beijing Sinotrans Land Transportation Co., Ltd.	Lands and buildings	13,729,508.27	25,002,943.15
Beijing Sinotrans Logistics Center Co., Ltd.	Lands and buildings	13,208,556.24	21,860,396.78
Sinotrans Beijing Sanjianfang Warehouse Ltd.	Lands and buildings	6,521,511.96	10,541,854.59
Zhengzhou Merchants Logistics Co., Ltd.	Lands and buildings	6,287,255.54	6,805,982.04
Shanghai Foreign Trade Warehouse Pudong Company	Lands and buildings	5,833,333.34	9,686,720.00
Shanghai Sinotrans Qiantang Co., Ltd.	Lands and buildings	5,645,212.27	3,026,450.00
Sinotrans Nantong Co., Ltd.	Lands and buildings	5,272,411.75	5,323,438.04
Sinotrans Shanghai (Group) Co., Ltd.	Lands and buildings	4,817,566.39	1,225,673.60
SINOTRANS Henan, Jiuling Transport & Storage Co., Ltd.	Lands and buildings	3,963,302.76	1,279,531.81
China Freight Forwarding Fujian Hexi Storage & Transportation Company	Lands and buildings	3,811,926.60	-
SINOTRANS Shanghai Zhang HUA BANG Storage and Transportation Co., Ltd.	Lands and buildings	2,972,134.92	-
Sinotrans Beijing Co., Ltd.	Lands and buildings	2,966,252.31	-
China Merchants Bonded Logistics Co., Ltd.	Lands and buildings	2,928,240.00	1,756,944.00
Guangxi Sinotrans Automobile Transportation Co., Ltd.	Lands and buildings	2,407,579.06	-
Sinotrans Guangdong Co., Ltd.	Lands and buildings	2,326,612.54	1,166,235.30
Shanghai Foreign Trade Warehouse Jiefangdao Storage and Transportation Co., Ltd.	Lands and buildings	1,768,336.66	-
Guangxi Sinotrans Nanning Storage and Transportation Co., Ltd.	Lands and buildings	1,746,571.44	-
Shandong Sinotrans Co., Ltd.	Lands and buildings	1,491,117.71	2,363,166.74
Liaoning Sinotrans Co., Ltd.	Lands and buildings	1,471,307.52	1,393,415.84
Xiamen Sinotrans Co., Ltd.	Lands and buildings	1,180,377.84	1,115,819.92
Sinotrans Hebei Company Yuanshi Warehouse	Lands and buildings	1,167,101.05	-
Guangxi Sinotrans Fangchenggang Co., Ltd.	Lands and buildings	1,155,685.56	-
Others	Buildings, other assets, etc.	10,007,394.83	7,809,102.78
Total	—	127,862,096.54	127,037,384.81

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Notes to the Financial Statements

For the period ended 30 June 2024

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

X. RELATED-PARTY RELATIONSHIP AND TRANSACTIONS (CONTINUED)

4. THE GROUP HAD THE FOLLOWING SIGNIFICANT RELATED TRANSACTIONS WITH THE ABOVE RELATED PARTIES DURING THE PERIOD (CONTINUED)

(6) Related guarantees

1) 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.	735,523,200.00	813,427,200.00	2020-12-08	2027-12-07	No
SE LOGISTICS HOLDING B.V.	760,561,972.72	799,288,758.56	2020-12-08	2027-12-08	No
Shenzhen Haixing Harbor Development Co., Ltd.	451,887,051.66	459,418,502.52	2019-07-01	2037-07-01	No
China Merchants Great Stone Trade Logistics Co., Ltd.	207,240,726.57	240,063,765.45	2016-05-31	2027-04-15	No
Sinotrans Logistics Co., Ltd.	200,000,000.00	200,000,000.00	2023-08-02	2025-08-01	No
China Merchants Logistics Shenzhen Co., Ltd	100,085,833.33	-	2024-03-11	2025-01-19	No

Credit guarantees:

The Group provides a guarantee for its subsidiaries to apply for credit lines from finance companies, China Merchants Bank, and JPMorgan Chase Bank. The credit lines are valid for a period of 1 to 4 years and the credit lines can be used in a rolling cycle during the validity period. As of 30 June 2024, the Group provided a guarantee for credit lines to its subsidiaries amounting to RMB1,336,700,000 (1 January 2024: RMB1,340,900,000).

In order to meet the daily operation and business development needs of the Group's subsidiaries, on 30 October 2023, 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, it was confirmed to split the credit limit to 85 subsidiaries of the Group with an aggregate amount of RMB3,946,050,000, and it was confirmed that the debts incurred by the subsidiaries as a result of the use of the aforesaid credit limit were all included in the Maximum Amount Guarantee Contract, Application for Arrangement and Split of Credit Limit, or other guarantee contracts/clauses signed or to be signed between the Company and the Bank of China, which are guaranteed by the Company. The term of use of the credit limit (i.e. the guarantee term) is one year from the effective date of the new annual credit limit provided by the Bank of China to its subsidiaries. Among them, the guarantees provided by the Company to five subsidiaries, namely, China Marine Shipping Agency Ningbo Co., Ltd., Ningbo Transocean International Forwarding Agency Co., Ltd., Sinotrans Ningbo International Forwarding Agency Co., Ltd., Sinotrans Ningbo International Container Transportation Co., Ltd., and China Marine Shipping Agency Ningbo Co., Ltd. Beilun Branch, were all counter-guaranteed by the shareholders of the other party.

Chapter 10 Notes to the Financial Statements

For the period ended 30 June 2024
(Unless indicated otherwise, all amounts are expressed in RMB)

X. RELATED-PARTY RELATIONSHIP AND TRANSACTIONS (CONTINUED)

4. THE GROUP HAD THE FOLLOWING SIGNIFICANT RELATED TRANSACTIONS WITH THE ABOVE RELATED PARTIES DURING THE PERIOD (CONTINUED)

(6) Related guarantees (Continued)

1) *The Group as the guarantor (Continued)*

Operating guarantees:

The Group provided operating-type guarantees to its subsidiaries and joint ventures and associates for the operation of project logistics, loading and unloading operations, bidding business, shipping booking agency, warehousing services, and other businesses and asset transactions for the conduct of the operating businesses mentioned above. As of 30 June 2024, the balance of the aforementioned operating-type guarantees was RMB351,336,064 (1 January 2024: RMB350,000,000).

Qualification guarantees:

The Group guarantees the futures delivery warehouse business of Sinotrans Central China Co., Ltd. (hereinafter referred to as "Sinotrans Central China"), Sinotrans Eastern Company Limited, Sinotrans South China, Sinotrans North China Co., Ltd., Sinotrans Northeast Co. Ltd., Qingdao Sinotrans Supply Chain Management Co., Ltd., Qingdao Sinotrans Smart Logistics Co., Ltd., subsidiaries of the Group, 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 joint and several guarantees for the full amount of all liabilities for all the operations of the guaranteed party in respect of the warehousing, storage, discharging and delivery of futures commodities. The guarantee period shall be for the duration of the corresponding futures delivery warehouse business agreement between the guaranteed party and the above-mentioned futures exchange (including the period of automatic renewal without objection by both parties) and for a period of two or three years from the expiry of the duration (to be determined according to the requirements of the futures exchange).

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Notes to the Financial Statements

For the period ended 30 June 2024

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

X. RELATED-PARTY RELATIONSHIP AND TRANSACTIONS (CONTINUED)

4. THE GROUP HAD THE FOLLOWING SIGNIFICANT RELATED TRANSACTIONS WITH THE ABOVE RELATED PARTIES DURING THE PERIOD (CONTINUED)

(7) Related party fund lending

Related party	Loan amount	Starting date	Maturity date	Description
Borrowed				
China Merchants Bank Co., Ltd.	200,000,000.00	2023-12-29	2024-12-29	Short-term borrowings
China Merchants Bank Co., Ltd.	1,200,000,000.00	2024-05-31	2025-05-30	Short-term borrowings
China Merchants Bank Co., Ltd.	150,000,000.00	2023-01-16	2033-01-15	Long-term borrowings, non-current liabilities due within one year
CHINA MERCHANTS INVESTMENTS LIMITED	39,943,529.34	2022-09-21	2025-09-21	Long-term borrowings
CHINA MERCHANTS INVESTMENTS LIMITED	39,943,529.34	2023-01-03	2026-01-03	Long-term borrowings
SINOTRANS & CSC	20,000,000.00	2016-03-07	2034-03-06	Long-term payables
China Merchants Group Finance Co., Ltd.	25,023,020.83	2023-07-31	2024-07-30	Short-term borrowings
China Merchants Group Finance Co., Ltd.	50,046,041.67	2023-08-07	2024-08-06	Short-term borrowings
China Merchants Group Finance Co., Ltd.	25,023,020.83	2023-08-28	2024-08-27	Short-term borrowings
China Merchants Group Finance Co., Ltd.	50,046,041.67	2023-09-08	2024-09-07	Short-term borrowings
China Merchants Group Finance Co., Ltd.	25,023,020.83	2023-09-27	2024-09-26	Short-term borrowings
China Merchants Group Finance Co., Ltd.	25,023,020.83	2024-06-06	2025-01-03	Short-term borrowings
China Merchants Group Finance Co., Ltd.	29,860,763.89	2024-03-28	2025-01-25	Short-term borrowings
China Merchants Group Finance Co., Ltd.	20,064,636.60	2024-04-22	2025-01-25	Short-term borrowings
China Merchants Group Finance Co., Ltd.	27,025,125.00	2022-07-12	2028-05-10	Long-term borrowings, non-current liabilities due within one year
Lent				
Shanghai Pu'an Storage Co., Ltd.	12,520,000.00	2017-04-18	2024-11-20	Non-current assets due within one year
MAXX LOGISTICS FZCO.	15,035,392.00	2017-12-20	2024-12-31	Other receivables

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Notes to the Financial Statements

For the period ended 30 June 2024
(Unless indicated otherwise, all amounts are expressed in RMB)

X. RELATED-PARTY RELATIONSHIP AND TRANSACTIONS (CONTINUED)

4. THE GROUP HAD THE FOLLOWING SIGNIFICANT RELATED TRANSACTIONS WITH THE ABOVE RELATED PARTIES DURING THE PERIOD (CONTINUED)

(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	430,200.00	387,600.00
– Discretionary bonuses	—	—
– Contributions to the pension plan	116,535.36	114,608.64
– Share-based payments	178,003.83	433,794.21
Supervisors:	—	—
Fee	107,400.00	107,400.00
Other remuneration	—	—
– Wages and allowances	554,010.00	457,410.00
– Discretionary bonuses	37,434.00	37,434.00
– Contributions to the pension plan	170,245.92	145,392.48
– Share-based payments	—	—

Note: The directors' fees disclosed above represent the payment of RMB332,400 (prior period: RMB332,400) to independent non-executive directors.

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Notes to the Financial Statements

For the period ended 30 June 2024

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

X. RELATED-PARTY RELATIONSHIP AND TRANSACTIONS (CONTINUED)

4. THE GROUP HAD THE FOLLOWING SIGNIFICANT RELATED TRANSACTIONS WITH THE ABOVE RELATED PARTIES DURING THE PERIOD (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 payment	Total
Current period							
Directors:	—	—	—	—	—	—	—
– Xiufeng Wang	-	-	-	-	-	-	-
– Rong Song	-	430,200.00	-	116,535.36	546,735.36	178,003.83	724,739.19
– Weidong Deng	-	-	-	-	-	-	-
– Li Luo	-	-	-	-	-	-	-
– Kewei Xu	-	-	-	-	-	-	-
– Zhifang YU	-	-	-	-	-	-	-
– Wu Tao	-	-	-	-	-	-	-
– Zhenhua Liu	-	-	-	-	-	-	-
– Taiwen Wang	72,712.50	-	-	-	72,712.50	-	72,712.50
– Yan Meng	72,712.50	-	-	-	72,712.50	-	72,712.50
– Haiqing Song	72,712.50	-	-	-	72,712.50	-	72,712.50
– Qian Li	72,712.50	-	-	-	72,712.50	-	72,712.50
– Yaping Ning	10,387.50	-	-	-	10,387.50	-	10,387.50
– Xinjian Cui	10,387.50	-	-	-	10,387.50	-	10,387.50
– Fan Cui	10,387.50	-	-	-	10,387.50	-	10,387.50
– Xiaoli Wang	10,387.50	-	-	-	10,387.50	-	10,387.50
Supervisors:	—	—	—	—	—	—	—
– Zhiyi Zhang	-	329,400.00	-	103,935.36	433,335.36	-	433,335.36
– Fangsheng Zhou	53,700.00	-	-	-	53,700.00	-	53,700.00
– Zhaoping Fan	53,700.00	-	-	-	53,700.00	-	53,700.00
– Shengyun Wang	-	224,610.00	37,434.00	66,310.56	328,354.56	-	328,354.56
– Bulin Fu	-	-	-	-	-	-	-
Prior period							
Directors:	—	—	—	—	—	—	—
– Boming Feng	-	-	-	-	-	-	-
– Dexing Song	-	-	-	-	-	-	-
– Rong Song	-	387,600.00	-	114,608.64	502,208.64	289,196.14	791,404.78
– Weidong Deng	-	-	-	-	-	-	-
– Jian Jiang	-	-	-	-	-	144,598.07	144,598.07
– Li Luo	-	-	-	-	-	-	-
– Kewei Xu	-	-	-	-	-	-	-
– Taiwen Wang	83,100.00	-	-	-	83,100.00	-	83,100.00
– Yan Meng	83,100.00	-	-	-	83,100.00	-	83,100.00
– Haiqing Song	83,100.00	-	-	-	83,100.00	-	83,100.00
– Qian Li	83,100.00	-	-	-	83,100.00	-	83,100.00
Supervisors:	—	—	—	—	—	—	—
– Bille Huang	-	232,800.00	-	81,008.64	313,808.64	-	313,808.64
– Suiqi Kou	-	-	-	-	-	-	-
– Fangsheng Zhou	53,700.00	-	-	-	53,700.00	-	53,700.00
– Zhaoping Fan	53,700.00	-	-	-	53,700.00	-	53,700.00
– Shengyun Wang	-	224,610.00	37,434.00	64,383.84	326,427.84	-	326,427.84

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For the period ended 30 June 2024
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X. RELATED-PARTY RELATIONSHIP AND TRANSACTIONS (CONTINUED)

4. THE GROUP HAD THE FOLLOWING SIGNIFICANT RELATED TRANSACTIONS WITH THE ABOVE RELATED PARTIES DURING THE PERIOD (CONTINUED)

(8) Remuneration of directors, supervisors, general managers, and senior managers (Continued)

3) Five highest-paid individuals

Of the five highest-paid individuals for the current period, 1 of them is a director (prior period: 1), and details of their remuneration are set out above. The details of the remuneration of the remaining 4 (prior period: 4) highest-paid individuals who are not directors or supervisors for the current period are as follows:

Item	Current period	Prior period
Wages and allowances	1,222,995.78	1,085,400.00
Discretionary bonuses	-	-
Contributions to the pension plan	379,432.29	334,042.92
Share-based payment	333,432.10	735,396.02

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	4	4
HKD1,000,001 to HKD1,500,000	0	0
HKD1,500,001 to HKD2,000,000	0	0
HKD2,000,001 to HKD2,500,000	0	0

- 4) None of the directors of the Company has waived or agreed to waive any remuneration during the year, except for the directors of Xiufeng Wang, Weidong Deng, Li Luo, Kewei Xu, Zhiliang Yu, Wu Tao and Zhenhua Liu, 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.

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Notes to the Financial Statements

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

X. RELATED-PARTY RELATIONSHIP AND TRANSACTIONS (CONTINUED)

4. THE GROUP HAD THE FOLLOWING SIGNIFICANT RELATED TRANSACTIONS WITH THE ABOVE RELATED PARTIES DURING THE PERIOD (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	2,802,236.67	2,182,410.00
Discretionary bonuses	37,434.00	37,434.00
Contributions to the pension plan	889,653.33	633,752.68
Share-based payment	820,604.84	1,024,592.16
Total	4,549,928.84	3,878,188.84

(9) Related party deposits

The difference between deposits placed and withdrawals by the Group with China Merchants Bank in January-June 2024 was net deposits of RMB319,414,031.03 (net deposits of RMB1,074,108,209.91 in January-June 2023) and interest income from deposits of RMB3,025,902.42 in January-June 2024 (RMB3,443,147.90 in January-June 2023). The difference between deposits and withdrawals with the Finance Company in January-June 2024 was net withdrawals of RMB811,217,995.04 (net withdrawals of RMB1,194,557,475.26 in January-June 2023). Interest income from deposits of RMB34,918,683.01.05 in January-June 2024 (RMB39,501,277.21 in January-June 2023).

(10) Trademark licensing

The Company signed a Trademark License Agreement with SINOTRANS&CSC in March 2015, authorizing the Group to use ten trademarks, such as "SINOTRANS" of SINOTRANS & CSC with registration number 779072 from 1 March 2015 to 28 February 2025 without compensation.

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X. RELATED-PARTY RELATIONSHIP AND TRANSACTIONS (CONTINUED)

4. THE GROUP HAD THE FOLLOWING SIGNIFICANT RELATED TRANSACTIONS WITH THE ABOVE RELATED PARTIES DURING THE PERIOD (CONTINUED)

(11) Others

At the Twelfth Meeting of the Third Session of the Board of Directors of the Company held on 15 June 2022, the Proposal on the Provision of Loans to a Holding Subsidiary was considered and passed, agreeing that the Company, through SINOTRANS (HK) HOLDINGS, a subsidiary, should provide loans to China Merchants Great Stone Trade Company, a subsidiary of the Group, with its own funds and China Merchants Investment Company Limited in proportion to its shareholding in the Company, for the purpose of relieving the operational and financial pressure of China Merchants Great Stone Trade Company and supporting its business development. The total amount of the loan is USD30 million, to be borrowed in three tranches (with annual downs from 2022 to 2024), each with a term not exceeding three years, at an interest rate of 1% per annum. As of 30 June 2024, SINOTRANS (HK) HOLDINGS and China Merchants Investment Company Limited had provided loans of USD8.4 million and USD11.6 million, respectively, to China Merchants Great Stone Trade Company.

XI. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Group's main financial instruments include cash and bank balances, accounts receivable, other receivables, other non-current financial assets, borrowings, bonds payable, accounts payable, and other payables. The details of financial instruments are set out in the notes to items mentioned above. The risks associated with these financial instruments and the risk management policies adopted by the Group to mitigate these risks are described below. These risk exposures are managed and monitored by the management of the Group to ensure that the risks above are controlled within a limited range.

1. RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group engages in risk management with the objective of striking an appropriate balance between risks and rewards, minimizing the negative impact of risks on the Group's operating results, and maximizing the interests of shareholders and other equity investors. Based on this risk management objective, the Group's basic strategy for risk management is to identify and analyze the various risks to which the Group is exposed, establish appropriate risk tolerance floors and conduct risk management, and monitor the various risks in a timely and reliable manner to keep them within the limits.

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

XI. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

1. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(1) Market risk

1) Foreign exchange risk

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to foreign exchange risk relates primarily to USD, HKD, and EUR. The Group's other major business activities are denominated and settled in RMB, except for the Group's companies established in the Hong Kong Special Administrative Region and outside Hong Kong, which make purchases and sales in the registered local currency. As at 30 June 2024, changes in the fair value or future cash flows arising from changes in exchange rates of assets and liabilities in respect of the USD, HKD, and EUR balances as described in the table below may have an impact on the Group's results of operations.

Item	Assets		Liabilities	
	Closing balance	Opening balance	Closing balance	Opening balance
USD	8,092,942,870.63	6,712,794,240.74	4,975,761,015.49	2,947,725,571.33
HKD	1,097,398,718.57	954,261,934.00	1,078,955,136.59	2,620,752,284.75
EUR	366,707,436.28	452,491,906.52	2,123,731,077.49	2,215,535,533.34
Total	9,557,049,025.48	8,119,548,081.26	8,178,447,229.57	7,784,013,389.42

Note: The balances of assets and liabilities denominated in foreign currencies are presented in RMB at period-end exchange rates.

The Group pays close attention to the impact of exchange rate changes on the Group's foreign exchange risk. The management has made a policy to control foreign exchange risk by optimizing the structure of net foreign currency assets.

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For the period ended 30 June 2024
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XI. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

1. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(1) Market risk (Continued)

1) Foreign exchange risk (Continued)

Sensitivity analysis of foreign exchange risk

With other variables remaining unchanged, the pre-tax effects of reasonable changes in the exchange rate on current profit or loss and shareholders' equity are as follows:

Exchange rate changes	Current period		Prior period	
	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	155,859,092.76	155,859,092.76	165,474,327.14	165,474,327.14
USD devaluation by 5% against RMB	-155,859,092.76	-155,859,092.76	-165,474,327.14	-165,474,327.14
HKD appreciation by 5% against RMB	922,179.10	922,179.10	-244,912,499.58	-244,912,499.58
HKD devaluation by 5% against RMB	-922,179.10	-922,179.10	244,912,499.58	244,912,499.58
EUR appreciation by 5% against RMB	-87,851,182.06	-87,851,182.06	-78,606,098.50	-78,606,098.50
EUR devaluation by 5% against RMB	87,851,182.06	87,851,182.06	78,606,098.50	78,606,098.50

2) Interest rate change risk

The Group's foreign currency borrowings were mainly floating rate borrowings in EUR, HKD, and USD, the interest rates of which were not affected by the adjustment of the benchmark lending rate by the People's Bank of China.

The Group's main liabilities exposed to interest rate risk are long-term borrowings and non-current liabilities due within one year.

Sensitivity analysis of interest rate risk

The sensibility analysis of interest rate risks is based on the following assumptions:

- Any changes in market interest rates affect interest income or expenses of financial instruments with variable interest rates.
- For financial instruments with fixed interest rates that are measured at fair value, any changes in market interest rates only affect their interest income or expenses.
- Any changes in the fair value of other financial assets and liabilities that are calculated using the discounted cash flow method at the prevailing market interest rate at the date of the statement of financial position.

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Notes to the Financial Statements

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XI. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

1. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(1) Market risk (Continued)

2) Interest rate change risk (Continued)

Sensitivity analysis of interest rate risk (Continued)

On the basis of the above assumptions, and with other variables remaining unchanged, the pre-tax effects of the possible reasonable changes in interest rates on current profit or loss and shareholders' equity are as follows:

Interest rate changes	Current 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%	-6,055,257.39	-6,055,257.39	-18,603,082.88	-18,603,082.88
Interest rate is lowered by 0.5%	6,055,257.39	6,055,257.39	18,603,082.88	18,603,082.88

3) Other price risks

Financial assets held for trading, other investments in equity instruments and other non-current financial assets held by the Group include some investments in stocks of listed companies. Therefore, the Group bears the risk of changes in market prices of securities. The Group does not usually make direct investments in listed companies' stocks. The Group's current investments in listed companies' stocks are mainly acquired through public offerings of investees and debt offsetting. 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			Prior period		
		Effects on total profit	Effect on other comprehensive income (excluding income tax)	Pre-tax effects on shareholders' equity	Effects on total profit	Effect on other comprehensive income (excluding income tax)	Pre-tax effects on shareholders' equity
Financial assets held for trading	Stock price rises by 10%	48,196.53	-	48,196.53	57,178.06	-	57,178.06
Other non-current financial assets		7,648,426.00	-	7,648,426.00	11,248,510.00	-	11,248,510.00
Other equity instrument investments		-	2,128,832.59	2,128,832.59	-	2,376,907.93	2,376,907.93
Financial assets held for trading	Stock price falls by 10%	-48,196.53	-	-48,196.53	-57,178.06	-	-57,178.06
Other non-current financial assets		-7,648,426.00	-	-7,648,426.00	-11,248,510.00	-	-11,248,510.00
Other equity instrument investments		-	-2,128,832.59	-2,128,832.59	-	-2,376,907.93	-2,376,907.93

Chapter 10 Notes to the Financial Statements

For the period ended 30 June 2024
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XI. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

1. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(2) Credit risk

As at 30 June 2024, the maximum credit risk exposure that is likely to cause financial losses to the Group was due primarily to the losses on the Group's financial assets arising from the failure of the other party to the contract to fulfill its obligations, including the book balance of the recognised financial assets in the consolidated statement of financial position; for financial instruments measured at fair value, the book value reflects its risk exposure that is not the maximum, and its maximum risk exposure will change with future changes in fair value. In addition, it also includes losses to be paid for the performance of contingent obligations and financial guarantees, see the amount of financial guarantee contracts disclosed in Note IX. 40 and the Note X. 4. (6).

In order to reduce the credit risk, the Group has set up a group to determine credit lines, conduct credit approvals, and implement other monitoring procedures to ensure that any necessary measures are taken to recover overdue claims. In addition, the Group reviews the recovery of each individual receivable at the end of the reporting period to ensure that sufficient credit loss provision is made for amounts that are irrecoverable. As a result, the Group's management considers that the Group's credit risk has been reduced significantly.

See Note IV.11.2 for the Group's specific method for assessing whether credit risk has increased significantly since initial recognition, the basis for determining that credit impairment has occurred for financial assets, the portfolio method for assessing expected credit risk by dividing the portfolio into groups, and the policy for direct write-downs of financial instruments.

Except for the top five closing balances of accounts receivable and other receivables disclosed in Note IX. 4 and Note IX. 7, the Group has no other significant credit concentration risks.

The Group's cash and cash equivalents are mainly bank deposits with related party non-bank financial institutions and reputable state-owned banks with high credit ratings and other large and medium-sized listed banks, and the Group does not consider the significant credit risk and losses incurred due to default.

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Notes to the Financial Statements

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XI. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

1. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(2) Credit risk (Continued)

As part of the Group's credit risk management, the Group uses the aging of accounts receivable to assess the expected credit losses on receivables arising from operations. This type of business involves a large number of small customers who have similar risk characteristics. The aging information can reflect the solvency of these customers when the receivables are due. As at 30 June 2024, the credit risk and expected credit losses for the accounts receivable and contract assets of this type of business are as follows:

Item	Expected credit loss rate over the entire life (%)	Book balance	Credit loss provision
Within 1 year (including 1 year)	1.45	17,128,354,154.57	248,361,135.24
1 to 2 years (including 2 years)	41.68	185,560,196.92	77,341,490.08
2 to 3 years (including 3 years)	88.26	50,589,218.98	44,650,044.67
Over 3 years	100.00	85,134,657.68	85,134,657.68
Total	—	17,449,638,228.15	455,487,327.67

The above expected credit loss rates throughout the renewal period are based on historical actual credit loss rates and take into account current conditions and projections of future economic conditions. During the period from 1 January 2024 to 30 June 2024, there have been no significant changes to the Group's valuation approach and material assumptions.

As at 30 June 2024, the maximum amount of financial guarantees provided by the Group for joint ventures and associates was RMB451,887,051.66. Details of the financial guarantee contracts are set out in Note X. 4. (6). As at 30 June 2024, the management of the Group assessed the overdue status of the relevant borrowings under the guarantees, the financial position of the relevant borrowers, and the economic situation of the industry in which the debtors operate, and concluded that there was no significant increase in the relevant credit risk since the initial recognition of this part of the financial guarantee contract. Accordingly, the Group has no financial guarantee contracts classified as requiring a loss allowance to be measured at the expected credit losses over the entire life of the contract, and the above financial guarantee contracts are measured at the amount of their loss allowance for expected credit losses over the next 12 months. During the period from 1 January 2024 to 30 June 2024, there have been no significant changes to the Group's valuation approach and material assumptions.

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Notes to the Financial Statements

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XI. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

1. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(3) Liquidity risk

In managing the liquidity risk, the Group's management believes that sufficient cash and cash equivalents should be maintained and monitored to meet the Group's business needs and to reduce the impact of cash flow fluctuations. The Group's management monitors the use of bank loans and ensures compliance with loan agreements.

The Group's unused bank borrowings at the end of the period amounted to RMB19,325 million (1 January 2024: RMB19,678 million).

According to the maturity date of the undiscounted contract or expected cash flows, the financial liabilities held by the Group are analysed as follows:

Item	Book value	Within 1 year	2 to 5 years	Over 5 years	Total
1. Non-derivative financial liabilities, etc.					
Short-term borrowings	1,932,940,325.21	1,969,656,445.38	-	-	1,969,656,445.38
Long-term borrowings	3,190,900,396.35	113,289,208.26	3,109,677,965.63	446,308,371.75	3,669,275,545.64
Accounts payable	15,554,879,245.78	15,554,879,245.78	-	-	15,554,879,245.78
Bills payable	93,067,448.74	93,067,448.74	-	-	93,067,448.74
Other payables	3,165,043,940.83	3,165,043,940.83	-	-	3,165,043,940.83
Non-current liabilities due					
within one year	2,942,893,285.75	3,070,595,002.43	-	-	3,070,595,002.43
Lease liabilities	2,375,937,793.09	-	1,835,647,607.66	1,308,408,226.50	3,144,055,834.16
Estimated liabilities	103,038,497.66	1,731,676.33	74,834,858.45	26,471,962.88	103,038,497.66
Long-term payables	20,000,000.00	240,000.00	960,000.00	21,124,383.56	22,324,383.56

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Notes to the Financial Statements

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

XI. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

2. TRANSFER OF FINANCIAL ASSETS

(1) Classification of transfer methods

Transfer method	Nature of financial assets transferred	Amount of financial assets transferred	Status of derecognition	Basis for determining derecognition
Bill endorsement or discounting	Bank acceptance bills	1,806,146,312.24	Note 1	Note 1
Bill endorsement or discounting	Commercial acceptance bills	327,277,922.30	Note 2	Note 2
Total	—	2,133,424,234.54	—	—

Note 1: The Group determines whether the bank acceptance bills receivable should be derecognised upon endorsement or discounting based on the credit risk rating of the acceptance bank. As the acceptance banks of the bank acceptance bills obtained by the Group are mainly large commercial banks and listed joint-stock commercial banks with high credit ratings, other bank acceptance bills do not account for a significant proportion and have small individual amounts and a large quantity. The Group derecognises the bank acceptance bills upon endorsement or discounting based on the materiality principle, unless public information indicates that there are significant abnormal changes in the credit risk of the acceptance banks. Details of bank acceptance bills endorsed or discounted at the end of the period and outstanding at the balance sheet date are shown in Note IX.5.

Note 2: 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 IX.3.

(2) Financial assets derecognized by transfer

Item	Transfer methods for financial assets	Amount of financial assets derecognized	Gains or losses related to derecognition
Bank acceptance bills	Bill endorsement or discounting	1,806,146,312.24	-2,462,783.87
Total	—	1,806,146,312.24	-2,462,783.87

(3) As at 30 June 2024, there were no financial assets transferred, such as securitization and factoring with accounts receivable, that continued to be involved in assets and liabilities recognized.

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XI. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

3. FAIR VALUE

The fair value of financial assets and financial liabilities is determined in accordance with the following methods:

The fair value of financial assets and financial liabilities with standard terms and conditions and for which there is an active market is determined by reference to the corresponding active market prevailing bid price and prevailing asking price, respectively.

The fair value of other financial assets and financial liabilities (excluding derivatives) is determined in accordance with the common pricing model based on the discounted future cash flow method or recognized using observable current market prices.

The fair value of derivative instruments is determined using publicly quoted prices in active markets.

The Group's Management believes that the Book balances of financial assets and financial liabilities measured at amortized cost in the financial statements approximate the fair values of those assets and liabilities.

The following table presents the fair value information and the level of the measurement at fair value at the end of the reporting period for the Group's assets and liabilities measured at fair value on a continuous and non-continuous basis at each balance sheet date. The level within which the results of the measurements at fair value fall depends on the lowest level of inputs that are significant to the measurement at fair value as a whole. The three levels of inputs are defined as:

Level I input value: the unadjusted quotation of the same assets or liabilities that can be obtained on the measurement date in the active market.

Level II input value: the direct or indirect observable input value of related assets or liabilities other than the Level I input value.

Level III input value: the unobservable input value of related assets or liabilities.

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XI FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

3. FAIR VALUE (CONTINUED)

(1) Assets measured at fair value on a continuous basis

Item	Fair value at the end of the period			Total
	Level I measurement at fair value	Level II measurement at fair value	Level III measurement at fair value	
I. Continuous measurement at fair value	—	—	—	—
(I) Financial assets held for trading	481,965.25	-	-	481,965.25
1. Financial assets at fair value through profit or loss	481,965.25	-	-	481,965.25
(II) Receivables financing	-	505,154,640.97	-	505,154,640.97
(III) Other equity instrument investments	21,288,325.86	-	394,050,500.00	415,338,825.86
(IV) Other non-current financial assets	76,484,260.00	-	888,052,279.30	964,536,539.30
Total assets measured at fair value on a continuous basis	98,254,551.11	505,154,640.97	1,282,102,779.30	1,885,511,971.38

(2) Determination of market price of the continuous and non-continuous basis of level I measurement at fair value

The Group's financial instruments included in Level I measurement at fair value 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 measurement at fair value

The Group's financial instruments included in Level II measurement at fair value are bank acceptance bills held at fair value through other comprehensive income (receivables financing). The banks for the bank acceptance bills held by the Group are mainly large commercial banks with high credit ratings, maturities of less than 6 months, and minimal 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 measurement at fair value

The Group's financial instruments included in Level III measurement at fair value are primarily unlisted equity investments. The Group applies valuation techniques to determine the fair value of significant unlisted equity investments. The valuation model used is a market multiplier approach, and the input values to the valuation technique consist primarily of PE multiples of comparable listed companies, PB multiples, and the lack of market liquidity discount parameters. The primary unobservable input value used is the lack of market liquidity discount. The higher the lack of a market liquidity discount, the lower the fair value.

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For the period ended 30 June 2024
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XI FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

3. FAIR VALUE (CONTINUED)

(5) Continuing Level III fair value measurement items, reconciliation information between opening and closing book values, and sensitivity analysis of unobservable parameters

Reconciliation information between opening and closing book values:

Item	Opening balance	Transfer to Level III	Transfer from Level III	Included in profit or loss	Total current year gains or losses		Purchase, issuance, sale, and settlement				Effects from translation in foreign currency statements	Closing balance	Unrealized gains or losses for the year through profit or loss on assets held at the end of the reporting period
					Charge to other comprehensive income		Purchase	Issuance	Sale	Settlement			
Financial assets held for trading	-	-	-	-	-	-	-	-	-	-	-	-	-
Other equity instrument investments	394,050,500.00	-	-	-	-	-	-	-	-	-	-	394,050,500.00	-
Other non-current financial assets	888,212,779.30	-	-	-	-	-	-	-	-	-	-160,500.00	888,052,279.30	-
Financial assets at fair value through profit or loss	888,212,779.30	-	-	-	-	-	-	-	-	-	-160,500.00	888,052,279.30	-
- Investments in equity instruments	888,212,779.30	-	-	-	-	-	-	-	-	-	-160,500.00	888,052,279.30	-
Total	1,282,263,279.30	-	-	-	-	-	-	-	-	-	-160,500.00	1,282,102,779.30	-

Note: Dividend gains and disposal gains totaling RMB505,125.00 (gains and losses not in the current year) were obtained from the continuous items of Level III measurement at fair value during the period.

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Notes to the Financial Statements

For the period ended 30 June 2024

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

XI FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

3. FAIR VALUE (CONTINUED)

(5) Continuing Level III fair value measurement items, reconciliation information between opening and closing book values, and sensitivity analysis of unobservable parameters (Continued)

Sensitivity analysis of unobservable inputs:

Indicator changes	Current period	
	Effect on total comprehensive income (excluding income tax)	Pre-tax effects on shareholders' equity
Lack of market liquidity discount increased by 5%	-64,105,138.97	-64,105,138.97
Lack of market liquidity discount decreased by 5%	64,105,138.97	64,105,138.97

(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 amortised cost in the financial statements approximates their fair value as at 30 June 2024.

Chapter 10 Notes to the Financial Statements

For the period ended 30 June 2024
(Unless indicated otherwise, all amounts are expressed in RMB)

XI FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

4. CAPITAL MANAGEMENT

The Group's capital management objectives are to safeguard the Group's continuing operations in order to provide returns to shareholders and other equity holders while maintaining an optimal capital structure to reduce the cost of capital. The Group manages capital using a leverage ratio, which is defined as the ratio of net liabilities and adjusted capital and net liabilities. There are no significant changes to the Group's capital management objectives, policies, or procedures for January-June 2024 and 2023. The Group's leverage ratio at the date of the statement of financial position is as follows:

Item	30 June 2024	31 December 2023
Short-term borrowings	1,932,940,325.21	610,217,777.09
Non-current liabilities due within one year	2,942,893,285.75	5,211,189,002.62
Long-term borrowings	3,190,900,396.35	2,355,004,648.70
Bonds payable	-	1,999,383,890.41
Long-term payables	20,000,000.00	23,525,000.00
Lease liabilities	2,375,937,793.09	2,497,732,805.59
Less: Cash and cash equivalents	8,896,466,960.95	13,821,461,962.17
Net liability	1,566,204,839.45	-1,124,408,837.76
Shareholders' equity	40,935,793,009.78	40,119,280,811.80
Shareholders' equity and net liabilities	42,501,997,849.23	38,994,871,974.04
Leverage ratio	4%	-3%

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Notes to the Financial Statements

For the period ended 30 June 2024

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XII. CONTINGENCIES

Item	Closing balance	Opening balance
Contingent liabilities arising from external guarantees	—	—
Including: Loan guarantees for fellow subsidiaries	2,003,411,732.62	2,052,779,724.01
Loan guarantee for associates	451,887,051.66	459,418,502.52
Total	2,455,298,784.28	2,512,198,226.53

(1) AS AT 30 JUNE 2024, THE GROUP'S SIGNIFICANT PENDING LITIGATION AND ARBITRATION WERE AS FOLLOWS

Concerned Parties	Litigation/deputy content	Amounts involved (RMB10,000)	Recognised estimated liabilities (RMB10,000)	Litigation/ deputy status
Significant pending litigation, and arbitration.:	—	26,801.93	5,327.79	—
Hefei High-tech Industrial Development Zone Investment Promotion Bureau	The Group invested and operated in Hefei High-tech Industrial Development Zone and disputes resulted from the investment, tax, and other indicators failing to meet the required standards.	13,896.64	1,450.00	First trial in progress
PICC Property and Casualty Company Limited Beijing Branch	The Group had a dispute with Aircraft Maintenance & Engineering Corporation over cargo damage arising from the provision of transportation services. PICC Property and Casualty Company Limited Beijing Branch paid compensation to Aircraft Maintenance & Engineering Corporation and then claimed compensation from the Group.	3,877.79	3,877.79	Arbitration in progress
China RAILWAY Construction BRIDGE Engineering BUREAU Group Co., Ltd.	The Group was engaged in the EPC services from China RAILWAY Construction BRIDGE Engineering BUREAU Group Co., Ltd. and a dispute arose because the settlement amount could not be agreed.	3,734.00	—	Arbitration in progress
Aircraft Maintenance & Engineering Corporation	The Group had a dispute with Aircraft Maintenance & Engineering Corporation over cargo damage arising from the provision of transportation services. Aircraft Maintenance & Engineering Corporation sued the Group for liability for indirect losses beyond the scope of its insurance coverage.	2,772.00	—	Arbitration in progress
Dongguan Desheng Building Materials Co., Ltd.	The Group subleased a wharf operation site to Dongguan Desheng Building Materials Co., Ltd. and was required to pay the related losses and expenses as the berth in question did not apply for the relevant documents for berthing operation in a timely manner, resulting in the suspension of work and rectification.	1,294.50	—	Second trial in progress
Dongguan Tengfa Supply Chain Management Co., Ltd.	The Group procured short-distance barge transport services and warehouse loading and unloading services from Dongguan Tengfa Supply Chain Management Co., Ltd. Disputes arose as a result of the increase in transport distance due to the relocation of warehouses as well as disputes over some of the loading and unloading costs.	1,227.00	—	Second trial in progress

Chapter 10 Notes to the Financial Statements

For the period ended 30 June 2024
(Unless indicated otherwise, all amounts are expressed in RMB)

XII. CONTINGENCIES (CONTINUED)

(2) CONTINGENT LIABILITIES ARISING FROM OTHER MATTERS OF THE GROUP AS AT 30 JUNE 2024

The details of capital commitments are described in Note XIII.

(3) As at 30 June 2024, there were no contingent assets resulting from the contingent events.

XIII. CAPITAL COMMITMENT

Item	Closing balance	Opening balance
Capital expenditures contracted but not recognised in the financial statements	—	—
Including: Purchase and construction of assets (Note 1)	1,343,173,433.01	1,152,045,518.64
Investments in associates, joint ventures, and other investees (Note 2)	279,025,740.53	321,284,275.15
Port investment projects	32,986,832.94	29,179,505.90
Total	1,655,186,006.48	1,502,509,299.69

Note 1: As at 30 June 2024, the Group's capital expenditure contracted for but not recognised in the financial statements related to the acquisition and construction of assets mainly represented unrecognized capital expenditure related to contracts for engineering construction and general contracting entered into by the Group with China Construction Eighth Engineering Division Corp., Ltd., China Construction Seventh Engineering Division Corp., Ltd., China Construction Fifth Engineering Division Corp., Ltd and others regarding the Sinotrans Lingang International Logistics Center Project, Sinotrans Chengdu Eastern New Area Logistics Park Project, and Guiyang Comprehensive Bonded Zone Project.

Note 2: On 1 February 2018, according to the Reply of the National Development and Reform Commission on the Approval of the Project of China Merchants Logistics Group Co. Ltd. and Others to Jointly Establish the China-Belarus Industrial Investment Fund Abroad (Fa Gai Wai Zi No.214 [2018]), the China-Belarus Industrial Investment fund was established in the Cayman Islands and adopted a limited partnership. Sinotrans Logistics Ltd., a subsidiary of the Group, is a limited partner and has agreed to contribute USD15 million. As at 30 June 2024, it has invested USD9.5246 million, and the amount committed but not funded is approximately RMB39.0221 million.

On 11 June 2021, the Company signed a Partnership Agreement with related parties, China Merchants Innovation Investment Management Co., Ltd. and Shenzhen China Merchants Innovation Investment Fund Center (Limited Partnership), to jointly establish China Merchants Sinotrans (Shenzhen) Industry Innovation Private Equity Investment Fund Partnership (Limited Partnership), with the Company as a limited partner contributing RMB150 million. As at 30 June 2024, the aforementioned partnership has been registered and the Company contributed established RMB56,496,400, with uncommitted capital of RMB93,503,600.

On 17 March 2022, Sinotrans Air Transport Co., Ltd., a subsidiary of the Group, jointly invested with Guangzhou Airport Industry Investment Co., Ltd., Guangzhou Comprehensive Transportation Hub Co., Ltd. and Guangdong Goldjet Int'l Logistics Co., Ltd. to establish Guangzhou Air Cargo Co., Ltd. with a registered capital of RMB500 million, of which Sinotrans Air Transport Co., Ltd. contributed RMB100 million, representing 20%. As at 30 June 2024, RMB10 million had been contributed and RMB90 million had been committed but not yet contributed.

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Notes to the Financial Statements

For the period ended 30 June 2024

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

XIII. CAPITAL COMMITMENT (CONTINUED)

Note 2: (Continued)

On 30 December 2022, Sinotrans Central China, a subsidiary of the Group, and Shandong Port Group Co., Ltd. jointly invested in the establishment of Shandong Port&Shipping Sinotrans Supply Chain Development Co., Ltd., with a registered capital of RMB50 million, with Sinotrans Central China Company's contributed capital of RMB24.5 million, representing 49% of its shareholding ratio. As at 30 June 2024, Sinotrans Central China Company had actually contributed RMB18 million and RMB6.5 million had been committed but not yet contributed.

Yineng Xinyuan Energy Technology Co., Ltd. was invested in and established by the Company and China Power International Development Co., Ltd. on 20 March 2023, with a registered capital of RMB200 million, the Company contributed RMB100 million with a 50% shareholding, and as of 30 June 2024, the Company had actually made a capital contribution of RMB50 million.

XIV. NON-ADJUSTMENT EVENTS AFTER THE DATE OF THE BALANCE SHEET

On 7 June 2024, the Company's 2023 Annual General Meeting of Shareholders considered and approved the Proposal on Application for Authorisation of the 2024 Interim Profit Distribution Plan, which authorized the Board of Directors of the Company to reasonably decide the declaration and payment of the 2024 interim dividend (including but not limited to deciding whether to distribute the 2024 interim dividend) based on factors such as the profitability of the Company for the first half year of 2024, the status of its capital requirements and with reference to the previous dividend payout ratios. As approved by the resolution of the Second Meeting of the Fourth Session of the Board of Directors of the Company held on 29 August 2024, the Company is expected to distribute an interim dividend of RMB0.145 per share (inclusive of tax) for 2024 based on the total share capital registered on the date of registration of shareholdings for the implementation of the equity distribution (less the shares in the Company's special account for repurchase). The estimated total distribution is RMB1,053,563,321.16.

The Group has no other material events after the balance sheet date other than the above-mentioned events.

XV. NON-MONETARY ASSET EXCHANGE

There were no significant non-monetary asset exchanges and transactions for the Group during the current period.

XVI. DEBT RESTRUCTURING

The Group had no significant debt restructuring transactions during the period.

Chapter 10 Notes to the Financial Statements

For the period ended 30 June 2024
(Unless indicated otherwise, all amounts are expressed in RMB)

XVII. NOTES TO THE MAIN ITEMS IN THE FINANCIAL STATEMENTS OF THE COMPANY

1. CASH AND BANK BALANCES

Item	Closing balance			Opening balance		
	Amount in original currency	Exchange rate	Amount in RMB	Amount in original currency	Exchange rate	Amount in RMB
Cash on hand	—	—	10,494.35	—	—	10,492.70
Including: Others	—	—	10,494.35	—	—	10,492.70
Cash at banks	—	—	1,483,103,624.34	—	—	5,271,952,723.00
Including: RMB	1,171,595,851.90	1.0000	1,171,595,851.90	4,622,459,134.22	1.0000	4,622,459,134.22
USD	43,475,461.47	7.1268	309,840,918.80	91,350,031.89	7.0827	647,004,870.87
Others	—	—	1,666,853.64	—	—	2,488,717.91
Other cash and bank balances	—	—	6,943,707.52	—	—	11,401,329.07
Including: Deposited in external financial institutions	—	—	242,693.11	—	—	242,583.44
Including: RMB	242,693.11	1.0000	242,693.11	242,583.44	1.0000	242,583.44
Deposited in finance companies	—	—	6,701,014.41	—	—	11,158,745.63
Including: RMB	6,701,014.41	1.0000	6,701,014.41	11,158,745.63	1.0000	11,158,745.63
Deposits with finance companies	—	—	1,171,583,357.28	—	—	1,406,696,855.07
Including: RMB	1,170,425,049.40	1.0000	1,170,425,049.40	1,363,426,951.19	1.0000	1,363,426,951.19
USD	162,528.25	7.1268	1,158,306.33	6,109,238.55	7.0827	43,269,903.88
Others	—	—	1.55	—	—	-
Total	—	—	2,661,641,183.49	—	—	6,690,061,399.84
Including: Total amount deposited abroad	—	—	-	—	—	-

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

Item	Closing balance	Opening balance	Reasons for restricted use
Interest receivable	6,701,014.41	11,158,745.63	Not yet settled
Credit card deposits	134,797.50	134,797.50	Credit card deposits
Security margin	107,895.61	107,785.94	Security margin
Total	6,943,707.52	11,401,329.07	—

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Notes to the Financial Statements

For the period ended 30 June 2024

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XVII. NOTES TO THE MAIN ITEMS IN THE FINANCIAL STATEMENTS OF THE COMPANY (CONTINUED)

2. ACCOUNTS RECEIVABLE

(1) Overall status of accounts receivable

Item	Closing balance	Opening balance
Accounts receivable	1,114,827,084.08	1,083,564,670.73
Less: Credit loss provision	67,217,297.98	42,723,391.03
Total	1,047,609,786.10	1,040,841,279.70

(2) Overall aging of accounts receivable

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

Item	Closing balance			Opening balance		
	Book balance	Proportion (%)	Credit loss provision	Book balance	Proportion (%)	Credit loss provision
Within 1 year (including 1 year)	999,724,416.62	89.68	11,800,361.69	1,014,446,547.99	93.62	12,266,160.09
1 to 2 years (including 2 years)	74,944,605.42	6.72	29,886,346.73	48,411,660.67	4.47	16,999,374.78
2 to 3 years (including 3 years)	28,253,769.87	2.53	19,825,702.79	8,754,861.07	0.81	7,648,374.73
Over 3 years	11,904,292.17	1.07	5,704,886.77	11,951,601.00	1.10	5,809,481.43
Total	1,114,827,084.08	100.00	67,217,297.98	1,083,564,670.73	100.00	42,723,391.03

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XVII. NOTES TO THE MAIN ITEMS IN THE FINANCIAL STATEMENTS OF THE COMPANY (CONTINUED)

2. ACCOUNTS RECEIVABLE (CONTINUED)

(3) Classification of accounts receivable

Category	Book balance		Closing balance		Book balance		Opening balance		Accrual ratio (%)	Book value
	Amount	Proportion (%)	Amount	Proportion (%)	Amount	Proportion (%)	Amount	Proportion (%)		
Credit loss provisions on an individual basis	216,700.12	0.02	216,700.12	100.00	-	-	276,485.00	0.03	100.00	-
Credit loss provisions by portfolio	1,114,610,383.96	99.98	67,000,597.86	6.01	1,047,609,786.10	1,083,288,185.73	42,446,906.03	99.97	3.92	1,040,841,279.70
Including:										
Low risk portfolio	201,137,028.85	18.04	-	-	201,137,028.85	182,361,934.19	-	16.83	-	182,361,934.19
Aging portfolio	913,473,355.11	81.94	67,000,597.86	7.33	846,472,757.25	900,926,251.54	42,446,906.03	83.14	4.71	858,479,345.51
Total	1,114,827,084.08	100.00	67,217,297.98	—	1,047,609,786.10	1,083,564,670.73	42,723,391.03	100.00	—	1,040,841,279.70

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Notes to the Financial Statements

For the period ended 30 June 2024

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XVII. NOTES TO THE MAIN ITEMS IN THE FINANCIAL STATEMENTS OF THE COMPANY (CONTINUED)

2. ACCOUNTS RECEIVABLE (CONTINUED)

(3) Classification of accounts receivable (Continued)

Including: the closing balance of accounts receivable with the individual credit loss provision

Company name	Book balance	Credit loss provision	Expected credit loss ratio (%)	Reasons for accrual
Others	216,700.12	216,700.12	100.00	Involved in litigation
Total	216,700.12	216,700.12	—	—

(4) Accounts receivable of low-risk portfolio

Item	Book balance	Accrual ratio (%)	Credit loss provision
Accounts receivable from related parties	201,137,028.85	—	—
Total	201,137,028.85	—	—

(5) Accounts receivable of aging portfolios

Item	Book balance	Accrual ratio (%)	Credit loss provision
Within 1 year (including 1 year)	813,820,541.98	1.45	11,800,361.69
1 to 2 years (including 2 years)	71,701,786.25	41.68	29,886,346.73
2 to 3 years (including 3 years)	22,462,840.23	88.26	19,825,702.79
Over 3 years	5,488,186.65	100.00	5,488,186.65
Total	913,473,355.11	—	67,000,597.86

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XVII. NOTES TO THE MAIN ITEMS IN THE FINANCIAL STATEMENTS OF THE COMPANY (CONTINUED)

2. ACCOUNTS RECEIVABLE (CONTINUED)

(6) Changes in credit loss provision of accounts receivable

Item	Opening balance	Accrual	Changes in current period			Closing balance
			Recovery or reversal	Carry-forward or write-off	Other changes	
Current period	42,723,391.03	24,553,691.83	59,784.88	—	—	67,217,297.98
Prior period	47,677,032.83	7,200,264.21	9,804,225.41	—	—	45,073,071.63

(7) Credit loss provisions recovered or reversed during the period

Company name	Book balance of accounts receivable	Reason for recovery or reversal	Basis for determining the original credit loss provision	Accumulated amount of credit loss provision before recovery	Recovered or reversal amount
				or reversal	
Others	101,485.00	Payment recovery	Involved in litigation	101,485.00	59,784.88
Total	101,485.00	—	—	101,485.00	59,784.88

(8) There was no actual write-off of accounts receivable during the period.

(9) There were no outstanding amounts due from shareholders holding 5% (including 5%) voting shares of the Company at the end of the period.

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Notes to the Financial Statements

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XVII. NOTES TO THE MAIN ITEMS IN THE FINANCIAL STATEMENTS OF THE COMPANY (CONTINUED)

2. ACCOUNTS RECEIVABLE (CONTINUED)

(10) Top five in terms of accounts receivable

Company name	Relationship with the Company	Amount	Aging	Credit loss provision	As a percentage of total accounts receivable (%)
Entity 1	Client	215,673,686.40	Within 1 year, 1 to 2 years	3,134,344.22	19.35
Hunan Zhongnan International Land Port Co., Ltd.	Subsidiary	100,929,652.90	Within 1 year	—	9.05
Entity 2	Client	88,649,762.72	Within 1 year, 1 to 2 years	10,171,609.70	7.95
Entity 3	Client	85,015,751.53	Within 1 year	1,232,728.40	7.63
Entity 4	Client	56,800,227.01	Within 1 year, 1 to 2 years	7,400,483.82	5.09
Total	—	547,069,080.56	—	21,939,166.14	49.07

(11) The Group had no accounts receivable involving government grants at the end of the period.

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For the period ended 30 June 2024
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XVII. NOTES TO THE MAIN ITEMS IN THE FINANCIAL STATEMENTS OF THE COMPANY (CONTINUED)

3. RECEIVABLES FINANCING

Type	Closing balance	Opening balance
Bank acceptance bills	47,311,920.46	21,949,473.78
Total	47,311,920.46	21,949,473.78

- (1) There were no bank acceptance bills due to defective endorsement, etc. at the end of the period.
- (2) There was no pledged receivable financing at the end of the period.
- (3) **Receivables financing that has been endorsed or discounted at the end of the period and is not yet due at the balance sheet date**

Type	Amount derecognised at the end of the period	Amount not derecognised at the end of the period
Bank acceptance bills	3,000,000.00	–
Total	3,000,000.00	–

Note: The Company determines whether the bank acceptance bills receivable should be derecognised upon endorsement or discounting based on the credit risk rating of the acceptance bank. As the acceptance banks of the bank acceptance bills obtained by the Company are mainly large commercial banks and listed joint-stock commercial banks with high credit ratings, other bank acceptance bills do not account for a significant proportion and have small individual amounts and a large quantity. The Company derecognises the bank acceptance bills upon endorsement or discounting based on the materiality principle, unless public information indicates that there are significant abnormal changes in the credit risk of the acceptance banks.

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Notes to the Financial Statements

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XVII. NOTES TO THE MAIN ITEMS IN THE FINANCIAL STATEMENTS OF THE COMPANY (CONTINUED)

3. RECEIVABLES FINANCING (CONTINUED)

(4) There were no receivables financings at the end of the period that were transferred to accounts receivable as a result of the non-performance of the issuer.

(5) Credit loss provision for receivables financing

Category	Closing balance				Opening balance			
	Book balance		Credit loss provision		Book balance		Credit loss provision	
	Proportion		Accrual		Proportion		Accrual	
	Amount	(%)	Amount	ratio (%)	Amount	(%)	Amount	ratio (%)
Credit loss provisions by portfolio	47,311,920.46	100.00	-	-	21,949,473.78	100.00	-	-
Total	47,311,920.46	100.00	-	—	21,949,473.78	100.00	-	—

1) Receivables financing with credit loss provision on a portfolio basis

Type	Closing balance		
	Book balance	Credit loss provision	Accrual ratio (%)
Bank acceptance bills portfolio	47,311,920.46	-	-
Total	47,311,920.46	-	—

Note: As at 30 June 2024 and 31 December 2023, there were no bank acceptance bills held by the Group subject to significant credit risk and resulted in significant losses due to bank default (bills receivable are expected to be collected in full), the Company had no provision for credit losses based on materiality considerations.

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XVII. 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 the 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 the 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
Interest receivable	-	-
Dividends receivable	255,885,225.71	63,165,640.92
Other receivables	15,637,497,015.01	12,985,094,217.00
Total	15,893,382,240.72	13,048,259,857.92

Chapter 10 Notes to the Financial Statements

For the period ended 30 June 2024

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

XVII. NOTES TO THE MAIN ITEMS IN THE FINANCIAL STATEMENTS OF THE COMPANY (CONTINUED)

4. OTHER RECEIVABLES (CONTINUED)

(1) Dividends receivable

Investee	Opening balance	Increase due to changes in the scope of consolidation	Increase in current period	Decrease in current period	Effects from translation in foreign currency statements	Closing balance	Reason for non-recovery	Whether an impairment occurs and judgment basis
Dividends receivable aged within 1 year								
Sinotrans Changjiang Co., Ltd.	39,090,909.09	-	193,050,067.31	330,482.52	-	231,810,493.88	—	—
Sinotrans (Japan) Co., Ltd.	39,090,909.09	-	183,426,607.43	-	-	222,517,516.52	Support the development of subsidiary	No
	-	-	9,623,459.88	330,482.52	-	9,292,977.36	Support the development of subsidiary	No
Dividends receivable aged over 1 year								
Sinotrans Eastern Company Limited	24,074,731.83	-	-	-	-	24,074,731.83	—	—
Sinotrans Anhui Co., Ltd.	10,904,887.09	-	-	-	-	10,904,887.09	Support the development of subsidiary	No
Trade Sky International Limited	8,067,261.02	-	-	-	-	8,067,261.02	Support the development of subsidiary	No
SINOTRANS ALMAJOUIE MIDDLE EAST CO., LTD.	3,241,600.00	-	-	-	-	3,241,600.00	Support the development of subsidiary	No
	1,860,983.72	-	-	-	-	1,860,983.72	Incomplete payment approval process	No
Total	63,165,640.92	-	193,050,067.31	330,482.52	-	255,885,225.71	-	-

Chapter 10 Notes to the Financial Statements

For the period ended 30 June 2024
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XVII. 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)	8,666,247,108.56	55.42	-	7,918,229,439.12	60.98	-
1 to 2 years (including 2 years)	2,273,116,769.81	14.53	-	988,911,777.41	7.61	-
2 to 3 years (including 3 years)	693,928,893.16	4.44	-	251,491,267.78	1.94	-
Over 3 years	4,004,204,243.48	25.61	-	3,826,461,732.69	29.47	-
Total	15,637,497,015.01	100.00	-	12,985,094,217.00	100.00	-

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Notes to the Financial Statements

For the period ended 30 June 2024

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VII. NOTES TO THE MAIN ITEMS IN THE FINANCIAL STATEMENTS OF THE COMPANY (CONTINUED)

4. OTHER RECEIVABLES (CONTINUED)

(2) Other receivables (Continued)

2) Classification of other receivables

Category	Book balance		Closing balance		Book balance		Opening balance	
	Amount	Proportion (%)	Amount	Accrual ratio (%)	Amount	Proportion (%)	Amount	Accrual ratio (%)
Credit loss provisions on an individual basis	-	-	-	-	-	-	-	-
Credit loss provisions by portfolio including:	15,637,497,015.01	100.00	-	-	12,985,094,217.00	100.00	-	-
Low risk portfolio	15,637,497,015.01	100.00	-	-	12,985,094,217.00	100.00	-	-
Aging portfolio within 1 year	-	-	-	-	-	-	-	-
Aging portfolio over 1 year	-	-	-	-	-	-	-	-
Total	15,637,497,015.01	100.00	-	-	12,985,094,217.00	100.00	-	-

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For the period ended 30 June 2024
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XVII. NOTES TO THE MAIN ITEMS IN THE FINANCIAL STATEMENTS OF THE COMPANY (CONTINUED)

4. OTHER RECEIVABLES (CONTINUED)

(2) Other receivables (Continued)

3) Other receivables of low-risk portfolio

Item	Book balance	Accrual ratio (%)	Credit loss provision
Related party payments	15,576,515,364.31	-	-
Advances	26,551,209.43	-	-
Deposits, collateral	25,305,718.70	-	-
Government grants	5,000,000.00	-	-
Others	4,124,722.57	-	-
Total	15,637,497,015.01	---	-

4) Analysis by nature of payments

Item	Closing balance			Opening balance		
	Book balance	Credit loss provision	Book value	Book balance	Credit loss provision	Book value
Related party payments	15,576,515,364.31	-	15,576,515,364.31	12,919,699,813.31	-	12,919,699,813.31
Advances	26,551,209.43	-	26,551,209.43	37,817,866.60	-	37,817,866.60
Deposits, collateral	25,305,718.70	-	25,305,718.70	18,320,427.30	-	18,320,427.30
Government grants	5,000,000.00	-	5,000,000.00	5,000,000.00	-	5,000,000.00
Others	4,124,722.57	-	4,124,722.57	4,256,109.79	-	4,256,109.79
Total	15,637,497,015.01	-	15,637,497,015.01	12,985,094,217.00	-	12,985,094,217.00

- 5) There were no outstanding amounts due from shareholders holding 5% (including 5%) voting shares of the Company at the end of the period.

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Notes to the Financial Statements

For the period ended 30 June 2024

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XVII. NOTES TO THE MAIN ITEMS IN THE FINANCIAL STATEMENTS OF THE COMPANY (CONTINUED)

4. OTHER RECEIVABLES (CONTINUED)

(2) Other receivables (Continued)

6) The top five of the closing balances in other receivables

Company name	Relationship with the Company	Amount	Aging	Percentage of total other receivables (%)	Credit loss provision	Nature or content
Sinotrans Logistics Co., Ltd.	Subsidiary	7,063,328,933.58	Within 1 year, 1 to 2 years, 2 to 3 years, over 3 years	45.17	-	Related party payments
SINOTRANS (HK) LOGISTICS LIMITED	Subsidiary	1,644,977,568.45	Within 1 year, 1 to 2 years, 2 to 3 years, over 3 years	10.52	-	Related party payments
Sinotrans South China Co., Ltd.	Subsidiary	1,387,725,087.37	Within 1 year, 1 to 2 years, 2 to 3 years, over 3 years	8.87	-	Related party payments
Sinotrans Logistics Investment Holdings Co., Ltd.	Subsidiary	1,289,854,355.47	Within 1 year, 1 to 2 years, 2 to 3 years, over 3 years	8.25	-	Related party payments
Sinotrans Air Transport Co., Ltd.	Subsidiary	1,008,892,572.70	Within 1 year, 1 to 2 years, 2 to 3 years, over 3 years	6.45	-	Related party payments
Total	—	12,394,778,517.57	—	79.26	-	—

Chapter 10 Notes to the Financial Statements

For the period ended 30 June 2024
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XVII. NOTES TO THE MAIN ITEMS IN THE FINANCIAL STATEMENTS OF THE COMPANY (CONTINUED)

4. OTHER RECEIVABLES (CONTINUED)

(2) Other receivables (Continued)

7) Related party payments

Company name	Relationship with the Company	Amount	Percentage of total other receivables (%)
Sinotrans Logistics Co., Ltd.	Subsidiary	7,063,328,933.58	45.17
SINOTRANS (HK) LOGISTICS LIMITED	Subsidiary	1,644,977,568.45	10.52
Sinotrans South China Co., Ltd.	Subsidiary	1,387,725,087.37	8.87
Sinotrans Logistics Investment Holdings Co., Ltd.	Subsidiary	1,289,854,355.47	8.25
Sinotrans Air Transport Co., Ltd.	Subsidiary	1,008,892,572.70	6.45
Sinotrans Eastern Company Limited	Subsidiary	974,557,906.53	6.23
Sinotrans Central China Co., Ltd.	Subsidiary	316,925,220.16	2.03
Sinotrans Logistics Development Co., Ltd.	Subsidiary	256,321,091.80	1.64
Zhejiang Sinotrans Co., Ltd.	Subsidiary	186,831,776.76	1.19
Sinotrans Fujian Co., Ltd.	Subsidiary	170,363,024.82	1.09
Sinotrans Cold Chain Logistics Co., Ltd.	Subsidiary	136,117,090.74	0.87
Ningbo Meishan Bonded Port Area Sino Foreign Supply Chain Management Co., Ltd.	Subsidiary	135,178,091.38	0.86
Sinotrans Express Co., Ltd.	Subsidiary	131,939,161.61	0.84
Sinotrans Heavy-lift Logistics Co., Ltd.	Subsidiary	97,179,009.85	0.62
Sinotrans Guangxi Co., Ltd.	Subsidiary	91,665,877.83	0.59
Shenzhen Sinotrans Logistics Co., Ltd.	Subsidiary	80,154,597.33	0.51
Sinotrans Innovative Technology Co., Ltd.	Subsidiary	68,604,065.57	0.44
Zhongshan Sinotrans Logistics Co., Ltd.	Subsidiary	56,664,913.00	0.36
Dongying Sinotrans Logistics Co., Ltd.	Subsidiary	40,913,795.00	0.26
Sinotrans Northeast Co. Ltd	Subsidiary	35,958,382.96	0.23
Sinotrans Chemical International Logistics Co., Ltd.	Subsidiary	24,062,698.42	0.15
Shanghai Sinotrans Weiyun International Logistics Co., Ltd.	Subsidiary	23,327,316.16	0.15
Sinotrans Overseas Development Co., Ltd.	Subsidiary	20,736,845.22	0.13
Guangdong Sinotrans Huangpu Warehouse Code Co., Ltd.	Subsidiary	20,019,140.00	0.13
Others	—	314,216,841.60	2.01
Total	—	15,576,515,364.31	99.59

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For the period ended 30 June 2024

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XVII. NOTES TO THE MAIN ITEMS IN THE FINANCIAL STATEMENTS OF THE COMPANY (CONTINUED)

4. OTHER RECEIVABLES (CONTINUED)

(2) Other receivables (Continued)

8) Other receivables in relation to government grants

Company name	Government grant items	Closing balance	Closing aging	Expected time received and amount
Entity 1	Relocation grants	5,000,000.00	Within 1 year	Full payment is expected to be recovered in 2024
Total	—	5,000,000.00	—	—

9) There were no prepayments transferred to other receivables during the period.

10) The Company had no other receivables related to the centralized management of funds at the end of the period.

5. LONG-TERM EQUITY INVESTMENTS

(1) Classification of long-term equity investments

Item	Opening balance	Increase in investment	Decrease in investment	Other increase (Decrease denoted by "-")	Effects from translation in foreign currency statements	Closing balance
Investment in subsidiary	16,882,849,410.70	146,190,269.52	-	-	-	17,029,039,680.22
Investments in joint ventures	2,309,126,827.16	-	-	754,671,841.75	-	3,063,798,668.91
Investments in associates	197,402,767.77	42,500,000.00	-	-3,920,213.24	-	235,982,554.53
Subtotal	19,389,379,005.63	188,690,269.52	-	750,751,628.51	-	20,328,820,903.66
Less: Impairment provision of long-term equity investments	-	-	-	-	-	-
Total	19,389,379,005.63	188,690,269.52	-	750,751,628.51	-	20,328,820,903.66

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For the period ended 30 June 2024
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XVII. NOTES TO THE MAIN ITEMS IN THE FINANCIAL STATEMENTS OF THE COMPANY (CONTINUED)

5. LONG-TERM EQUITY INVESTMENTS (CONTINUED)

(2) Details of long-term equity investments

1) Investments in associates and joint ventures

Investee	Investment costs	Opening balance	Increase in investment	Decrease in investment	Investment profit or loss under equity method	Changes in current period				Effects from translation in foreign currency statements	Closing balance	Closing balance of impairment provision	
						Other comprehensive income adjustments	Other changes in equity	Cash dividends and profits declared	Impairment provision				Others
Joint ventures													
DHL-Sinotrans International Air Courier Ltd.	409,323,623.72	2,309,126,827.16	-	-	753,834,567.40	-	837,274.35	-	-	-	-	3,063,798,668.91	-
Nissin-Sinotrans International Logistics Co., Ltd.	69,144,506.07	1,873,711,260.04	-	-	744,415,734.31	-	-	-	-	-	-	2,618,126,994.35	-
Sinotrans Suzhou Logistics Center Co., Ltd.	55,519,961.25	123,460,382.33	-	-	7,222,772.70	-	837,274.35	-	-	-	-	131,520,829.38	-
Yieng Xinluan Energy Technology Co., Ltd.	97,898,300.00	106,777,351.20	-	-	1,867,631.70	-	-	-	-	-	-	108,645,082.90	-
Sinotrans PFS Cold Chain Logistics Co., Ltd.	50,000,000.00	50,000,000.00	-	-	-1,939,449.63	-	-	-	-	-	-	48,060,550.37	-
Shanghai Tongyun International Logistics Co., Ltd.	90,000,000.00	49,095,160.06	-	-	-399,205.72	-	-	-	-	-	-	48,705,944.34	-
Sinotrans Logistics (Pakistan) Limited	16,059,835.00	36,103,435.78	-	-	-160,322.78	-	-	-	-	-	-	35,943,113.00	-
Shanghai United Cold Chain Logistics Co., Ltd.	1,457,004.00	28,072,032.52	-	-	-1,219,107.68	-	-	-	-	-	-	26,852,924.84	-
Others	15,000,000.00	7,756,307.57	-	-	-762,924.69	-	-	-	-	-	-	6,983,382.88	-
Associates													
Shanghai Pujian Storage Co., Ltd.	14,246,018.40	34,150,507.66	-	-	4,799,539.19	-	-	-	-	-	-	38,950,046.85	-
Oringzhi Logistics Technology Co., Ltd.	294,985,246.67	197,402,767.77	42,500,000.00	-	-3,920,213.24	-	-	-	-	-	-	235,982,554.53	-
Ma'anishan Tianshun Port Co., Ltd.	78,173,640.00	80,502,786.41	-	-	782,032.17	-	-	-	-	-	-	81,284,818.58	-
Shanghai Bulk Commodity Warehouse Receipt Registration Co., Ltd.	49,000,000.00	43,321,507.13	-	-	-3,519,132.53	-	-	-	-	-	-	39,802,374.60	-
China Merchants Sinotrans (Shenzhen) Industrial Innovation Private Equity Investment Fund Partnership (Limited Partnership)	21,000,000.00	31,721,316.55	-	-	394,453.54	-	-	-	-	-	-	32,115,770.09	-
China International Exhibition Transportation Co., Ltd.	30,000,000.00	30,000,426.25	-	-	-14,086.30	-	-	-	-	-	-	29,986,339.95	-
Innovation Private Equity Investment Fund Partnership (Limited Partnership)	56,496,379.67	7,016,955.38	42,500,000.00	-	-1,552,352.22	-	-	-	-	-	-	47,964,603.16	-
China International Exhibition Transportation Co., Ltd.	315,227.00	4,839,776.05	-	-	-11,127.90	-	-	-	-	-	-	4,828,648.15	-
Total													
	644,938,870.39	2,506,529,594.93	42,500,000.00	-	749,914,354.16	-	837,274.35	-	-	-	-	3,289,781,223.44	-

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Notes to the Financial Statements

For the period ended 30 June 2024

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

XVII. NOTES TO THE MAIN ITEMS IN THE FINANCIAL STATEMENTS OF THE COMPANY (CONTINUED)

5. LONG-TERM EQUITY INVESTMENTS (CONTINUED)

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

2) Investment in subsidiary

Name of investees	Opening balance	Increase in current period	Decrease in current period	Effects from translation in foreign currency statements	Closing balance
Sinotrans Air Transport Development Co., Ltd.	5,857,730,307.68	424,901.67	-	-	5,858,155,209.35
Sinotrans Logistics Co., Ltd.	4,737,815,444.10	792,311.39	-	-	4,738,607,755.49
Sinotrans South China Co., Ltd.	1,280,108,180.31	1,115,703.78	-	-	1,281,223,884.09
Sinotrans Eastern Company Limited	1,084,667,815.27	779,735.01	-	-	1,085,447,550.28
Sinotrans Changjiang Co., Ltd.	1,005,126,114.30	70,966.67	-	-	1,005,197,080.97
Sinotrans Central China Co., Ltd.	633,465,226.96	671,937.54	-	-	634,137,164.50
Sinotrans Logistics Investment Holdings Co., Ltd.	495,584,869.59	147,323.20	-	-	495,732,192.79
Wide Shine Development Limited	430,372,292.05	-	-	-	430,372,292.05
Trade Sky International Limited	341,057,315.76	-	-	-	341,057,315.76
Sinotrans Fujian Co., Ltd.	201,125,853.27	29,644.30	-	-	201,155,497.57
Sinotrans Engineering Logistics Co., Ltd.	-	140,000,000.00	-	-	140,000,000.00
Sinotrans Northeast Co. Ltd	137,777,353.60	-	-	-	137,777,353.60
Sinotrans North China Co., Ltd.	136,989,587.56	383,579.32	-	-	137,373,166.88
Sinotrans Heavy-lift Logistics Co., Ltd.	135,009,500.38	88,034.60	-	-	135,097,534.98
Sinotrans Hubei Company Limited	121,352,393.11	-	-	-	121,352,393.11
Sinotrans Innovative Technology Co., Ltd.	100,470,309.16	70,966.67	-	-	100,541,275.83
Others	184,196,847.60	1,615,165.37	-	-	185,812,012.97
Total	16,882,849,410.70	146,190,269.52	-	-	17,029,039,680.22

Note: The increase in long-term equity investments in subsidiaries during the period was mainly due to the capital contribution of RMB140 million by Sinotrans Engineering Logistics Co., Ltd., a newly established wholly-owned subsidiary, and the granting of stock options by the Company to the employees of certain subsidiaries (for details, please refer to Note IX. 72), which resulted in an increase of RMB6,190,300 in long-term equity investment in subsidiaries.

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XVII. NOTES TO THE MAIN ITEMS IN THE FINANCIAL STATEMENTS OF THE COMPANY (CONTINUED)

5. LONG-TERM EQUITY INVESTMENTS (CONTINUED)

- (3) As of 30 June 2024, the Company reviewed the operating conditions, asset status, and industry operating environment of its major subsidiaries, joint ventures, and associates, and found no obvious signs of impairment. Therefore, no impairment provision was made for long-term equity investments during the period.
- (4) As at 30 June 2024, there were no significant restrictions on the Company's ability to transfer funds from joint ventures or associates to the Company.
- (5) As at 30 June 2024, the Company had no significant excess losses incurred in its joint ventures or associates.

6. SHORT-TERM BORROWINGS

(1) Classification of short-term borrowings

Category	Closing balance	Opening balance
Fiduciary loans	1,200,000,000.00	—
Total	1,200,000,000.00	—

- (2) No short-term borrowings were outstanding at the end of the period.

7. LONG-TERM BORROWINGS

Type of loan	Closing balance	Opening balance	Interest rate range at the end of the period (%)
Fiduciary loans	67,000,000.00	67,000,000.00	1.20
Total	67,000,000.00	67,000,000.00	—
Less: Long-term borrowings due within one year	—	—	—
Including: Fiduciary loans	—	—	—
Long-term borrowings due after one year	67,000,000.00	67,000,000.00	—

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XVII. NOTES TO THE MAIN ITEMS IN THE FINANCIAL STATEMENTS OF THE COMPANY (CONTINUED)

7. LONG-TERM BORROWINGS (CONTINUED)

(1) No long-term borrowings were outstanding at the end of the 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
Agricultural Development								
Bank of China	2016-02-29	2033-02-28	RMB	1.20	-	27,000,000.00	-	27,000,000.00

(3) The Company had no long-term borrowings extended at the end of the period.

8. BONDS PAYABLE

(1) **Details of bonds payable**

Item	Closing balance	Opening balance
2021 corporate bonds (phase I)	2,058,015,232.91	2,026,655,123.24
2021 medium term notes (phase I)	-	2,038,876,712.41
Less: Bonds payable due within one year	2,058,015,232.91	2,066,147,945.24
Total	-	1,999,383,890.41

Note: The details of bonds payable are described in Note IX. 36.

(2) **The maturity date of bonds payable is analysed as follows**

Item	Closing balance	Opening balance
1 to 2 years (including 2 years)	-	-
2 to 5 years (including 5 years)	-	1,999,383,890.41
Total	-	1,999,383,890.41

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For the period ended 30 June 2024

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XVII. NOTES TO THE MAIN ITEMS IN THE FINANCIAL STATEMENTS OF THE COMPANY (CONTINUED)

9. CAPITAL RESERVES

Item	Opening balance	Increase in current period	Decrease in current period	Closing balance
I. Share capital premium	10,648,390,638.65	26,168,346.39	11,657,775.85	10,662,901,209.19
1. Capital invested by investors	10,728,847,844.03	26,168,346.39	3,587,680.16	10,751,428,510.26
2. Others	-80,457,205.38	-	8,070,095.69	-88,527,301.07
II. Other capital reserves	64,917,625.37	9,820,396.56	26,168,346.39	48,569,675.54
1. Other changes in equity of investees other than net gains and losses, other comprehensive income and profit distributions	5,298,445.87	837,274.35	-	6,135,720.22
2. Share-based payment for unexercised rights	60,163,649.15	8,983,122.21	26,168,346.39	42,978,424.97
3. Others	-544,469.65	-	-	-544,469.65
Total	10,713,308,264.02	35,988,742.95	37,826,122.24	10,711,470,884.73
Including: Exclusively state-owned capital reserves	—	—	—	—

10. UNDISTRIBUTED PROFIT

Item	Current period	Prior period
Closing balance of the prior period	6,686,280,777.84	5,108,267,970.16
Add: Adjustments to opening undistributed profit	-	-
Opening balance of the current period	6,686,280,777.84	5,108,267,970.16
Increase in current period	767,602,417.11	2,547,618,958.99
Including: Net profit for the period	767,602,417.11	2,547,618,958.99
Decrease in current period	1,049,711,268.44	726,735,817.50
Including: Dividends distribution	1,049,711,268.44	726,735,817.50
Closing balance of the current period	6,404,171,926.51	6,929,151,111.65

11. OPERATING INCOME, COSTS

Item	Current period		Prior period	
	Income	Costs	Income	Costs
Agency and related business	1,951,683,251.47	1,871,796,647.72	1,623,761,221.61	1,553,981,458.89
Professional logistics	818,164,521.32	777,696,857.33	749,758,648.48	667,366,024.68
Total	2,769,847,772.79	2,649,493,505.05	2,373,519,870.09	2,221,347,483.57

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Notes to the Financial Statements

For the period ended 30 June 2024
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XVII. NOTES TO THE MAIN ITEMS IN THE FINANCIAL STATEMENTS OF THE COMPANY (CONTINUED)

11. OPERATING INCOME, COSTS (CONTINUED)

(1) Information related to performance obligations

January-June 2024

Item	Agency and related business	Professional logistics
Operating income	—	—
Including: Recognition at a certain point	1,951,683,251.47	818,164,521.32
Recognition within a certain period	-	-
Lease income	-	-
Total	1,951,683,251.47	818,164,521.32

January-June 2023

Item	Agency and related business	Professional logistics
Operating income	—	—
Including: Recognition at a certain point	1,623,761,221.61	749,758,648.48
Recognition within a certain period	-	-
Lease income	-	-
Total	1,623,761,221.61	749,758,648.48

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.

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Notes to the Financial Statements

For the period ended 30 June 2024

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XVII. NOTES TO THE MAIN ITEMS IN THE FINANCIAL STATEMENTS OF THE COMPANY (CONTINUED)

11. OPERATING INCOME, COSTS (CONTINUED)

(1) Information related to performance obligations (Continued)

The services provided by the Company to its customers can be classified into two types: agency and related business and professional 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 performance obligation, taking into account factors such as the degree of interconnection and dependence of each logistics process. The professional logistics and agency and related businesses carried out by the Company usually provide customers with point-to-point logistics services. This enables customers to both obtain and consume economic benefits from the Company's performance at the same time as the Company's performance. As these services are typically completed within a relatively short period within an accounting period, the provision of services across accounting periods is not significant for the Company. Therefore, the Company recognizes the realization of income at the point of completion of the aforementioned services.

The Company recognizes income from the agency and related business conducted in the capacity of an agent when the related act of the agency is completed.

The Company determines whether its identity at the time of performing a transaction is that of a principal or an agent based on whether it has control over the goods or services prior to transferring the goods or services to the customer. In the case of agency and related businesses, the Company's status as a principal or agent is determined primarily by considering whether it has assumed the corresponding risks and liabilities.

The logistics services provided by the Company to its customers are immediate consumable services, which usually do not involve warranty, refund, or other arrangements. The Company accrues estimated liabilities, as appropriate, when it is required by customers to pay compensation for damage to goods in the course of providing services.

(2) Statement of apportionment to remaining performance obligations

The Company has entered into contracts (agreements, orders, etc.) with customers at the end of the 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 RMB38,297,852.90 (closing balance of contract liabilities) will be recognised as revenue within one year. The remaining transaction prices are not presented due to the expected term of these contracts being less than one year and the dispersed nature of the customers involved and the large number of contracts, which simplifies the treatment. The Company has no variable consideration clauses in the above contracts. The Company has no variable consideration clauses in the above contracts.

(3) The Company had no significant contract changes or significant transaction price adjustments during the period. The amount of income adjusted in the current period for performance obligations fulfilled (or partially fulfilled) in the prior year is RMB0.00.

Chapter 10 Notes to the Financial Statements

For the period ended 30 June 2024
(Unless indicated otherwise, all amounts are expressed in RMB)

XVII. NOTES TO THE MAIN ITEMS IN THE FINANCIAL STATEMENTS OF THE COMPANY (CONTINUED)

12. FINANCE COSTS

Item	Current period	Prior period
Interest expenses	161,257,159.69	136,383,266.59
Including: Bank and other borrowings	2,158,700.00	579,366.67
Bond interest	62,483,397.26	66,568,328.77
Interest expenses on lease liabilities	12,752,433.27	13,153,241.40
Interest on collection of funds from subsidiaries	83,862,629.16	56,082,329.75
Less: Capitalized interest expenses	-	
Less: Interest income	122,469,164.32	156,228,369.45
Net exchange losses (net gains denoted by "-")	-1,233,942.51	-25,850,352.50
Others	479,084.74	2,415,591.94
Total	38,033,137.60	-43,279,863.42

13. INVESTMENT INCOME

Item	Current period	Prior period
Income from long-term equity investments under the equity method	749,914,354.16	838,225,246.28
Income from long-term equity investments under the cost method	193,050,067.31	1,660,900,373.56
Investment income from holding other non-current financial assets	-	116,617,488.15
Investment income from the disposal of receivables financing	-	-172,788.46
Investment income from the disposal of other non-current financial assets	-	-12,091,826.62
Total	942,964,421.47	2,603,478,492.91

The Company has no significant restrictions on the repatriation of investment income.

Chapter 10

Notes to the Financial Statements

For the period ended 30 June 2024

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

XVII. NOTES TO THE MAIN ITEMS IN THE FINANCIAL STATEMENTS OF THE COMPANY (CONTINUED)

14. 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	767,602,417.11	2,547,618,958.99
Add: Impairment of assets	—	—
Credit impairment losses	24,493,906.95	-2,603,961.20
Depreciation of fixed assets and investment properties	3,480,425.28	4,471,739.77
Depreciation of right-of-use assets	13,106,417.23	13,003,008.06
Amortisation of intangible assets	30,926,461.53	26,669,598.30
Amortisation of long-term prepaid expenses	587,716.72	113,969.64
Losses from disposal of assets (gains denoted by “-”)	-202,842.93	—
Losses from damage and scrapping of non-current assets (gains denoted by “-”)	217,146.94	110,430.59
Losses from changes in fair value (gains denoted by “-”)	—	—
Finance costs (income denoted by “-”)	147,738,996.31	85,549,673.87
Investment losses (income denoted by “-”)	-942,964,421.47	-2,603,478,492.91
Decrease in deferred tax assets (increase denoted by “-”)	—	—
Increase in deferred tax liabilities (decrease denoted by “-”)	—	—
Decrease in inventories (increase denoted by “-”)	-64,757.69	-83,986.98
Decrease in operating receivables (increase denoted by “-”)	-126,314,907.11	105,799,383.92
Increase in operating payables (decrease denoted by “-”)	-13,355,897.32	-120,427,815.41
Net cash flows from operating activities	-94,749,338.45	56,742,506.64
2. Major investing and financing activities not involving cash receipts and payments:	—	—
Conversion of debts into capital	—	—
Convertible corporate bonds due within one year	—	—
Fixed assets under financing lease	—	—
Conversion of the balance of salary difference in the prior year into national capital	—	—
3. Net changes in cash and cash equivalents:	—	—
Closing balance of cash	2,654,697,475.97	7,091,097,161.54
Less: Opening balance of cash	6,678,660,070.77	8,035,397,765.29
Add: Adjustments to the classification of customer settlement provisions at the beginning of the period	—	—
Net increase in cash and cash equivalents	-4,023,962,594.80	-944,300,603.75

Chapter 10 Notes to the Financial Statements

For the period ended 30 June 2024
(Unless indicated otherwise, all amounts are expressed in RMB)

XVIII. 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-operating Profit or Loss (as amended in 2023) issued by the China Securities Regulatory Commission, the Group's non-recurring profit or loss for January-June 2024 are as follows:

Item	Current period	Prior period	Description
Gains and losses on disposal of non-current assets, including offsetting of asset impairment provision	11,748,840.55	67,271,981.45	—
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	175,444,396.87	199,982,152.47	—
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	-12,255,836.67	32,710,279.02	—
Fees charged to non-financial enterprises for fund occupancy included in current profit or loss	509,025.55	694,635.22	—
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	9,776,111.24	12,013,631.63	—
Income from the fair value of identifiable net assets of investees when the investment cost of the enterprise for the acquisition of subsidiaries, associates, and joint ventures is less than the investment obtained	-	-	—
Current net profit or loss of subsidiaries from the business combination under common control from the beginning of the period to the date of combination	-	30,322,246.79	—
Profit or loss from the exchange of non-monetary assets	-	-	—

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Notes to the Financial Statements

For the period ended 30 June 2024

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

XVIII.SUPPLEMENTARY INFORMATION (CONTINUED)

1. NON-RECURRING STATEMENT OF PROFIT OR LOSS FOR THE PERIOD (CONTINUED)

Item	Current period	Prior period	Description
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	-	-	—
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	53,846,539.21	-5,064,286.90	—
Other profit and loss items that meet the definition of non-recurring profit or loss	-	41,700,328.53	—
Subtotal	239,069,076.75	379,630,968.21	—
Income tax effect amount	-24,146,286.68	-47,441,502.02	—
Effects of non-controlling interests (after tax)	-68,732,539.55	-76,826,722.70	—
Total	146,190,250.52	255,362,743.49	—

Note: The Group does not have any non-recurring gains or losses recognized as items not listed in Explanatory Announcement No. 1 on Information Disclosure of Companies Issuing Public Securities – Non-recurring Gains and Losses, and the cases in which the non-recurring profit and loss items listed in Explanatory Announcement No. 1 on Information Disclosure of Companies Issuing Public Securities – Non-recurring Gains and Losses are defined as recurring gain or loss.

Chapter 10 Notes to the Financial Statements

For the period ended 30 June 2024
(Unless indicated otherwise, all amounts are expressed in RMB)

XVIII. SUPPLEMENTARY INFORMATION (CONTINUED)

2. RETURN ON NET ASSETS AND EARNINGS PER SHARE

In accordance with the Explanatory Announcement No. 9 on Information Disclosure for Companies Offering Securities to the Public – Calculation and Disclosure of Return on Net Assets and Earnings per Share (as amended in 2010) issued by CSRC, the weighted average return on net assets, basic earnings per share and diluted earnings per share of the Group for January-June 2024 are as follows:

Profit during the reporting period	Weighted average return on net assets (%)	Earnings per share	
		Basic earnings per share	Diluted earnings per share
Net profit attributable to shareholders of the Company	5.03	0.2680	0.2674
Net profit attributable to shareholders of the Company after deduction of non-recurring profit or loss	4.66	0.2479	0.2473

XIX. OTHER SIGNIFICANT EVENTS

On 7 June 2024, the Company held the 2023 Annual General Meeting of Shareholders, the 2024 First Class Meeting of H Share, and the 2024 First Class Meeting of A Share, and considered and approved the Proposal on Application for General Authorisation to Repurchase H Shares, and agreed to grant the Board of Directors a general authorisation. The Board of Directors shall, based on demand and market conditions, and in compliance with the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Ltd. and the Companies Ordinance, timely decide to repurchase up to 10% of the total number of H shares (the total number of issued H shares of the Company as at the date of approval of such authorisation by the General Meeting of Shareholders was 2,038,300,000 shares) of the Company in issue as at the date of the General Meeting of Shareholders at which such authorisation is approved. The term of such general authorisation is from the date of the relevant proposal authorised at the General Meeting of Shareholders to the earliest of the following three dates: (1) at the end of the next Annual General Meeting of the Company; or (2) 12 months expired after the approval of the repurchase authorisation proposal; or (3) the revocation or amendment of the proposal by a special proposal passed by the General Meeting of Shareholders, of the Company. If the Board of Directors of the Company exercises the aforesaid general authorisation, according to relevant regulations, the Company will cancel the repurchased H Shares in accordance with the law, and the registered capital of the Company will be reduced accordingly. As at the date of approval of this report, the Board of Directors of the Company has not yet decided to repurchase the issued H shares of the Company under the general authorisation mentioned above.

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Notes to the Financial Statements

For the period ended 30 June 2024

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

XIX. OTHER SIGNIFICANT EVENTS (CONTINUED)

As described in Note IX. 36, the Company adjusted the coupon interest rate for the next 2 years of the first tranche of the FY 2021 corporate bonds from 3.15% to 2.15% in accordance with the issuer's option to adjust the coupon interest rate as set out in the Offering Circular. This adjustment triggers the terms of the investor resale option as set out in the Offering Circular. The relevant resale was completed on 26 July 2024 (the date of payment of the resale proceeds) with a resale amount of RMB1,980,000,000.

XX. APPROVAL OF THE FINANCIAL STATEMENTS

The Group's financial statements for January-June 2024 were approved for presentation by the Board of Directors of the Group on 29 August 2024.

Chairman: Wang Xiufeng

Submission Date as approved by the Board: 29 August 2024

REVISION HISTORY

Applicable Not applicable



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