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**S.F. Holding Co., Ltd.**  
**順豐控股股份有限公司**

*(A joint stock company incorporated in the People's Republic of China with limited liability)*  
**(Stock Code: 6936)**

## **INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED JUNE 30, 2025**

The board of directors (the “**Board**”) of the S.F. Holding Co., Ltd. (the “**Company**”, together with its subsidiaries, the “**Group**”) is pleased to announce the unaudited results of the Group for the six months ended June 30, 2025. This announcement, containing the full text of the 2025 interim report of the Company, is prepared with reference to the relevant requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited in relation to preliminary announcements of interim results. The Company’s 2025 interim report will be published on the HKExnews’s website ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company’s website ([www.sf-express.com](http://www.sf-express.com)) in due course, and will be sent to the Company’s shareholders (if requested).

By Order of the Board  
**S.F. Holding Co., Ltd.**  
**GAN Ling**  
*Joint Company Secretary*

Shenzhen, the PRC, August 28, 2025

*As at the date of this announcement, the Board comprises Mr. Wang Wei as chairman and executive director, Mr. Ho Chit, Ms. Wang Xin and Mr. Xu Bensong as executive directors; and Mr. Chan Charles Sheung Wai, Mr. Lee Carmelo Ka Sze and Dr. Ding Yi as independent non-executive directors.*

## Company Vision



To be the well-respected and the world's leading  
digital intelligence logistics solution provider





## Important Notice

The Company's Board of Directors, Board of Supervisors, Directors, Supervisors and senior management hereby guarantee that the contents of this interim report (the "Report") are true, accurate, and complete, and that there are no misrepresentations, misleading statements, or material omissions, and shall assume individual and joint legal liabilities.

The interim financial report is prepared in accordance with the International Financial Reporting Standards and reviewed by PricewaterhouseCoopers.

The Report has been considered and approved at the 23rd meeting of the sixth session of the Board of Directors of the Company (the "Board Meeting") with all Directors present and voting in favor.

Forward-looking statements such as future development plans contained herein do not constitute any undertaking made by the Company to investors. Investors are advised to invest rationally and to take into account possible investment risks.

The profit distribution plan considered and approved at the Board Meeting is as follows: based on the total number of Shares at the record date in respect of the implementation of 2025 interim

profit distribution plan, less the Shares in repurchase securities account of the Company, an interim cash dividend of RMB4.6 (tax inclusive) per 10 Shares will be distributed to all Shareholders. The Company will not carry out bonus issue or conversion of capital reserve into share capital for the six months ended June 30, 2025. Upon preliminary calculation using the Company's total number of Shares as of the date of this Report and excluding the Shares in the repurchase securities account on the even date, the amount of the 2025 interim cash dividend distribution is expected to be RMB2.32 billion, accounting for approximately 40% of the profit attributable to owners of the Company for the six months ended June 30, 2025. The Board has been authorized by the shareholders at the 2024 Annual General Meeting of the Company to determine and implement the 2025 interim profit distribution plan.

The Report is prepared in both Chinese and English versions. If there is any ambiguity in understanding the interim financial report, the English version shall prevail. If there is any ambiguity in understanding of other contents other than the interim financial report, the Chinese version shall prevail.



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## Corporate Information

### Board of Directors

#### Executive Directors

Mr. Wang Wei (*Chairman*)

Mr. Ho Chit

Ms. Wang Xin

Mr. Xu Bensong

#### Independent Non-executive Directors

Mr. Chan Charles Sheung Wai

Mr. Lee Carmelo Ka Sze

Dr. Ding Yi

#### Audit Committee

Mr. Chan Charles Sheung Wai (*Chairman*)

Mr. Lee Carmelo Ka Sze

Dr. Ding Yi

#### Nomination Committee

Mr. Lee Carmelo Ka Sze (*Chairman*)

Dr. Ding Yi

Mr. Wang Wei

#### Remuneration and Appraisal Committee

Dr. Ding Yi (*Chairlady*)

Mr. Chan Charles Sheung Wai

Mr. Lee Carmelo Ka Sze

#### Risk Management Committee

Mr. Ho Chit (*Chairman*)

Mr. Chan Charles Sheung Wai

Mr. Lee Carmelo Ka Sze

#### Strategy Committee

Mr. Chan Charles Sheung Wai (*Chairman*)

Dr. Ding Yi

Mr. Wang Wei

### H Share Registrar

#### Tricor Investor Services Limited

17/F, Far East Finance Centre

16 Harcourt Road

Hong Kong

### Legal Advisers

*As to Hong Kong laws:*

#### Herbert Smith Freehills Kramer

23rd Floor, Gloucester Tower

15 Queen's Road Central

Hong Kong

### Auditor

#### PricewaterhouseCoopers

*Certified Public Accountants and*

*Registered Public Interest Entity Auditor*

22/F, Prince's Building

Central, Hong Kong

### Compliance Adviser

#### Caitong International Capital Co., Limited

Unit 2401-05, 24th Floor

Grand Millennium Plaza

181 Queen's Road Central

Hong Kong

### Registered Address in the PRC

3/F, Complex Building

SF South China Transit Center, No. 1111, Hangzhan 4th Road

Shenzhen Airport, Caowei Community

Hangcheng Sub-district, Bao'an District, Shenzhen

Guangdong Province, the PRC

## Corporate Information

### Principal Place of Business in the PRC

TK Chuangzhi Tiandi Building  
Keji South 1st Road  
Nanshan District, Shenzhen  
Guangdong Province, the PRC

### Principal Place of Business in Hong Kong

9/F, Asia Logistics Hub – SF Centre  
36 Hong Wan Road, Tsing Yi  
New Territories, Hong Kong

### Authorized Representatives

Mr. Ho Chit  
Ms. Gan Ling

### Joint Company Secretaries

Ms. Gan Ling  
Ms. So Ka Man (*FCG, HKFCG (PE)*)

### Company's Website

[www.sf-express.com](http://www.sf-express.com)





**“SF Holding is the largest integrated logistics service provider in China and Asia, and the fourth largest in the world<sup>1</sup>”**

Founded in 1993, SF has evolved into Asia's largest and the world's fourth-largest integrated logistics service provider through its 32-year development, ranking 393rd on the Fortune Global 500 list. SF offers customers comprehensive, end-to-end domestic and international logistics solutions, spanning time-definite express services, economy express services, freight services, cold chain and pharmaceutical logistics services, intra-city on-demand delivery services, as well as supply chain and international services (including international express services, international cargo and freight forwarding services, and supply chain services). SF boasts an extensive global service network, with domestic operations covering all 339 prefecture-level administrative divisions in China, achieving 100% coverage. SF's international express services, international cargo and freight forwarding services, and supply chain services extend to 95 countries and regions globally, while its international small parcel delivery services establish the footprint in 200 countries and regions. SF is also the premium brand in the logistics industry both in China and globally, having been listed for eight consecutive years among “China's Most Admired Companies” by Fortune China, and ranks first in Express Delivery Service Public Satisfaction in China for 16 consecutive years.

The Company's flagship time-definite express services maintain a commanding market share in China. Leveraging the resources and capabilities of its express network, SF has efficiently expanded into multiple logistics sub-segments – ranging from small parcels to bulky and heavy cargo, from standard express service to customized supply chain solutions, and from the Chinese market to Asia and globally. In China, SF ranks first in five segments: express delivery, freight, cold chain, intra-city on-demand delivery<sup>2</sup>, and supply chain services<sup>3</sup>. In Asia, SF ranks first in four segments: express delivery, freight, intra-city on-demand delivery<sup>2</sup>, and international services<sup>4</sup>. Leveraging its industry-leading R&D capabilities, SF harnesses technology to empower customers in building secure and efficient smart supply chains, with the vision of becoming the well-respected and the world's leading digital intelligence logistics solution provider.

Looking ahead, as a global logistics leader connecting Asia with the rest of the world, SF will continue to leverage its well-recognized premium brand, extensive global network coverage and comprehensive logistics service capabilities to accelerate domestic and international expansion, drive sustainable and healthy business growth, and position itself as the go-to logistics partner for business customers and retail customers – fostering growth together with customers and creating shared value.

## Extensive Scale

### Largest in Asia

### 4th Largest Globally

Integrated logistics service provider<sup>1</sup>

## Leadership<sup>1</sup>

### No. 1 in Asia

Express, LTL Freight, Intra-city On-demand Delivery<sup>2</sup>, International Business<sup>4</sup>

### No. 1 in China

Express, LTL Freight, Cold Chain, Intra-city On-demand Delivery<sup>2</sup>, Supply Chain<sup>3</sup>

## Premium Brand

### No. 1

Customer satisfaction for express services in China

### 16 years in a row

<sup>1</sup> According to Frost & Sullivan Report, in terms of revenue in 2024

<sup>2</sup> Among third-party intra-city on-demand delivery service providers

<sup>3</sup> Among non-state-owned independent third-party supply chain solution providers

<sup>4</sup> Among the integrated logistics service providers in Asia

# Business Segments

## Express Logistics



Time-definite Express

Provide time-definite and high-quality door-to-door delivery service for consumers, enterprises, and mid- to high-end brand merchants

- Options of half-day delivery, same-day delivery, next morning/next day delivery, taking into account on shipping route and distance;
- Addressing time-efficient and door-to-door delivery demands such as personal pieces, industrial and commercial pieces, mid- to high-end brand order fulfillment, parcel return services for e-commerce platforms, immediate response in JIT mode of production and distribution, and other scenarios.



Economy Express

Provide cost-effective and quality-guaranteed delivery services mainly for e-commerce platforms and merchants

- We focus on serving e-commerce platforms and merchants with stringent requirement on user experience by virtue of our high-quality fulfillment capabilities, standing out in the market attributable to timeliness and door-to-door delivery;
- Integrated warehousing and distribution service to serve warehousing needs arising from differentiated service offering and pricing level, with nationwide sub-warehouses, smart cloud-based warehouses and integrated warehousing and distribution service.



Freight

Provide one-stop comprehensive logistics transportation distribution and to-door extended service of large parcel mainly for enterprise production and commercial distribution, and personal life scenarios

- Provide large parcels B2C delivery, B2B batch shipments, less-than-truck-load freight transport and full-truck-load transport;
- Large parcel warehousing and distribution, moving, store distribution, integrated delivery and installation, and other scenarios;
- SF Freight carried out through directly-operated network to serve mid- to high-end customers while SX Freight carried out through franchising network to serve lower-tier markets.



Cold Chain and Pharmaceutical Logistics

Mainly for customers from three sectors: seasonal and fresh, frozen food and pharmaceutical

- **Seasonal and fresh food logistics:** Deliver seasonal agricultural products across China directly from place of origin to consumers;
- **Cold chain food logistics:** Provide high-standard B2B2C end-to-end temperature-controlled cold chain logistics services;
- **Pharmaceutical logistics:** Serve clients throughout the entire pharmaceutical value chain, capable of conducting multi-temperature zone control and transportation (from -80°C to 25°), and GSP certified pharmaceutical cold storage service.



Intra-City On-demand Delivery

Point-to-point instant delivery service mainly for merchants and customers within the city

- Provide customized and standardized product system for business merchants, service integrating features of 'Fetch for Me, Deliver for Me, Purchase for Me, Solve for Me' for consumer-end users and city-wide on-demand delivery services within average 1 hour.

## Supply Chain and International



International Express

Provide domestic and foreign manufacturers, trading enterprises, cross-border e-commerce merchants and consumers with international express delivery, overseas local express, cross-border e-commerce parcel delivery and overseas warehousing services

- **Cross-border standard express:** Standard services with high timeliness that meet the needs of cross-border expedite delivery, including high-quality international standard express and cost-effective international special-offer products;
- **Cross-border e-commerce delivery:** Cost-effective and economical services that meet the needs of cross-border e-commerce platforms and merchants, including efficient international e-commerce express and economical international small parcels delivery;
- **Overseas local express:** Offered in Southeast Asian countries such as Thailand, Vietnam, Malaysia, Singapore, Indonesia.



International Cargo and Freight Forwarding

Provide customers with air, sea, railway, ground and multi-modal freight transport solutions

- **Air transport:** provide air transport services such as pick-up at departure point, multiple integration, customs clearance, delivery to end customer;
- **Sea freight:** provide sea freight service including all kinds of traditional freight, FCL freight and LCL freight;
- **Ground transport:** provide innovative and economical road and railway transport services across Europe and Asia.



Supply Chain

Provide customers in various industries with one-stop domestic and international digital supply chain solutions

- Empowering customers with technology, leveraging SF's big data, IoT technology and software and hardware system integration capabilities to help customers establish a global smart supply chain system.



## Key Accounting Data and Financial Indicators

### Financial Summary

#### Interim Results Overview for 2025

##### Revenue

RMB **146.9** billion **↑9.3%**

##### Total assets

RMB **218.2** billion **↑2.1%**

##### Gross profit

RMB **19.1** billion **↑4.1%**

##### Equity attributable to owners of the Company

RMB **95.4** billion **↑3.7%**

##### EBITDA<sup>(1)</sup>

RMB **16.6** billion **↑4.3%**

##### Basic earnings per share

RMB **1.16** per share **↑16%**

##### Profit attributable to owners of the Company

RMB **5.74** billion **↑19.4%**

##### Cash dividend per share

RMB **0.46** per share **↑15%**

##### Weighted average return on net assets

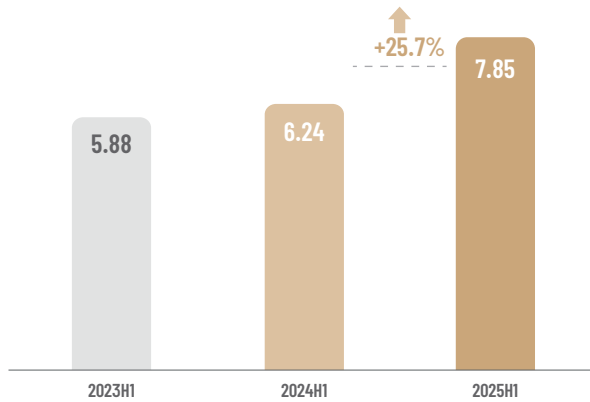
**6.07%** **+0.8 ppts**

Note 1: EBITDA is not an IFRS measure.

## Key Accounting Data and Financial Indicators

### Total Volume

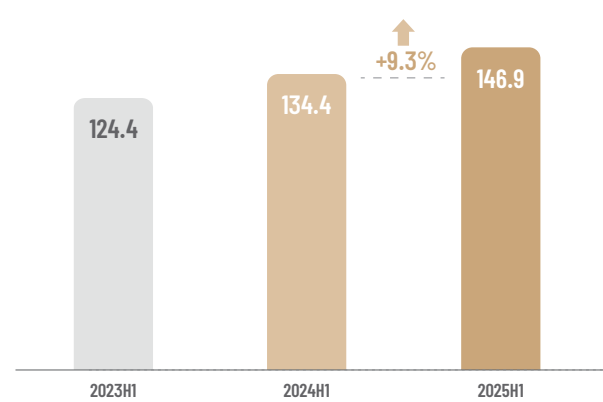
Unit: billion parcels



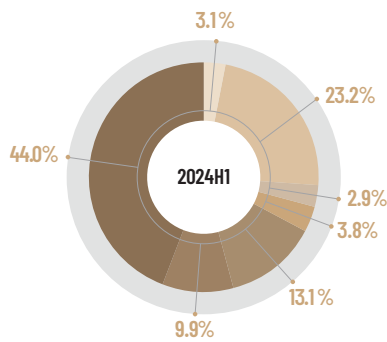
The total volume includes the volume of express logistics business and international express business (exclude oversea local express business).

### Total Revenue

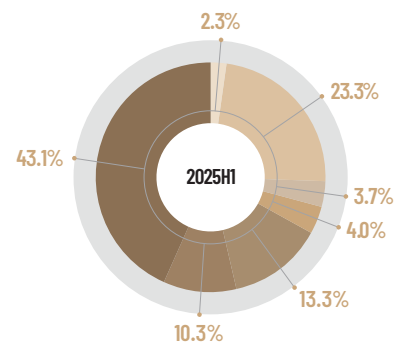
Unit: RMB billion



### Revenue Breakdown by Segment

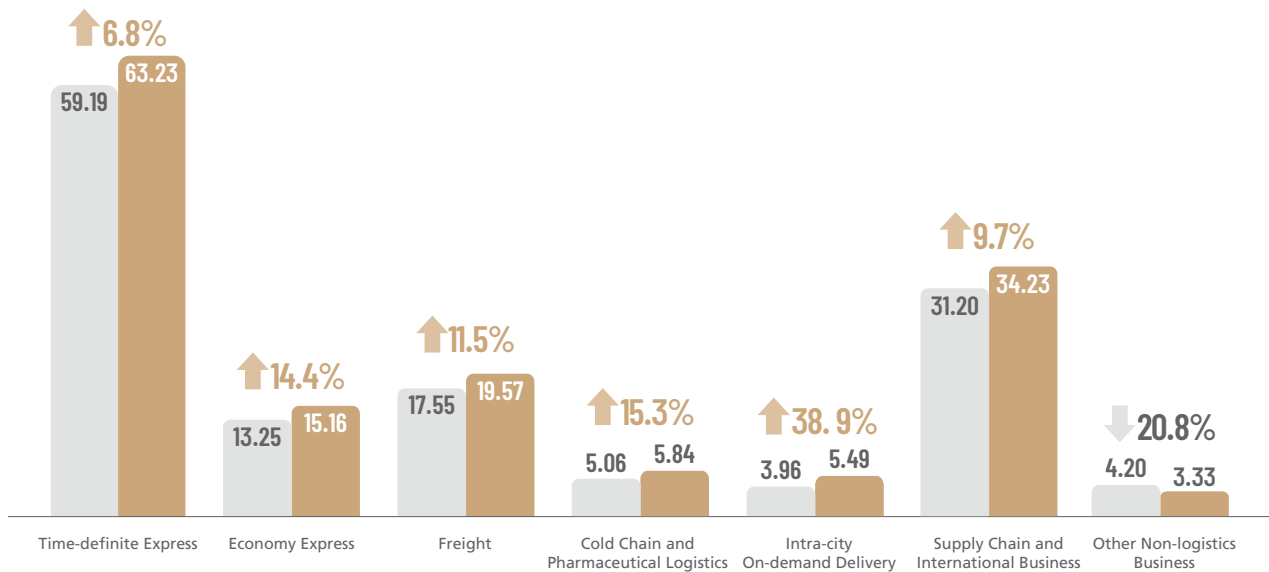


- Time-definite Express
- Economy Express
- Freight
- Cold Chain and Pharmaceutical Logistics
- Intra-city On-demand Delivery
- Supply Chain and International Business
- Other Non-logistics Business



Unit: RMB billion

2024H1 2025H1

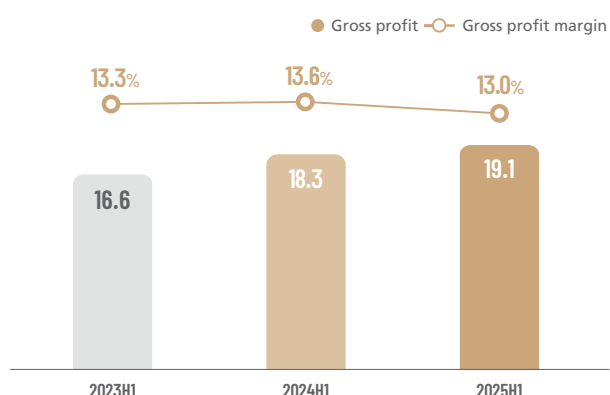




## Key Accounting Data and Financial Indicators

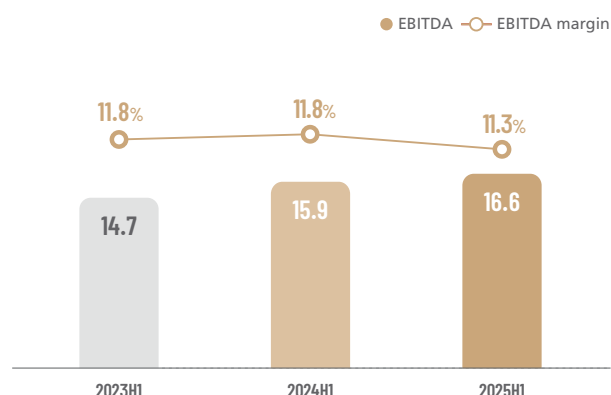
### Gross profit

Unit: RMB billion



### EBITDA

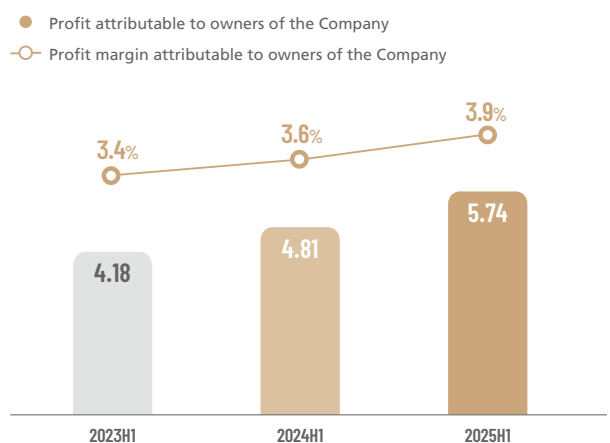
Unit: RMB billion



EBITDA is not an IFRS measure.

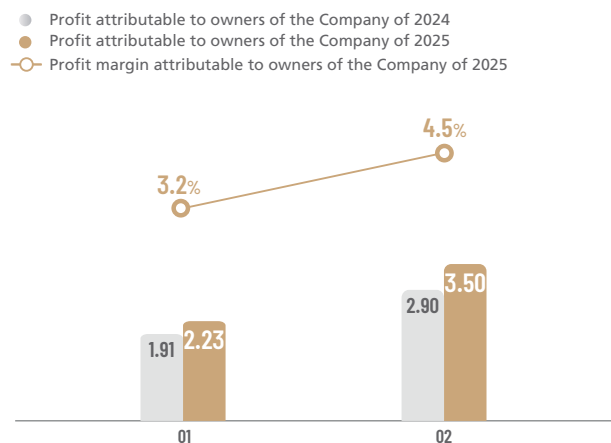
### Profit attributable to owners of the Company

Unit: RMB billion



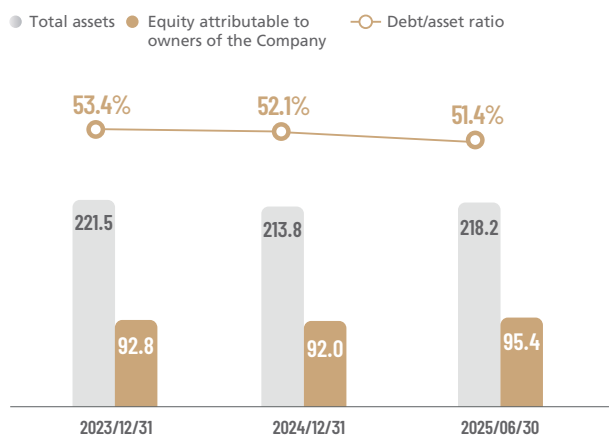
### Quarterly profit attributable to owners of the Company

Unit: RMB billion



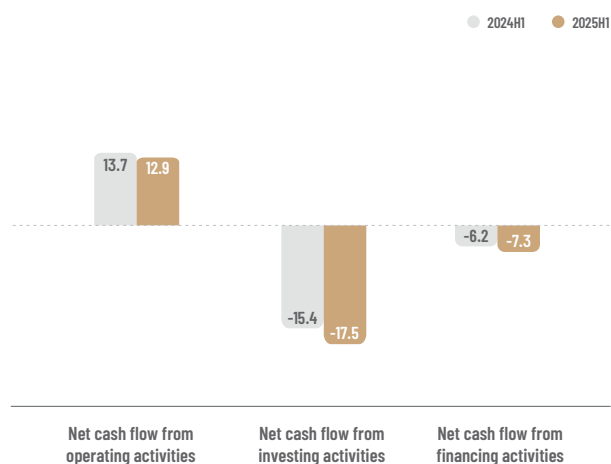
### Assets

Unit: RMB billion



### Net cash flow

Unit: RMB billion



## Key Accounting Data and Financial Indicators

Income Statement Items	For the six months ended June 30,		Year-on-year change
	2025 RMB'000	2024 RMB'000	
Revenue	146,858,174	134,409,720	9.26%
Gross profit	19,060,542	18,313,439	4.08%
EBITDA <sup>(1)</sup>	16,610,359	15,925,561	4.30%
Profit for the period	6,012,403	4,760,922	26.29%
Profit for the period attributable to owners of the Company	5,737,699	4,806,714	19.37%

Note:

(1) EBITDA = profit for the period + depreciation and amortization + finance costs, net + income tax expense. EBITDA is not an IFRS measure. For further details, please refer to page 38 of the “Non-IFRS measures” section of this Report.

Balance Sheet Items	As of June 30,	As of December 31,	Period-on-period change
	2025 RMB'000	2024 RMB'000	
Total assets	218,236,503	213,824,213	2.06%
Total liabilities	112,071,266	111,488,992	0.52%
Total equity	106,165,237	102,335,221	3.74%
Equity attributable to owners of the Company	95,399,730	91,993,286	3.70%
Asset-liability ratio	51.35%	52.14%	Down by 0.79 percentage point

Cash Flows Statement Items	For the six months ended June 30,		Year-on-year change
	2025 RMB'000	2024 RMB'000	
Net cash generated from operating activities	12,936,690	13,722,269	-5.72%
Net cash used in investing activities	-17,516,875	-15,444,553	-13.42%
Net cash used in financing activities	-7,280,764	-6,181,865	-17.78%

Key Accounting Data and Financial Indicators

Key Financial Indicators	For the six months ended June 30,		Year-on-year change
	2025	2024	
Basic earnings per share (RMB)	1.16	1.00	16.00%
Diluted earnings per share (RMB)	1.16	1.00	16.00%
Weighted average return on net assets	6.07%	5.23%	Up by 0.84 percentage point

Differences in net profit and net assets in the financial reports disclosed in accordance with the International Accounting Standards and the Chinese Accounting Standards are as follows:

	Profit attributable to owners of the Company		Equity attributable to owners of the Company	
	For the six months ended June 30,		As of June 30,	As of December 31,
	2025 RMB'000	2024 RMB'000	2025 RMB'000	2024 RMB'000
In accordance with the International Accounting Standards	5,737,699	4,806,714	95,399,730	91,993,286
In accordance with the Chinese Accounting Standards	5,737,699	4,806,714	95,399,730	91,993,286
<i>Items and amounts adjusted in accordance with the International Accounting Standards:</i>				
In accordance with the International Accounting Standards	—	—	—	—
Difference description	No difference			

# Management Discussion and Analysis



## Overall Review

### Market Overview

#### Domestic Market

**New quality productive forces have steadily advanced, accelerating industrial transformation and upgrading.**

In the first half of 2025, value-added industrial output of enterprises above designated size grew by 6.4% year-on-year, with high-tech manufacturing and equipment manufacturing sectors achieving growth rates of 9.5% and 10.2%, respectively, marking significant optimization and upgrading of industrial structures. This rapid growth was largely driven by the acceleration of high-end manufacturing's overseas expansion and the strategic shift towards high-end, intelligent, and environmentally sustainable emerging industries. Notably, the production of new energy vehicles and industrial robots surged by 36.2% and 35.6% year-on-year, respectively, underscoring China's industrial transition towards a more innovation-driven, high-value, and efficient development model, further strengthening its position within global value chains.

**Driven by supportive policies, the consumer market in China recorded steady growth with notable structural transformation.**

In the first half of 2025, under continued national initiatives aimed at expanding domestic demand and promoting consumption, the consumer market remained steady growth. According to the National Bureau of Statistics, total retail sales of consumer goods in China grew by 5.0% year-on-year in the first half of 2025, with online retail sales of physical goods rising by 6.0%, slightly lower than that of the same period last year. Stimulated by the government's trade-in of old consumer goods policies, major product categories such as home appliances, furniture, and consumer electronics recorded rapid growth.

At the same time, structural shifts in consumer preferences have catalyzed diverse new business formats and consumption scenarios. Emotional and experiential consumption is rapidly emerging as a key growth driver, with sectors such as immersive cultural tourism experiences, popular performances and sports events, the pet economy, and designer toys blind box increasingly gaining traction and deeply reshaping the commercial landscape.

In traditional e-commerce sectors, consumers' growing emphasis on value-for-money products is accompanied by heightened expectations for timely delivery and convenient shopping experiences. This trend has accelerated the strategic deployment of major

e-commerce platforms into instant retail, where the integration of online and offline near-field commerce models continues to flourish, becoming an essential driver of consumer market growth.

**The upgrading of industries and the evolution of consumption patterns are driving accelerated development of the logistics industry towards efficiency, greater flexibility and intelligence.**

According to the China Federation of Logistics & Purchasing, the total social logistics expenditure reached RMB9.2 trillion in the first half of 2025, representing a year-on-year increase of 5.0%, and accounted for 14.0% of GDP, down by 0.2 percentage point compared with the same period last year, demonstrating continuous improvements in cost efficiency driven by industrial structure optimization and technological innovation.

Rapid growth in high-tech manufacturing, characterized by dispersed production modes, is increasingly steering logistics demands toward flexible and customized services. To meet changing customer requirements and supply chain optimization needs, logistics companies have accelerated their digital and intelligent transformations, deploying unmanned and intelligent technologies to build efficient supply chain capabilities. Such advancements have significantly enhanced responsiveness and adaptability, helping customers achieve cost reductions, efficiency gains, and shared value creation.

In the express delivery market segment, business volume maintained rapid growth. According to the State Post Bureau, express delivery parcel volume reached 95.64 billion in the first half of 2025, up by 19.3% year-on-year, while revenue reached RMB718.78 billion, representing an increase of 10.1% year-on-year. Intensifying market competition has propelled express delivery enterprises to enhance operational precision and technological innovation, continuously optimizing costs and improving efficiency to secure service quality and product competitiveness, thereby stabilizing market share and pursuing sustainable profitability.

Furthermore, consumption patterns are transitioning from online "traffic-based" to a "scenario-based" integration of online and offline experiences. Growing demand driven by holiday economies, instant retail, and emerging lower-tier markets places higher demands on express delivery enterprises' ability to provide diversified services, deliver instantaneous responses, and expand terminal network penetration. Express delivery companies are therefore required to continuously enhance network coverage, expand product portfolios and comprehensive logistics services, and build instant response and efficient fulfillment capabilities to capitalize swiftly on new trends and opportunities, achieving competitive differentiation to stand out in the market.



## Management Discussion and Analysis

### International Market

**Increasing global trade volatility highlights Asia's critical role as both a growth engine and a center for global supply chains.**

In the first half of 2025, the international environment remained complex and volatile, with global economic growth exhibiting signs of mild recovery. Adjustments in trade policies by major importing countries, increasing tariff barriers, and frequent geopolitical conflicts amplified volatility in global trade, prompting the World Bank to forecast global real GDP growth to slow to 2.3% in 2025.

Despite the turbulent global trading environment, Asia has demonstrated remarkable economic resilience and has solidified its pivotal role in global supply chains. The International Monetary Fund anticipates that growth in Asian emerging markets and developing economies will reach 4.5% in 2025, significantly surpassing global average. As a manufacturing hub and emerging consumption market, Asia's role in global supply chains continues to strengthen. The Regional Comprehensive Economic Partnership (RCEP) has further accelerated regional trade and investment flows, particularly in electronics, textiles, and automotive parts, solidifying Asia as a critical hub for multinational corporations' manufacturing diversification and regional procurement strategies.

**China's foreign trade resilience is robust, accompanied by accelerated overseas expansion and strategic shifts by Chinese enterprises.**

Despite numerous external challenges, China's foreign trade maintained positive growth momentum, reflecting its strong resilience. According to the data from the General Administration of Customs of the PRC, the total value of China's goods imports and exports grew by 2.9% year-on-year in the first half of 2025, with exports rising by 7.2% year-on-year. In terms of the structure of trading partners, export growth to regions including Southeast Asia, the Middle East, and the European Union demonstrated notable strength. In terms of categories, exports of electromechanical products rose to 60% of total exports, with high-end equipment exports increasing over 20%. Meanwhile, the "new trio" – new energy vehicles, photovoltaic modules, and lithium batteries – collectively achieved export growth exceeding 30% year-on-year, becoming new engines of foreign trade growth.

Amid evolving international trade policies and overseas market entry requirements, Chinese enterprises' overseas expansion is characterized by simultaneous acceleration and strategic realignment. Companies are intensifying capacity expansion abroad, establishing factories in Southeast Asia, South Asia, the Middle East, and Latin America, particularly in new energy, household appliances, construction materials, and textiles sectors, fostering localized global supply chains. Concurrently, tightening policies in Europe and the United States have prompted Chinese enterprises to prioritize brand development and enhance localized operations capabilities. Cross-border e-commerce companies have expanded their overseas presence and local warehousing and fulfillment networks to mitigate policy risks and expand local market influence.

**Against the backdrop of global supply chain restructuring, the rapid rise of cross-border e-commerce, and the accelerating international expansion of Chinese enterprises, Chinese logistics companies are presented with a strategic opportunity to advance their global footprint.**

Asia remains the pivotal region for network expansion, where deepening regional connectivity is key. By reinforcing line-haul transportation, transit hubs, and last-mile delivery infrastructure across Southeast Asia, South Asia, Japan and Korea, logistics enterprises are well-positioned to develop a highly efficient, multi-node Pan-Asian logistics corridor – enhancing their ability to deliver comprehensive, end-to-end solutions for regional customers. Furthermore, the integrated deployment of air and ocean freight capacity alongside overseas warehousing is fundamental to building robust cross-border fulfillment capabilities. In response to the rising demands of cross-border e-commerce for time definiteness and cost efficiency, Chinese logistics service providers are leveraging self-operated air cargo fleet, block space agreements, and globally distributed warehouse networks to establish "air and sea freight + overseas warehouses" integrated fulfillment models. These offerings enable customers to achieve best-in-class cross-border fulfillment efficiency and cost efficiency. In an increasingly volatile global policy environment, clients are placing greater emphasis on supply chain elasticity. As a critical enabler within this ecosystem, logistics service providers are required not only to offer bespoke, scenario-specific solutions, but also to demonstrate strong adaptability to regulatory dynamics and operational resilience at a global scale. Chinese logistics enterprises that combine cross-border capabilities with localized services are well-positioned to differentiate themselves in the global market – empowering Chinese companies in their international expansion and serving as a vital link between global manufacturing and consumption.

### Business Strategy

**In the first half of 2025, four themes defined SF's trajectory – resilience, breakthrough, cohesion and expansion.**

Confronting a complex and volatile domestic and international macroeconomic environment, the Company adhered to the business principle of "Sustainable and Healthy Development", underpinned by a robust operating foundation and diversified product portfolio, flexibly responded to market volatility. Notwithstanding the increasingly competitive market trends, the Company continued to strengthen the resilience of its growth, pursued a differentiated product strategy to stand out among the peers, and delivered solid results. In parallel, the Company advanced its organizationally-wide upgrade centered on "Stimulate Operation Vitality" strategy, mobilizing enterprise-wide momentum to rapidly accelerate its penetration of emerging industry scenarios and new overseas markets. Leveraging its proven product capabilities, premium and strong brand equity, the Company remains committed to consistently creating value for its customers as well as works closely with its customers to mitigate market risks and navigate economic cycles.

## Management Discussion and Analysis

### **Deepening stimulate operation vitality strategy, unleashing organizational potential to drive high-quality growth.**

The Company deepened the implementation of its “Stimulate Operation Vitality” strategy, refining supporting mechanisms. In the first half of 2025, the Company focused on core teams such as sales personnel, couriers, service outlets, sorting centers, and headquarters staff. By optimizing authorization, incentive, reward, punishment and evaluation mechanisms, the Company promoted organizational transformation and energized individual initiative. For frontline business units, substantial marketing autonomy was granted to stimulate business expansion. For backend operations and functional departments, the Company streamlined organizational structures, implemented flat management approaches, optimized compensation structures, and introduced performance-based incentives to closely link operational results to individual rewards. Additionally, differentiated incentives drove high-quality business development, ensuring a healthy business structure, while a robust risk control system established clear reward and penalty mechanisms focused on customer experience, service quality, and operational compliance, safeguarding healthy growth amid rapid expansion.

### **Enhancing efficiency and reducing costs to fulfill market breakthroughs, upgrading the operational networks to forge sustainable competitive edges.**

Adhering to the principles of lean management, the Company continues to optimize its operating model, streamline its network, and flexibly integrate internal and external resources to drive structural cost reductions. Through the technological empowerment of intelligent and unmanned technologies across the end-to-end logistics value chain, the Company has significantly enhanced operational efficiency, enabling highly efficient operations amid large-scale business expansion. As lean management initiatives progress, the Company’s structural improvements in network efficiency and cost optimization have begun to yield tangible results. The benefits from cost optimization are reinvested into front-end business development, enhancing product competitiveness in the market and increasing incentives for frontline revenue generation, thereby expanding market share and propelling the Company toward business growth that outpaces the industry.

At the same time, the Company continues to upgrade its operational networks to reinforce long-term core competitiveness. In terms of standardized product, it has maintained its premium services and market leadership by securing critical air transport resources, investing in direct line-haul routes and transit speed enhancements, expanding coverage for large parcel and LTL networks, strengthening channel penetration, and increasing customer touchpoints across key scenarios. In terms of non-standard products, leveraging experience derived from solution implementation for leading customers across industries, the Company has developed standardized product portfolios tailored to specific supply chain scenarios, while concurrently investing resources to build logistics operating infrastructures that cater to the unique needs of each industry. It has also expanded its pool of industry-focused sales talent, enabling large-scale

replication of standardized product portfolios to accelerate its industry-specific strategy. In the international market, the Company is investing further in cross-border transportation, customs clearance capabilities, and overseas localization resources, thereby strengthening its global network coverage and service capabilities to support the execution of its long-term “second growth curve” strategy. Step by step, the Company is building a differentiated and specialized network tailored to various business scenarios, reinforcing both its product and sales infrastructure, expanding business boundaries, and sustaining its competitive leadership in the market.

### **Accelerated industry-specific transformation boosts market share across multiple sectors.**

The Company’s strategic shift towards an industry-specific model accelerated significantly in 2024, transitioning from selling standard products to delivering customized solutions. In the first half of 2025, dedicated industry-specific departments were established to handle business planning, solution development, service standardization and iterative enhancements, fostering capabilities for industry-specific solutions and standardized product portfolio. Concurrently, operational infrastructures tailored to industry characteristics were established to support scaled logistics revenue growth across various sectors.

During the first half of 2025, the Company achieved breakthroughs in expanding upstream and downstream supply chain scenarios for customers across numerous industries, empowering clients with digital and intelligent technologies to establish efficient, flexible domestic and international supply chains. In consumption sectors, the Company offered comprehensive omni-channel logistics solutions, high-efficiency national warehousing and intra-city on-demand delivery for instant retail, and cross-border air-sea freight with local overseas operations, helping clients capture emerging consumption trends and penetrate new markets. In industrial manufacturing sectors, the Company provided end-to-end domestic and international logistics services covering inbound logistics, production, sales, and after-sales, meeting immediate production needs and flexible supply chain demands in high-end manufacturing through efficient air freight and reliable logistics services, thus supporting industrial upgrades. In the first half of 2025, the Company’s logistics revenue in the consumer goods, automotive, industrial equipment, and telecommunications and high-tech sectors grew by over 20%. The successful implementation of the industry-specific strategy significantly increased the Company’s market share in key industries.

### **Anchoring in Asia, advancing sustainable development with the one in Asia strategy.**

Focusing on its “The One in Asia, globally connected” strategy, the Company seized opportunities from Chinese enterprises’ overseas expansion in products, production capacity, and cross-border consumption, offering customers highly reliable standardized logistics products and comprehensive supply chain solutions, aspiring to become their preferred logistics partner for global expansion.

## Management Discussion and Analysis

In the first half of 2025, the Company enhanced its global capabilities through intensified global air network connections, upgraded customs clearance capabilities, and expanded overseas warehousing, comprehensively strengthening cross-border fulfillment capacities. Its international express services to key Asia-Pacific countries and Europe and America achieved top-three global standards in terms of time definiteness. Leveraging its competitive edges in cross-border air and sea freight and overseas warehouses, the Company served numerous mid-to-high-end enterprises and cross-border e-commerce customers, flexibly adapting to global trade dynamics and challenges, thus facilitating Chinese brands' global expansion. Specifically, cross-border e-commerce logistics revenue from China to Europe doubled year-on-year in the first half of 2025.

Additionally, leveraging strategic resource advantages, an extensive product offering portfolio, advanced digital technologies, and combining KLN's cross-border and local service capabilities in Asia, the Company effectively addressed complexities in cross-border logistics, offering stable, efficient international supply chain solutions. The Company further strengthened end-to-end cross-border and local operational capabilities across Southeast and South Asia via air, sea, and land transportation, customs clearance, and local delivery. Services included raw material transportation, overseas warehousing of semi-finished products and spare parts, and finished goods export for industries such as apparel, telecommunications and high-tech, industrial equipment, automotive and new energy, supporting production capacity expansion overseas. As of June 30, 2025, over 95% of the Fortune China 500 companies have partnered with SF, and more than 60% of the Fortune China 500 companies utilized SF's international logistics services.

### Financial Review

In the first half of 2025, leveraging multiple strategic initiatives — including stimulating operation vitality, accelerating penetration across key industries, and focused expansion in both new domestic and international markets, the Company shined out in market competition and achieved robust growth in business scale. In the first half of 2025, the Company achieved revenue of RMB146.9 billion, representing a year-on-year increase of 9.3%. During the same period, total parcel volume of the Company amounted to 7.85 billion, representing an increase of 25.7% year-on-year, outpacing the overall growth rate of the express delivery industry.

In terms of revenue by business segment: 1) **Express logistics business** recorded revenue of RMB109.3 billion, representing a year-on-year increase of 10.4%. Notably, the second quarter witnessed an acceleration in revenue growth rate compared to that in the first quarter in 2025. This was primarily driven by the Company's continued enhancement of its product portfolio and service competitiveness, which allowed it to deepen its penetration into end-to-end logistics scenarios across the manufacturing and consumer scenarios, leading to steady business scale expansion.

2) **Supply chain and international business** recorded revenue of RMB34.2 billion, representing an increase of 9.7% year-on-year. Despite a complex and volatile global trade policy environment in the second quarter in 2025, which affected the growth rate for its international freight forwarding services, the Company capitalized on its comprehensive global network, diversified international product offerings, and localized operations in key countries to seize new opportunities arising from the international expansion of Chinese enterprises. This enabled the Company to help customers build agile international supply chains, mitigate market fluctuations, and achieve stable business growth. 3) **Other non-logistics businesses** recorded revenue of RMB3.3 billion, primarily attributable to the trading of raw materials and equipment embedded within the Company's end-to-end supply chain service offerings.

In terms of gross profit: the Company recorded a gross profit of RMB19.1 billion in the first half of 2025, representing a year-on-year increase of 4.1%. The Company's gross profit margin was 13.0% in the first half of 2025, representing a year-on-year decrease of 0.6 percentage point. Confronted with intensifying competition in the domestic express delivery industry and the volatility in the international trade environment, on the one hand, the Company continued to optimize its cost structure by adopting flexible business strategies to expand business scale and improve network capacity, thus improving asset utilization efficiency and diluting fixed costs. Meanwhile, the Company leveraged scale effect to enhance direct transportation routes, streamlined transit nodes, as well as promoted operating model innovation. These efforts led to continuous structural improvements in network efficiency and cost reductions. On the other hand, building on the reinforcement of its standardized network to support its operations, the Company increased its investment in strategic resources to press ahead with the implementation of its strategic priorities — industry-specific transformation and globalization to cultivate long-term core competitiveness. The aforementioned measures had a short-term impact on the gross profit margin, but the Company still maintained steady growth in gross profit while achieving growth for market share and strategic capabilities.

In terms of expenses: driven by the Company's continued efforts in strengthening lean management and enhancing efficiency through technological empowerment, the general and administrative expense ratio and R&D expense ratio decreased by 0.5 and 0.2 percentage point, respectively, in the first half of 2025. During the same period, the net finance cost ratio of the Company decreased slightly. The selling and distribution expense ratio increased slightly by 0.1 percentage point, primarily due to the Company's enhanced efforts in building its sales team to support the expansion of its industry-specific solutions and international business.

In summary, the Company delivered steady growth in the first half of 2025: profit attributable to owners of the Company was RMB5.74 billion, representing an increase of 19.4% year-on-year, and the net profit margin attributable to owners of the Company was 3.9%, representing an increase of 0.3 percentage point year-on-year.

## Management Discussion and Analysis

In terms of capital structure, as of the end of the Reporting Period, the Company's total assets amounted to RMB218.2 billion, and equity attributable to owners of the Company reached RMB95.4 billion. The asset-liability ratio decreased to 51.35% from 52.14% as of December 31, 2024, representing a decrease of 0.79 percentage point, reflecting a continued solid financial position. The Company's weighted average return on net assets in the first half of 2025 was 6.07%, representing an increase of 0.84 percentage point from the same period last year. At the same time, operating cash flow remained strong, with net cash inflow from operating activities reaching RMB12.9 billion; and free cash inflow of the Company amounted to RMB8.74 billion, representing a year-on-year increase of 6.1%.

Looking ahead, the Company will continue to invest key resources that align with its strategic initiatives to enhance its long-term core competitive edges and will continue to enhance its domestic and international integrated logistics networks. In addition, the Company will focus on return on assets, adhere to lean management to improve resource utilization efficiency. Moreover, capital expenditures as a percentage of revenue are expected to remain within a healthy and sustainable range.

### Business Development of the Company

#### Accelerating Industry-Specific Transformation to Strengthen Market Leadership Across Sectors

The Company deepened the implementation of its "Accelerating Industry-Specific Transformation" strategy, expediting its shift from a standard-product-centric model to an industry solution-oriented approach. By refining its operating models and advancing digital and intelligent capabilities, the Company developed integrated logistics solutions and standardized product portfolios tailored to the distinct needs of different industries and application scenarios. Concurrently, the Company built specialized talent teams and implemented targeted empowerment and incentive mechanisms to support deeper penetration into customers' supply chains across a range of sectors. These efforts contributed to sustained growth in logistics market share. In the first half of 2025, logistics revenue in the consumer goods, automotive, industrial equipment, and telecommunications and high-tech sectors grew by over 20% year-on-year.

**In the consumer goods sector,** the Company provided specialized logistics support across multiple subsegments, including cosmetics and personal care, health supplements, pet food and supplies, maternal and infant products and snack foods. By keenly attuning to shifting consumption trends, the Company enabled its customers to enhance operational efficiency, lower logistics costs, and accelerate access to end consumers. In the cosmetics and personal care segment, the Company focused on delivering benchmark logistics solutions to several leading brands, and subsequently replicated these best practices across a new wave of domestic emerging brands. Notably, the Company helped a rising Chinese cosmetics brand elevate its logistics service ratings, which in turn drove

significant improvements in both sales volume and repeat purchase rates. In the health supplements segment, the Company provided an integrated, temperature-controlled warehousing and distribution solution tailored to both B2B and B2C needs for a prominent traditional wellness brand. This end-to-end solution effectively addressed the challenges of multi-temperature requirements, high SKU complexity and peak order volumes. It enabled direct delivery of freshly prepared products from origin to consumer and offered seamless fulfillment services for ambient and frozen goods, thereby enhancing delivery efficiency and product freshness across diverse consumption scenarios.

**In the automotive sector,** the Company continued to strengthen its logistics capabilities across the full spectrum of this industry, covering passenger vehicles, commercial vehicles and the automotive aftermarket. In the passenger vehicle segment, the Company offered end-to-end supply chain services encompassing domestic and cross-border inbound logistics, in-plant logistics, finished vehicle distribution, and after-sales parts delivery. During the first half of 2025, the Company was awarded a major inbound logistics project by a leading domestic automotive manufacturer and secured several spare parts allocation contracts from new energy vehicle makers, underscoring its growing role in supporting the evolving mobility ecosystem. In the commercial vehicle segment, the Company expanded its logistics services beyond production logistics to include full-vehicle transportation. It introduced innovative drive-away delivery solutions for new vehicles and successfully secured contracts from multiple commercial vehicle OEMs, reinforcing its leadership in new vehicle fulfillment. In the automotive aftermarket segment, the Company deepened its partnership with a top-tier domestic service provider by expanding beyond warehousing and transportation to offer proximity-based, last-mile logistics solutions. Together, the two parties established a network of 600 forward distribution centers. Leveraging intelligent order dispatch systems and intra-city instant delivery capabilities, the Company enabled one-hour fulfillment of a wide range of spare parts and maintenance supplies to end-point retail and service outlets.

**In the industrial equipment sector,** the Company achieved significant breakthroughs therein, covering a broad range of verticals including raw materials, heavy machinery, intelligent manufacturing, and energy and chemicals. For spare parts logistics, the Company provided integrated, digitalized solutions featuring intelligent warehouse networks and full-scenario fulfillment capabilities. These offerings enabled high-efficiency, high-reliability logistics services for major equipment manufacturers, including those in the new energy and elevator manufacturing sectors. For cross-border delivery, the Company offered comprehensive solutions encompassing door-to-port, door-to-door, overseas warehousing and distribution services tailored to the needs of industrial equipment manufacturers, supporting Chinese manufacturers' global expansion. To address oversized and customized delivery needs, the Company delivered project-based operations, digital systems, and green logistics solutions, successfully assisting a global industrial leader in upgrading its logistics digitalization.



## Management Discussion and Analysis

**In the telecommunications and high-tech sector,** the Company continued to deepen its capabilities in serving key verticals therein, including optics and optoelectronics, consumer electronics, communications and computing equipment, and telecommunications operators. With a particular focus on cross-border supply chain solutions, the Company accelerated its support for the global manufacturing and distribution strategies of leading technology enterprises. For the export logistics of raw materials for consumer electronics, the Company reinforced its outbound transport capacity from China to strategic manufacturing hubs such as India, Vietnam, and Malaysia. Partnering with several of the world's leading ODMs, the Company delivered comprehensive services encompassing raw material consolidation and distribution, cross-border multimodal transportation, expedited customs clearance, and integrated overseas warehousing and delivery. These services were underpinned by an end-to-end digital logistics information management platform, enabling full-process visibility and control to support customers' global production deployment with high efficiency and precision. For the import of large-scale electronics manufacturing equipment, the Company continued to enhance its inbound logistics capabilities from Japan, South Korea, Singapore and other key markets. Leveraging the strategic advantages of the Ezhou cargo hub, the Company provided one-stop logistics solutions that included cross-border air freight, seamless international-to-domestic air transit and last-mile delivery.

**In the e-commerce and circulation sector,** the Company served a wide-ranging clientele encompassing traditional comprehensive e-commerce platforms, livestream and video commerce channels, independent direct-to-consumer websites, and offline supermarket chains. Leveraging its extensive logistics infrastructure, the Company provided multi-scenario logistics services, including nationwide integrated warehousing and distribution, instant retail fulfillment, cross-border air freight, and sea freight combined with overseas warehousing solutions. During the first half of 2025, the Company partnered with a leading comprehensive e-commerce platform to launch a high-end logistics offering — "Speedy Doorstep Delivery". This service, which established its presence in over 300 cities across China, was supported by a dedicated transportation channel that prioritized delivery operations, ensuring consumers enjoyed significantly faster receiving and greater service stability. This enhanced logistics experience not only improved customer satisfaction but also fostered a virtuous cycle of increased operational efficiency, elevated user experience, and sustained sales growth for merchants.

### Time-Definite Express

**In the first half of 2025, the Company's time-definite express business achieved a tax-exclusive revenue of RMB63.23 billion, representing a year-on-year increase of 6.8%, with parcel volume increasing by 18.6% year-on-year.**

As the driver of consumer behavior in China evolves from a traffic-based to a scenario-based model, and with emerging industries advancing toward higher levels of sophistication and intelligence, the demand for diversified, efficient and seamless logistics services is rapidly increasing. In response to these structural shifts, the Company has reinforced its leadership in the time-definite express segment by continuously sharpening its product competitiveness and deepening penetration across a broad spectrum of production and consumption scenarios. These efforts were aimed at delivering a superior and differentiated service experience. Concurrently, the Company has provided frontlines with higher level of authority and operational flexibility, while deploying dynamic marketing strategies and incentive-driven mechanisms. These initiatives have collectively accelerated market expansion and contributed to sustained growth in the scale of its time-definite express business.

### Elevating Top-of-Mind Brand Equity Through Premium Services and Market-Leading Experience:

The Company has continued to enhance its end-to-end service capabilities, deploying an optimized combination of air, high-speed rail, and ground transportation resources to deliver its flagship "Exclusive Same-Day" product — a lighthouse product that provides minute-level, high-speed, and premium delivery services. This industry-leading service not only strengthens brand recognition but also reinforces the Company's positioning as a premium logistics provider in the minds of consumers. Leveraging advanced digital and intelligent technologies, regional business units are empowered to proactively identify customer needs and emerging demand, enabling the execution of targeted, scenario-specific marketing strategies. Through agile resource allocation, the Company offers value-added "land-to-air" service upgrades, significantly enhancing customers' perceived value and continuously strengthening product competitiveness.

### Accelerating Multi-Channel Expansion and Scenario-Based Ecosystem Development:

The Company has accelerated the build-out of a diversified channel ecosystem by leveraging flexible business models and resource portfolios to deepen its presence across a wide range of high-potential scenarios, including CBDs, residential communities, university campuses, supermarkets, cultural and tourism destinations, hospitals, and rural townships. These efforts have enabled the Company to unlock scenario-specific demands and cultivate a more refined and adaptive operational ecosystem. **In CBDs and residential communities sector,** the Company has increased the density of service outlets and

## Management Discussion and Analysis

integrated seamlessly into commercial and residential building ecosystems. These service offerings extend beyond conventional express delivery to provide one-stop, full-scenario logistics solutions, thereby enhancing customer experience and fostering stronger user engagement and loyalty. **In the supermarkets sector**, the Company expanded its strategic collaboration with a prominent national retail chain. What began as in-store pickup services has progressively evolved into a comprehensive suite of value-added services, including daigou business, on-demand delivery, and end-to-end integrated warehousing and fulfillment across online and offline channels — significantly improving consumer convenience and optimizing retail logistics efficiency. **In the cultural and tourism destinations sector**, the Company forged a multi-year strategic alliance with Shanghai Disney Resort to deliver a tailored, comprehensive suite of end-to-end logistics solutions. These include in-resort parcel drop-off services facilitated through QR code scanning at retail stores, integrated delivery for purchases made both online and on-site, and dedicated solutions addressing corporate delivery and express needs. These logistics capabilities are further underpinned by the Company's proprietary technologies, which will support the theme park's daily operations and enhance both the visitor experience and theme park's operational efficiency. Looking ahead, the Company plans to replicate capabilities and experience derived from such integrated solution across other leading theme parks in China and globally, serving as a blueprint for broader business expansion among cultural and tourism destinations.

**Efficient Air Freight Capabilities and Visionary Cargo Hub Layout to Empower China's Industrial Upgrading.** The Company has continued to elevate its air freight capabilities, particularly for large-parcel delivery, positioning itself as a key enabler of industrial upgrading for high-value manufacturing sectors. By enhancing both time efficiency and cost competitiveness, the Company is delivering increasingly differentiated services tailored to the evolving needs of industrial customers. On the transportation front, the Company strategically leverages a hybrid capacity model comprising dedicated charter flights and flexible access to commercial cargo space. In parallel, it has expanded its network of dedicated smart sorting centers to 31 locations and established direct pickup and delivery links between customer sites and airports in 174 cities. This comprehensive network significantly reduces the fulfillment cost of large-parcel air delivery while significantly improving next-day delivery performance. To support urgent and mission-critical logistics needs, the Company has upgraded its portfolio of customized products and value-added services — offering dedicated vehicle dispatch, nighttime pickup and delivery, and expedited intercity transfers. For example, time-sensitive delivery can be transported from origin to production line within seven hours across cities. Additionally, the Company provides tailored air freight solutions for complex shipment types, including bulk industrial goods, oversized and overweight items, and sensitive cargo such as magnetized or battery-powered 3C products and mechanical equipment — further demonstrating its commitment to operational excellence and industry-specific logistics innovation.

**Strategic Development of the Ezhou Cargo Hub – Advancing a Global Logistics Gateway:** The Ezhou cargo hub is being strategically developed into a world-class logistics platform, underpinned by an integrated “hub-and-spoke air network, multimodal transport system, and intelligent logistics infrastructure,” and is playing a critical role in accelerating industrial upgrading. As of June 30, 2025, the Company had launched 59 domestic and 19 international air routes from the Ezhou cargo hub. Leveraging the capabilities of the Ezhou cargo hub, several leading global 3C brands have implemented ultra-efficient warehousing and fulfillment solutions, while premium and intelligent manufacturing companies have established regional centers for processing, spare parts management, repair, and reverse logistics. The Ezhou cargo hub is also emerging as an “aerial gateway” for Chinese enterprises pursuing global expansion, supported by a growing network of premium outbound routes that enable the international delivery of high-value “China smart manufacturing” products. With its fast and seamless air-to-air transshipment capabilities, highly efficient all-in-one international cargo terminals, and the formal launch of a cross-border e-commerce pilot zone, the Ezhou cargo hub is delivering exceptional logistics performance that continues to attract new trade flows and industrial clustering. As a result, it is increasingly recognized as a critical gateway to global markets and a powerful engine driving incremental growth in the Company's air freight business.

### Economy Express

**In the first half of 2025, the Company's economy express business achieved a tax-exclusive revenue of RMB15.16 billion, representing a year-on-year increase of 14.4%, with a 29.6% year-on-year growth in parcel volume.**

Amidst a shift in consumer behavior in the e-commerce sector toward greater rationality and value-for-money, the intensity of market competition in the e-commerce express delivery industry has been increased. Against this backdrop, the Company adhered to a differentiated strategy, focusing on its competitive strengths, and optimizing its operational model to enhance service competitiveness. These efforts led to a scalable growth in economy express services during the period, significantly outperforming industry averages.

**By setting service excellence as the industry benchmark and enhancing product value-for-money, the Company has effectively expanded its business scale.** The Company pursued a dual approach of premium service delivery and cost-efficiency reinvestment to drive scale. On one hand, the Company deepened its collaboration with leading e-commerce platforms by establishing new industry benchmarks in service excellence and fulfillment reliability, thereby elevating end-user satisfaction and empowering merchants to unlock incremental sales growth. This helped shift industry competition from price-driven to service-led, reinforcing the Company's competitive advantages in e-commerce logistics. On the other hand, the Company continued to bolster its cost competitiveness by optimizing end-to-end operational processes,

## Management Discussion and Analysis

empowering decision-making with advanced technology and aligning resources precisely across operations. This enhanced the Company's product value-for-money while strengthening market competitiveness, thereby increasing customer stickiness.

### **Enhanced Integrated Warehousing and Distribution Capabilities, Supporting Deeper Penetration Across Industries:**

The Company continued to enhance its integrated warehousing and distribution capabilities by establishing a tiered time-definite warehouse network, advancing warehouse automation, and improving synergistic effect among warehousing and delivery networks. Collectively, these enhancements empowered the Company to deliver efficient, reliable, and differentiated fulfillment services tailored to the nuanced requirements arising from various industry scenarios.

**Omni-Channel Unified Logistics Solutions:** Leveraging its position as an independent third-party logistics provider, the Company continued to deliver sophisticated omni-channel unified logistics solutions tailored to the evolving needs of customers across diverse industries. Through deep industry insight, customized solution design, and full-chain technological capabilities, the Company enabled seamless integration of online and offline fulfillment channels. In the first half of 2025, the Company successfully completed the deployment and delivery of fully automated flagship warehouses for leading brands in the home appliance and cosmetics sectors. These benchmark warehouses supported unified inventory management across both 2B and 2C channels, enabling real-time visibility, and end-to-end supply chain integration. As a result, customers benefited from enhanced inventory efficiency, improved fulfillment precision, and a significant reduction in operational costs.

**In the emerging proximity-based e-commerce segment,** the Company actively explores and deepens partnerships with leading platforms in on-demand retail scenarios. Leveraging a tightly coordinated network of regional distribution centers and pre-positioned forward warehouses, the Company provides multi-tier, time-definite fulfillment — ranging from instant to same-day and next-day delivery services.

**Professional Logistic Solutions for Industrial Clusters:** Focusing on core production and sales cities and specialized industrial clusters in sectors such as apparel, footwear, and consumer electronics, the Company developed industry-specific warehouses to deliver high-efficiency, professional-grade services tailored to industry needs. In the apparel and footwear segment, the Company pioneered the development of multi-brand shared return and repair centers, setting a new benchmark for integrated value-added services. These centers extended beyond basic quality inspections to include advanced services such as label verification, garment steaming and cleaning, and sole separation repair, catering to a wide spectrum of post-sale logistics requirements. By integrating professional-grade repair management with high-quality express fulfillment, the Company achieved greater internal resource

synergies and incremental revenue growth. More importantly, these capabilities enabled brand customers to accelerate inventory turnover, enhance product circulation efficiency, and thus alleviating downstream inventory pressure.

## Freight

**In the first half of 2025, the Company's freight business achieved a tax-exclusive revenue of RMB19.57 billion, representing a year-on-year increase of 11.5%, with cargo volume increased by 28% compared to the same period last year.**

Amid continued industrial transformation and upgrading, the rapid and prosperous development of high-end manufacturing, and continuing deeper e-commerce penetration in large item, customer demand for freight delivery services that are time-definite, high-quality, and tailored to specific industry needs has grown significantly. In response, competition among freight delivery providers has increasingly centered on product enhancement, resource integration, and network strengthening. Leading enterprises have continued to expand market share by capitalizing on their combined advantages in service quality and cost efficiency, thereby accelerating industry consolidation.

SF Freight adheres to a customer-centric service philosophy and continues to pursue operational excellence across key areas such as network planning, technology empowerment, and operational management. By integrating external resources to optimize network coverage, the Company has successfully reduced unit costs per kilogram, thereby enhancing customers' overall cost efficiency. By offering precisely matched, multi-tiered, and differentiated service offerings for its customers, SF Freight has sustained industry-leading growth in volume.

### **Strengthening Competitive Edges in the Mid-to-High-End Ground Large Parcel Market.**

The Company continued to enhance its time-definite delivery network for ground large parcels, emphasizing the core pillars of speed, precision, and stability. During the first half of 2025, the Company accelerated service capabilities across major trunk routes, upgrading delivery speeds on over 1,000 key routes. Concurrently, the Company introduced more granular time-definite product offerings to reinforce service reliability, including a diversified portfolio such as "Same-Day Arrival for Bulky and Heavy Cargo" and "Next-Morning Arrival for Bulky and Heavy Cargo," to meet the sophisticated needs of mid-to-high-end market segments. In addition, the Company expanded its differentiated service capabilities across both consumer and industrial scenarios — offering integrated 2C services such as disassembly, inspection, installation, and door-to-door delivery for furniture and home appliances, as well as 2B services including point-to-point deliveries between warehouses and factories. These initiatives have significantly enhanced end-user experience while driving operational efficiency for enterprise customers.

## Management Discussion and Analysis

**Building a Highly Competitive LTL Network for the Industrial Sector.** The Company focused on addressing the logistics needs of the industrial sector by optimizing its LTL network infrastructure, refining operating models, and allocating resources more strategically. These efforts enabled the establishment of a high-efficiency, cost-effective LTL network specifically tailored for large-volume industrial delivery. Leveraging its partnership with a leading service provider in the heavy cargo LTL market, the Company integrated over 10,000 long-haul routes across both networks. This integration significantly straightened transit paths and reduced intermediate relay nodes, resulting in notable improvements in delivery speed and substantial reductions in logistics costs for industrial customers. To further strengthen its capabilities in the industrial sector, the Company enhanced last-mile delivery infrastructure within key industrial zones, including the upgrade of vehicles and delivery tools to support oversized shipment handling. At the same time, the Company drew on deep industry insight to balance standardized operational procedures with the flexibility required to meet diverse and evolving customer needs. During the first half of 2025, the cargo volume for industrial large item weighing above 100 kilograms recorded a year-on-year increase of over 50%. From a sectoral perspective, cargo volume in the industrial equipment segment more than doubled year-on-year, while the communications and high-tech sector witnessed a year-on-year increase of over 50%, and the automotive sector achieved over 40% growth year-on-year. These results underscore the Company's strengthened competitiveness and growing penetration within key industrial verticals.

**Strengthening the Franchise Network to Drive Sustained and Scalable Growth.** SX Freight continued to solidify the foundation of its franchise network, leveraging its competitive edges in product capabilities and cost efficiency to support steady expansion. As of June 30, 2025, the SX Freight recorded over 22,000 service outlets, achieving a township-level coverage rate of 86.3%, and maintained a top-three market share in China's franchised freight sector. SX Freight focused on developing core offerings for the e-commerce large item market, and by streamlining routes, it has successfully shortened average delivery time by 5.9 hours. At the same time, it integrated internal resources and facilitated channel sharing to solidify LTL service network for large-item, which further supported steady and scalable growth. In addition, SX Freight maintained close collaboration with SF Freight to achieve complementary synergies. This integrated approach not only help increase parcel volume but also drove continual improvements in operational efficiency and profitability. Through reliable, efficient, and premium logistics services, SX Freight delivered multi-stakeholder value creation, achieving win-win outcomes for customers, franchise partners, and the Company.

### Cold Chain and Pharmaceutical Logistics

In the first half of 2025, the Company's cold chain and pharmaceutical logistics business achieved a tax-exclusive revenue of RMB5.84 billion, representing a year-on-year increase of 15.3%.

China's domestic cold chain logistics market continued on a trajectory of stable growth, as shifting consumption patterns placed increasing demands on service timeliness, cost efficiency, and network sophistication. The rapid rise of fresh food e-commerce and the boom in instant retail have fueled nationwide demand for fast fulfillment of integrated cold chain warehousing and distribution capabilities. At the same time, the expansion of chain restaurants into lower-tier cities and the growing footprint of large-format supermarket stores have created additional growth opportunities in network-based LTL cold chain logistics and store distribution services. In response, the Company has closely aligned with emerging market dynamics, deeply integrating internal resources and enhancing its nationwide cold chain network. These efforts have significantly improved the Company's ability to meet evolving customer needs and have driven rapid and high-quality business growth across its cold chain operations.

### Fresh and Seasonal Food Logistics Services

SF has played a pivotal role in facilitating the direct delivery of agricultural products from production sites to end consumers. As of the end of the first half of 2025, the Company's services extended across more than 2,800 county-level cities in China and supported the logistics of over 5,500 categories of fresh agricultural products nationwide. During the period, SF transported over four million tonnes of specialty agricultural products, significantly contributing to the modernization of China's agricultural sector and supporting rural revitalization by helping farmers generating income exceeding one hundred billion RMB.

Centering on the harvest season of seasonal fruits in the first half of 2025, the Company mobilized dedicated resources to support both domestic sales and cross-border export of fresh produce. Taking lychees as an example, the Company deployed over 1,100 dedicated cargo flights in Southern China covering major cities across China. To further enhance accessibility at the origin, over 4,000 pickup outlets were established in production areas, providing growers with convenient and efficient shipping services. By accelerating the entire logistics chain and ensuring full-process cold chain temperature control, the Company guaranteed fresher arrivals and elevated the consumer experience. Meanwhile, the Company orchestrated several targeted promotional campaigns and partnered with more than hundreds of media outlets to boost brand visibility and strengthen market linkages between production and consumption. Globally, the Company leveraged its proprietary air freight network and cold chain capabilities to pioneer direct "air corridors" for lychees to the Middle East, Europe, and Southeast Asia. This initiative enabled over 100 tonnes of lychees to be delivered from orchard to overseas shelves within 48 hours, marking a new milestone in global agricultural logistics. Guided by the principle of "quality-driven agriculture empowered by brand building," the Company remains committed to enhancing the quality and efficiency of the agricultural supply chain — supporting the industry's transformation from volume-driven to value-driven growth, and creating shared value for both business growth and social values.



## Management Discussion and Analysis

### Food Cold Chain Logistics Services

SF Cold Chain remained focused on five core logistics scenarios — integrated warehousing and distribution, large item, B2C fulfillment, store delivery, and cross-border cold chain solutions. By continuously enhancing its cold chain network capabilities, the Company delivered high-quality, end-to-end cold chain logistics services that effectively addressed the evolving needs of both production-side and consumer-facing markets, ensuring reliability, freshness, and efficiency across the entire value chain.

To better capture the growth potential of the fresh produce e-commerce market, the Company significantly strengthened its integrated warehousing and fulfillment capabilities, enabling later order cut-off times, faster fulfillment efficiency, and broader next-day delivery coverage. In collaboration with emerging e-commerce platforms, SF Cold Chain provided integrated warehousing and distribution services with fresh next-day delivery for merchants in the fresh, frozen, and produce categories. Through nationwide distributed warehouses plus integrated warehousing and distribution, it can realize next-day delivery in over 260 cities, and the Company enabled order placement as late as 23:59 for some in-warehouse products. Meanwhile, the Company continued to enhance its LTL cold chain network by leveraging temperature-controlled container technology in conjunction with its express delivery infrastructure, expanding end-to-end large-parcel cold chain coverage to more than 300 cities. This network enhancement drove a year-on-year revenue increase of over 50% in the large-parcel cold chain segment. In addition, the Company accelerated its expansion into lower-tier markets. By integrating the operational capabilities of SXH China Logistics and the express delivery network resources, the Company offered diversified delivery models and tailored cold chain solutions, built robust network-based store delivery supply chain capabilities, and helped to unlock new avenues of business growth.

### Pharmaceutical Logistics Services

The Company continued to upgrade its end-to-end, precision temperature-controlled logistics capabilities for pharmaceutical logistics services, offering integrated cold chain warehousing and distribution solutions tailored to both 2B and 2C use cases across specialized segments such as bio-pharmaceuticals, vaccines, IVD, and high-value medical consumables. Leveraging proprietary breakthroughs in temperature-control technology and deploying more than 8,000 additional temperature-controlled containers, the Company significantly expanded its service coverage in key cities, enabling business growth that outpaced the broader industry. In parallel, the Company deepened its presence in the hospital logistics segment, with a focus on enhancing ecosystem penetration and expanding network coverage. Centered on top-tier general hospitals and traditional Chinese medicine institutions, the Company formulated standardized service SOPs derived from best-practice benchmarks. By strengthening its business incentive mechanisms and building dedicated professional service teams, the Company enhanced its capabilities in hospital site development and operational execution — further accelerating growth across hospital logistics scenarios.

### Intra-City On-Demand Delivery

**In the first half of 2025, the Company's intra-city on-demand delivery business achieved a tax-exclusive revenue of RMB5.49 billion, representing a year-on-year increase of 38.9%.** Order volume for intra-city on-demand delivery services increased by more than 50% year-on-year, continuously unleashing network scale effects. Together with highly efficient digital intelligence capabilities and refined operational management, the net profit of the intra-city on-demand delivery segment continued to doubled year-on-year.

**High-quality services drove simultaneous growth in business scale for both merchants and consumers, fostering the balanced development across business structures.**

**In terms of merchant cooperation,** SF Intra-city consolidated and deepened its service advantages with major key customers, maintaining a leading market share with multiple top-tier key customers. At the same time, the Company expanded cooperation with small and medium-sized merchants and enhanced retention through merchant operations and smart marketing strategies. Leveraging a neutral and open market positioning, the Company further deepened cooperation with major traffic platforms, fully covering local lifestyle service scenarios such as food delivery, on-demand retail, livestream e-commerce and private domain retail, to meet the continuously growing demand for on-demand delivery services across diversified platform business needs. As of June 30, 2025, the number of annual active merchants over the past 12 months reached 850,000, representing a year-on-year increase of 55%. **For consumer services,** SF Intra-city remained committed to delivering industry-leading professional fulfillment services, reinforcing the brand positioning of "SF Intra-city, the first choice for urgent delivery of valuable items", while continuously optimizing the fulfillment experience for individual consumers to enhance user satisfaction. In the first half of 2025, the Company boosted revenue from its high-quality one-on-one "Exclusive Delivery" and mid- to long-distance "delivery within an hour" through product and service upgrades and accelerated penetration into lower-tier markets. Revenue from "Exclusive Delivery" products tripled year-on-year, accurately meeting consumers' delivery needs for items with high-value, time-sensitive and high safety requirements. Additionally, by optimizing branding and channel marketing strategies, revenue from proprietary channels, such as the SF Intra-city mini program and APP, achieved rapid growth and promoted user repurchase. As of June 30, 2025, the number of active consumers over the past 12 months reached 24.77 million.

**Upgraded network competitiveness with enhanced flexibility and multi-scenario delivery capabilities.**

**In terms of service scenarios,** SF Intra-city refined product and service offerings in core competitive industries and categories. The Company provided centralized multi-channel order management and delivery services for chain restaurant clients to better capture incremental opportunities brought by industry expansion. In the first half of 2025, delivery revenue from multiple leading chain food and beverage brands saw rapid growth, with revenue from tea and beverage delivery increased by 105% year-on-year. Non-food categories maintained steady growth. Delivery revenue from non-food delivery scenarios for merchants grew by 35%

## Management Discussion and Analysis

year-on-year. SF Intra-city's collaboration with leading and regional chained supermarkets, convenience stores, and other key clients has continued to expand, driving growth in both market share and revenue. Categories such as supermarkets and convenience stores, pharmaceuticals, and maternity and baby products achieved high double-digit year-on-year growth in revenue. **In terms of geographic expansion**, SF Intra-city has now covered over 2,300 cities and counties nationwide. The average daily order volume in county-level regions doubled in the first half of 2025. While further strengthening its footprint in lower-tier markets, SF Intra-city also explored new cross-border business scenarios, launching cooperation with a top-tier tea beverage key customer in Hong Kong. **In terms of business district operations**, both the number of business districts and order density increased, and the proportion of profitable business districts continued to rise. In addition, SF Intra-city strategically collaborated with other segments of the Group's to build an integrated supply chain solution, encompassing "warehousing + transfer + intra-city on-demand delivery", jointly expanding the customer base and customer logistics shared with the Group.

### Technology empowerment driving operating efficiency and quality enhancement.

SF Intra-city's City Logistics System (CLS) enables dynamic and optimal matching between orders and riders across industries and scenarios. Through deep integration with AI large models, self-developed smart tools have been deployed across rider management, local delivery outlet manager services, intelligent customer service, and merchant operations, achieving full-process upgrades in user experience and operational efficiency. **In terms of rider operation**, the system continuously optimized the logic of order dispatching and route planning by incorporating factors such as riders' experience, adverse weather, night shifts, and peak periods to improve delivery efficiency and riders' income. **In terms of unmanned delivery**, SF Intra-city actively explored the commercial application of smart logistics and unmanned delivery technologies, focusing on unmanned intra-city short-distance transfers and deliveries between transit hubs and local delivery outlets as part of the last-mile delivery service. Through building and enhancing the "Rider + Unmanned Delivery" network operation capability, SF Intra-city promoted the efficiency improvement and strengthened the differentiated competitive advantages.

## Supply Chain and International Business

**In the first half of 2025, the Company's supply chain and international business achieved a tax-exclusive revenue of RMB34.23 billion, representing a year-on-year increase of 9.7%.**

Leveraging its broad Asian customer base, global network coverage, outstanding operational efficiency, and tailored solution capabilities, the Company proactively adapted to evolving global trade dynamics and helped customers build flexible and resilient global supply chains. Concurrently, the Company actively captured opportunities arising from the growing overseas expansion of Chinese enterprises — both in terms of products and production capacities — as well as increasing demand from cross-border Chinese consumers, driving rapid growth in its supply chain and international business.

The Company further strengthened its cross-border fulfillment capabilities by intensifying its global air network, enhancing customs clearance capacity, and expanding overseas warehousing resources.

**Building a High-Density Air Network across Asia-Pacific:** The Company continued to strengthen its global air cargo network. In the first half of 2025, the Company operated more than 6,800 international cargo flights, representing a year-on-year increase of 84%. The density of its Asia-Pacific network remained among the highest in the industry, with peak weekly cargo flights reaching 192. This included up to 72 weekly flights from China to India and 14-24 flights each from China to Singapore, Malaysia, Japan, and South Korea. Meanwhile, the Company advanced its international air-to-air transshipment model centered on the Ezhou cargo hub, further enhancing cross-border logistics connectivity.

**Enhancing Global Customs Clearance Capabilities:** In the first half of 2025, the Company launched its first self-operated customs gateway in Europe at Liège, Belgium, and introduced simplified declaration models for cross-border e-commerce at its Ezhou cargo hub. As of the end of the Reporting Period, the Company provided customs clearance services across 79 ports worldwide, either through self-operation or agent partnerships. This included 10 AEO advanced certification licenses in China and 13 overseas ports with self-operated clearance capabilities, further enhancing the clearance efficiency of the Company's parcels.

**Expanding Overseas Warehouse Resources:** The Company further expanded its overseas warehousing network across Asia and Western markets to support both production supply chains and cross-border e-commerce. As of June 30, 2025, the Company managed warehouses with a GFA exceeding 2.5 million square meters globally, including over 2.1 million square meters in Asia-Pacific. These facilities, including self-owned and partner-operated warehouses, span key countries such as Singapore, Malaysia, Vietnam, the Philippines, Indonesia, Japan, South Korea, and Australia.

Backed by strong infrastructure and a comprehensive product portfolio, the Company effectively orchestrated the complex logistics chains required for global expansion, addressing customers' growing demand for high-quality cross-border express and supply chain services. In the first half of 2025, over 60% of the Fortune China 500 companies had used SF's international services.

### International Express and Cross-Border E-commerce Logistics

The Company continued to optimize its international product offerings, improve network efficiency, and strengthen overseas operational capabilities. Time-sensitive fulfillment of its cross-border service in key Asia-Pacific and Western markets ranked among the top three industry-wide. Notably, next-day delivery success rates from China to major Asia-Pacific destinations — such as Singapore, Malaysia, and South Korea — increased by over 10 percentage points year-on-year. Capitalizing on its robust domestic customer base, the Company focused on acquiring high-end customers including mid-to-high-end enterprise customers by offering customized, time-definite international express services. In parallel,

## Management Discussion and Analysis

leveraging its premium brand and its last-mile delivery network, the Company expanded into scenarios related to cross-border consumption by overseas Chinese, such as international travel and shopping, global e-commerce purchasing, business travel, student relocation, and daily life logistics. Revenue from international express products increased over 16% year-on-year in the first half of 2025.

In addition, leveraging its self-operated cargo flights, maritime logistics resources, and overseas warehousing capabilities, the Company also served a diversified cross-border e-commerce customer base – including major e-commerce platforms, independent overseas websites, vertical-category sellers, and manufacturing clusters. For example, in specialized product verticals such as wedding dresses, crystals, and wigs, the Company adopted flexible go-to-market strategies and achieved breakthroughs in logistics share across these niche export categories. Meanwhile, the Company strengthened its capabilities in Europe, enhancing competitiveness in logistics lanes from China to the UK, Germany, and France. As a result, cross-border e-commerce logistics revenue for European lanes doubled year-on-year in the first half of 2025.

### Supply Chain Services

Seizing the momentum of Chinese enterprises expanding overseas, the Company delivered customized supply chain solutions for customers across industries such as telecommunications and high-tech, industrial equipment, automotive, home appliances and furniture, apparel and footwear, and specialty food and beverage. These solutions covered diverse geographic regions including Southeast Asia, the Middle East, Europe, North America, and Latin America, with the Company achieving continued breakthroughs in overseas supply chain projects.

- **Specialty Food & Beverage:** The Company supported the international expansion of several emerging Chinese beverage brands. For instance, it facilitated the launch of a tea brand's first store in Malaysia and later its expansion to over 30 stores' openings across several countries. It also enabled the daily operations of 90 coffee stores in Singapore and Malaysia for a leading Chinese brand.

- **Apparel & Footwear:** For a top Chinese sportswear brand, the Company provided integrated warehousing and distribution services in Vietnam, Singapore, and the Philippines. It also supported cross-border delivery of raw materials (via land and sea) from China to Vietnam for a leading wedding dress seller, with local land transportation and air delivery of finished goods for export.

- **Telecom & High-Tech:** The Company provided multimodal transport and warehousing services to major consumer electronics customers, facilitating global raw material allocation and product circulation. For a robotic lawn mower brand, it delivered international oversized air cargo, overland trucking from China to Germany, and German warehouse operations – supporting rapid overseas market penetration.

- **Automotive:** The Company provided end-to-end logistics services for auto parts to multiple automotive customers across global markets. Notably, it secured air freight contracts from China to India, as well as sea and air logistics delivery between China and other Asia-Pacific destinations, successfully competing against global express giants.

- **New Energy:** For leading lithium battery manufacturers, the Company delivered international logistics solutions for large-format battery delivery via air and sea, including door-to-door services. It also signed freight contracts covering six European countries and was invited to participate in overseas factory relocation projects for its customers.

### International Cargo and Freight Forwarding Services

In the first half of 2025, the international freight market confronted a range of complex challenges, driven by shifts in global trade policies, heightened geopolitical tensions, and volatile tariff regimes. The abrupt changes in trade dynamics led to industry-wide disruptions, including cargo congestion, flight cancellations, and sudden restocking surges, resulting in significant fluctuations in freight demand and pricing. Against this backdrop, the Company demonstrated strong resilience through KLN's diversified business portfolio and broad customer base, as well as its robust network presence across Southeast Asia. This allowed the Company to respond with agility to evolving market conditions, securing stable freight capacity and ensuring timely delivery services for customers. Capitalizing on opportunities arising from global supply chain reconfiguration and the accelerated international expansion of Chinese enterprises, the Company achieved steady growth in international freight operations along Asia-Europe routes and intra-Asia corridors. Meanwhile, benefiting from an increase in engineering, procurement and construction projects and a recovery in traditional industrial logistics, revenue from project logistics in the first half of 2025 approached the full-year level in 2024. Leveraging a well-diversified portfolio across multiple sectors and trade lanes, the Company continued to deliver flexible and resilient freight solutions amid an increasingly volatile global landscape. The overall revenue for the first half of 2025 remained stable.

### Operational Optimization

#### Sorting Process

**Establishing a High-Efficiency, Intelligent Sorting Network:** The Company continued to drive site consolidation within the same cities and regions to optimize network layout, reduce transfer nodes, and minimize parcel sorting times. Tailored processing procedures and sorting tools were deployed to accommodate the unique characteristics of small parcels, large parcels, and LTL freight, thereby establishing a tiered and specialized sorting capability. To enhance operational efficiency, the Company introduced cutting-edge technologies and equipment, including ultra-high-speed sorting equipment. In the first half of 2025, over

## Management Discussion and Analysis

120 sets of automation equipment and over 380 AGV unmanned forklifts were newly deployed. Furthermore, the Company upgraded its dynamic scheduling systems, enabling real-time forecasting of downstream processing volumes based on collection and routing data – allowing for hour-level resource allocation and boosting overall utilization efficiency. As a result, small parcel sorting productivity improved by 12.5% and per-parcel sorting costs continued to decline in the first half of 2025.

**Enhancing Sorting Center Productivity:** The Company advanced the transition of sorting centers from cost centers to operational units with profit and accountability, strengthening the team's awareness of independent operation. Externally, standardized packaging operations were centralized at the sorting centers to free up courier time for enhanced customer engagement. Sorting centers were opened to accept self-collected parcels, extending cutoff times and reducing overall parcel turnaround. Internally, the Company implemented streamlined organizational structures and flatter hierarchies to accelerate operational decision-making, and deployed technology-enabled, precision-based commission systems linked to individual performance, while incentivizing grassroots innovation. Meanwhile, tools such as BI dashboards and RPA bots enabled automated data analysis and reporting, significantly enhancing management effectiveness for sorting.

**Upgrading Unmanned Containerized Transit Operations:** Following the launch of the industry's first unmanned containerized sorting center in 2024 with partial "lights-out operations", the Company introduced newly designed modular containers compatible with both line-haul and short-haul routes, improving vehicle load rates and reducing unit transportation costs. These innovations laid a strong foundation for medium- to long-haul container-based transportation. During the first half of 2025, construction of a second unmanned containerized center commenced, supported by upgraded AGV systems. Once operated, the center will facilitate seamless containerized transfer between South and East China, substantially enhancing network-wide transit efficiency.

### Transportation Process

**Establishing a Resilient Transportation Capacity Ecosystem:** The Company adhered to a win-win philosophy in supplier collaboration by refining its tendering and procurement strategies. Demand specifications were detailed to the origin-destination route level, including vehicle types and shipping frequency, improving resource planning certainty for suppliers and lowering procurement costs. A broad and flexible capacity pool was established by integrating transport resources across small parcels, freight, cold chain, and supply chain services. Through intelligent routing and resource tagging, the Company matched optimal suppliers based on industry-specific and scenario-based needs to enhance service specialization and cost-efficiency. In addition, pilot deployments of autonomous vehicle fleets commenced, supported by multi-type driver resources for round-trip stable routes. To drive operational excellence, an incentive mechanism closely tied to fleet performance was implemented across departments including vehicle procurement, route planning, and sorting, accelerating lean fleet management and reducing transportation costs.

**Improving Efficiency and Lowering Costs through Lean Transportation Management:** The Company optimized its ground network by streamlining routes and maximizing direct shipping. As of June 30, 2025, the Company had over 6,000 direct delivery line-haul routes between cities. Partnerships with third-party logistics providers were further deepened to unlock complementary advantages. Intelligent algorithms were employed to match vehicle schedules with driver shifts, promoting a "non-stop truck" model. Coupled with smart systems for route design, the share of round-trip trunk routes rose by over 16 percentage points in the first half of 2025, leading to significant savings in line-haul transportation costs. In unmanned transportation, more than 1,800 autonomous delivery vehicles were deployed for short-haul routes between sorting centers, service outlets, and last-mile delivery areas, as well as in campuses and industrial parks – further driving down short-haul transportation costs. Additionally, the Company enhanced cost control through fuel discounts, fleet maintenance optimization, vehicle upgrades for higher capacity, and the adoption of new energy vehicles, achieving holistic cost structure improvement.

### Last-Mile Delivery

**Stimulating Couriers for Income Generation:** The Company strengthened its "team leader" model by granting team leaders greater autonomy and establishing a comprehensive team honor system, which significantly boosted couriers' motivation for business development. By mid-2025, approximately 16,000 teams were formed, encompassing hundreds of thousands of couriers, leading to both business expansion and income growth. Marketing rights were delegated to frontline staff, supported by differentiated incentive programs that drove high-quality revenue generation. To ensure competitive remuneration, a city-tiered compensation strategy was adopted. Additional measures such as dynamic pricing based on delivery difficulty, incentives for new hires, and flexible pay adjustment in low-income regions contributed to a steady year-on-year increase in average courier payment scale during the first half of 2025. The Company emphasized courier satisfaction as a key driver of service quality, thereby enhancing customer satisfaction and reinforcing its long-term competitive edge.

**Enhancing Courier Efficiency:** Work tools were continuously upgraded to enhance safety and adaptability for various delivery scenarios while reducing labor intensity. WeCom was utilized for batch notifications and marketing message distribution, significantly improving communication between couriers and customers. As of June 30, 2025, WeCom accounts had reached 40 million retail customers. On the digital front, the Company interactively upgraded its intelligent courier assistant, integrating technologies such as retrieval-augmented generation (RAG), voice interaction, and audio playback. These tools supported a range of functions including waybill inquiry and marketing message generation, answering 3.5 million queries in the first half of 2025. A conversational courier management assistant powered by large language models was also deployed to support onboarding, problem-solving, and skill enhancement – significantly boosting couriers' professionalism and work efficiency. As a result, in the first half of 2025, small-parcel pickup and delivery efficiency increased by 13.7% year-on-year, while freight handling efficiency increased by 19% year-on-year.



# Management Discussion and Analysis

## Core Competitiveness

The Company has an efficient and reliable global logistics infrastructure network, rooted in China, radiating to Asia, and connecting the world

Note: The data below are all as of June 30, 2025.

### Global service network coverage

#### Domestic

Prefecture-level divisions covered in China

**339**

Prefecture-level divisions coverage

**100%**

County-level divisions covered in China

**2,839**

County-level divisions coverage

**99.8%**

#### Overseas

International express delivery, freight forwarding and supply chain business

**95** countries and regions covered

International small parcels business

**200** countries and regions covered

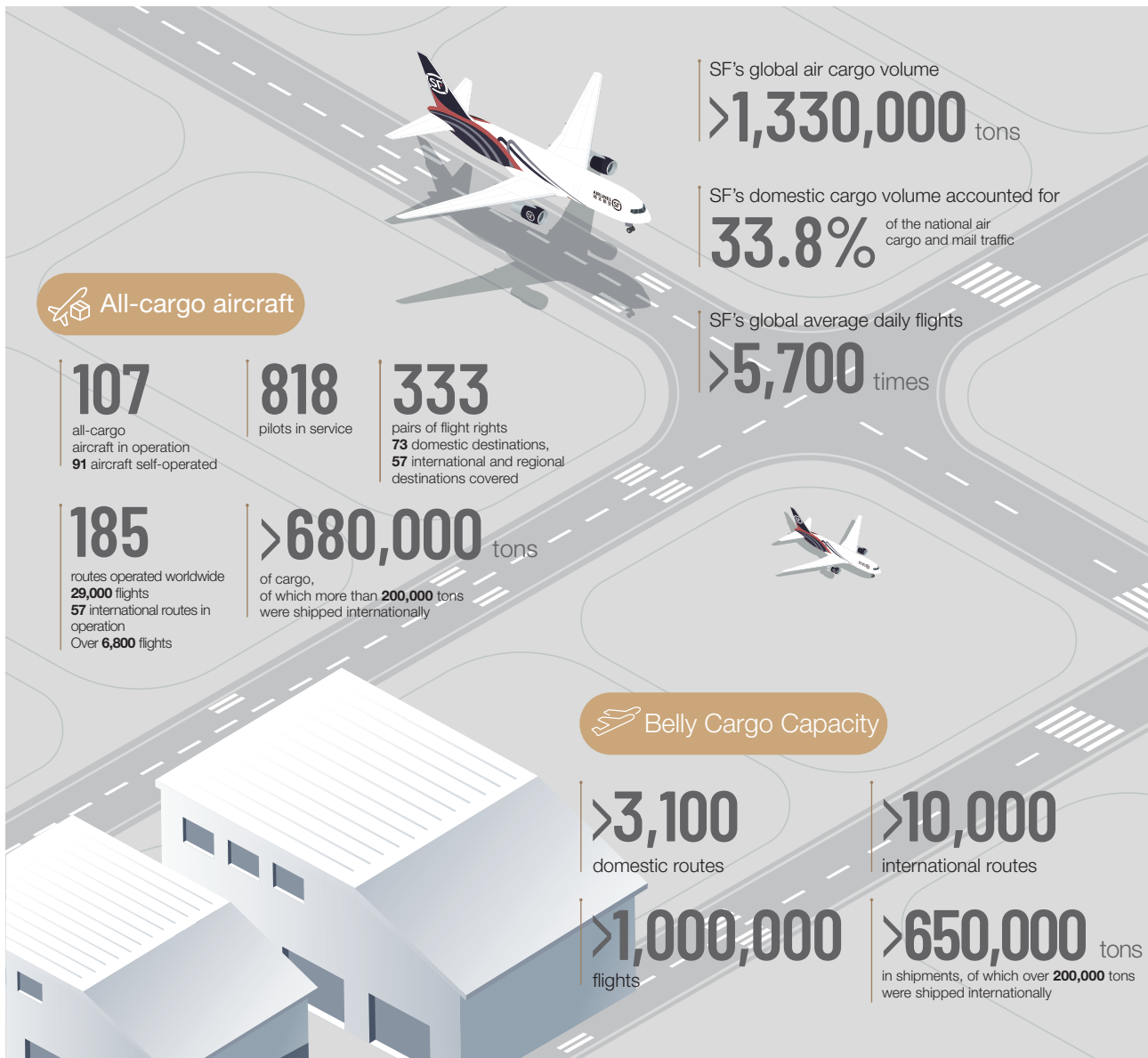


## Management Discussion and Analysis



We are operating a cargo airline that is the largest in China and maintains leading position in the world, and we are also the largest shipper of air cargo in China

Note: For the data below, the time points are all as of June 30, 2025, and the periods are all from January 1, 2025 to June 30, 2025.



The Ezhou cargo hub is the first dedicated air cargo hub in Asia, and fourth in the world, which is of strategic value and scarce position. Since officially commencing operation of its logistics complex at the Ezhou cargo hub in September 2023, the Company had launched 59 domestic and 19 international cargo routes there by the end of the Reporting Period. In the first half of 2025, the Company recorded over 14,000 flight take-offs and landings at the hub, representing a year-on-year increase of 14%. The logistics complex features an extensive 52-kilometer intelligent sorting line that can process up to 280,000 parcels per hour at its peak capacity. Additionally, 14 intelligent customs inspection lines featured with a fully automated sorting system ensure efficient customs clearance and delivery of international parcels. In the first half of 2025, the international

cargo volume of the Company at the Ezhou cargo hub witnessed over 100% growth as compared to the same period of 2024.

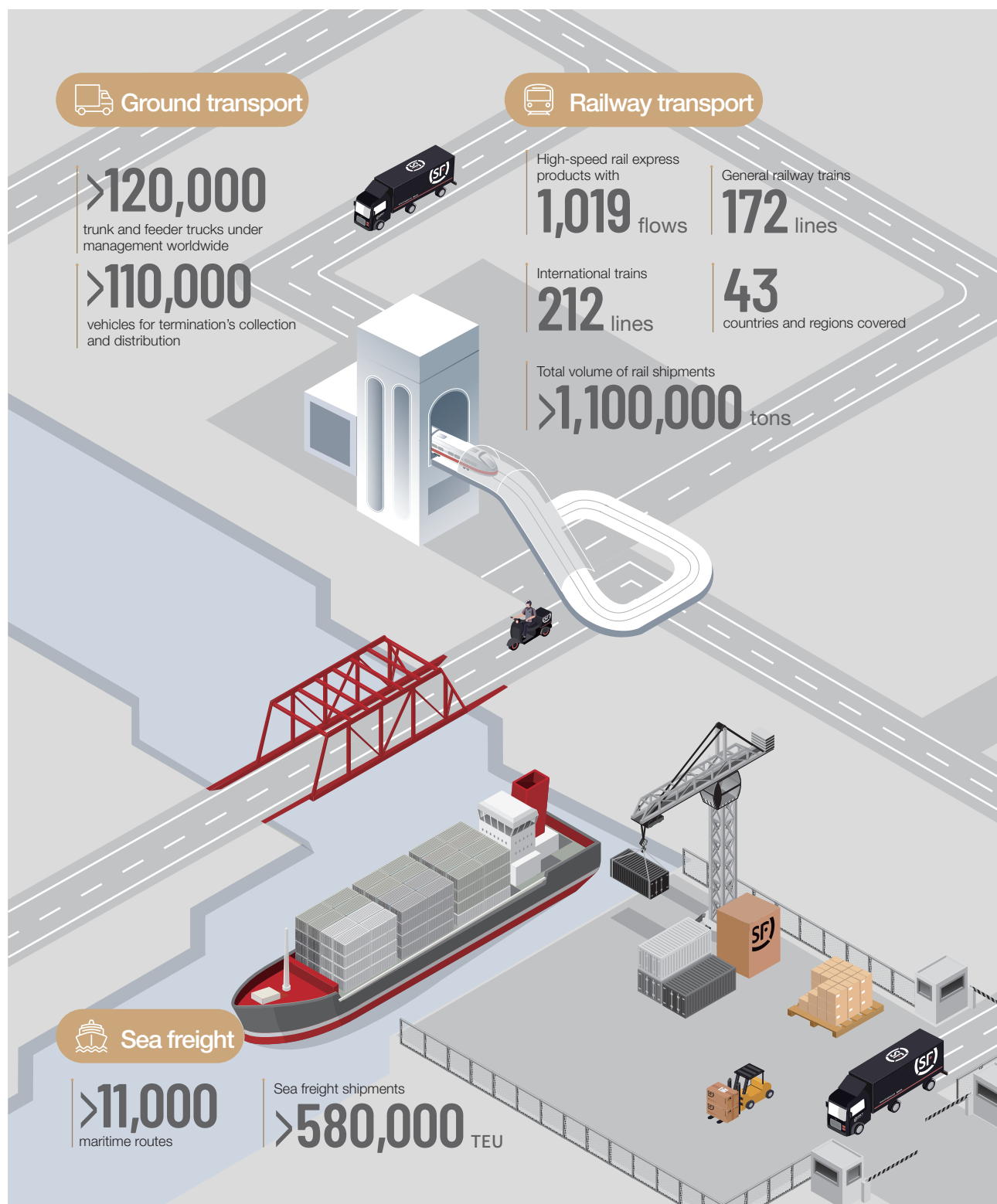
The strategic vision for the Ezhou cargo hub is to become the center of global supply chain and a high-end processing and distribution hub. Top-tier customers from various industries including 3C electronics, high-end and intelligent manufacturing, and cold-chain pharmaceuticals have established their presence in the Ezhou cargo hub. The hub-and-spoke mode of the Ezhou cargo hub enables the Company to enhance its aviation network to seamlessly integrate domestic and international routes, thus gradually achieving "overnight nationwide delivery and the third day global connectivity."

## Management Discussion and Analysis



Our extensive transportation resources allow us to provide domestic and cross-border multi-modal transportation services for our customers

Note: For the data below, the time points are all as of June 30, 2025, and the periods are all from January 1, 2025 to June 30, 2025.



## Management Discussion and Analysis



The globally-spread outlets pillaring  
our international and localized operations

Note: The data below are all as of June 30, 2025.



### Service Outlets

>38,000

domestic service outlets and  
other service stations

>39,000

overseas self-operated &  
agency outlets

>440,000

network-wide couriers

>370,000

cooperative service points  
(including city stations and rural distribution shops)



### Sorting Hubs

#### Express Hubs

236

sorting hubs  
in operation

#### Freight Hubs

143

sorting hubs  
in operation



### Warehouses

#### Global Warehouse Resources

>12 million sqm

#### domestic operated warehouses

>8.4 million sqm

#### franchised warehouses

>1.1 million sqm

#### Number of Warehouses

>1,500

#### overseas operated warehouses

>2.5 million sqm

#### countries and regions covered

35

#### food cold-chain warehouses covering

>0.82 million sqm

#### pharmaceutical cold-chain warehouses covering

>0.12 million sqm



# Management Discussion and Analysis



We possess numerous key site resources such as logistics parks and logistics centers in countries including China and Southeast Asian, both through our direct ownership or via REITs

Note: The data below are all as of June 30, 2025.

Total land area

**12.53** million sqm

Total building area

**11.45** million sqm

Completed operational projects

Land area

**10.14** million sqm

Building area

**9.55** million sqm

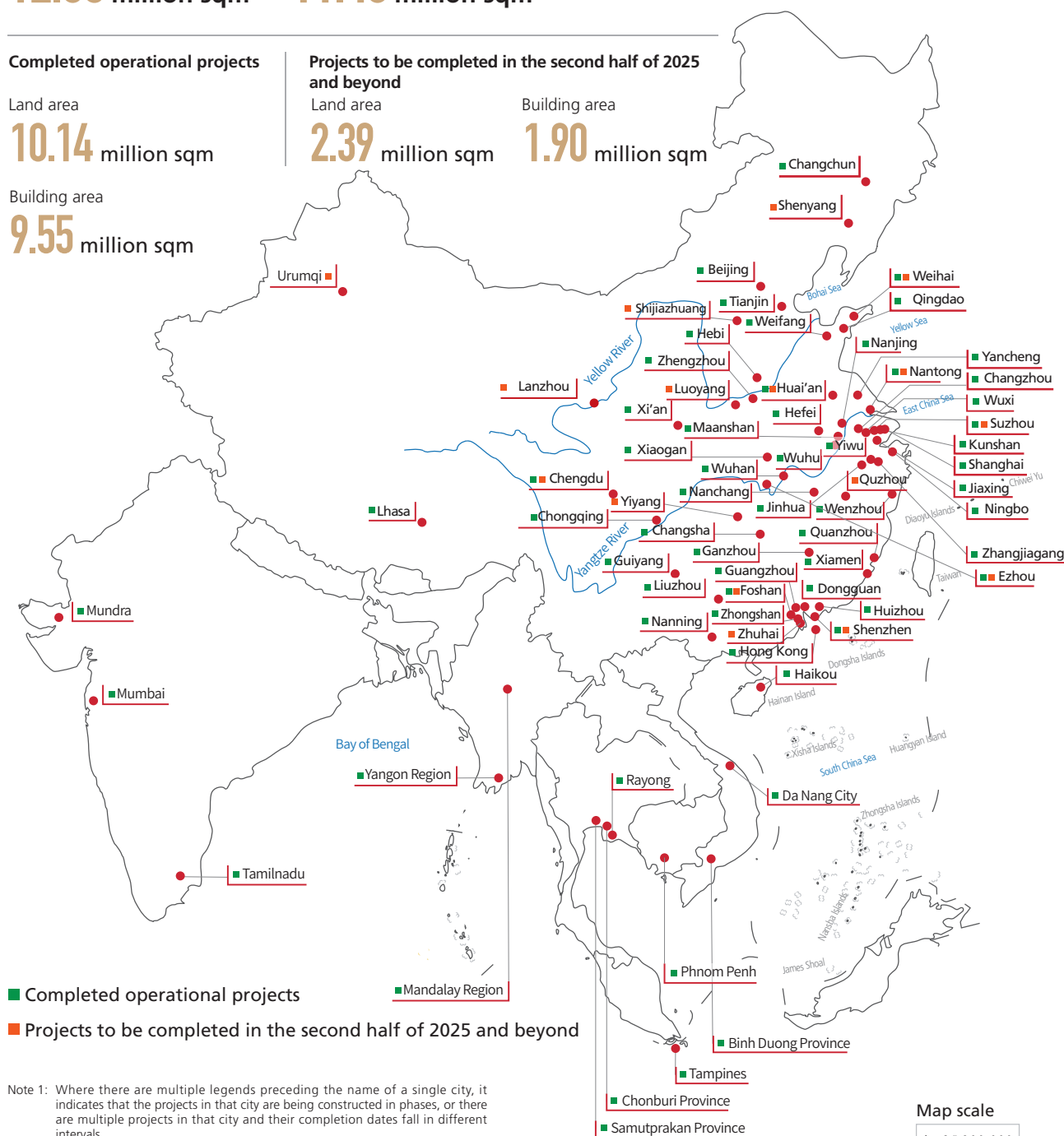
Projects to be completed in the second half of 2025 and beyond

Land area

**2.39** million sqm

Building area

**1.90** million sqm



Note 1: Where there are multiple legends preceding the name of a single city, it indicates that the projects in that city are being constructed in phases, or there are multiple projects in that city and their completion dates fall in different intervals.

Note 2: The above data includes industrial park projects that have been placed into the real estate investment trusts and the warehouse logistics infrastructure securities investment fund which are operated and managed by the Company.

## Management Discussion and Analysis

### Pioneering Logistics Technology Driving the Evolution of Smart Supply Chains

The Company aspires to become a globally respected leader in digital and intelligent logistics solutions. Drawing on its deep-rooted understanding of diverse logistics scenarios, proven track record of serving industry-leading clients, and continued innovation across cutting-edge intelligent technologies, the Company has established its industry-leading smart logistics capabilities. This proprietary digital intelligence infrastructure drives the efficient orchestration of the Company's complex logistics networks internally, while externally enabling customers to build best-in-class digital logistics and supply chain practices.

As of the end of the Reporting Period, the Company held a total of 2,530 software copyrights and 4,134 patents (including both granted and pending applications), with invention patents accounting for 63% of its overall patent portfolio. The Company actively collaborates with industry associations, academic institutions, and other ecosystem partners to reinforce SF Technology's visibility and thought leadership within the logistics and supply chain sector. During the period, the Company was recognized as a Finalist for the prestigious 2025 Franz Edelman Award, was selected as one of the inaugural cases under the National Data Administration's "Digital China" initiative, and was honored with the 2024 Science and Technology Award by the China Federation of Logistics & Purchasing, among other industry accolades.

### Deepen Integration of Intelligent Technology: AI-Powered Internal End-to-End Operations

**SF Cognitive Decision Intelligence Agent:** The Company has pioneered the development of the SF Cognitive Decision Intelligence Agent, an advanced AI decision-making framework that integrates proprietary domain-specific foundation models with external general-purpose large language models, alongside technologies such as operations research optimization and spatiotemporal network modeling. This intelligent agent has been deployed across multiple mission-critical functions, including logistics network planning and operations, market analytics and marketing strategy, business forecasting, and dynamic resource allocation.

**In the area of intelligent operations,** the Company has completed a comprehensive upgrade to "SF HyperBrain 2.0", a next-generation decision intelligence system that enables end-to-end optimization across the logistics network. Leveraging the power of the cognitive agent, the system performs scenario-based simulation and decision-making in areas such as transportation mode planning, routing optimization, resource scheduling, and holistic time-cost modeling. For example, for international small-parcel air cargo, the AI-powered containerization module has achieved an impressive 98.8% plan adoption rate, while boosting operational efficiency by 75%.

**In the domain of market insight and intelligent marketing,** the agent exhibits autonomous capabilities across perception, decision-making, execution, and evaluation. It is able to identify and profile high-potential customer segments in specific business scenarios, dynamically generate targeted marketing strategies, and continuously learn from outcomes. These intelligent capabilities have already been deployed in key verticals such as industrial clusters and residential ecosystems, where they power a closed-loop marketing framework – spanning opportunity identification, strategic deployment, and value conversion – thereby enabling precise market targeting, enhanced campaign ROI, and accelerated business development.

#### SF Logistics Language and Multimodal Model ("Fengyu"):

Powered by its proprietary Logistics language and multimodal model "Fengyu", the Company has developed a suite of digital assistants that significantly enhance operational efficiency across multiple roles:

- **Digital Customer Service:** Enhanced virtual agents application large model for call centers and online platforms deliver more natural and accurate interactions, capturing customer intent, address, and time information, thereby enhancing customer self-operation rate and experience. AI tools have also been deployed across customer service scenarios, including customer consultation, customer complaints and claims, enabling intelligent claims processing, automatic summarization, and receipt verification. Customer sentiment monitoring helps drive customer service capability improvements. Additionally, the model processes and classifies massive customer feedback from queries, identifying areas for service enhancement and experience optimization.

## Management Discussion and Analysis

• **Digital Data Analyst:** Robotic Process Automation (RPA) and SF logistics language models streamline data extraction and analysis across various scenarios – such as sorting center performance tracking, periodic operational reporting, and packaging and site compliance audits – resulting in a 50% reduction in processing time.

• **Digital Warehouse Management:** Intelligent assistants handle repetitive and time-consuming tasks, such as real-time monitoring and alerting of delayed deliveries, and automatically resolving financial reconciliation issues at service outlets. After deployment, the workload associated with parcel monitoring has decreased by 69%, significantly reducing the frequency of customer follow-ups.

### Advancing Autonomous Technologies to Improve Efficiency and Reduce Costs

**Unmanned Vehicles:** The Company has established a large-scale, multi-scenario presence for unmanned vehicles, covering short-haul transport, last-mile transit, intra-outlet handling, and university and commercial campus delivery. In the first half of 2025, over 1,800 unmanned vehicles were deployed across 72 cities in 19 provinces. A unified platform for multi-vendor, multi-model fleet management has been developed to enhance performance and efficiency. Integration with handheld terminals enables seamless operations – including loading/unloading, scheduling, and repositioning – via a single entry point, streamlining workflows and enhancing productivity.

**Unmanned Warehouses:** SF's proprietary "Baichuan" WMS/WES platform underpins intelligent warehouse systems with full automation integration, including intelligent scheduling, task dispatching, and visual analytics. These systems support major warehouse deployments for customers across industries, including pharma, electronics, and home appliances. In the cosmetics sector, where high SKU diversity, complex packaging, and strict shelf-life tracking are critical, SF's automated warehouses – equipped with AGVs, stackers, lifts, and shuttle systems – enable omnichannel inventory integration (2B and 2C), significantly boosting picking efficiency and reducing labor intensity, thus supporting inventory storage worth hundreds of millions of RMB and the delivery demand exceeding 100,000 orders per warehouse on a daily basis. The Company's platform also synchronizes with transportation planning to ensure smooth handoffs between warehouse and delivery. Several landmark unmanned warehouses have already been established, serving key clients in pharmaceuticals, high-tech manufacturing, and home appliances.

### Empowering Customers with Leading Digital Supply Chain Solutions

**New Model for the Apparel Industry:** To address the high return rates caused by strong seasonality, rapid SKU turnover, and the need for try-before-you-buy, the Company established proprietary return centers that utilize SF proprietary "Baichuan" system to manage returns intelligently. Upon receipt, packages are automatically matched with original order and product data. Online quality checks classify items, while storage location and warehouse routing are optimized based on order channel, product type, and inventory status – enhancing in-warehouse efficiency and return turnaround.

**International Supply Chain Case Study:** With SF's global strategy progressing rapidly, the Company now operates digital intelligence warehouses in several countries including Spain, Germany, Australia, Thailand, Japan, etc., all of which are powered by SF proprietary "Baichuan" platform. In the Company's Spanish flagship transit hub, the system enables end-to-end control of the supply chain – from inbound to last-mile delivery. It supports real-time inventory tracking, intelligent replenishment planning, and dynamic wave task generation, while integrating core logistics functions across warehousing, transportation, and order management. The system supports multi-platform order fulfillment and full-channel inventory visibility, representing a best-in-class application of our "Omnichannel inventory management" capability in an international setting.

**Benchmark Case in the Manufacturing Sector:** Partnering with a leading global industrial manufacturer, the Company deployed SF proprietary supply chain platforms – SF Cloud Chain, Fengzhi Cloud Tower, and the Vehicle Appointment Management System – to create a comprehensive transportation management solution tailored to the industrial manufacturing sector. This platform supports automated order ingestion, intelligent task assignment and execution, and real-time visibility of logistics operations. It improves supply chain digitalization, optimizes transport resource allocation, enhances operational efficiency, and reduces costs while supporting overseas expansion. This solution is now being scaled across more factories and industry customers in the Asia-Pacific region.

## Management Discussion and Analysis

### Premium Service Establishing an Unparalleled Brand Value

The Company has consistently adhered to a customer-centric philosophy, striving to deliver service offerings that are not only of compelling value but also exceed expectations. From express delivery products to comprehensive logistics services and be-spoke industry-specific supply chain solutions, the Company remains deeply committed to honoring the trust placed in SF by every customer, providing services that are both reliable and value-enhancing. As of the end of the Reporting Period, the Company served more than 2.35 million customers with active credit accounts and over 760 million retail customers.

In China, SF has become the household name and synonym for high-timeliness express delivery service. “Let me SF this to you” has been equivalent with “express delivery to you”. The Company has built a strong brand reputation centered around “fast”, “reliable” and “premium service” in customers’ mindset, setting the industry benchmark for superior customer experiences. As a result, many corporate customers and e-commerce platforms actively advertise

their use of SF as a symbol of premium service and brand trustworthiness. By associating their products with SF’s premium services, corporate customers and e-commerce platforms are able to enhance consumer perception of their product quality, foster greater trust and improve sales performance.

SF’s commitment to excellence has led to unparalleled brand value. The Company has built a loyal and highly engaged customer base across various industries, becoming the go-to logistics partner for many top-tier customers. This dedication to premium service has earned SF wide recognition from customers, industry peers, and the public alike.

In the ranking released by the State Post Bureau, SF has been ranked first in public satisfaction with express delivery services for 16 consecutive years (2009-2024). The Company ranked 393rd in the Fortune Global 500 list for 2025 released by Fortune magazine. It has been on this list for four consecutive years, and it is also the first and only Chinese private express delivery enterprise among the Fortune Global 500. Additionally, according to Brand Finance’s 2025 Global Logistics Brand Value Ranking, the Company ranked 6th globally and 1st among Chinese logistics brands.

### State Post Bureau

**No.1**

in Express Delivery Service Public Satisfaction in the first half of 2025

**No.1**

for 16 consecutive years

in Express Delivery Service Public Satisfaction in 2024

### Fortune

**393<sup>rd</sup>**

selected for 4 consecutive years

among “2025 Global 500 Companies”

**2<sup>nd</sup>**

selected for 8 consecutive years

among “Most Admired Chinese Companies” in 2024

selected for 4 consecutive years

**China ESG  
Impact List**

### Brand Finance

**377<sup>th</sup>**

selected for 6 consecutive years

among “World’s Top 500 Most Valuable Brands” in 2025

**6<sup>th</sup>**

selected for 7 consecutive years

among “World’s Most Valuable Logistics Brands” in 2025

**7<sup>th</sup>**

among “World’s Top 10 Logistics Brands by Sustainability Perceptions Value” in 2024

# Management Discussion and Analysis

## Financial Review

### Revenue

In the first half of 2025, the total revenue of the Group reached RMB146.86 billion, representing an increase of 9.26% as compared to the same period in 2024. The breakdown of the revenue categorized by industry, by operating segment and by geographical region is set out below. For details of the development of each major business, please refer to “Business Development of the Company” in this section.

	For the six months ended June 30,				
	2025		2024		Year-on-year amount change
	Amount RMB'000	Percentage of revenue	Amount RMB'000	Percentage of revenue	
<b>Total revenue</b>	<b>146,858,174</b>	<b>100.00%</b>	<b>134,409,720</b>	<b>100.00%</b>	<b>9.26%</b>
<i>Categorized by industry:</i>					
Logistics and freight forwarding	143,530,874	97.73%	130,207,965	96.87%	10.23%
Other non-logistics business <sup>(1)</sup>	3,327,300	2.27%	4,201,755	3.13%	-20.81%
<i>Categorized by operating segment:</i>					
<b>Express and freight delivery segment</b>	<b>104,772,845</b>	<b>71.34%</b>	<b>96,820,175</b>	<b>72.03%</b>	<b>8.21%</b>
Time-definite express	63,233,100	43.06%	59,185,770	44.03%	6.84%
Economy express	15,160,431	10.32%	13,254,012	9.86%	14.38%
Freight	19,572,650	13.33%	17,554,101	13.06%	11.50%
Cold chain and pharmaceutical logistics	5,836,978	3.97%	5,062,524	3.77%	15.30%
Others <sup>(2)</sup>	969,686	0.66%	1,763,768	1.31%	-45.02%
<b>Intra-city on-demand delivery segment</b>	<b>5,582,531</b>	<b>3.80%</b>	<b>4,022,952</b>	<b>2.99%</b>	<b>38.77%</b>
Intra-city on-demand delivery	5,493,390	3.74%	3,956,020	2.94%	38.86%
Others <sup>(2)</sup>	89,141	0.06%	66,932	0.05%	33.18%
<b>Supply chain and international segment</b>	<b>35,768,179</b>	<b>24.36%</b>	<b>32,914,104</b>	<b>24.49%</b>	<b>8.67%</b>
Supply chain and international business	34,234,325	23.31%	31,195,538	23.21%	9.74%
Others <sup>(2)</sup>	1,533,854	1.04%	1,718,566	1.28%	-10.75%
<b>Undistributed units<sup>(3)</sup></b>	<b>734,619</b>	<b>0.50%</b>	<b>652,489</b>	<b>0.49%</b>	<b>12.59%</b>
<i>Categorized by region:</i>					
Mainland China	126,936,236	86.43%	115,996,449	86.30%	9.43%
Hong Kong, Macao, and Taiwan, China	4,705,646	3.20%	4,512,024	3.36%	4.29%
Other international	15,216,292	10.36%	13,901,247	10.34%	9.46%



## Management Discussion and Analysis

### Notes:

- (1) "Other non-logistics business" categorized by industry mainly represents the ancillary non-logistics services provided by the Company, including the purchase and sales of goods involved in the process of providing end-to-end supply chain services for customers, leasing services and provision of technical services.
- (2) "Others" categorized by operating segment mainly comprise the purchase and sales of goods involved in the process of providing end-to-end supply chain services for customers.
- (3) "Undistributed units" mainly comprise leasing services and provision of technical services.
- (4) Any discrepancies between totals and sums of the numbers are due to rounding.

### Cost of Revenue

The cost of revenue of the Group in the first half of 2025 amounted to RMB127.80 billion, representing an increase of 10.08% as compared to the same period in 2024, which was in line with the growth trend of revenue during the Reporting Period. The breakdown of the cost categorized by industry is set out below:

	For the six months ended June 30,				
	2025		2024		Year-on-year amount change
	Amount RMB'000	Percentage of cost of revenue	Amount RMB'000	Percentage of cost of revenue	
<b>Total cost of revenue</b>	<b>127,797,632</b>	<b>100.00%</b>	<b>116,096,281</b>	<b>100.00%</b>	<b>10.08%</b>
<i>Categorized by industry:</i>					
Logistics and freight forwarding	125,144,444	97.92%	112,480,862	96.89%	11.26%
Other non-logistics business	2,653,188	2.08%	3,615,419	3.11%	-26.61%

### Gross Profit and Gross Profit Margin

The overall gross profit of the Group in the first half of 2025 amounted to RMB19.06 billion, representing an increase of 4.08% as compared to the same period in 2024. The breakdown of the gross profit categorized by industry is set out below:

	For the six months ended June 30,					
	2025		2024		Year-on-year change	
	Amount RMB'000	Gross profit margin	Amount RMB'000	Gross profit margin	Change in amount	Change in gross profit margin
<b>Total gross profit</b>	<b>19,060,542</b>	<b>12.98%</b>	<b>18,313,439</b>	<b>13.63%</b>	<b>4.08%</b>	<b>Down by 0.65 percentage point</b>
<i>Categorized by industry:</i>						
Logistics and freight forwarding	18,386,430	12.81%	17,727,103	13.61%	3.72%	Down by 0.80 percentage point
Other non-logistics business	674,112	20.26%	586,336	13.95%	14.97%	Up by 6.31 percentage points

## Management Discussion and Analysis

Among which, in the first half of 2025, the gross profit of logistics and freight forwarding business was RMB18.39 billion, representing an increase of 3.72% as compared to the same period in 2024, and the gross profit margin was 12.81%, representing a decrease of 0.80 percentage point as compared to the same period in 2024. The change in gross profit margin was mainly affected by changes in the percentage of the following three major cost items to revenue:

	For the six months ended June 30,				Year-on-year change	
	2025		2024			
	Amount RMB'000	Percentage of revenue	Amount RMB'000	Percentage of revenue	Change in Amount	Change in the percentage of revenue
Labor cost	61,684,717	42.98%	53,523,463	41.11%	15.25%	Up by 1.87 percentage points
Transportation cost	46,774,772	32.59%	42,765,854	32.84%	9.37%	Down by 0.25 percentage point
Other operating costs	16,684,955	11.62%	16,191,545	12.44%	3.05%	Down by 0.82 percentage point

Labor cost-to-revenue ratio increased by 1.87 percentage points as compared to the same period in 2024. The increase primarily reflected the Company's continued efforts to enhance the competitiveness of compensation mechanism for couriers and increase sales incentives to promote business development, alongside higher remuneration driven by business growth. These impacts were partially offset by efficiency gains from the application of intelligent and unmanned technologies, which helped moderate labor cost increase.

Transportation cost-to-revenue ratio decreased by 0.25 percentage point as compared to the same period in 2024. This performance was primarily driven by the Company's reinforcement of critical domestic air resources, increased investment in direct ground line-haul routes and route acceleration, and the expansion of bulky-cargo and LTL network coverage, thereby enhancing product competitiveness and sector-specific service capability. In parallel, the Company launched additional international all-cargo routes, increased flight frequencies, and developed premium cross-border road routes to strengthen its international network. At the same time, through continuous optimization of its operating model, promoting delivery consolidation to reduce transit, and by recalibrating capacity sourcing and procurement strategies, the Company effectively contained transportation costs.

Other operating costs-to-revenue ratio decreased by 0.82 percentage point as compared to the same period in 2024. While advancing strategic investments in core facility establishment, densifying last-mile touchpoints, and strengthening overseas delivery and warehousing capacity, the Company exercised disciplined capital allocation to contain the pace of capital expenditure growth and maintain a healthy capex-to-revenue ratio. As parcel volumes increased, these initiatives translated into enhanced operating leverage and economies of scale.

### Selling and Marketing Expenses

The selling and marketing expenses of the Group in the first half of 2025 amounted to RMB1.76 billion, representing a year-on-year increase of 19.8% compared with RMB1.47 billion in the same period of 2024, and the ratio of selling and marketing expense to revenue was 1.20% in the first half of 2025, representing a year-on-year increase of 0.11 percentage point compared with 1.09% in the same period of 2024. This was primarily driven by the Company's accelerated expansion of its sales team to bolster business development.

### General and Administrative Expenses

The general and administrative expenses of the Group in the first half of 2025 amounted to RMB9.12 billion, representing a year-on-year increase of 0.78% compared with RMB9.05 billion in the same period of 2024, and the ratio of general and administrative expense to revenue was 6.21% in the first half of 2025, representing a year-on-year decrease of 0.52 percentage point compared with 6.73% in the same period of 2024. This was mainly due to the Company's adherence to lean operations, technology empowerment of digitalized and intelligent management, streamlined organizational structure and improved management efficiency.

## Management Discussion and Analysis

### Research and Development Expenses

The research and development expenses of the Group in the first half of 2025 amounted to RMB1.15 billion, representing a year-on-year decrease of 11.38% compared with RMB1.30 billion in the same period of 2024, and the ratio of research and development expenses to revenue was 0.79% in the first half of 2025, representing a year-on-year decrease of 0.18 percentage point compared with 0.97% in the same period of 2024. The overall investment in research and development of the Company remained stable, the Group's total research and development investment (including research and development expenses and development expenditures) in the first half of 2025 amounted to RMB1.48 billion, representing a decrease of 7.42% as compared with the same period in 2024, and its proportion to revenue was 1.01%, representing a decrease of 0.18 percentage point as compared with that of the same period in 2024.

### Other Gains, Net

Other gains, net of the Group in the first half of 2025 amounted to RMB0.82 billion, representing a year-on-year increase of RMB0.53 billion compared with RMB0.29 billion in the same period of 2024, which was mainly attributable to the gain on disposal arising from the transfer of three wholly owned property-holding subsidiaries to Southern SF Logistics REIT during the Reporting Period.

### Finance Costs, Net

The finance costs, net of the Group in the first half of 2025 amounted to RMB0.77 billion, representing a year-on-year decrease of 5.21% compared with RMB0.82 billion in the same period of 2024, mainly due to a decrease in interest expenses on borrowings.

### Income Tax Expense

The income tax expense of the Group in the first half of 2025 amounted to RMB1.63 billion, representing an increase of 4.4% as compared with the corresponding period in 2024, which was mainly due to the increase in the profit for the first half of the year of the Company.

### Profit

The Group achieved profit of RMB6.01 billion in the first half of 2025, representing an increase of 26.29% as compared to the same period in 2024. Of which, profit attributable to owners of the Company amounted to RMB5.74 billion, representing an increase of 19.37% as compared to the same period in 2024. The net profit and change over the previous year for each of the Company's operating segments are set forth below:

	For the six months ended June 30,		Year-on-year change
	2025 RMB'000	2024 RMB'000	
Express and freight delivery segment	5,384,678	4,795,733	12.28%
Intra-city on-demand delivery segment	137,049	62,174	120.43%
Supply chain and international segment	-295,907	-574,213	48.47%
Undistributed units	843,113	450,071	87.33%

Net profit for the express and freight delivery segment in the first half of 2025 was approximately RMB5.38 billion, representing an increase of 12.28% as compared to the same period in 2024. Such increase was underpinned by rapid business scale expansion, the Company's continuous adherence to lean management and operations, and stronger network scale effects, resulting in a steady reduction in per-parcel operating costs and major expense ratios.

Net profit for the intra-city on-demand delivery segment in the first half of 2025 was approximately RMB137 million, representing an increase of 120.43% as compared to the same period in 2024. The doubling of net profit was primarily driven by rising market demand and a healthier business mix, while lean management and technology-empowered operational improvements expanded network economies of scale and supported sustained profitability enhancement.

The supply chain and international segment recorded a net loss of approximately RMB300 million in the first half of 2025, which narrowed by 48.47% compared to the same period in 2024. Excluding the net loss of RMB430 million from the overseas subsidiary KEX and the interest expense on financing related to the Company's M&A of KLN of RMB290 million, the segment delivered a net profit of RMB430 million for the Reporting Period, representing a year-on-year increase of 178% from RMB150 million on a comparable basis in the first half of 2024. Benefiting from the Company's capturing the opportunities of global supply chain reshaping and Chinese enterprises going overseas, as well as improving the efficiency of the supply chain through lean operations, the Company's supply chain business and international freight forwarding business witnessed increased profitability.

Net profit for undistributed units in the first half of 2025 was approximately RMB843 million, representing an increase of 87.33% as compared to the same period in 2024, mainly included the gain (after-tax amounted to RMB590 million) on disposal arising from the transfer of three wholly owned property-holding subsidiaries to Southern SF Logistics REIT during the Reporting Period.

## Management Discussion and Analysis

### Non-IFRS Measures

To supplement the consolidated financial statements which are presented by the Company in accordance with IFRS, the Company also uses certain additional non-IFRS measures, namely, EBITDA and EBITDA margin, as additional financial metrics. These non-IFRS measures are not required by or presented in accordance with IFRS.

The Company believes that these non-IFRS measures facilitate evaluation of its operating performance by eliminating potential impacts of certain items listed below. The Company also believes that such non-IFRS measures present useful information to investors in understanding and evaluating its consolidated results of operations in the same manner as they presented to its management. However, its presentation of such non-IFRS measures may not be comparable to similarly titled measures presented by other companies. The use of these non-IFRS measures has limitations as an analytical tool, and you should not consider it on an isolated basis, or as substitute for analysis of, the results of operations or financial condition of the Company as reported under IFRS.

The following table reconciles profit for the period of the Company, calculated and presented in accordance with IFRS, to EBITDA (non-IFRS measure) for the periods indicated:

	For the six months ended June 30,	
	2025 RMB'000	2024 RMB'000
<b>Profit for the period</b>	<b>6,012,403</b>	<b>4,760,922</b>
<i>Add:</i>		
Depreciation and amortization	8,197,307	8,789,650
— Depreciation of right-of-use assets	3,337,161	3,428,916
— Depreciation and amortization (excluding right-of-use assets)	4,860,146	5,360,734
Finance costs, net	773,324	815,854
Income tax expense	1,627,325	1,559,135
<b>EBITDA</b>	<b>16,610,359</b>	<b>15,925,561</b>
<b>EBITDA margin</b>	<b>11.31%</b>	<b>11.85%</b>

### Cash Flow

	For the six months ended June 30,		Year-on-year change
	2025 RMB'000	2024 RMB'000	
Net cash generated from operating activities	12,936,690	13,722,269	-5.72%
Net cash used in investing activities	-17,516,875	-15,444,553	-13.42%
Net cash used in financing activities	-7,280,764	-6,181,865	-17.78%

**Net cash generated from operating activities:** In the first half of 2025, net cash generated from operating activities of the Group was RMB12.94 billion, representing a decrease of 5.72% as compared to the same period in 2024. Please refer to note 25 to the consolidated financial statements for a detailed explanation of the difference between the Group's net cash generated from operating activities and net profit in the first half of 2025.

**Net cash used in investing activities:** In the first half of 2025, net cash used in investing activities of the Group was RMB17.52 billion, representing an increase of 13.42% as compared to the same period in 2024, mainly attributable to the combined effect of the increase in the Group's net cash outflow from purchasing structured deposits, the increase in net cash flow from disposal subsidiaries, and the decrease in net cash outflow from purchasing property, plant and equipment.

**Net cash used in financing activities:** In the first half of 2025, net cash used in financing activities of the Group was RMB7.28 billion, representing an increase of 17.78% as compared to the same period in 2024, mainly attributable to the combined effect of the increase in net cash outflow from borrowings of the Group, the decrease in payments for repurchase of the Company's shares, and the decrease in net cash consideration paid to non-controlling interests without change of control.



## Management Discussion and Analysis

### Assets and Liabilities

#### Changes in Major Items of Assets and Liabilities

	As of June 30,				Year-on-year change in the percentage of total assets	
	2025		2024		Year-on-year amount change	
	Amount RMB'000	Percentage of total assets	Amount RMB'000	Percentage of total assets		
<b>Non-current assets</b>						
Property, plant and equipment	55,891,747	25.61%	59,174,305	27.67%	-5.55%	-2.06%
Right-of-use assets	21,376,908	9.80%	19,625,629	9.18%	8.92%	0.62%
Investment properties	7,547,509	3.46%	7,241,199	3.39%	4.23%	0.07%
Investments in associates and joint ventures	7,092,360	3.25%	6,203,642	2.90%	14.33%	0.35%
<b>Current assets</b>						
Inventories	2,326,187	1.07%	2,432,383	1.14%	-4.37%	-0.07%
Contract assets	2,714,679	1.24%	2,740,820	1.28%	-0.95%	-0.04%
Trade and note receivables	29,423,230	13.48%	27,981,633	13.09%	5.15%	0.40%
Financial assets at fair value through profit or loss	27,026,920	12.38%	11,246,156	5.26%	140.32%	7.12%
Cash and cash equivalents	20,742,661	9.50%	32,646,055	15.27%	-36.46%	-5.76%
<b>Non-current liabilities</b>						
Borrowings	24,475,155	11.21%	26,319,260	12.31%	-7.01%	-1.09%
Lease liabilities	9,591,592	4.40%	7,094,483	3.32%	35.20%	1.08%
<b>Current liabilities</b>						
Trade and note payables	29,077,094	13.32%	27,395,524	12.81%	6.14%	0.51%
Contract liabilities	2,034,069	0.93%	2,039,198	0.95%	-0.25%	-0.02%
Borrowings	17,057,921	7.82%	18,365,122	8.59%	-7.12%	-0.77%
Lease liabilities	5,442,703	2.49%	5,501,314	2.57%	-1.07%	-0.08%
<b>Equity</b>						
Retained earnings	42,707,381	19.57%	39,140,246	18.30%	9.11%	1.26%

**Investments in associates and joint ventures:** As of June 30, 2025, the Group's investments in associates and joint ventures amounted to RMB 7.09 billion, representing an increase of 14.33% as compared with the end of 2024, primarily due to increased investments in Southern SF Logistics REIT.

**Financial assets at fair value through profit or loss:** As of June 30, 2025, the Group's financial assets at fair value through profit or loss amounted to RMB27.03 billion, representing an increase of 140.32% as compared with the end of 2024, mainly due to the increase in structured deposits.

**Borrowings:** As of June 30, 2025, the Group's borrowings under non-current liabilities amounted to RMB24.48 billion, representing a decrease of 7.01% as compared with the end of 2024; the borrowings under current liabilities amounted to RMB17.06 billion, representing a decrease of 7.12% as compared with the end of 2024, mainly due to the repayment of borrowings.

**Lease liabilities (non-current):** As of June 30, 2025, the Group's lease liabilities amounted to RMB9.59 billion, representing an increase of 35.20% from the end of 2024, primarily due to an increase in leases.

## Management Discussion and Analysis

### Liquidity and Capital Structure

#### Sources and Uses of Funds

In the first half of 2025, the Group primarily raised funds required for its development through cash generated from operating activities, proceeds from external debts and other financing activities. As of June 30, 2025, the total amount of cash and cash equivalents and structured deposits in the Group's other financial assets was RMB47.67 billion. The Group has always adopted a prudent financial management policy, maintaining sufficient and appropriate funds to meet the repayment of matured debts, capital expenditures and normal operations.

	As of June 30, 2025 RMB'000	As of December 31, 2024 RMB'000
Cash and cash equivalents	20,742,661	32,646,055
Financial assets at fair value through profit or loss		
—Structured deposits	26,928,678	11,015,904
<b>Total</b>	<b>47,671,339</b>	<b>43,661,959</b>

The free cash inflow of the Group in the first half of 2025 was RMB8.74 billion, which was derived from net cash generated from operating activities of RMB12.94 billion less capital expenditures (excluding equity investments) of RMB4.20 billion, representing a year-on-year increase of 6.06% as compared with the free cash inflow in the same period of 2024 of RMB8.24 billion. Looking forward, the Group believes that it will be able to meet the liquidity requirements of the Company by using the existing cash and cash equivalents, cash generated from operating activities and financing activities.

As of June 30, 2025, the Group's debt to asset ratio was 51.35%, representing a decrease of 0.79 percentage point from 52.14% at the end of 2024, and the overall capital structure remained stable. (Note: Debt to asset ratio is calculated by total liabilities dividing total assets on the corresponding date)

## Management Discussion and Analysis

### Borrowings

As of June 30, 2025, the Group's short-term borrowings, long-term borrowings, corporate bonds, short-term bonds and loans from non-controlling interests amounted to RMB41.53 billion in aggregate, which were mainly denominated in RMB, HKD and USD with no significant seasonal demand. Among which, the aggregate amount of non-current corporate bonds with fixed interest rates amounted to approximately RMB18.34 billion, and the rest were carried at floating interest rates. Most of the bank borrowings are unsecured, and the assets involved in some of the secured borrowings are set out in "Limitation of asset rights" under "Assets and Liabilities" in "Financial Review" in this section. The Group did not have any borrowings that were past due during the Reporting Period. Please refer to note 20 to the consolidated financial statements in the Report for details of the bank borrowings and other borrowings of the Group. The details are as follows:

	As of June 30, 2025 RMB'000	As of December 31, 2024 RMB'000
<b>Non-current:</b>	<b>24,475,155</b>	<b>26,319,260</b>
Long-term bank borrowings	5,951,570	6,186,386
Corporate bonds	18,340,691	19,941,935
Loans from non-controlling interests	182,894	190,939
<b>Current:</b>	<b>17,057,921</b>	<b>18,365,122</b>
Current portion of long-term bank borrowings	1,136,014	1,677,715
Short-term bank borrowings	12,435,544	15,118,534
Short-term debentures	2,507,973	807,787
Corporate bonds	620,144	627,779
Loans from non-controlling interests and other parties	358,246	133,307
<b>Total</b>	<b>41,533,076</b>	<b>44,684,382</b>

### Limitation of Asset Rights

As of June 30, 2025, the Group's assets subject to restricted rights are mainly statutory reserve placed at the Central Bank and the bank borrowing mortgage, as set out below:

	As of June 30, 2025 RMB'000	Reasons for limitation
Restricted cash	940,735	Mainly statutory reserves in the Central Bank
Property, plant and equipment	500,204	Bank borrowing mortgage
Right-of-use assets	173,923	Bank borrowing mortgage
Investment properties	117,759	Bank borrowing mortgage
Trade and note receivables	50,259	Bank borrowing pledge
<b>Total</b>	<b>1,782,880</b>	

### External Guarantees

As of June 30, 2025, the Group provided guarantees of RMB946 million to investee companies (such amount was RMB951 million as of December 31, 2024).

### Contingent Liabilities

As of June 30, 2025, the Group did not have any material contingent liabilities.

## Management Discussion and Analysis

### Investments

#### Capital Expenditures

	For the six months ended June 30,		Year-on-year change
	2025 RMB'000	2024 RMB'000	
<b>Total investment amount</b>	<b>5,400,677</b>	<b>6,169,640</b>	<b>-12.46%</b>

The amounts of the Group's capital expenditure items during the Reporting Period are set out below:

	For the six months ended June 30, 2025 RMB'000
Office and buildings	174,400
Land	213,163
Warehouse	354,293
Sorting center	1,176,652
Aircraft	906,985
Vehicle	565,177
Information technology equipment	358,727
Equity investments	1,200,980
Others	450,300
<b>Total</b>	<b>5,400,677</b>

#### Capital Commitments

As of June 30, 2025, the Group's capital commitments amounted to RMB3.81 billion, which mainly represented capital commitments contracted but not yet provided for the purchase of property, plant and equipment. All such amounts will be settled along with the progress of the projects.



## Management Discussion and Analysis

### Investments in Financial Assets

#### Assets and liabilities measured at fair value

Item	Opening balance RMB'000	Gains and losses from changes in fair value during the Reporting Period RMB'000	Accumulated fair value changes recorded in equity RMB'000	Provision for impairment during the Reporting Period RMB'000	Purchase amount during the Reporting Period RMB'000	Disposal amount during the Reporting Period RMB'000	Other changes <sup>(2)</sup> RMB'000	Closing balance RMB'000
<b>Financial assets</b>	<b>19,955,566</b>	<b>55,134</b>	<b>168,278</b>	<b>-</b>	<b>15,742,978</b>	<b>205,463</b>	<b>-32,251</b>	<b>35,684,242</b>
Current financial assets at fair value through profit or loss (excluding derivative financial assets) <sup>(1)</sup>	11,246,156	36,628	-	-	15,711,638	123,340	155,838	27,026,920
Other non-current financial assets at fair value through profit or loss	477,416	18,506	-	-	31,340	55,040	32,787	505,009
Investments in other equity instruments	8,231,994	-	168,278	-	-	27,083	-220,876	8,152,313
<b>Financial liabilities</b>	<b>105,464</b>	<b>-</b>	<b>-234</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-2,547</b>	<b>102,683</b>

Notes:

- (1) This item includes structured deposits that do not meet the principal-plus-interest contractual cash flow characteristics. These structured deposits, characterized by short maturities and high liquidity, are presented on a net basis for the current period's purchase and disposal amounts. Except for structured deposits, all other items are presented separately with their respective purchase and sale amounts for the current period.
- (2) Other changes in current financial assets at fair value through profit or loss are mainly income realized from matured structured deposits, and other changes in investments in other equity instruments are mainly due to exchange differences on translation of foreign currency financial statements.

#### Investments in securities

Security type	Stock code	Abbreviation of security	Initial investment cost RMB'000	Book value at the beginning of the Reporting Period RMB'000	Gains and losses from changes in fair value during the Reporting Period RMB'000	Accumulated fair value changes recorded in equity RMB'000	Purchase amount during the Reporting Period RMB'000	Disposal amount during the Reporting Period RMB'000	Other changes RMB'000	Book value at the end of the Reporting Period RMB'000
Stocks	1519.HK	J&T Express	1,840,276	939,131	-	99,020	-	-	-28,338	1,009,813
Stocks	300771.SZ	Zhilai Sci And Tech	7,295	44,803	-	9,056	-	25,084	-	28,775
Stocks	GB00BLH1QT30	Samarkand	-	753	-	-613	-	-	-140	-
Funds	180302.SZ	China AMC-Shenzhen International REIT	49,750	48,531	-	13,487	-	518	-	61,500
<b>Total</b>			<b>1,897,321</b>	<b>1,033,218</b>	<b>-</b>	<b>120,950</b>	<b>-</b>	<b>25,602</b>	<b>-28,477</b>	<b>1,100,088</b>

## Management Discussion and Analysis

### Investments in derivatives

The amounts of the Group's derivatives investments for hedging purpose during the Reporting Period are set out below:

Type of derivatives investment	Initial Investment amount RMB'000	Amount at the beginning of the Reporting Period RMB'000	Gains and losses from changes in fair value during the Reporting Period RMB'000	Accumulated fair value changes recorded in equity RMB'000	Purchase amount during the Reporting Period RMB'000	Amount of sales during the Reporting Period RMB'000	Amount at the end of the Reporting Period RMB'000	Percentage of investment amount at the end of the period to net assets of the Company at the end of the Reporting Period
Forward foreign exchange	7,338,935	5,839,480	17,191	-70,072	N/A	N/A	7,338,935	7.69%
<b>Total</b>	<b>7,338,935</b>	<b>5,839,480</b>	<b>17,191</b>	<b>-70,072</b>	<b>N/A</b>	<b>N/A</b>	<b>7,338,935</b>	<b>7.69%</b>

**Actual gains/losses during the Reporting Period:** The actual gains/losses of derivatives investments refers to the change in fair value of derivative financial instruments, and the actual losses for the Reporting Period amounted to approximately RMB17,372 thousand.

**Hedging effects:** The Company's derivative investment business mainly consists of forward contracts, with the underlying asset being the exchange rate and interest rates and the currency involving USD and HKD. The main hedging operations for the Company's US dollar bonds and floating rate loans: (1) exchange losses on the US dollar bonds and gains on changes in the fair value of the forward exchange contracts are generated simultaneously when the USD strengthens against the HKD; and (2) when market interest rates are higher than the locked-in fixed interest rate, the interest expenses will be reduced. By utilizing the derivative transactions to lock in costs, the impact of exchange rate and interest rates fluctuations on the Company's profit was effectively reduced.

## Management Discussion and Analysis

### Use of Proceeds

The Company was successfully listed on the Main Board of the Hong Kong Stock Exchange on November 27, 2024. A total of 170,000,000 ordinary Shares with a par value of RMB1 per Share were successfully placed and issued at a price of HKD34.3 per share in the global offering, with an aggregate par value of RMB170,000,000. After deducting the underwriting commissions and other estimated expenses related to the global offering, the net proceeds from the share issuance in the global offering for the Company were approximately HKD5,662 million, equivalent to approximately RMB5,299 million at the exchange rate of HKD1.00 to RMB0.9358.

For the six months ended June 30, 2025, the proceeds from the global offering were utilized in accordance with the planned uses and proportions as stated in the prospectus. The details are as follows:

	Planned use of proceeds		As at June 30, 2025		Expected timeline for the utilization of the unutilized amount
	Percentage	Amount RMB'000	Utilized amount RMB'000	Unutilized amount RMB'000	
Strengthening international and cross-border logistics capabilities	45%	2,384,395	62,662	2,321,733	On or before the end of 2026
Strengthening and optimizing logistics network and service offerings in China	35%	1,854,529	1,632,370	222,159	On or before the end of 2025
Research and development of advanced technologies and digital solutions to upgrade supply chain and logistics services and implement ESG-related initiatives	10%	529,866	249,015	280,851	On or before the end of 2025
Working capital and general corporate purposes	10%	529,866	529,866	–	–
<b>Total</b>	<b>100%</b>	<b>5,298,656</b>	<b>2,473,913</b>	<b>2,824,743</b>	

### Significant Investments, Acquisitions and Disposals

The Group did not make any significant investments, acquisitions and disposals of equity interests in subsidiaries or investee companies, or any significant investments and disposals of non-equity assets for the six months ended June 30, 2025.

### Future Plans for Significant Investments and Capital Assets

As of June 30, 2025, the Group did not have any significant investment and capital asset plans.

## Corporate Governance and Other Information



### Corporate Governance Practices

The Board recognizes the importance of good corporate governance to the Company's healthy growth and has devoted considerable efforts to formulating and implementing corporate governance practices appropriate to the Company's needs. The Company has adopted the principles and code provisions of the CG Code as the basis of the Company's corporate governance practices.

During the Reporting Period and up to the date of this Report, the Company has complied with all applicable principles of good corporate governance and code provisions of the CG Code, save and except in respect of code provision C.2.1 of Part 2 of the CG Code, which requires that the roles of chairman and chief executive should be separate and should not be performed by the same individual.

### Chairman and General Manager

Mr. Wang Wei is the chairman of the Board and the general manager (same nature as chief executive) of the Company. Since Mr. Wang has been operating and managing the main operating subsidiaries of the Company since incorporation of the Group, the Board is of the view that it is in the best interest of the Group to have Mr. Wang taking up both roles for effective management and business development of the Group and Mr. Wang will provide a strong and consistent leadership to the Group. This arrangement ensures a more effective and efficient overall strategic planning of the Group as this structure enables the Company to make and implement decisions promptly and effectively. Further, the Company has put in place an appropriate check-and-balance mechanism through the Board including three independent non-executive Directors. Therefore, the Board considers that the balance of power and authority of the present arrangement will not be impaired because such arrangement would not result in excessive concentration of power in one individual which could adversely affect the interest of minority Shareholders.

The Company will continue to review and monitor its corporate governance practices to ensure compliance with the CG Code.

### Model Code for Securities Transactions

The Company has adopted the Model Code regarding Directors' and Supervisors' dealings in the securities of the Company. Having made specific enquiry of all the Directors and Supervisors, all Directors and Supervisors confirmed that they have complied with the provisions of the Model Code during the Reporting Period and up to the date of the Report.

The Company has also established written guidelines for securities transactions by employees who are likely to be in possession of inside information of the Company on terms no less exacting than the Model Code. No incident of non-compliance of the written guidelines by the employees has been noted by the Company.

In case the Company is aware of any restricted period for dealings in the Company's securities, the Company will notify its Directors, Supervisors and relevant employees in advance.

### Interim Dividend

As the 2024 Annual General Meeting has considered and approved the authorization granted to the Board of Directors to determine the 2025 interim profit distribution plan, the Board reviewed and approved the 2025 interim profit distribution plan on August 28, 2025, details of which are as follows:

Based on the total number of Shares registered on the record date (the "Record Date") for the 2025 interim profit distribution plan, the Company proposes to distribute cash dividends to all shareholders whose names appear on the register of members on the Record Date, with a cash dividend of RMB4.6 (tax inclusive) per 10 Shares. The Company will not carry out bonus issue and conversion of capital reserve into share capital. Upon preliminary calculation based on the Company's total number of issued Shares as of the date of this Report, net of Shares in the repurchase securities account as of the same date, the amount of the interim cash dividend distribution is expected to be RMB2.32 billion, accounting for 40% of the profit attributable to owners of the Company for the six months ended June 30, 2025. The exact amount distributed

## Corporate Governance and Other Information

therefor is subject to the actual distribution by the Company. Cash dividends distributed by the Company are denominated and declared in RMB and payable in RMB to holders of A Shares, and in HKD to holders of H Shares. The exchange rate for the dividend to be paid in HKD will be the average central parity rate of RMB against HKD as announced by the People's Bank of China during the five Business Days prior to the date (exclusive) of the Board's resolution on the dividend distribution plan, being RMB1.00 per HKD1.0963.

The Record Date for the 2025 interim dividend is September 15, 2025. To determine H Shareholders' entitlement to the 2025 interim dividend, the Company's H share register will close from September 12, 2025 to September 15, 2025 (both days inclusive), with no H share transfers registered during this period. In order to be entitled to receive the 2025 interim dividend, the H Shareholders whose transfers of Shares have not been registered shall lodge all transfer documents together with the relevant share certificates to Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on September 11, 2025.

Please refer to the section headed "Reduction and Exemption of Dividend Tax" in the 2024 annual report of the Company for detailed information on tax applicable to the dividend declared for the Shareholders.

### Issued Shares

As at June 30, 2025, the Company issued a total of 4,992,692,017 ordinary Shares. Details of movements in the share capital of the Company during the Reporting Period are as follows:

	Number of Shares as at January 1, 2025	Changes in the Reporting Period			Number of Shares as at June 30, 2025
		Cancellation of repurchased Shares	Issuance of new Shares	Total	
A Shares	4,816,186,983 <sup>(1)</sup>	–	6,505,034	6,505,034	4,822,692,017 <sup>(2)</sup>
H Shares	170,000,000	–	–	–	170,000,000
<b>Total</b>	<b>4,986,186,983</b>	<b>–</b>	<b>6,505,034</b>	<b>6,505,034</b>	<b>4,992,692,017</b>

Notes:

(1) Including 20,771,358 A Shares, which are treasury shares of the Company placed in the Company's repurchase securities account.

(2) Including 23,270,358 A Shares, which are treasury shares of the Company placed in the Company's repurchase securities account.

### Purchase, Sale and Redemption of Listed Securities of the Company

During the six months ended June 30, 2025, the particulars of listed securities repurchased by the Company on the Shenzhen Stock Exchange are as follows:

Date of repurchase	Number of Shares repurchased (A Shares)	Highest price paid per Share (RMB)	Lowest price paid per Share (RMB)	Aggregate Consideration (RMB)
April 7, 2025	2,499,000	41.20	39.33	100,975,115.00

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's securities (including sale of treasury shares) listed on the Hong Kong Stock Exchange or the Shenzhen Stock Exchange during the Reporting Period.



## Corporate Governance and Other Information

### Sufficient Public Float

The Hong Kong Stock Exchange has granted the Company a waiver from strict compliance with the Listing Rules of SEHK, so that the minimum percentage of the H Shares from time to time held by the public shall be the higher of (a) 3.41% and (b) such percentage of H Shares to be held by the public after the exercise of the Over-allotment Option (as defined in the Prospectus), of the enlarged issued share capital of the Company. As disclosed in the Company's announcement dated December 23, 2024, the Over-allotment Option was not exercised and lapsed on December 22, 2024, therefore the minimum percentage of the H Shares to be held by the public shall be 3.41%. Under Rule 19A.13A of the Listing Rules of SEHK, the denominator for the calculation of minimum H Shares public float percentage shall not include any treasury shares of the Company. As at June 30, 2025, the Company held 23,270,358 treasury A Shares (the "Treasury A Shares"), which were the A Shares repurchased by the Company and placed in the Company's repurchase securities account, and did not hold any treasury H Shares. On the basis of the aforementioned, as at the end of the Reporting Period, the number of H Shares held by the public represented 3.42% of the total issued share capital of the Company (excluding the Treasury A Shares), and the Directors confirmed that the Company has maintained the minimum public float as required by the Hong Kong Stock Exchange under the Listing Rules of SEHK and the waiver granted by the Hong Kong Stock Exchange during the Reporting Period.

### 2022 Stock Option Incentive Plan (A Shares)

The Company has adopted the 2022 Stock Option Incentive Plan as approved by the second extraordinary general meeting of 2022 on May 17, 2022. The source of shares of the 2022 Stock Option Incentive Plan shall be the A Shares repurchased by the Company and placed in the Company's repurchase securities account and/or the A Shares issued to participants. All the options under the 2022 Stock Option Incentive Plan have been granted before the Company's listing on the Hong Kong Stock Exchange and no option will be further granted.

Details of the options granted and their movements during the Reporting Period are as follows:

Name or category of participants	Date of grant	Exercise price	Outstanding as at January 1, 2025	Exercised during the Reporting Period <sup>(1)</sup>	Cancelled during the Reporting Period <sup>(2)</sup>	Outstanding as at June 30, 2025 <sup>(3)</sup>
<i>Directors (on individual named basis):</i>						
Ho Chit	May 30, 2022	RMB40.199	366,000	0	122,000	244,000
Wang Xin	May 30, 2022	RMB40.199	305,000	0	122,000	183,000
Xu Bensong	May 30, 2022	RMB40.199	204,000	0	68,000	136,000
<i>Other eligible participants:</i>						
In aggregate	May 30, 2022 and October 28, 2022	RMB40.199	26,420,395	6,505,034	2,827,840	17,087,521
<b>Total</b>			<b>27,295,395</b>	<b>6,505,034</b>	<b>3,139,840</b>	<b>17,650,521</b>

Notes:

- (1) The weighted average closing price immediately before the date of exercise of options during the Reporting Period is RMB43.59.
- (2) Including (i) options that cannot be exercised as individual performance targets were not achieved, (ii) options that cannot be exercised as the holding participant is no longer an employee of the Group, and (iii) options exercisable but not exercised during the respective exercise period, and therefore lapsed, with exercise prices being RMB40.199.
- (3) Of these, the exercise period for 50% of the outstanding options shall be from the first trading day after the 36-month anniversary of the grant date to the last trading day before the 48-month anniversary of the grant date; the exercise period for the remaining 50% shall be from the first trading day after the 48-month anniversary of the grant date to the last trading day before the 60-month anniversary of the grant date. The vesting period of the options is from the grant date until the commencement of the exercise period.
- (4) During the Reporting Period, there was no options granted. Therefore, the number of shares that may be issued in respect of options granted under the 2022 Stock Option Incentive Plan during the Reporting Period divided by the weighted average number of shares of the relevant class in issue (excluding treasury shares) is nil.

## Corporate Governance and Other Information

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

As at June 30, 2025, so far as is known to the Directors, the following persons (not being Directors or chief executive of the Company) had, or were deemed to have, interests or shorts positions in the Shares, underlying Shares or debentures of the Company which would fall to be disclosed to the Company and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were required to be recorded in the register of interests required to be kept by the Company under section 336 of the SFO:

Name of substantial Shareholder	Class of Shares	Nature of interest	Number of Shares interested <sup>(1)</sup>	Approximate percentage of shareholding in the relevant class of Shares <sup>(2)</sup>	Approximate percentage of shareholding in the total issued Shares <sup>(2)</sup>
Wang Wei <sup>(3)</sup>	A Shares	Interest of controlled corporation	2,661,927,139 (L)	55.20%	53.32%
Mingde Holding <sup>(3)</sup>	A Shares	Beneficial owner	2,561,927,139 (L) <sup>(4)</sup>	53.12%	51.31%
	A Shares	Interest of controlled corporation	100,000,000 (L)	2.07%	2.00%
Morgan Stanley <sup>(5)</sup>	H Shares	Interest of controlled corporation	19,156,539 (L)	11.27%	0.38%
			8,773,771 (S)	5.16%	0.18%
Kenneth Cordele Griffin <sup>(6)</sup>	H Shares	Interest of controlled corporation	13,403,055 (L)	7.88%	0.27%
JPMorgan Chase & Co. <sup>(7)</sup>	H Shares	Beneficial owner	7,062,607 (L)	4.15%	0.14%
			5,915,463 (S)	3.48%	0.12%
		Investment manager	1,526,638 (L)	0.90%	0.03%
			500,000 (S)	0.29%	0.01%
		Person having a security interest in Shares	226,400 (L)	0.13%	0.005%
		Trustee	5,000 (L)	0.003%	0.0001%
Mitsubishi UFJ Financial Group, Inc. <sup>(8)</sup>	H Shares	Interest of controlled corporation	4,422,802 (L)	2.60%	0.09%
BlackRock, Inc. <sup>(9)</sup>	H Shares	Interest of controlled corporation	12,326,400 (L)	7.25%	0.25%
BNP PARIBAS SA <sup>(10)</sup>	H Shares	Interest of controlled corporation	12,187,006 (L)	7.17%	0.24%
			92,800 (S)	0.05%	0.002%
BNP PARIBAS SA <sup>(10)</sup>	H Shares	Interest of controlled corporation	12,142,335 (L)	7.14%	0.24%
			6,830,270 (S)	4.02%	0.14%
Bank of America Corporation <sup>(11)</sup>	H Shares	Interest of controlled corporation	8,539,434 (L)	5.02%	0.17%
			8,277,571 (S)	4.87%	0.17%

#### Notes:

(1) The letter "L" denotes the person's long position in the Shares and the letter "S" denotes the person's short position in the Shares.

(2) The calculation is based on the total number of 4,992,692,017 issued Shares as at June 30, 2025, comprised of 4,822,692,017 A Shares (including A Shares in the Company's repurchase securities account) and 170,000,000 H Shares.

## Corporate Governance and Other Information

- (3) Mr. Wang held the A Shares through Mingde Holding. Mingde Holding directly held 2,561,927,139 A Shares and indirectly held 100,000,000 A Shares through Shenzhen Weishun, its wholly-owned subsidiary. Mr. Wang held 99.90% of the equity interest in Mingde Holding. Accordingly, Mr. Wang was deemed to be interested in the A Shares held by Mingde Holding under Part XV of the SFO.
- (4) Among them, an aggregate of 878,600,000 A Shares were subject to pledges granted under certain loan, bonds and credit facilities in favor of certain PRC financial institutions regulated by NAFR and/or CSRC.
- (5) Morgan Stanley was interested in an aggregate of 19,156,539 H Shares (long position) and 8,773,771 H Shares (short position) in the Company, which were held indirectly through certain corporations controlled by it, including Morgan Stanley International Holdings Inc., Morgan Stanley International Limited, Morgan Stanley Investments (UK) and Morgan Stanley & Co. International plc. Among them, 923,256 H Shares (long position) and 7,095,570 H Shares (short position) in the Company were held through unlisted derivatives (cash settled) and 1,588,529 H Shares (long position) in the Company were held through listed derivatives (convertible instruments).
- (6) Mr. Kenneth Cordele Griffin was interested in an aggregate of 13,403,055 H Shares (long position) in the Company, which were held indirectly through certain corporations controlled by him, including Citadel Advisors Holdings LP, Citadel GP LLC, Citadel Kensington Global Strategies Fund Ltd., Citadel Limited Partnership, GFH HFEVA LLC, KGSF Offshore Holdings Ltd., and WK MS Holdings I Ltd.
- (7) JPMorgan Chase & Co. was interested in an aggregate of 13,243,447 H Shares (long position), 6,415,463 H Shares (short position) and 4,422,802 H Shares (lending pool) in the Company, which were held respectively by it and indirectly through certain corporations controlled by it. Among them, 121,142 H Shares (short position) in the Company were held through certain unlisted derivatives (physically settled), 173,400 H Shares (long position) and 5,400,943 H Shares (short position) in the Company were held through certain unlisted derivatives (cash settled) and 3,713,444 H Shares (long position) in the Company were held through certain listed derivatives (convertible instruments).
- (8) Mitsubishi UFJ Financial Group, Inc. was interested in an aggregate of 12,326,400 H Shares (long position) in the Company, which were held indirectly through certain corporations controlled by it.
- (9) BlackRock, Inc. was interested in an aggregate of 12,187,006 H Shares (long position) and 92,800 H Shares (short position) in the Company, which were held indirectly through certain corporations controlled by it. Among them, 4,056,400 H Shares (long position) and 92,800 H Shares (short position) in the Company were held through unlisted derivatives (cash settled) and 3,796,006 H Shares (long position) in the Company were held through listed derivatives (convertible instruments).
- (10) BNP PARIBAS SA was interested in an aggregate of 12,142,335 H Shares (long position) and 6,830,270 H Shares (short position) in the Company, which were held respectively by it and indirectly through certain corporations controlled by it. Among them, 12,400,580 H Shares (long position) and 515,756 H Shares (short position) in the Company were held through listed derivatives (convertible instruments), 1,140,200 H Shares (long position) and 613,700 H Shares (short position) in the Company were held through unlisted derivatives (cash settled) and 7,394 H Shares (long position) in the Company were held through unlisted derivatives (physically settled).
- (11) Bank of America Corporation was interested in an aggregate of 8,539,434 H Shares (long position) and 8,277,571 H Shares (short position) in the Company, which were held indirectly through certain corporations controlled by it. Among them, 288,824 H Shares (long position) in the Company were held through listed derivatives (convertible instruments) and 738,800 H Shares (long position) and 2,027,925 H Shares (short position) were held through unlisted derivatives (cash settled).
- (12) Pursuant to Section 336 of the SFO, if certain conditions are met, the Shareholders are required to submit a disclosure of interest notice. In the event of changes in the shareholding of the Shareholders in the Company, the Shareholders will not be required to notify the Company and the Hong Kong Stock Exchange unless certain conditions are met. Therefore, the latest shareholding of the Shareholders in the Company may be different from the shareholding submitted to the Hong Kong Stock Exchange.

Save as disclosed above, as at June 30, 2025, the Directors of the Company are not aware of any other person or corporation having an interest or short position in the Shares and underlying Shares of the Company which would require to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company pursuant to section 336 of the SFO.

## Corporate Governance and Other Information

### Interests and Short Positions of Directors and Chief Executive in Shares, Underlying Shares and Debentures of the Company and its Associated Corporations

As at June 30, 2025, the interests or short positions of the Directors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which (a) were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were held or deemed to have under such provisions of the SFO); or (b) were required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein; or (c) were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code, were as follows:

#### Interest in Shares or Underlying Shares of the Company

Name of Director and chief executive	Class of Shares	Nature of interest	Number of Shares interested <sup>(1)</sup>	Approximate percentage of shareholding in the relevant class of Shares <sup>(2)</sup>	Approximate percentage of shareholding in the total issued Shares <sup>(2)</sup>
Wang Wei	A Shares	Interest of controlled corporation <sup>(3)</sup>	2,661,927,139 (L) <sup>(3)</sup>	55.20%	53.32%
Ho Chit	A Shares	Beneficial Owner	366,000 (L) <sup>(4)</sup>	0.01%	0.01%
Wang Xin	A Shares	Beneficial Owner	355,000 (L) <sup>(5)</sup>	0.01%	0.01%
Xu Bensong	A Shares	Beneficial Owner	190,200 (L) <sup>(6)</sup>	0.004%	0.004%
Lee Carmelo Ka Sze	A Shares	Beneficial Owner	38,000 (L)	0.001%	0.001%

Notes:

- (1) The letter "L" denotes the person's long position in the Shares.
- (2) The calculation is based on the total number of 4,992,692,017 issued Shares as at June 30, 2025, comprised of 4,822,692,017 A Shares (including A Shares in the Company's repurchase securities account) and 170,000,000 H Shares.
- (3) Including (i) 2,561,927,139 A Shares held by Mingde Holding, and (ii) 100,000,000 A Shares held by Shenzhen Weishun, a wholly-owned subsidiary of Mingde Holding. As at June 30, 2025, Mr. Wang held 99.90% of the equity interests in Mingde Holding. Therefore, Mr. Wang was deemed to be interested in the A Shares held by Mingde Holding under Part XV of the SFO.
- (4) Including (i) 122,000 A Shares held by Mr. Ho, and (ii) 244,000 options granted to Mr. Ho under the 2022 Stock Option Incentive Plan.
- (5) Including (i) 172,000 A Shares held by Ms. Wang, and (ii) 183,000 options granted to Ms. Wang under the 2022 Stock Option Incentive Plan.
- (6) Including (i) 54,200 A Shares held by Mr. Xu, and (ii) 136,000 options granted to Mr. Xu under the 2022 Stock Option Incentive Plan.

## Corporate Governance and Other Information

### Interest in Shares or Underlying Shares of the Associated Corporation of the Company

Name of Director and chief executive	Name of associated corporation	Nature of interest	Class of interest	Number of shares/registered capital interested <sup>(1)</sup>	Total number of shares/registered capital of the associated corporation	Approximate percentage of equity interest
Wang Wei	Mingde Holding	Beneficial owner	Registered capital	RMB113,286,600	RMB113,400,000	99.90%
Wang Wei	SF Intra-city	Interest in a controlled corporation <sup>(2)</sup>	H shares	364,738,662 (L)	745,610,609	48.92%
			Unlisted domestic shares	171,764,898 (L)	171,764,898	100.00%
Wang Wei	KLN	Interest in a controlled corporation <sup>(3)</sup>	H shares	931,209,117 (L)	1,807,429,342	51.52%

#### Notes:

- (1) The letter "L" denotes the person's long position in the shares of the associated corporation.
- (2) Including 171,764,898 H shares and 171,764,898 domestic shares held by SF Taisen, 75,000,000 H shares held by Beijing SF Intra-city Technology Co., Ltd. (北京順豐同城科技有限公司), 117,076,764 H shares held by SF Holding (HK), and 897,000 H shares held by Celestial Ocean Investment Limited. Beijing SF Intra-city Technology Co., Ltd. is a non-wholly owned subsidiary of SF Technology, while Celestial Ocean Investment Limited is a wholly-owned subsidiary of SF Holding (HK), and both SF Technology and SF Holding (HK) are wholly-owned subsidiaries of SF Taisen. SF Taisen is a wholly-owned subsidiary of the Company and therefore a non-wholly owned subsidiary of Mingde Holding, which is held by Mr. Wang as to approximately 99.90%. As such, Mr. Wang was deemed to be interested in the shares of SF Intra-city.
- (3) Being 931,209,117 shares of KLN held through Flourish Harmony Holdings Company Limited. Flourish Harmony Holdings Company Limited is a wholly-owned subsidiary of Advance Harmony Holdings Company Limited. Advance Harmony Holdings Company Limited is a wholly-owned subsidiary of SF Holding (HK). SF Holding (HK) is a wholly-owned subsidiary of SF Taisen. SF Taisen is a wholly-owned subsidiary of the Company and therefore a non-wholly owned subsidiary of Mingde Holding, which is held by Mr. Wang as to approximately 99.90%. As such, Mr. Wang was deemed to be interested in the shares of KLN.
- (4) The shares of SF Intra-city and KLN held by Mr. Wang are all ordinary shares.

Save as disclosed above and so far as is known to the Directors, Supervisors and chief executive of the Company, as at June 30, 2025, none of the Directors, Supervisors or chief executive of the Company had or was deemed to have any other interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) (a) which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code.

## Employees

People-centric culture promotes sustainable growth internally and customer bonding externally. The Company is dedicated to creating a fair, just and open environment for its employees, with the aim of establishing SF's brand as a platform for global shining talents to realize their dreams, seek excellence and achieve career pride. The Company attracts talents through a fair recruitment policy and provides employees with training opportunities, good career development prospects and growth opportunities. The Company will continue to attract, cultivate and retain highly motivated talents with diversity, and build an energetic workforce by enriching the Company's talent pool.

The Group adopts a comprehensive remuneration policy that takes into account various factors including market benchmarks, individual performance, and the overall financial results of the Company. This approach ensures that compensation remains competitive and aligned with both corporate's overall development objectives and individual contribution levels of employees.

As at June 30, 2025, the Group had 148,200 full-time employees around the world.



## Corporate Governance and Other Information

### Audit Committee and Review of Interim Financial Information

The Company has established an Audit Committee in compliance with Rule 3.21 of the Listing Rules of SEHK and the CG Code to monitor the implementation of the risk management policies across the Company on an ongoing basis, thereby ensuring that the internal control system is effective in identifying, managing and mitigating risks involved in the business operations.

The Audit Committee comprises all the independent non-executive Directors, namely Mr. Chan Charles Sheung Wai, Mr. Lee Carmelo Ka Sze and Dr. Ding Yi. Mr. Chan Charles Sheung Wai serves as the chairman of the Audit Committee and has the appropriate professional qualifications as required under Rules 3.10(2) and 3.21 of the Listing Rules of SEHK. The Audit Committee has reviewed interim results and the interim financial information of the Group for the six months ended June 30, 2025, and discussed matters with respect to the accounting policies and practices adopted by the Company and internal control with senior management members and PricewaterhouseCoopers, the auditor of the Company.

### Changes in Information of Directors and Supervisors

During the Reporting Period, there were no changes in information of Directors and Supervisors of the Company that are required to be disclosed pursuant to Rule 13.51(B)(1) of the Listing Rules of SEHK.

### Continuing Disclosure Obligation Pursuant to the Listing Rules of SEHK

As at the end of the Reporting Period, the Company does not have any disclosure obligations under Rules 13.20, 13.21 and 13.22 of the Listing Rules of SEHK.

### Material Events after the Reporting Period

On July 4, 2025, the Company completed the allotment and issuance of 70,000,000 new H Shares at the placing price of HKD42.15 per H Share pursuant to the General Mandate (the "Placing of H Shares"). The gross proceeds from the Placing of H Shares were HKD2,950.5 million.

On July 10, 2025, the Company's wholly-owned subsidiary SF Holding Investment 2023 Limited completed the issuance of zero coupon guaranteed convertible bonds with an aggregate principal amount of HKD2,950 million due 2026 (the "2026 Convertible Bond"). The 2026 Convertible Bond is unconditionally and irrevocably guaranteed by the Company, and is convertible at the option of the holder thereof into H Shares of the Company at the initial conversion price of HKD48.47 per H Share. The Company will issue and allot shares converted from the 2026 Convertible Bond under the General Mandate. The gross proceeds from the issuance of the 2026 Convertible Bond were HKD2,950.0 million.

For further details, please refer to the announcements of the Company dated June 26, 2025, July 4, 2025 and July 10, 2025. Relevant information is also disclosed in note 30 to the interim condensed consolidated financial statements.

# Report on Review of Interim Financial Information



**To the Board of Directors of S.F. Holding Co., Ltd.**

*(Incorporated in the People's Republic of China with limited liability)*

## Introduction

We have reviewed the interim financial information set out on pages 55 to 104, which comprises the interim condensed consolidated statement of financial position of S.F. Holding Co., Ltd. (the "Company") and its subsidiaries (together, the "Group") as at June 30, 2025 and the interim condensed consolidated statement of profit or loss, the interim condensed consolidated statement of comprehensive income, the interim condensed consolidated statement of changes in equity and the interim condensed consolidated statement of cash flows for the six-month period then ended, and selected explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 "Interim Financial Reporting". The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

## Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information of the Group is not prepared, in all material respects, in accordance with International Accounting Standard 34 "Interim Financial Reporting".

**PricewaterhouseCoopers**  
Certified Public Accountants

Hong Kong, August 28, 2025

## Condensed Consolidated Statement of Profit or Loss

For the six months ended June 30, 2025

	Note	Six months ended June 30,	
		2025 RMB'000 (Unaudited)	2024 RMB'000
Revenue	4	146,858,174	134,409,720
Cost of revenue	7	(127,797,632)	(116,096,281)
<b>Gross profit</b>		<b>19,060,542</b>	<b>18,313,439</b>
Selling and marketing expenses	7	(1,762,136)	(1,470,892)
General and administrative expenses	7	(9,120,144)	(9,049,272)
Research and development expenses	7	(1,153,311)	(1,301,455)
Net reversal/(impairment losses) of impairment losses on financial assets and contract assets		117,104	(159,872)
Other income	5	485,428	572,750
Other gains, net	6	821,866	293,793
<b>Operating profit</b>		<b>8,449,349</b>	<b>7,198,491</b>
Finance income	8	155,037	415,064
Finance costs	8	(928,361)	(1,230,918)
Finance costs, net		(773,324)	(815,854)
Share of loss of associates and joint ventures, net	16	(36,297)	(62,580)
<b>Profit before income tax</b>		<b>7,639,728</b>	<b>6,320,057</b>
Income tax expense	9	(1,627,325)	(1,559,135)
<b>Profit for the period</b>		<b>6,012,403</b>	<b>4,760,922</b>
Attributable to:			
Owners of the Company		5,737,699	4,806,714
Non-controlling interests		274,704	(45,792)
		6,012,403	4,760,922
Earnings per share for profit attributable to the owners of the Company:			
– Basic (RMB)		1.16	1.00
– Diluted (RMB)		1.16	1.00

The above condensed consolidated statement of profit or loss should be read in conjunction with the accompanying notes.

## Condensed Consolidated Statement of Comprehensive Income

For the six months ended June 30, 2025

	Six months ended June 30,	
	2025 RMB'000 (Unaudited)	2024 RMB'000
<b>Profit for the period</b>	<b>6,012,403</b>	<b>4,760,922</b>
<b>Other comprehensive income:</b>		
<i>Items that may be reclassified to profit or loss</i>		
– Effective portion of changes in fair value of hedging instruments arising during the year	(70,072)	(1,012)
– Share of other comprehensive income of associates and joint ventures accounted for using the equity method	(6,390)	(10,370)
– Currency translation differences of foreign operations	274,856	(88,599)
<i>Items that will not be reclassified to profit or loss</i>		
– Fair value changes of equity investments designated at fair value through other comprehensive income	168,278	(1,362,163)
– Income tax effect	(11,297)	2,467
<b>Other comprehensive income for the period net of tax</b>	<b>355,375</b>	<b>(1,459,677)</b>
<b>Total comprehensive income for the period</b>	<b>6,367,778</b>	<b>3,301,245</b>
Attributable to:		
Owners of the Company	5,617,090	3,746,395
Non-controlling interests	750,688	(445,150)
	6,367,778	3,301,245

The above condensed consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

# Condensed Consolidated Statement of Financial Position

As at June 30, 2025

	<i>Note</i>	June 30, 2025 <i>RMB'000</i> <i>(Unaudited)</i>	December 31, 2024 <i>RMB'000</i>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	11	55,891,747	59,174,305
Right-of-use assets	12	21,376,908	19,625,629
Investment properties	13	7,547,509	7,241,199
Intangible assets	14	19,104,072	20,036,193
Deferred tax assets		2,213,586	2,291,994
Prepayments, other receivables and other assets	15	2,228,094	1,855,035
Investments in associates and joint ventures	16	7,092,360	6,203,642
Financial assets at fair value through other comprehensive income	17	8,152,313	8,231,994
Financial assets at fair value through profit or loss	17	505,009	477,416
<b>Total non-current assets</b>		<b>124,111,598</b>	<b>125,137,407</b>
<b>Current assets</b>			
Inventories		2,326,187	2,432,383
Contract assets		2,714,679	2,740,820
Trade and note receivables	18	29,423,230	27,981,633
Prepayments, other receivables and other assets	15	10,785,306	10,114,543
Financial assets at fair value through other comprehensive income	17	165,187	170,913
Financial assets at fair value through profit or loss	17	27,026,920	11,246,156
Restricted cash	19	940,735	1,354,303
Cash and cash equivalents	19	20,742,661	32,646,055
<b>Total current assets</b>		<b>94,124,905</b>	<b>88,686,806</b>
<b>Total assets</b>		<b>218,236,503</b>	<b>213,824,213</b>



## Condensed Consolidated Statement of Financial Position (Continued)

As at June 30, 2025

	<i>Note</i>	June 30, 2025 <i>RMB'000</i> <i>(Unaudited)</i>	December 31, 2024 <i>RMB'000</i>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Borrowings	20	24,475,155	26,319,260
Lease liabilities	12	9,591,592	7,094,483
Deferred tax liabilities		4,240,885	4,414,485
Other payables and accruals	22	221,447	201,037
Deferred income		1,251,961	1,266,359
<b>Total non-current liabilities</b>		<b>39,781,040</b>	<b>39,295,624</b>
<b>Current liabilities</b>			
Trade and note payables	21	29,077,094	27,395,524
Contract liabilities		2,034,069	2,039,198
Borrowings	20	17,057,921	18,365,122
Lease liabilities	12	5,442,703	5,501,314
Financial liabilities at fair value through profit or loss		102,683	105,464
Income tax payable		1,270,321	1,679,132
Other payables and accruals	22	17,260,238	17,061,331
Advances from customers		45,197	46,283
<b>Total current liabilities</b>		<b>72,290,226</b>	<b>72,193,368</b>
<b>Total liabilities</b>		<b>112,071,266</b>	<b>111,488,992</b>
<b>Net assets</b>		<b>106,165,237</b>	<b>102,335,221</b>

## Condensed Consolidated Statement of Financial Position (Continued)

As at June 30, 2025

	<i>Note</i>	June 30, 2025 RMB'000 (Unaudited)	December 31, 2024 RMB'000
<b>EQUITY</b>			
Share capital	23	4,992,692	4,986,187
Less: Treasury shares	23	(859,065)	(758,081)
Reserves	24	48,558,722	48,624,934
Retained earnings		42,707,381	39,140,246
Equity attributable to owners of the Company		95,399,730	91,993,286
Non-controlling interests		10,765,507	10,341,935
<b>Total equity</b>		<b>106,165,237</b>	<b>102,335,221</b>

The above condensed consolidated statement of financial position should be read in conjunction with the accompanying notes.

The financial statements on pages 55 to 104 were approved by the Board of Directors on August 28, 2025 and were signed on its behalf.

\_\_\_\_\_  
WANG Wei  
Chairman

\_\_\_\_\_  
HO Chit  
Director

## Condensed Consolidated Statement of Changes in Equity

For the six months ended June 30, 2025

	Attributable to owners of the Company					Non-controlling interests	Total equity
	Share capital	Less: Treasury shares	Reserves (Note 24)	Retained earnings	Total		
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<i>(Unaudited)</i>							
<b>As at January 1, 2025</b>	<b>4,986,187</b>	<b>(758,081)</b>	<b>48,624,934</b>	<b>39,140,246</b>	<b>91,993,286</b>	<b>10,341,935</b>	<b>102,335,221</b>
<b>Comprehensive income:</b>							
Profit for the period	–	–	–	5,737,699	5,737,699	274,704	6,012,403
Other comprehensive income	–	–	(120,609)	–	(120,609)	475,984	355,375
<b>Total comprehensive income</b>	<b>–</b>	<b>–</b>	<b>(120,609)</b>	<b>5,737,699</b>	<b>5,617,090</b>	<b>750,688</b>	<b>6,367,778</b>
Transfer of gain on disposal of equity investments at fair value through other comprehensive income to retained earnings	–	–	(19,113)	19,113	–	–	–
<b>Transactions with owners</b>							
Net proceeds from share option exercising	6,505	–	254,993	–	261,498	–	261,498
Capital injection from non-controlling interests	–	–	802	–	802	30,073	30,875
Repurchase of shares	–	(100,984)	–	–	(100,984)	–	(100,984)
Share-based payment	–	–	33,635	–	33,635	9,558	43,193
Transaction with non-controlling interests and others	–	–	(205,554)	–	(205,554)	(208,146)	(413,700)
Profit appropriations to statutory reserve	–	–	3,253	(3,253)	–	–	–
Business combination	–	–	–	–	–	2,113	2,113
Dividends	–	–	–	(2,186,424)	(2,186,424)	(160,714)	(2,347,138)
Safety reserve appropriation	–	–	207,453	–	207,453	–	207,453
Safety reserve utilisation	–	–	(207,453)	–	(207,453)	–	(207,453)
Others	–	–	(13,619)	–	(13,619)	–	(13,619)
<b>As at June 30, 2025</b>	<b>4,992,692</b>	<b>(859,065)</b>	<b>48,558,722</b>	<b>42,707,381</b>	<b>95,399,730</b>	<b>10,765,507</b>	<b>106,165,237</b>

## Condensed Consolidated Statement of Changes in Equity (Continued)

For the six months ended June 30, 2025

	Attributable to owners of the Company					Non-controlling interests RMB'000	Total equity RMB'000
	Share capital RMB'000	Less: Treasury shares RMB'000	Reserves (Note 24) RMB'000	Retained earnings RMB'000	Total RMB'000		
<b>As at January 1, 2024</b>	<b>4,895,202</b>	<b>(2,575,532)</b>	<b>51,634,675</b>	<b>38,835,999</b>	<b>92,790,344</b>	<b>10,493,316</b>	<b>103,283,660</b>
<b>Comprehensive income:</b>							
Profit/(loss) for the period	–	–	–	4,806,714	4,806,714	(45,792)	4,760,922
Other comprehensive income	–	–	(1,060,319)	–	(1,060,319)	(399,358)	(1,459,677)
<b>Total comprehensive income</b>	<b>–</b>	<b>–</b>	<b>(1,060,319)</b>	<b>4,806,714</b>	<b>3,746,395</b>	<b>(445,150)</b>	<b>3,301,245</b>
Transfer of loss on disposal of equity investments at fair value through other comprehensive income to retained earnings	–	–	5,060	(5,060)	–	–	–
<b>Transactions with owners</b>							
Capital contribution of non-controlling interests	–	–	127	–	127	28,447	28,574
Repurchase of shares	–	(1,378,503)	–	–	(1,378,503)	–	(1,378,503)
Cancellation of shares	(79,291)	3,575,545	(3,496,254)	–	–	–	–
Share-based payment	–	–	62,186	–	62,186	7,754	69,940
Transaction with non-controlling interests and others	–	–	(3,760,142)	–	(3,760,142)	420,549	(3,339,593)
Business combination	–	–	–	–	–	17,333	17,333
Dividends	–	–	–	(2,889,210)	(2,889,210)	(182,096)	(3,071,306)
Safety reserve appropriation	–	–	272,081	–	272,081	–	272,081
Safety reserve utilisation	–	–	(272,081)	–	(272,081)	–	(272,081)
<b>As at June 30, 2024</b>	<b>4,815,911</b>	<b>(378,490)</b>	<b>43,385,333</b>	<b>40,748,443</b>	<b>88,571,197</b>	<b>10,340,153</b>	<b>98,911,350</b>

The above condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

## Condensed Consolidated Statement of Cash Flows

For the six months ended June 30, 2025

		Six months ended June 30,	
	Note	2025 RMB'000 (Unaudited)	2024 RMB'000
<b>Cash flows from operating activities</b>			
Cash generated from operations	25(a)	15,109,107	15,214,009
Income tax paid		(2,172,417)	(1,491,740)
<b>Net cash generated from operating activities</b>		<b>12,936,690</b>	<b>13,722,269</b>
<b>Cash flows from investing activities</b>			
Redemption of financial assets at fair value through profit or loss		50,574,710	28,382,311
Disposal of financial assets at fair value through other comprehensive income		25,064	8,440
Proceeds from sales of associates and joint ventures		4,279	341,706
Investment gains or dividend income from financial assets at fair value through profit or loss		264,312	230,534
Dividends received from associates and joint ventures		138,699	137,225
Investment gains or dividend income from financial assets at fair value through other comprehensive income		1,849	19,581
Proceeds from disposal of property, plant and equipment and other non-current assets		77,057	179,381
Disposal of subsidiaries, net of cash and cash equivalents held by subsidiaries at the disposal dates	26	1,906,107	153,596
Repayment from former subsidiaries		1,149,220	316,655
Purchase of property, plant and equipment and other non-current assets		(4,138,165)	(5,075,259)
Acquisition of financial assets at fair value through other comprehensive income		–	(49,750)
Acquisition of financial assets at fair value through profit or loss		(66,352,871)	(39,460,448)
Acquisition of associates and joint ventures		(1,146,005)	(14,141)
Acquisition of subsidiaries, net of cash and cash equivalents held by subsidiaries at the acquisition dates		(21,131)	(614,384)
<b>Net cash used in investing activities</b>		<b>(17,516,875)</b>	<b>(15,444,553)</b>



## Condensed Consolidated Statement of Cash Flows (Continued)

For the six months ended June 30, 2025

		Six months ended June 30,	
	<i>Note</i>	2025 <i>RMB'000</i> <i>(Unaudited)</i>	2024 <i>RMB'000</i>
<b>Cash flows from financing activities</b>			
Capital injection from non-controlling interests		31,665	27,968
Drawdown of bank borrowings		15,546,599	19,578,781
Drawdown of loans from non-controlling interests and other parties		248,770	5,542
Exercise of share options		261,498	–
Proceeds from corporate bonds and short-term debentures		2,499,378	3,297,638
Deposits received from lessors after the expiry of lease contracts		10,090	9,978
Repayment of bank borrowings		(18,751,194)	(15,680,047)
Repayment of corporate bonds and short-term debentures		(2,048,572)	(957,181)
Dividend paid to non-controlling interests		(315,310)	(182,096)
Dividend paid		–	(2,889,210)
Interests paid		(669,395)	(952,574)
Repayment of loans from non-controlling interests		(21,645)	–
Net cash consideration paid to non-controlling interests without change of control		(399,941)	(3,353,487)
Payments for repurchase of shares		(100,984)	(1,378,503)
Payments of lease liabilities		(3,553,854)	(3,704,784)
Payment of transaction costs related to financing activities		(17,869)	(3,890)
<b>Net cash used in financing activities</b>		<b>(7,280,764)</b>	<b>(6,181,865)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(11,860,949)</b>	<b>(7,904,149)</b>
Cash and cash equivalents at beginning of the period		32,646,055	40,448,308
Exchange gains on cash and cash equivalents		(42,445)	(28,170)
<b>Cash and cash equivalents at end of the period</b>		<b>20,742,661</b>	<b>32,515,989</b>

The above condensed consolidated statement of cash flows should be read in conjunction with the accompanying notes.

# Notes to the Condensed Consolidated Financial Statements

## 1. General information

S.F. Holding Co., Ltd. ("S.F. Holding" or "the Company"), formerly known as Ma'anshan Dingtai Science & Technology Co., Ltd, was incorporated in the People's Republic of China ("PRC") in 2003. The address of its registered office is 3/F, Complex Building, SF South China Transit Center, No. 1111, Hangzhan 4th Road, Shenzhen Airport, Caowei Community, Hangcheng Sub-district, Bao'an District, Shenzhen.

The Company is an investment holding company. The Company and its subsidiaries are principally engaged in the development of logistics ecosystem including express delivery, freight delivery, cold chain and pharmaceutical logistics, intra-city on-demand delivery, international logistics service and supply chain solutions. The Company's shares are listed on Shenzhen Stock Exchange ("SZSE") and The Stock Exchange of Hong Kong Limited ("HKEx").

As at June 30, 2025, the Company had 4,992,692,017 shares issued and outstanding, of which 4,822,692,017 shares were listed on the SZSE ("A Shares") and 170,000,000 shares were listed on the HKEx ("H Shares").

Shenzhen Mingde Holding Development Co., Ltd., a private company incorporated in the PRC, is the ultimate holding company.

Hangzhou SF Intra-city Industrial Co., Ltd., an indirect non-wholly owned subsidiary of the Company, is a listed company on the Main Board of HKEx and primarily engaged in intra-city on-demand delivery services.

KLN Logistics Group Limited ("KLN", formerly Kerry Logistics Network Limited), an indirect non-wholly-owned subsidiary of the Company, is a listed company on the Main Board of HKEx and primarily engaged in the provision of logistics and freight forwarding services.

KEX Express (Thailand) Public Company Limited (hereafter "KEX"), an indirect non-wholly-owned subsidiary of the Company, is a listed company on the Main Board of the Stock Exchange of Thailand Limited ("SET") and primarily engaged in providing domestic and international parcel delivery service.

## 2. Basis of Preparation and Accounting Policies

### 2.1 Basis of Preparation

These unaudited condensed consolidated interim financial information are prepared in accordance with IAS 34 "Interim Financial Reporting" issued by the International Accounting Standards Board ("IASB") and the disclosure requirements to the Listing Rules of HKEx. These unaudited condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended December 31, 2024, which have been prepared in accordance with International Financial Reporting Standards (the "IFRS accounting standards") issued by the IASB.

The accounting policies used in the preparation of these condensed consolidated interim financial information are consistent with those used in the annual financial statements for the year ended December 31, 2024, except for the adoption of new and amended IFRS Accounting Standards as set out below.

The condensed consolidated financial statements are presented in Renminbi ("RMB") and all values are rounded to the nearest thousand (RMB'000) except when otherwise indicated.

### 2.2 New and Amended IFRS Accounting Standards

#### (a) New standards and interpretations adopted by the Group

The following amendments to existing standards and interpretation have been published that are effective for the accounting period of the Group beginning on January 1, 2025:

Amendments to IFRS 1 and IAS 21, 'Lack of Exchangeability'

In the current interim period, the Group has applied, for the first time, the above amendments to existing standards and interpretation issued by the IASB. The adoption of the above amendments to existing standards and interpretation had no material impact on the Group's accounting policies and did not require retrospective adjustments.

# Notes to the Condensed Consolidated Financial Statements

## 2. Basis of Preparation and Accounting Policies (Continued)

### 2.2 New and Amended IFRS Accounting Standards (Continued)

#### (b) Impact of IFRS Accounting Standards issued but not yet applied by the Group

Standards, amendments to existing standards and interpretations that have been issued but not yet effective and have not been early adopted by the Group are as follows:

		Effective for annual periods beginning on or after
Amendments to IFRS 9 and IFRS 7	Classification and Measurement of Financial Instruments	January 1, 2026
Annual Improvements	Annual Improvements to IFRS Accounting Standards – Volume 11	January 1, 2026
IFRS 18	Presentation and Disclosure in Financial Statements	January 1, 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures	January 1, 2027

The Group has already commenced an assessment of the impact of these new or revised standards and amendments, certain of which are relevant to the Group's operations. According to the preliminary assessment made by the directors, no significant impact on the financial performance and positions of the Group is expected when they become effective, except for certain presentation adjustment might be raised due to the adoption of IFRS 18.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings. The preparation of condensed consolidated interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual financial statements for the year ended December 31, 2024, except for the adoption of amendments to existing standards and interpretation as set out above.

## 3. Financial Risk Management

### 3.1 Financial Risk Factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, price risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance. Risk management is carried out by the directors and senior management of the Group.

These condensed consolidated interim financial information do not include all financial risk management information and disclosures required in the annual financial statements; and should be read in conjunction with the Group's annual financial statements at December 31, 2024. There have been no changes in the Group's financial risk management structure and policies since the year end.

### 3.2 Fair Value Estimation

The table below analyzes the Group's financial instruments carried at fair value at June 30, 2025 and December 31, 2024 by level of the inputs to valuation techniques used to measure fair value. Such inputs are categorized into three levels within a fair value hierarchy as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2); and
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

## Notes to the Condensed Consolidated Financial Statements

### 3. Financial Risk Management (Continued)

#### 3.2 Fair Value Estimation (Continued)

As at June 30, 2025 and December 31, 2024, the financial assets measured at fair value on a recurring basis by the above three levels were analyzed below:

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
<b>As at June 30, 2025</b>				
<i>Non-current:</i>				
Financial assets at fair value through profit or loss ("FVPL")				
– Industry fund investments	–	–	304,554	304,554
– Others	–	–	200,455	200,455
Financial assets at fair value through other comprehensive income ("FVOCI")				
Equity investment in entities, at fair value	1,100,088	–	7,052,225	8,152,313
<i>Current:</i>				
Financial assets at FVPL				
– Structured deposits	–	–	26,928,678	26,928,678
– Fund investment and others	79	15,461	82,702	98,242
Financial assets at FVOCI				
– Notes held for sale	–	165,187	–	165,187
<b>As at December 31, 2024</b>				
<i>Non-current:</i>				
Financial assets at FVPL				
– Industry fund investments	–	–	331,815	331,815
– Others	–	–	145,601	145,601
Financial assets at FVOCI				
– Equity investment in entities, at fair value	1,033,218	–	7,198,776	8,231,994
<i>Current:</i>				
Financial assets at FVPL				
– Structured deposits	–	–	11,015,904	11,015,904
– Fund investment and others	78	2,797	227,377	230,252
Financial assets at FVOCI				
– Notes held for sale	–	170,913	–	170,913

The fair value of financial instruments traded in an active market is determined at the quoted market price; and the fair value of those not traded in an active market is determined by the Group using valuation technique. The valuation models used mainly comprise discounted cash flow model and market comparable company model. The major inputs of the valuation models include expected rate of return and discount of lack of market liquidity.

## Notes to the Condensed Consolidated Financial Statements

### 3. Financial Risk Management (Continued)

#### 3.2 Fair Value Estimation (Continued)

The changes in Level 3 assets for the six months ended June 30, 2025 are analyzed below:

	Financial assets at FVPL				Financial assets at FVOCI
	Current		Non-Current		Non-Current Equity investment in entities, at fair value
	Structured deposits	Fund investment and others	Industry fund investments	Others	
<b>Opening balance</b>	<b>11,015,904</b>	<b>227,377</b>	<b>331,815</b>	<b>145,601</b>	<b>7,198,776</b>
Additions	66,319,000	–	–	31,340	–
Transfer from Level 1	–	–	–	–	131
Reclassification	–	(30,000)	–	30,000	–
Disposals/settlements	(50,607,362)	(123,340)	(43,751)	(11,289)	(1,481)
Changes in fair value recognized in profit or loss	201,137	11,882	19,215	5,938	–
Changes in fair value recognized in other comprehensive income	–	–	–	–	47,328
Currency translation differences	(1)	(3,217)	(2,725)	(1,135)	(192,529)
<b>Closing balance</b>	<b>26,928,678</b>	<b>82,702</b>	<b>304,554</b>	<b>200,455</b>	<b>7,052,225</b>

The Group has assessed that the fair values of cash and cash equivalents, restricted bank deposits, trade receivables, trade and note payables, financial assets included in prepayments and other receivables, financial liabilities included in other payables and accruals, short-term bank borrowings and short-term debentures approximate to their carrying amounts largely due to the short-term maturities of these instruments. For the six months ended June 30, 2025, there were no significant transfers among Level 1, 2 and 3 of fair value measurements.

## Notes to the Condensed Consolidated Financial Statements

### 3. Financial Risk Management (Continued)

#### 3.2 Fair Value Estimation (Continued)

The following table summarizes the quantitative information about the significant unobservable inputs used in level 3 fair value measurements and the sensitivity analysis of fair value to the inputs:

Description	Fair value		Valuation technique(s)	Significant unobservable input(s)	Range of inputs (probability-weighted average)	Sensitivity of fair value to the input(s)
	As at	As at				
	June 30, 2025 RMB'000	December 31, 2024 RMB'000				
<b>Current:</b>						
<b>Financial assets at FVPL</b>						
– Structured deposits	26,928,678	11,015,904	Discounted cash flow	Expected rate of return	1.40%-4.00%	10% increase/decrease in expected rate of return would result in increase/decrease in fair value by 0.03%-0.04%
– Fund investment and others	82,702	227,377	Adjusted net assets value	Adjusted net assets value	N/A	10% increase/decrease in adjusted net assets value would result in increase/decrease in fair value by 10%
<b>Non-current:</b>						
<b>Financial assets at FVPL</b>						
– Industry fund investments	304,554	331,815	Adjusted net assets value	Adjusted net assets value	N/A	10% increase/decrease in adjusted net assets value would result in increase/decrease in fair value by 10%
– Others	200,455	145,601	Recent transaction price	N/A	N/A	N/A
<b>Financial assets at FVOCI</b>						
– Equity investment in entities, at fair value	7,052,225	7,198,776	Recent transaction price or a combination of observable and unobservable inputs	Discount for lack of marketability	11%-17%	10% increase/decrease in discount for lack of marketability would result in decrease/increase in fair value by 1.26%-2.11%
<b>Total</b>	<b>34,568,614</b>	<b>18,919,473</b>				



## Notes to the Condensed Consolidated Financial Statements

### 4. Revenue and Segment Information

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker ("CODM"). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive management team that makes strategic decisions.

#### (a) CODM Reviews the Group's Internal Reporting in Order to Assess Performance and Allocate Resources:

The CODM identifies operating segments based on the internal organization structure, management requirements and internal reporting system, and discloses segment information of reportable segments which is determined on the basis of operating segments. An operating segment is a component of the Group that satisfies all of the following conditions: (1) the component is able to earn revenues and incur expenses from its ordinary activities; (2) whose operating results are regularly reviewed by the Group's management to make decisions about resources to be allocated to the segment and to assess its performance, and (3) for which the information on financial position, operating results and cash flows is available to the Group. If two or more operating segments have similar economic characteristics and satisfy certain conditions, they are aggregated into one single operating segment.

The segment businesses are separately presented as the express and freight delivery segment, the intra-city on-demand delivery segment, and supply chain and international segment. The types of services from which reportable segments derive revenue are listed below:

- Express and freight delivery segment, which provides time-define express, economy express, cold chain and pharmaceuticals logistics service, as well as freight service;
- Intra-city on-demand delivery segment, which provides intra-city delivery for merchants and consumers, and last-mile delivery services;
- Supply chain and international segment, which provides supply chain services, international express service and international freight forwarding service.

Except for the above business segments, the other segments did not have a material impact on the Group's operating outcome, and as such are not separately presented. Management monitors the operating results of the Group's business units separately for the purpose of making decisions regarding resource allocation and performance assessment.

Segment performance is assessed based on key performance indicators. Transfer prices between operating segments are based on the amount stated in the contracts agreed by both sides.

For the six months ended June 30, 2025 and 2024, no revenue from a single customer exceeded 10% or more of the total revenue.

## Notes to the Condensed Consolidated Financial Statements

### 4. Revenue and Segment Information (Continued)

#### (a) CODM Reviews the Group's Internal Reporting in Order to Assess Performance and Allocate Resources: (Continued)

The table below shows the segment information for the six months ended June 30, 2025:

	Express and freight delivery segment <i>RMB'000</i>	Supply chain and international segment <i>RMB'000</i>	Intra-city on-demand delivery segment <i>RMB'000</i>	Undistributed units <i>RMB'000</i>	Inter-segment elimination <i>RMB'000</i>	Total <i>RMB'000</i>
Revenue from external customers	104,772,845	35,768,179	5,582,531	734,619	–	146,858,174
Inter-segment revenue	4,205,446	961,448	4,653,419	2,427,769	(12,248,082)	–
Cost of revenue	92,919,243	33,704,619	9,561,887	2,705,907	(11,094,024)	127,797,632
Profit before income tax	6,349,245	114,196	157,843	1,083,888	(65,444)	7,639,728
Income tax expenses	964,567	410,103	20,794	240,775	(8,914)	1,627,325
Net profit/(loss)	5,384,678	(295,907)	137,049	843,113	(56,530)	6,012,403
Total assets	105,853,049	64,227,110	4,952,282	154,729,917	(111,525,855)	218,236,503
Total liabilities	75,830,311	57,692,288	1,970,058	69,497,472	(92,918,863)	112,071,266
Depreciation of right-of-use assets <i>(Note 7)</i>	2,729,313	789,829	6,681	143,512	(332,174)	3,337,161
Depreciation and amortization (excluding right-of-use assets) <i>(Note 7)</i>	3,657,347	763,324	25,470	423,947	(9,942)	4,860,146
Net reversal/(impairment losses) of impairment losses on financial assets and contract assets	(6,400)	(113,195)	1,699	(29,879)	30,671	(117,104)

## Notes to the Condensed Consolidated Financial Statements

### 4. Revenue and Segment Information (Continued)

#### (a) CODM Reviews the Group's Internal Reporting in Order to Assess Performance and Allocate Resources: (Continued)

The table below shows the segment information for the six months ended June 30, 2024:

	Express and freight delivery segment <i>RMB'000</i>	Supply chain and international segment <i>RMB'000</i>	Intra-city on-demand delivery segment <i>RMB'000</i>	Undistributed units <i>RMB'000</i>	Inter-segment elimination <i>RMB'000</i>	Total <i>RMB'000</i>
Revenue from external customers	96,820,175	32,914,104	4,022,952	652,489	–	134,409,720
Inter-segment revenue	6,340,531	447,518	2,855,518	2,545,639	(12,189,206)	–
Cost of revenue	87,693,668	30,636,136	6,407,319	2,472,311	(11,113,153)	116,096,281
Profit/(loss) before income tax	5,842,143	(236,145)	80,572	606,498	26,989	6,320,057
Income tax expenses	1,046,410	338,068	18,398	156,427	(168)	1,559,135
Net profit/(loss)	4,795,733	(574,213)	62,174	450,071	27,157	4,760,922
Total assets	106,075,703	64,294,283	4,117,315	162,056,001	(116,677,371)	219,865,931
Total liabilities	71,306,112	56,051,461	1,355,096	91,319,878	(99,077,966)	120,954,581
Depreciation of right-of-use assets <i>(Note 7)</i>	2,885,910	836,623	8,252	141,397	(443,266)	3,428,916
Depreciation and amortization (excluding right-of-use assets) <i>(Note 7)</i>	3,279,143	808,175	24,862	1,250,722	(2,168)	5,360,734
Net reversal/(impairment losses) of impairment losses on financial assets and contract assets	41,848	122,046	3,835	19,289	(27,146)	159,872

## Notes to the Condensed Consolidated Financial Statements

### 4. Revenue and Segment Information (Continued)

#### (b) Disaggregation of Revenue

In the following table, revenue of the Group from contracts with customers is disaggregated by timing of satisfaction of performance obligations. The table also includes a reconciliation to the segment information in respect of revenue of the Group that is disclosed in the operating segment Note 4(a).

	Six months ended June 30, 2025			
	Logistics and freight forwarding services <i>RMB'000</i>	Sales of goods <i>RMB'000</i>	Others <i>RMB'000</i>	Total <i>RMB'000</i>
<b>Revenue from main operations</b>				
At a point in time	–	2,361,627	259,362	<b>2,620,989</b>
Over time	143,530,874	–	255,439	<b>143,786,313</b>
Lease income	–	–	189,652	<b>189,652</b>
	<b>143,530,874</b>	<b>2,361,627</b>	<b>704,453</b>	<b>146,596,954</b>
<b>Revenue from other operations</b>				
At a point in time	–	–	93,667	<b>93,667</b>
Over time	–	–	38,527	<b>38,527</b>
Lease income	–	–	129,026	<b>129,026</b>
	–	–	<b>261,220</b>	<b>261,220</b>
<b>Total</b>	<b>143,530,874</b>	<b>2,361,627</b>	<b>965,673</b>	<b>146,858,174</b>

## Notes to the Condensed Consolidated Financial Statements

### 4. Revenue and Segment Information (Continued)

#### (b) Disaggregation of Revenue (Continued)

	Six months ended June 30, 2024			
	Logistics and freight forwarding services <i>RMB'000</i>	Sales of goods <i>RMB'000</i>	Others <i>RMB'000</i>	Total <i>RMB'000</i>
<b>Revenue from main operations</b>				
At a point in time	–	3,216,236	208,598	<b>3,424,834</b>
Over time	130,207,965	–	413,658	<b>130,621,623</b>
Lease income	–	–	174,027	<b>174,027</b>
	<b>130,207,965</b>	<b>3,216,236</b>	<b>796,283</b>	<b>134,220,484</b>
<b>Revenue from other operations</b>				
At a point in time	–	–	34,616	<b>34,616</b>
Over time	–	–	72,947	<b>72,947</b>
Lease income	–	–	81,673	<b>81,673</b>
	–	–	<b>189,236</b>	<b>189,236</b>
<b>Total</b>	<b>130,207,965</b>	<b>3,216,236</b>	<b>985,519</b>	<b>134,409,720</b>

### 5. Other Income

	Six months ended June 30,	
	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Government grants ( <i>Note (a)</i> )	317,688	404,911
Dividend income	1,360	426
Others	166,380	167,413
<b>Total</b>	<b>485,428</b>	<b>572,750</b>

- (a) The government grants were mainly incentives provided by local government authorities in the PRC, including various forms of government financial incentives and tax preferences, to reward the Group's support and contribution to the development of local economies. As at June 30, 2025 and 2024, there were no unfulfilled conditions or contingencies relating to these government grants.

## Notes to the Condensed Consolidated Financial Statements

### 6. Other Gains, Net

	Six months ended June 30,	
	2025 RMB'000	2024 RMB'000
Gains on disposal of investments in associates and joint ventures	11,712	45,307
Gains on disposal of investments in subsidiaries (Note 26(b))	777,717	91,950
Fair value changes in financial assets at FVPL	293,339	238,687
(Losses)/gains on disposal of property, plant and equipment, right-of-use assets and other non-current assets	(55,366)	39,097
Impairment of inventories, property, plant and equipment and other non-current assets	(43,644)	(1,309)
Net exchange (losses)/gains	(125,935)	4,703
Gains on repurchase of corporate bonds	65,199	55,982
Others	(101,156)	(180,624)
<b>Total</b>	<b>821,866</b>	<b>293,793</b>

### 7. Expenses by Nature

Expenses included in cost of revenue, selling and marketing expenses, general and administrative expenses and research and development expenses are analyzed as follows:

	Six months ended June 30,	
	2025 RMB'000	2024 RMB'000
Labour outsourcing cost	54,280,302	46,426,202
Transportation expenses	26,171,863	24,040,343
Transportation outsourcing cost	20,602,909	18,725,511
Employee benefit expenses	16,751,576	16,170,240
Depreciation and amortization (excluding right-of-use assets)	4,860,146	5,360,734
Rent and venue usage expenses	3,816,529	3,599,946
Depreciation of right-of-use assets (Note 12(b))	3,337,161	3,428,916
Others	10,012,737	10,166,008
<b>Total</b>	<b>139,833,223</b>	<b>127,917,900</b>

- (a) Government grants amounting to approximately RMB612,658,000 and RMB511,053,000 had been recognized as deduction in the cost of revenue for the six months ended June 30, 2025 and 2024, respectively.



## Notes to the Condensed Consolidated Financial Statements

### 8. Finance Income and Costs

	Six months ended June 30,	
	2025 RMB'000	2024 RMB'000
<b>Finance income:</b>		
Interest income on deposits in financial institutions	155,037	415,064
<b>Finance costs:</b>		
Interest expenses on borrowings	695,519	997,654
Interest expenses on lease liabilities (Note 12 (b))	243,551	262,301
Less: Interest capitalized	(10,709)	(29,037)
	928,361	1,230,918
<b>Finance costs, net</b>	<b>773,324</b>	<b>815,854</b>

### 9. Income Tax Expense

The following table sets forth the components of income tax expense of the Group for the six months ended June 30, 2025 and 2024 respectively:

	Six months ended June 30,	
	2025 RMB'000	2024 RMB'000
Current income tax	1,659,277	1,421,021
Deferred income tax	(31,952)	138,114
<b>Total</b>	<b>1,627,325</b>	<b>1,559,135</b>

## Notes to the Condensed Consolidated Financial Statements

### 9. Income Tax Expense (Continued)

Reconciliation between income tax expenses and profit before income tax at applicable tax rates for the six months ended June 30, 2025 and 2024:

	Six months ended June 30,	
	2025 RMB'000	2024 RMB'000
Profit before income tax	7,639,728	6,320,057
Tax at the statutory tax rate of 25% (Note (a))	1,909,932	1,580,014
Effect of different tax rates available to different jurisdictions (Note (b))	(128,644)	(83,097)
Tax effect of non-taxable income	(36,382)	(42,290)
Adjustments of prior years	(56,142)	(19,336)
Tax effect of non-deductible expenses	78,781	136,854
Tax effect of preferential tax rate (Note (a))	(137,085)	(77,079)
Tax losses and temporary differences not recognized	284,032	348,380
Reversal of previously recognized tax losses and temporary differences	132,189	27,527
Utilization of previously unrecognized tax losses and temporary differences	(289,923)	(213,421)
Recognition of tax losses and temporary differences not recognized in prior years	(129,433)	(98,417)
<b>Total</b>	<b>1,627,325</b>	<b>1,559,135</b>

#### (a) PRC Corporate Income Tax ("PRC CIT")

The income tax rate applicable to the principal subsidiaries in PRC is 25% (2024: 25%) for the six months ended June 30, 2025, except for certain subsidiaries which enjoy a preferential income tax rate.

#### (b) Corporate Income Tax in Hong Kong and Other Jurisdictions

##### (i) Hong Kong profits tax

Hong Kong profits tax has been provided for at the rate of 8.25% (2024: 8.25%) on assessable profits up to HKD2 million and 16.5% (2024: 16.5%) on any assessable profits over HKD2 million for the six months ended June 30, 2025.

##### (ii) Corporate income tax in other jurisdictions

Income tax on the overseas profits has been calculated on the estimated assessable profit for the period at the rates of taxation prevailing in the overseas countries in which the Group operates.

#### (c) OECD Pillar Two Model Rules

The Group is within the scope of the Pillar Two model rules released by the Organization for Economic Co-operation and Development ("OECD"). The Pillar Two legislation had become effective in certain jurisdictions on January 1, 2025. The Group applies the exception to recognizing and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to IAS 12.

Under the Pillar Two legislation, the Group is liable to pay a top-up tax for difference between its Global Anti-Base Erosion ("GloBE") effective tax rate in each jurisdiction and the 15% minimum rate. The Group management's assessment indicates that the quantitative impact of the Pillar Two legislation is insignificant to the Group.

### 10. Dividends

An interim dividend for the six months ended June 30, 2025 of RMB46 cents per ordinary share (tax inclusive) (for the six months ended June 30, 2024: an interim dividend of RMB40 cents per share and a special dividend of RMB100 cents per share) were approved by the directors on August 28, 2025. The dividends were not recognized as liabilities as at June 30, 2025.

# Notes to the Condensed Consolidated Financial Statements

## 11. Property, Plant and Equipment

	Freehold land and buildings RMB'000	Aircraft, aircraft engines, rotables and high-value maintenance RMB'000	Machinery and equipment RMB'000	Transportation vehicles RMB'000	Computers and electronic equipment RMB'000	Office and other equipment RMB'000	Leasehold improvements RMB'000	Construction in progress RMB'000	Total RMB'000
<b>Cost</b>									
As at January 1, 2025	31,482,160	17,584,109	16,359,012	7,057,016	5,235,100	10,373,993	8,226,138	2,985,702	99,303,230
Additions	4,986	333,405	167,035	667,091	318,732	146,340	134,390	1,709,102	3,481,081
Disposals	(46,099)	(134,769)	(170,582)	(406,079)	(195,464)	(157,636)	(100,063)	(14,251)	(1,224,943)
Disposal of subsidiaries	(1,847,175)	–	(8,996)	(443)	(2,973)	(2,189)	(28,818)	–	(1,890,594)
Transfer/reclassification	(52,465)	679,112	171,009	–	13,024	14,699	219,748	(2,058,232)	(1,013,105)
Currency translation differences	(16,259)	(607)	108,206	23,773	5,662	(881)	44,196	–	164,090
As at June 30, 2025	29,525,148	18,461,250	16,625,684	7,341,358	5,374,081	10,374,326	8,495,591	2,622,321	98,819,759
<b>Accumulated depreciation</b>									
As at January 1, 2025	3,665,775	7,964,929	5,879,587	4,913,234	4,089,146	7,426,406	6,095,509	–	40,034,586
Charge for the period (Note (b))	402,868	809,120	892,749	503,460	249,802	632,968	534,409	–	4,025,376
Disposals	(42)	(125,790)	(88,339)	(359,145)	(176,362)	(118,881)	(75,077)	–	(943,636)
Disposal of subsidiaries	(182,927)	–	(3,966)	(234)	(2,859)	(1,414)	(16,049)	–	(207,449)
Transfer/reclassification	(111,471)	–	–	–	–	–	–	–	(111,471)
Currency translation differences	8,880	–	8,878	12,558	(1,724)	(4,717)	17,966	–	41,841
As at June 30, 2025	3,783,083	8,648,259	6,688,909	5,069,873	4,158,003	7,934,362	6,556,758	–	42,839,247
<b>Accumulated impairment</b>									
As at January 1, 2025	–	–	44,572	40,516	7,915	1,209	127	–	94,339
Charge for the period	34,580	–	–	–	–	–	(127)	–	34,453
Disposal of subsidiaries	–	–	(2,862)	(4,854)	(1,141)	(386)	–	–	(9,243)
Transfer/reclassification	(34,580)	–	–	–	–	–	–	–	(34,580)
Currency translation differences	–	–	1,767	1,290	618	121	–	–	3,796
As at June 30, 2025	–	–	43,477	36,952	7,392	944	–	–	88,765
<b>Net book value</b>									
As at June 30, 2025 (Note (a))	25,742,065	9,812,991	9,893,298	2,234,533	1,208,686	2,439,020	1,938,833	2,622,321	55,891,747

- (a) Certain property, plant and equipment with a net carrying amount of approximately RMB500,204,000 at June 30, 2025 (December 31, 2024: RMB490,886,000) were pledged as securities for bank loan facilities and bank overdrafts granted to the Group (Note 20).
- (b) Depreciation amounting to approximately RMB4,001,493,000 had been recognized in condensed consolidated statement of profit or loss for the six months ended June 30, 2025 (six months period ended June 30, 2024: RMB4,016,667,000).

## Notes to the Condensed Consolidated Financial Statements

### 12. Lease

This note provides information for leases where the Group is a lessee.

#### (a) Amounts Recognized in the Condensed Consolidated Statement of Financial Position

The Group

	As at June 30, 2025 RMB'000	As at December 31, 2024 RMB'000
<b>Right-of-use assets</b>		
Buildings	14,975,445	12,730,196
Leasehold land and land use rights	6,311,905	6,783,528
Motor vehicles	62,555	81,877
Equipment and others	27,003	30,028
<b>Total</b>	<b>21,376,908</b>	<b>19,625,629</b>
<b>Lease liabilities</b>		
Current	5,442,703	5,501,314
Non-current	9,591,592	7,094,483
<b>Total</b>	<b>15,034,295</b>	<b>12,595,797</b>

Additions to the right-of-use assets for the six months period ended June 30, 2025 were approximately RMB6,006,348,000 (six months period ended June 30, 2024: RMB3,050,180,000).

Leasehold land and land use rights with a net carrying amount of approximately RMB173,923,000 at June 30, 2025 (At December 31, 2024: RMB203,922,000) were pledged as securities for bank loan facilities and bank overdrafts granted to the Group (Note 20).

## Notes to the Condensed Consolidated Financial Statements

### 12. Lease (Continued)

#### (b) Amounts Recognized in the Condensed Consolidated Statement of Profit or Loss

The condensed consolidated statement of profit or loss show the following amounts relating to leases:

	Six months ended June 30,	
	2025 RMB'000	2024 RMB'000
<b>Depreciation charge of right-of-use assets</b>		
Buildings	3,197,926	3,238,874
Leasehold land and land use rights	104,903	97,150
Motor vehicles	26,294	79,772
Equipment and others	8,038	13,120
<b>Total</b>	<b>3,337,161</b>	<b>3,428,916</b>
Interest expenses (Note 8)	243,551	262,301
Expense relating to short-term leases and low-value assets (included in costs and expenses)	2,108,487	1,885,251
Total cash outflow for leases (included in operating and financing cash outflow)	5,788,850	5,703,150

The Group has various lease contracts that have not yet commenced at June 30, 2025 and December 31, 2024. The future lease payments for these non-cancellable lease contracts are as below:

	As at June 30, 2025 RMB'000	As at December 31, 2024 RMB'000
Within 1 year (including 1 year)	973,551	893,228
Between 1 and 2 years (including 2 years)	418,015	529,230
Between 2 and 3 years (including 3 years)	400,548	489,211
Over 3 years	225,919	2,733,760
<b>Total</b>	<b>2,018,033</b>	<b>4,645,429</b>

## Notes to the Condensed Consolidated Financial Statements

### 13. Investment Properties

	As at June 30, 2025 RMB'000
<b>Cost</b>	
<b>At the beginning of the period</b>	<b>7,853,577</b>
Disposals	(11,341)
Disposal of subsidiaries	(254,536)
Transfer/reclassification	731,776
Exchange adjustment	(1,575)
<b>At the end of the period</b>	<b>8,317,901</b>
<b>Accumulated depreciation</b>	
<b>At the beginning of the period</b>	<b>612,378</b>
Charge for the period	72,106
Disposals	(367)
Disposal of subsidiaries	(19,466)
Transfer/reclassification	95,322
Exchange adjustment	10,419
<b>At the end of the period</b>	<b>770,392</b>
<b>Net book value</b>	
<b>At the end of the period (Note (a))</b>	<b>7,547,509</b>

- (a) Certain investment properties with a net carrying amount of approximately RMB117,759,000 at June 30, 2025 (At December 31, 2024: RMB111,847,000) were pledged as securities for bank loan facilities and bank overdrafts granted to the Group (Note 20).



## Notes to the Condensed Consolidated Financial Statements

### 13. Investment Properties (Continued)

(b) Leasing arrangements

The Group leases various offices and warehouses to lessees under non-cancellable operating lease agreements with rentals receivable monthly. The lease terms are mainly between 1 year and 5 years, and the majority of lease agreements are renewable at the end of the lease period at market rates. Minimum lease payments receivable on leases of investment properties are as follows:

	As at June 30, 2025 RMB'000	As at December 31, 2024 RMB'000
Land and buildings:		
Within 1 year (including 1 year)	604,318	418,210
Between 1 and 2 years (including 2 years)	386,760	314,925
Between 2 and 3 years (including 3 years)	279,440	223,282
Between 3 and 4 years (including 4 years)	64,992	148,307
Between 4 and 5 years (including 5 years)	27,361	113,522
Over 5 years	143,792	262,618
<b>Total</b>	<b>1,506,663</b>	<b>1,480,864</b>

## Notes to the Condensed Consolidated Financial Statements

### 14. Intangible Assets

	Development expenditures <i>RMB'000</i>	Goodwill <i>RMB'000</i>	Customer relationships <i>RMB'000</i>	Software <i>RMB'000</i>	Trademarks <i>RMB'000</i>	Others <i>RMB'000</i>	Total <i>RMB'000</i>
<b>Cost</b>							
<b>As at January 1, 2025</b>	<b>82,489</b>	<b>10,006,800</b>	<b>6,162,481</b>	<b>8,591,189</b>	<b>5,152,893</b>	<b>363,723</b>	<b>30,359,575</b>
Additions	329,320	2,204	–	5,521	4	11,101	348,150
Disposals	(251,128)	–	–	(55,017)	–	(646)	(306,791)
Transfer/reclassification	–	–	–	251,128	–	–	251,128
Currency translation differences	–	(238,515)	(127,125)	1,357	(140,292)	(3,171)	(507,746)
<b>As at June 30, 2025</b>	<b>160,681</b>	<b>9,770,489</b>	<b>6,035,356</b>	<b>8,794,178</b>	<b>5,012,605</b>	<b>371,007</b>	<b>30,144,316</b>
<b>Accumulated amortization</b>							
<b>As at January 1, 2025</b>	<b>–</b>	<b>–</b>	<b>1,518,028</b>	<b>7,144,358</b>	<b>1,318,229</b>	<b>239,089</b>	<b>10,219,704</b>
Charge for the period	–	–	174,093	516,424	114,058	12,530	817,105
Disposals	–	–	–	(34,312)	–	(1,539)	(35,851)
Currency translation differences	–	–	(21,801)	1,143	(36,054)	1,105	(55,607)
<b>As at June 30, 2025</b>	<b>–</b>	<b>–</b>	<b>1,670,320</b>	<b>7,627,613</b>	<b>1,396,233</b>	<b>251,185</b>	<b>10,945,351</b>
<b>Impairment</b>							
<b>As at January 1, 2025</b>	<b>–</b>	<b>2,435</b>	<b>15,403</b>	<b>85,834</b>	<b>–</b>	<b>6</b>	<b>103,678</b>
Charge for the period	–	–	8,859	184	–	–	9,043
Disposals	–	–	–	(17,445)	–	–	(17,445)
Currency translation differences	–	–	(383)	–	–	–	(383)
<b>As at June 30, 2025</b>	<b>–</b>	<b>2,435</b>	<b>23,879</b>	<b>68,573</b>	<b>–</b>	<b>6</b>	<b>94,893</b>
<b>Net book value</b>							
<b>As at June 30, 2025</b>	<b>160,681</b>	<b>9,768,054</b>	<b>4,341,157</b>	<b>1,097,992</b>	<b>3,616,372</b>	<b>119,816</b>	<b>19,104,072</b>

## Notes to the Condensed Consolidated Financial Statements

### 14. Intangible Assets (Continued)

#### (a) Goodwill

The carrying amount of goodwill allocated to Cash-Generating Units ("CGU") or the groups of CGU:

	As at June 30, 2025 RMB'000	As at December 31, 2024 RMB'000
KLN CGUs	6,001,913	6,138,923
Fenghao Supply Chain CGUs	3,096,113	3,184,723
SXH China Logistics CGUs	369,566	380,138
SX Freight CGUs	149,587	149,587
KEX CGUs	62,713	64,508
Others	88,162	86,486
<b>Total</b>	<b>9,768,054</b>	<b>10,004,365</b>

Goodwill is allocated to the CGUs that are expected to benefit from business combination.

Goodwill would be tested for impairment annually and when there is indication that they may be impaired. The recoverable amount of a CGU is determined based on higher of its fair value less costs of disposal and value in-use calculations.

Management did not identify any major adverse changes indicating any impairment in the carrying amounts of goodwill for all CGU at June 30, 2025.

## Notes to the Condensed Consolidated Financial Statements

### 15. Prepayments, Other Receivables and Other Assets

	As at June 30, 2025 RMB'000	As at December 31, 2024 RMB'000
<b>Non-current:</b>		
Amounts due from related parties (Note 28(d))	44,365	1,181
Prepayments (Note (a))	920,081	576,948
Deferred pilot recruitment costs	711,037	740,683
Finance lease receivables	29,516	38,224
Others	545,720	520,580
	2,250,719	1,877,616
Less: Allowance for expected credit losses	(22,625)	(22,581)
	<b>2,228,094</b>	<b>1,855,035</b>
<b>Current:</b>		
Amounts due from related parties (Note 28(d))	327,135	306,027
Value-added tax recoverable	3,348,852	3,366,151
Prepayments (Note (b))	2,721,725	2,827,788
Deposits	1,688,948	1,536,726
Cash to collect on behalf of customers	724,677	768,814
Prepaid corporate income tax	464,516	384,920
Finance lease receivables	45,240	88,800
Loans to employees	1,711	16,047
Others	1,801,924	1,154,081
	11,124,728	10,449,354
Less: Allowance for expected credit losses	(339,422)	(334,811)
<b>Total</b>	<b>10,785,306</b>	<b>10,114,543</b>

- (a) The balances of the Group mainly comprise prepaid construction equipment balances at June 30, 2025 and December 31, 2024.
- (b) The balances of the Group mainly comprise prepaid freight and transportation costs at June 30, 2025 and December 31, 2024.

## Notes to the Condensed Consolidated Financial Statements

### 16. Investments in Associates and Joint Ventures

Movement of investments in associates and joint ventures for the six months ended June 30, 2025 is analyzed as follows:

	Investments in associates RMB'000	Investments in joint ventures RMB'000
<b>At the beginning of the period</b>	<b>3,610,850</b>	<b>2,592,792</b>
Additions and disposals, net <i>(Note (a))</i>	1,142,825	(5,676)
Share of profit/(loss), net	17,733	(54,030)
Share of other comprehensive income	(6,392)	2
Share of other equity movement	742	–
Dividend declared during the year	(140,965)	–
Exchange differences	(64,901)	(620)
Less: Impairment loss provided for the period	–	–
<b>At the end of the period</b>	<b>4,559,892</b>	<b>2,532,468</b>

- (a) During the reporting period, the Southern SF Warehouse Logistics Closed-end Infrastructure Securities Investment Fund (Shenzhen Stock Exchange ticker: Southern SF Logistics REIT, Security Code: 180305) was officially approved and commenced trading on the Shenzhen Stock Exchange on April 21, 2025. The fund-raising scale of Southern SF Logistics REIT was RMB3,290,000,000. As the original sponsor of the South SF Logistics REIT, the Group's subsidiaries, Shenzhen Jiafeng Industrial Park Management Co., Ltd. ("Jiafeng Industrial Park Management") and Shenzhen Fengtai E-Commerce Industrial Park Asset Management Co., Ltd. ("Shenzhen Fengtai E-Commerce Industrial Park Asset Management") participated in the strategic placement of the South SF Logistics REIT shares by paying a total of RMB1,118,600,000, resulting in an interest of 34% in the South SF Logistics REIT as of the end of the reporting period (Note 26(b)).
- (b) There is no associate and joint venture that is individually significant to the Group.

## Notes to the Condensed Consolidated Financial Statements

### 17. Financial Assets at FVPL and FVOCI

#### (a) Financial Assets at FVPL

	As at June 30, 2025 RMB'000	As at December 31, 2024 RMB'000
<b>Non-current:</b>		
– Industry fund investments	304,554	331,815
– Others	200,455	145,601
<b>Total</b>	<b>505,009</b>	<b>477,416</b>
<b>Current:</b>		
– Structured deposits	26,928,678	11,015,904
– Fund investment and others	98,242	230,252
<b>Total</b>	<b>27,026,920</b>	<b>11,246,156</b>

#### (b) Financial Assets at FVOCI

	As at June 30, 2025 RMB'000	As at December 31, 2024 RMB'000
<b>Non-current:</b>		
– Listed equity investments, at fair value	1,100,088	1,033,218
– Unlisted equity investments, at fair value	7,052,225	7,198,776
<b>Total</b>	<b>8,152,313</b>	<b>8,231,994</b>
<b>Current:</b>		
– Notes held for sale	165,187	170,913
<b>Total</b>	<b>165,187</b>	<b>170,913</b>



## Notes to the Condensed Consolidated Financial Statements

### 18. Trade and Note Receivables

	As at June 30, 2025 RMB'000	As at December 31, 2024 RMB'000
<b>Trade and note receivables</b>		
– related parties (Note 28(d))	437,232	540,956
– third parties	29,904,373	28,554,708
	30,341,605	29,095,664
Less: Allowance for expected credit losses	(918,375)	(1,114,031)
<b>Total</b>	<b>29,423,230</b>	<b>27,981,633</b>

- (a) The Group has various credit policies for different business operations depending on the requirements of the markets and businesses. The ageing analysis of the trade and note receivables based on invoice date is as follows:

	As at June 30, 2025 RMB'000	As at December 31, 2024 RMB'000
Within 1 year (including 1 year)	29,509,518	28,295,989
Between 1 and 2 years (including 2 years)	410,218	335,669
Over 2 years	421,869	464,006
<b>Total</b>	<b>30,341,605</b>	<b>29,095,664</b>

There is no concentration of credit risk with respect to trade and note receivables, as the Group has a large number of customers.

- (b) The Group applies the simplified approach to provide for expected credit losses prescribed by IFRS 9. At June 30, 2025, trade receivables of approximately RMB918,375,000 (At December 31, 2024: RMB1,114,031,000) were impaired and provided for.
- (c) The provision and reversal of provision for impairment of receivables have been included in impairment losses on financial assets and contract assets in the condensed consolidated statement of profit or loss. Amounts charged to the allowance account are written off when there is no expectation of recovery.
- (d) Certain trade and note receivables with a net carrying amount of approximately RMB50,259,000 at June 30, 2025 (December 31, 2024: Nil) were pledged as securities for bank loan facilities and bank overdrafts granted to the Group (Note 20).
- (e) The carrying amount at the reporting date approximated the fair value of each class of receivables mentioned above.

## Notes to the Condensed Consolidated Financial Statements

### 19. Restricted Cash and Cash and Cash Equivalents

	As at June 30, 2025 RMB'000	As at December 31, 2024 RMB'000
<b>Restricted cash</b>		
Statutory reserve deposits with the PBOC for banking operations	801,136	1,240,261
Pledged bank deposits	90,866	67,314
Others	48,733	46,728
<b>Total</b>	<b>940,735</b>	<b>1,354,303</b>
<b>Cash and cash equivalents</b>		
Cash on hand and cash at banks (excluding PBOC)	20,733,495	32,632,563
Surplus reserve deposits with the PBOC	9,166	13,492
<b>Total</b>	<b>20,742,661</b>	<b>32,646,055</b>

## Notes to the Condensed Consolidated Financial Statements

### 20. Borrowings

	As at June 30, 2025 RMB'000	As at December 31, 2024 RMB'000
<b>Non-current:</b>		
Long-term bank borrowings (Note (a))		
– secured (Note (a)(i))	6,596	8,300
– unsecured (Note (a)(iii))	5,944,974	6,178,086
Corporate bonds (Note (c))	18,340,691	19,941,935
Loans from non-controlling interests and other parties	182,894	190,939
<b>Total</b>	<b>24,475,155</b>	<b>26,319,260</b>
<b>Current portion of non-current:</b>		
Long-term bank borrowings (Note (a))		
– secured (Note (a)(i))	19,060	30,902
– unsecured (Note (a)(iii))	1,116,954	1,646,813
Corporate bonds (Note (c))	620,144	627,779
Loans from non-controlling interests and other parties	–	21,831
<b>Short term:</b>		
Short-term bank borrowings (Note (b))		
– secured (Note (b)(i))	115,040	117,348
– unsecured (Note (b)(iii))	12,320,504	15,001,186
Short-term debentures (Note (c))	2,507,973	807,787
Loans from non-controlling interests and other parties	358,246	111,476
<b>Total</b>	<b>17,057,921</b>	<b>18,365,122</b>

## Notes to the Condensed Consolidated Financial Statements

### 20. Borrowings (Continued)

- (a) Long-term bank borrowings
  - (i) Certain non-current assets had been pledged as securities for long-term bank borrowings at June 30, 2025 and December 31, 2024. Refer to Note 11(a), Note 12(a), Note 13(a) and Note 18(d).
  - (ii) The bank borrowings of approximately RMB6,761,118,000 at June 30, 2025 (At December 31, 2024: RMB5,546,498,000) had been guaranteed by the subsidiaries within the Group.
  - (iii) The range of interest rates of major non-current bank borrowings were 1.07% to 4.70% at June 30, 2025 (At December 31, 2024: 2.34% to 5.33%).
- (b) Short-term bank borrowings
  - (i) Certain non-current assets had been pledged as securities for short-term bank borrowings at June 30, 2025 and December 31, 2024. Refer to Note 11(a), Note 12(a), Note 13(a) and Note 18(d).
  - (ii) Short-term bank borrowings of approximately RMB1,038,566,000 at June 30, 2025 (At December 31, 2024: RMB753,673,000) had been guaranteed by subsidiaries of the Company.
  - (iii) The range of interest rates of major short-term bank borrowings were 0.83% to 8.70% at June 30, 2025 (At December 31, 2024: 2.27% to 6.77%).
- (c) Corporate bonds and short-term debentures
  - (i) Bonds and debentures amounting to RMB16,425,000,000 at June 30, 2025 (At December 31, 2024: RMB18,039,077,000) had been guaranteed by the Company.
  - (ii) During the six months ended June 30, 2025, the Group repurchased part of its US dollar bonds, with the total face value of the repurchased bonds amounting to RMB1,322,261,000. The difference between the consideration paid and the carrying amount of the bonds was RMB65,199,000 (six months ended June 30, 2024: RMB55,982,000) and recognized as other gains (Note 6).

## Notes to the Condensed Consolidated Financial Statements

### 21. Trade and Note Payables

	As at June 30, 2025 RMB'000	As at December 31, 2024 RMB'000
<b>Trade and note payables</b>		
– related parties (Note 28(d))	360,787	332,322
– third parties	28,716,307	27,063,202
<b>Total</b>	<b>29,077,094</b>	<b>27,395,524</b>

An ageing analysis of the trade and note payables based on invoice date At June 30, 2025 and December 31, 2024 was as follows:

	As at June 30, 2025 RMB'000	As at December 31, 2024 RMB'000
Within 1 year (including 1 year)	28,815,308	27,128,233
Over 1 year	261,786	267,291
<b>Total</b>	<b>29,077,094</b>	<b>27,395,524</b>

## Notes to the Condensed Consolidated Financial Statements

### 22. Other Payables and Accruals

	As at June 30, 2025 RMB'000	As at December 31, 2024 RMB'000
<b>Non-current:</b>		
Salaries, wages and benefits	67,773	58,725
Others	153,674	142,312
<b>Total</b>	<b>221,447</b>	<b>201,037</b>
<b>Current:</b>		
Amounts due to related parties (Note 28(d))	86,394	120,487
Salaries, wages and benefits	4,355,236	6,151,172
Payable for purchase of property, plant and equipment	2,860,725	3,292,799
Deposits	2,772,858	2,566,045
Dividend payable	2,238,799	187,401
Payables of cash collected on delivery service	1,519,304	1,423,502
Other taxes payable	844,477	847,166
Consideration payable for business combinations	10,531	13,213
Others	2,571,914	2,459,546
<b>Total</b>	<b>17,260,238</b>	<b>17,061,331</b>

## Notes to the Condensed Consolidated Financial Statements

### 23. Share Capital and Treasury Shares

	Number of fully paid ordinary shares	Share capital RMB'000	Treasury shares RMB'000	Total RMB'000
<b>As at January 1, 2025</b>	<b>4,986,186,983</b>	<b>4,986,187</b>	<b>(758,081)</b>	<b>4,228,106</b>
Exercise of share options (Note (a))	6,505,034	6,505	–	6,505
Repurchase of shares (Note (b))	–	–	(100,984)	(100,984)
<b>As at June 30, 2025</b>	<b>4,992,692,017</b>	<b>4,992,692</b>	<b>(859,065)</b>	<b>4,133,627</b>
<b>As at January 1, 2024</b>	<b>4,895,202,373</b>	<b>4,895,202</b>	<b>(2,575,532)</b>	<b>2,319,670</b>
Repurchase of shares	–	–	(1,378,503)	(1,378,503)
Cancellation of shares	(79,291,153)	(79,291)	3,575,545	3,496,254
<b>As at June 30, 2024</b>	<b>4,815,911,220</b>	<b>4,815,911</b>	<b>(378,490)</b>	<b>4,437,421</b>

As of June 30, 2025, the Company had a total of 4,992,692,017 ordinary shares issued. The details of the Company's equity changes for the six months ended June 30, 2025 and 2024 are as follows:

	As at June 30, 2025	As at June 30, 2024
A Shares	4,822,692,017	4,815,911,220
H Shares	170,000,000	–
<b>Total</b>	<b>4,992,692,017</b>	<b>4,815,911,220</b>

- (a) During the six months ended June 30, 2025, part of the share options granted in 2022 were vested, the participants who met the performance requirements exercised the share options. Therefore, a contribution of approximately RMB261,498,000 was received by the Company from the participants, treasury stock of approximately RMB6,505,000 and capital reserve of approximately RMB254,993,000 were recognized.
- (b) For the six months ended June 30, 2025, a total of 2,499,000 A Shares have been repurchased for future employee stock ownership plan or share-based incentive, and treasury stocks amounting to approximately RMB100,984,000 therefore were recognized.



## Notes to the Condensed Consolidated Financial Statements

### 24. Reserves

	Capital reserve <i>RMB'000</i>	Other comprehensive income <i>RMB'000</i>	General and regulatory reserve <i>RMB'000</i>	Special reserve <i>RMB'000</i>	Statutory reserve <i>RMB'000</i>	Total <i>RMB'000</i>
<b>As at January 1, 2025</b>	<b>40,924,932</b>	<b>4,529,488</b>	<b>524,376</b>	<b>–</b>	<b>2,646,138</b>	<b>48,624,934</b>
Other comprehensive income	–	(120,609)	–	–	–	(120,609)
Transfer of loss on disposal of equity investments at fair value through other comprehensive income to retained earnings	–	(19,113)	–	–	–	(19,113)
Transactions with owners						
Net proceeds from share option exercising	254,993	–	–	–	–	254,993
Capital injection from non-controlling interests	802	–	–	–	–	802
Profit appropriations to statutory reserve	–	–	–	–	3,253	3,253
Share-based payment	33,635	–	–	–	–	33,635
Transaction with non-controlling interests and others	(205,554)	–	–	–	–	(205,554)
Safety reserve appropriation	–	–	–	207,453	–	207,453
Safety reserve utilisation	–	–	–	(207,453)	–	(207,453)
Others	(13,619)	–	–	–	–	(13,619)
<b>As at June 30, 2025</b>	<b>40,995,189</b>	<b>4,389,766</b>	<b>524,376</b>	<b>–</b>	<b>2,649,391</b>	<b>48,558,722</b>

## Notes to the Condensed Consolidated Financial Statements

### 24. Reserves (Continued)

	Capital reserve <i>RMB'000</i>	Other comprehensive income <i>RMB'000</i>	General and regulatory reserve <i>RMB'000</i>	Special reserve <i>RMB'000</i>	Statutory reserve <i>RMB'000</i>	Total <i>RMB'000</i>
<b>As at January 1, 2024</b>	<b>43,164,085</b>	<b>5,532,428</b>	<b>524,376</b>	<b>–</b>	<b>2,413,786</b>	<b>51,634,675</b>
Other comprehensive income	–	(1,060,319)	–	–	–	(1,060,319)
Transfer of gain on disposal of equity investments at fair value through other comprehensive income to retained earnings	–	5,060	–	–	–	5,060
Transactions with owners						
Capital contribution of non-controlling interests	127	–	–	–	–	127
Cancellation of shares	(3,496,254)	–	–	–	–	(3,496,254)
Share-based payment	62,186	–	–	–	–	62,186
Transaction with non-controlling interests and others	(3,760,142)	–	–	–	–	(3,760,142)
Safety reserve appropriation	–	–	–	272,081	–	272,081
Safety reserve utilisation	–	–	–	(272,081)	–	(272,081)
<b>As at June 30, 2024</b>	<b>35,970,002</b>	<b>4,477,169</b>	<b>524,376</b>	<b>–</b>	<b>2,413,786</b>	<b>43,385,333</b>

## Notes to the Condensed Consolidated Financial Statements

### 25. Notes to the Condensed Consolidated Statement of Cash Flows

#### (a) Reconciliation of Profit before Income Tax to Net Cash Generated from Operations:

	Six months ended June 30,	
	2025 RMB'000	2024 RMB'000
Profit before income tax for the period	7,639,728	6,320,057
<i>Adjustments for:</i>		
Depreciation of right-of-use assets (Note 12(b))	3,337,161	3,428,916
Depreciation and amortization (excluding right-of-use assets) (Note 7)	4,860,146	5,360,734
(Net reversal of impairment losses)/impairment losses on financial assets and contract assets	(117,104)	159,872
Impairment of inventories, property, plant and equipment and other non-current assets (Note 6)	43,644	1,309
Equity settled share-based compensation expenses	43,193	69,940
Losses/(gains) on disposal of property, plant and equipment, right-of-use assets and other non-current assets (Note 6)	55,366	(39,097)
Fair value changes in financial assets at FVPL (Note 6)	(293,339)	(238,687)
Gains on repurchase of corporate bonds (Note 6)	(65,199)	(55,982)
Gains on disposal of investments in subsidiaries (Note 26(b))	(777,717)	(91,950)
Share of loss of associates and joint ventures, net	36,297	62,580
Gains on disposal of investments in associates and joint ventures (Note 6)	(11,712)	(45,307)
Dividend income (Note 5)	(1,360)	(426)
Amortization of deferred income	(33,044)	(20,416)
Finance costs (Note 8)	928,361	1,230,918
<b>Operating cash flow before working capital changes</b>	<b>15,644,421</b>	<b>16,142,461</b>
<i>Changes in working capital:</i>		
Increase in inventories	106,309	(119,277)
(Increase)/decrease in trade receivables, prepayment, contract assets and other receivable	(2,057,725)	896,436
Increase/(decrease) in trade payables, contract liabilities, and other payables	1,416,102	(1,705,611)
<b>Cash generated from operations</b>	<b>15,109,107</b>	<b>15,214,009</b>

## Notes to the Condensed Consolidated Financial Statements

### 26. Disposal of Subsidiaries

Transactions of disposal of subsidiaries for the six months ended June 30, 2025 are analyzed as follows:

#### (a) Net Cash Received from Disposal of Subsidiaries

	Six months ended June 30,	
	2025 RMB'000	2024 RMB'000
<b>Cash consideration</b>	2,084,410	273,345
Add: Cash and cash equivalents received from disposal of subsidiaries in the prior years	10,000	–
Less: Cash and cash equivalents held by the subsidiaries at the dates of disposal	(188,303)	(1,749)
Less: Cash and cash equivalents received from disposal of subsidiaries in the future years	–	(118,000)
<b>Total</b>	<b>1,906,107</b>	<b>153,596</b>

#### (b) Gains on Disposal of Investments in Subsidiaries

	Six months ended June 30, 2025 RMB'000
Total disposal consideration	2,084,410
Carrying amount of net assets sold	(1,199,144)
The impact of sales and leaseback	(107,549)
<b>Gains on disposal of investments in subsidiaries</b>	<b>777,717</b>

During the reporting period, the Group's subsidiaries, Jiafeng Industrial Park Management and Shenzhen Fengtai E-Commerce Industrial Park Asset Management, disposed of their entire equity interests in Shenzhen SF Aviation Industrial Real Estate Management Co., Ltd., Hefei Fengtai E-Commerce Industrial Park Management Co., Ltd., and Wuhan Fengtai E-Commerce Industrial Park Management Co., Ltd. to the South SF Logistics REIT. Upon completion of the transaction, the Group lost control over the aforementioned three entities in Shenzhen, Hefei and Wuhan and ceased to consolidate them in its condensed consolidated financial statements.

The consideration for equity transfer of the aforementioned transaction amounted to approximately RMB2,083,358,000. After the completion of the aforementioned transaction, the investment gains of approximately RMB777,266,000 were recognized.

## Notes to the Condensed Consolidated Financial Statements

### 27. Partly Owned Subsidiaries with Material Non-Controlling Interests

Set out below is summarized financial information for KLN and its subsidiaries since its acquisition by the Group, which has non-controlling interests that are material to the Group. The amounts disclosed for KLN and its subsidiaries are before inter-company eliminations.

	As at June 30, 2025	As at December 31, 2024
Current assets	20,254,802	21,013,025
Non-current assets	24,053,807	24,476,527
<b>Total assets</b>	<b>44,308,609</b>	<b>45,489,552</b>
Current liabilities	13,952,887	14,653,958
Non-current liabilities	9,667,589	9,650,482
<b>Total liabilities</b>	<b>23,620,476</b>	<b>24,304,440</b>

	Six months ended June 30,	
	2025 RMB'000	2024 RMB'000
Revenue	25,316,546	23,988,254
Net profit	639,240	103,294
Attributable to owners of the Company	283,307	25,482
Net cash generated from operating activities	1,707,819	1,157,855

- (i) Except for KLN and its subsidiaries, no other subsidiaries had non-controlling interests that are material to the Group for the six months ended June 30, 2025 and 2024.

# Notes to the Condensed Consolidated Financial Statements

## 28. Related Party Transactions

### (a) Parent Entities

Name	Type	Place of incorporation	Ownership interest	
			As at June 30, 2025	As at December 31, 2024
Shenzhen Mingde Holding Development Co., Ltd. ("Mingde Holding")	Investment	Shenzhen	53.32%	53.39%

The Company's ultimate holding company is Mingde Holding, and the ultimate controlling person is Mr. Wang Wei.

### (b) Names and Relationships with Related Parties

Related parties are those parties that have the ability to control, jointly control or exercise significant influence over the other party in holding 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 investor's returns. Parties are also considered to be related if they are subject to common control or joint control. Related parties maybe individuals or other entities.

The directors of the Company are of the view that the following parties/companies were related parties that had transactions with the Group during the six months ended June 30, 2025 and 2024, and/or balances with the Group as of June 30, 2025 and December 31, 2024.

Name of related parties	Relationship with the Group
Shenzhen Hive Box Technology Co., Ltd. and its subsidiaries	Entities controlled by the ultimate controlling person of the Company
Shenzhen Fengxiang Information Technology Co., Ltd. and its subsidiaries	Entities controlled by the ultimate controlling person of the Company
Hangzhou Fengtai E-Commerce Industrial Park Management Ltd. and its subsidiaries	Entities controlled by the ultimate controlling person of the Company
Guangdong Fengxing Zhitu Technology Co., Ltd. and its subsidiaries	Entities controlled by the ultimate controlling person of the Company
Shenzhen Weitai Enterprise Development Co., Ltd. and its subsidiaries	Entities controlled by the ultimate controlling person of the Company
Shenzhen Zhongwang Finance and Tax Supply Chain Co., Ltd.	Associates of the Group
Sichuan Wulianyida Technology Co., Ltd. and its subsidiaries	Associates of the Group
SF Real Estate Investment Trust and its subsidiaries	Associates of the Group
Shenzhen Fenglian Technology Co., Ltd.	Associates of the Group
Zhejiang Galaxis Technology Group Co., Ltd. and its subsidiaries	Associates of the Group
GIAO HANG TIET KIEM JOINT STOCK COMPANY	Associates of the Group
KENGIC Intelligent Technology Co., Ltd. and its subsidiaries	Associates of the Group
Dazhangfang Network Technology Co., Ltd. and its subsidiaries	Associates of the Group
KINGS (HK) INTERNATIONAL LIMITED and its subsidiaries	Associates of the Group

## Notes to the Condensed Consolidated Financial Statements

### 28. Related Party Transactions (Continued)

#### (b) Names and Relationships with Related Parties (Continued)

Name of related parties	Relationship with the Group
Shenzhen Fustar Smart Technology Co., Ltd.	Associates of the Group
Yihai SF (Shanghai) Supply Chain Technology Co., Ltd.	Associates of the Group
Hubei Shunke Aviation Aircraft Maintenance Co., Ltd.	Associates of the Group
State Grid E-Commerce Yunfeng Logistics Technology (Tianjin) Co., Ltd.	Associates of the Group prior to January 2025
South SF Logistics REIT	Associates of the Group
Beijing Wulian Shuntong Technology Co., Ltd. and its subsidiaries	A joint venture of the Group
CR-SF International Express Co., Ltd.	A joint venture of the Group
Hubei International Logistics Airport Co., Ltd.	A joint venture of the Group
Chinese Security Culture Co., Ltd.	A joint venture of the Group
Fengsu Yitong (Suzhou) Technology Co., Ltd.	A joint venture of the Group
Shenzhen Yizhan Renewal Service Technology Co., Ltd. and its subsidiaries	A joint venture of the Group
Shenzhen Shenghai Information Service Co., Ltd.	A joint venture of the Group
Smarcle (Zhuhai) Limited.	A joint venture of the Group
Ezhou CCCC SF Airport Industrial Park Investment and Development Co., Ltd.	A joint venture of the Group
Global Connect Holding Limited	A joint venture of the Group

#### (c) Transactions with Related Parties

The following significant transactions were carried out between the Group and its related parties for the six months ended June 30, 2025 and 2024. In the opinion of the directors of the Company, the related party transactions were carried out in the normal course of business and at terms negotiated between the Group and the respective related parties.

	Six months ended June 30,	
	2025 RMB'000	2024 RMB'000
<b>Sales of goods and services:</b>		
Controlling shareholder	282	255
Entities controlled by the ultimate controlling person of the Company	806,235	756,114
Associates of controlling shareholder	–	7,157
Joint ventures of the Group	13,668	14,030
Associates of the Group	18,192	50,706
<b>Total</b>	<b>838,377</b>	<b>828,262</b>



## Notes to the Condensed Consolidated Financial Statements

### 28. Related Party Transactions (Continued)

#### (c) Transactions with Related Parties (Continued)

	Six months ended June 30,	
	2025 RMB'000	2024 RMB'000
<b>Purchases of goods and services:</b>		
Joint ventures of the Group	582,638	537,250
Entities controlled by the ultimate controlling person of the Company	393,935	385,191
Associates of the Group	261,582	343,809
Associates of controlling shareholder	–	190
Controlling shareholder	–	7
<b>Total</b>	<b>1,238,155</b>	<b>1,266,447</b>
<b>Acquisition of equity:</b>		
Joint ventures of the Group	–	559,289
<b>Total</b>	<b>–</b>	<b>559,289</b>
<b>Disposal of equity:</b>		
Associates of the Group	2,083,358	–
<b>Total</b>	<b>2,083,358</b>	<b>–</b>
<b>Depreciation and interest expenses borne by the Group as the lessee:</b>		
Associates of the Group	167,665	116,707
Entities controlled by the ultimate controlling person of the Company	3,781	6,026
<b>Total</b>	<b>171,446</b>	<b>122,733</b>
<b>Additions of right-of-use assets:</b>		
Associates of the Group	311,283	265
Entities controlled by the ultimate controlling person of the Company	838	2,058
<b>Total</b>	<b>312,121</b>	<b>2,323</b>
<b>Other transactions:</b>		
Associates of the Group	42,311	977
Entities controlled by the ultimate controlling person of the Company	3,185	1,545
Controlling shareholder	343	341
Joint ventures of the Group	305	408
Associates of controlling shareholder	–	1,391
	<b>46,144</b>	<b>4,662</b>

## Notes to the Condensed Consolidated Financial Statements

### 28. Related Party Transactions (Continued)

#### (d) Balances with Related Parties

	As at June 30, 2025 RMB'000	As at December 31, 2024 RMB'000
<b>Amounts due from related parties:</b>		
Controlling shareholder	122	365
Entities controlled by the ultimate controlling person of the Company	598,227	662,119
Joint ventures of the Group	6,538	5,717
Associates of the Group	212,041	188,480
<b>Total</b>	<b>816,928</b>	<b>856,681</b>
<b>Amounts due to related parties:</b>		
Controlling shareholder	131	321
Entities controlled by the ultimate controlling person of the Company	131,976	113,399
Joint ventures of the Group	197,293	193,787
Associates of the Group	153,364	170,522
<b>Total</b>	<b>482,764</b>	<b>478,029</b>
<b>Lease Liabilities:</b>		
Entities controlled by the ultimate controlling person of the Company	30,505	86,838
Associates of the Group	617,789	360,194
<b>Total</b>	<b>648,294</b>	<b>447,032</b>

## Notes to the Condensed Consolidated Financial Statements

### 28. Related Party Transactions (Continued)

#### (e) Guarantee to Related Parties

##### (i) Guarantee provided

As at June 30, 2025			
Guaranteed entities:	Guaranteed amount RMB'000	Guaranteed period	Whether the guarantee has been fulfilled
Joint ventures of the Group	782,000	September 29, 2021 to April 29, 2055	No

As at December 31, 2024			
Guaranteed entities:	Guaranteed amount RMB'000	Guaranteed period	Whether the guarantee has been fulfilled
Joint ventures of the Group	782,000	September 29, 2021 to April 29, 2055	No

##### (ii) Contracted not yet provided

As at June 30,		
	2025 RMB'000	2024 RMB'000
Joint ventures of the Group	2,384,180	2,384,180

#### (f) Key management compensation

Six months ended June 30,		
	2025 RMB'000	2024 RMB'000
Key management compensation	22,579	21,359

## Notes to the Condensed Consolidated Financial Statements

### 29. Commitments

#### (a) Capital Commitments

	As at June 30, 2025 RMB'000	As at December 31, 2024 RMB'000
Contracted, but not provided for purchase of property, plant and equipment	3,738,668	1,515,674
Investment to be paid	76,244	121,043
<b>Total</b>	<b>3,814,912</b>	<b>1,636,717</b>

### 30. Subsequent Event

#### (a) Private Placement of H Shares

On July 4, 2025, the Company successfully issued and allotted 70,000,000 new H Shares at a placement price of HKD42.15 per share. The total proceeds from the placement amounted to approximately HKD2,950,500,000.

#### (b) Issuance of Convertible Bonds

On July 10, 2025, the Company's subsidiary, SF Holding Investment 2023 Limited, issued zero-coupon convertible bonds guaranteed by the Company. The bonds, which mature in 2026, are convertible into the Company's H Shares at an initial conversion price of HKD48.47 per share. The issuance raised total proceeds of HKD2,950,000,000. The convertible bonds were listed and commenced trading on the Hong Kong Stock Exchange on July 11, 2025.

#### (c) Cancellation of Repurchased A Shares

Pursuant to resolutions approved by the Company's Board of Directors, the Company completed the cancellation of 23,270,358 repurchased A Shares on August 7, 2025.

## Definitions

“active consumer(s)”	the number of unique consumer accounts that purchase a particular service at least once during the prescribed period
“active merchants”	the number of unique merchant accounts that purchase a particular service at least once during the prescribed period
“Announcement No. 1 [2023] of the Ministry of Finance and the State Taxation Administration”	Announcement of the Ministry of Finance and the State Taxation Administration on the Clarification of Value-Added Tax Reduction and Exemption for Small-Scale Value-Added Tax Taxpayers and Other Policies (Announcement No. 1 [2023] of the Ministry of Finance and the State Taxation Administration)
“A Share(s)”	ordinary shares issued by the Company, with a nominal value of RMB1.00 each, which are listed on the Shenzhen Stock Exchange and traded in RMB
“AEO”	Authorized Economic Operator, qualified enterprises certified by the World Customs Organization and provided with facilitation and preferential policies for customs clearance
“AFRC”	Accounting and Financial Reporting Council of Hong Kong
“AGV”	automated guided vehicle, a transport vehicle with handling function that can travel automatically along a prescribed path
“Articles of Association”	the articles of association of the Company adopted on August 17, 2023 with effect upon Listing (as amended from time to time)
“associate(s)”	has the meaning ascribed thereto under the Listing Rules of SEHK
“Audit Committee”	the audit committee of the Board
“BI”	Business Intelligence
“Board” or “Board of Directors”	the board of Directors of the Company
“Board of Supervisors”	the board of Supervisors of the Company
“B2B”	business to business
“B2C”	business to customer
“Business Day”	a day on which banks in Hong Kong are generally open for normal business to the public and which is not a Saturday, Sunday or public holiday in Hong Kong
“CBD”	Central Business District
“China” or “the PRC”	the People’s Republic of China, except where the content or context requires otherwise
“China Federation of Logistics & Purchasing”	China Federation of Logistics & Purchasing
“CG Code”	the Corporate Governance Code as set out in the Appendix C1 to the Listing Rules of SEHK
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Company” or “SF”	S.F. Holding Co., Ltd. (順豐控股股份有限公司), formerly registered under the name Maanshan Dingtai Rare Earth & New Materials Co., Ltd.* (馬鞍山鼎泰稀土新材料股份有限公司), a joint stock company with limited liability established in the PRC on May 22, 2003, the A Shares of which have been listed on the Shenzhen Stock Exchange (stock code: 002352.SZ) and the H Shares of which have been listed on the Hong Kong Stock Exchange (stock code: 6936.HK)
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules of SEHK
“connected transaction(s)”	has the meaning ascribed thereto under the Listing Rules of SEHK
“Controlling Shareholder(s)”	has the meaning ascribed thereto under the Listing Rules of SEHK

## Definitions

“CSRC”	China Securities Regulatory Commission
“Director(s)”	the director(s) of the Company
“dividend payout ratio”	calculated as the dividends paid in respect of a year/reporting period divided by the profit attributable to owners of the Company for the same period, expressed as a percentage
“express logistics business”	includes the Company’s time-definite express, economy express, freight delivery, cold chain and pharmaceuticals logistics, and intra-city on-demand delivery business
“Ezhou cargo hub”	the air cargo hub located in Ezhou, Hubei Province, which mainly comprises of Ezhou Huahu International Airport and the logistics complex
“Frost & Sullivan Report”	the industry report prepared by Frost & Sullivan (Beijing) Inc., Shanghai Branch Co. on the global logistics market
“GDP”	gross domestic product
“General Mandate”	the general mandate granted to the Board to allot and issue H Shares by the Shareholders pursuant to a special resolution passed at the 2024 Annual General Meeting
“Group”	the Company and its subsidiaries
“H Share(s)”	overseas listed foreign ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which are listed on the Hong Kong Stock Exchange and traded in HKD
“H Share Registrar”	Tricor Investor Services Limited
“HKFRS(s)”	Hong Kong Financial Reporting Standards, amendments and interpretations issued by the Hong Kong Institute of Certified Public Accountants
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong dollars” or “HKD”	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong
“Hong Kong Stock Exchange” or “SEHK”	The Stock Exchange of Hong Kong Limited, a wholly owned subsidiary of Hong Kong Exchanges and Clearing Limited
“IASB”	International Accounting Standards Board
“IFRS”	the IFRS Accounting Standards, which as collective term includes all applicable individual International Financial Reporting Standards, International Accounting Standards and Interpretations issued by the IASB
“IVD”	abbreviation for in vitro diagnostics, products and services for obtaining clinical diagnostic information through testing on human samples
“KA”	the type of customers that are defined as key accounts in the Company’s customer management system
“KEX”	KEX Express (Thailand) Public Company Limited, a company listed on the Stock Exchange of Thailand (stock code: KEX.BK), and a holding subsidiary of the Company
“KLN”	KLN Logistics Group Limited (formerly known as Kerry Logistics Network Limited), a company listed on the Main Board of the Hong Kong Stock Exchange (stock code: 0636.HK), and a holding subsidiary of the Company
“Listing Rules of SEHK”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended, supplemented or otherwise modified from time to time)
“logistics and freight forwarding services”	includes the Company’s time-definite express, economy express, freight delivery, cold chain and pharmaceuticals logistics, intra-city on-demand delivery, and supply chain and international business
“lower-tier markets”	generally refers to the market in third- or lower-tier cities, counties, towns and rural areas, or the market where customers place greater emphasis on cost-effectiveness

## Definitions

“LTL”	less-than-truckload, the transportation of goods that do not require a full truckload
“Mingde Holding”	Shenzhen Mingde Holding Development Co., Ltd.* (深圳明德控股發展有限公司), a limited liability company established under the laws of the PRC on November 5, 1997, one of the Controlling Shareholders
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 to the Listing Rules of SEHK
“NAFR”	National Administration of Financial Regulation of the PRC (中華人民共和國國家金融監督管理總局) (which was established on the basis of the China Banking and Insurance Regulatory Commission (中國銀行保險監督管理委員會))
“Nomination Committee”	the nomination committee of the Board
“PRC Company Law”	the Company Law of the People’s Republic of China (中華人民共和國公司法), as amended, supplemented or otherwise modified from time to time
“PRC GAAP”	Generally accepted accounting principles of the PRC
“Prospectus”	the prospectus of the Company dated November 19, 2024
“PTL”	Partial Truckload, the transportation of goods that are relatively large in volume but still not sufficient for a full truckload, requiring consolidated shipping
“Reporting Period”	from January 1, 2025 to June 30, 2025
“reverse logistics”	logistics services that manage the movement of goods from consumers back to manufacturers or sellers, generally for purposes including returns, recycling, or repairs
“Risk Management Committee”	the risk management committee of the Board
“RPA”	Robotic Process Automation
“Remuneration and Appraisal Committee”	the remuneration and appraisal committee of the Board
“RMB”	Renminbi, the lawful currency of the PRC
“R&D”	research and development
“Securities and Futures Commission” or “SFC”	the Securities and Futures Commission of Hong Kong
“standardized portfolio service”	standardized integrated logistics service solution created by combining a wide range of products and technological capabilities to meet the needs of customers in specific scenarios
“SF Express”	S.F. Express Co., Ltd.* (順豐速運有限公司), an indirect wholly-owned subsidiary of the Company
“SF Express (Group)”	SF Express (Group) Limited* (順豐速運(集團)有限公司), the predecessor of Mingde Holding
“SF Holding (Group)”	SF Holding (Group) Co., Limited* (順豐控股(集團)股份有限公司), the predecessor of SF Taisen
“SF Holding (HK)”	SF Holding (HK) Limited (順豐控股(香港)有限公司), an indirect wholly-owned subsidiary of the Company, formerly known as SF Holding Limited (順豐控股有限公司)
“SF Intra-city” or “Intra-city Industrial”	Hangzhou SF Intra-city Industrial Co., Ltd. (杭州順豐同城實業股份有限公司), a company listed on the Main Board of the Hong Kong Stock Exchange (stock code: 9699.HK), an indirect non-wholly owned subsidiary of the Company
“SF REIT”	SF Real Estate Investment Trust, listed on the Main Board of the Hong Kong Stock Exchange (stock code: 2191.HK), is an associate of the Company



## Definitions

“SF Taisen”	Shenzhen S.F. Taisen Holding (Group) Co., Ltd.* (深圳順豐泰森控股(集團)有限公司), previously known as SF Holding (Group) Co., Limited* (順豐控股(集團)股份有限公司), a direct wholly-owned subsidiary of the Company
“SF Technology”	SF Technology Co., Ltd.* (順豐科技有限公司), an indirect wholly-owned subsidiary of the Company
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary share(s) in the capital of the Company with a nominal value of RMB1.00 each, including both A Shares and H Shares
“Shareholder(s)”	holder(s) of the Share(s)
“Shenzhen Stock Exchange”	Shenzhen Stock Exchange
“Shenzhen Weishun”	Shenzhen Weishun Enterprise Management Co., Ltd.* (深圳市瑋順企業管理有限公司), a limited liability company established under the laws of the PRC on January 31, 2023, one of the Controlling Shareholders and owned as to 100% by Mingde Holding
“SKU”	stock keeping unit, a unique code that identifies a commodity, which represents the smallest traceable unit in inventory management and is used to illustrate the identification and tracking of inventory
“SOP”	Standard Operating Procedure
“Southern SF Logistics REIT”	the Southern SF Warehouse Logistics Closed-end Infrastructure Securities Investment Fund, listed on the Shenzhen Stock Exchange (180305), is an associate of the Company
“Strategy Committee”	the strategy committee of the Board
“subsidiary(ies)”	has the meaning ascribed thereto under the Listing Rules of SEHK
“substantial shareholder(s)”	has the meaning ascribed thereto under the Listing Rules of SEHK
“Supervisor(s)”	member(s) of the Board of Supervisors
“Supply chain and international business”	includes the Company’s international express, international cargo and freight forwarding business, and supply chain business
“SXH China Logistics”	the business entities acquired by the Company from HAVI China Holding LLC that engage in cold chain business in mainland China, Hong Kong and Macau
“TEU”	twenty-foot equivalent unit, a standard unit of measurement of the volume of a container with a length of 20 feet, height of eight feet six inches and width of eight feet
“US dollar(s)” or “USD”	United States dollars, the lawful currency of the United States
“WMS”	warehouse management system, a comprehensive warehouse management system that can achieve functions such as batch management, material correspondence, inventory counting, quality inspection management, virtual warehouse management, and real-time inventory management
“WES”	warehouse execution system, an automated warehousing business scheduling and task management system
“2022 Stock Option Incentive Plan”	the stock option incentive plan approved and adopted by the Company on April 28, 2022, selected participants including Directors and members of senior management team, key management members and key staff
“2024 Annual General Meeting”	the annual general meeting of the Company held on June 13, 2025
“3C electronics”	computer, communication, and consumer electronics
“%”	per cent

\* For identification purpose only