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中國外運股份有限公司
SINOTRANS LIMITED

(A joint stock limited company incorporated in the People's Republic of China with limited liability)
(Stock Code: 00598)

**POTENTIAL CONTINUING CONNECTED TRANSACTIONS WITH
SINOTRANS CHANGJIANG AND JIANGSU SHIPPING AGENCY**

POTENTIAL CONTINUING CONNECTED TRANSACTIONS

References is made to the Announcement in relation to the entering into of the Capital Increase Agreements.

The Board is pleased to announce that on 18 May 2023, (i) the Company entered into the Sinotrans Changjiang Master Services Agreement with Sinotrans Changjiang, pursuant to which, the Group may receive logistics services from the Sinotrans Changjiang Group and provide logistics services to the Sinotrans Changjiang Group for the period from 1 January 2023 to 31 December 2025; (ii) the Company entered into the Jiangsu Shipping Agency Master Services Agreement with Jiangsu Shipping Agency, pursuant to which, the Group may receive logistics services from the Jiangsu Shipping Agency Group and provide logistics services to the Jiangsu Shipping Agency Group for the period from 1 January 2023 to 31 December 2025; and (iii) the Company entered into the Master Lease Agreement with Sinotrans Changjiang, pursuant to which, the Group may lease certain of its properties and warehouses (including facilities) to the Sinotrans Changjiang Group for the period from 1 January 2023 to 31 December 2025.

LISTING RULES IMPLICATION

As at the date of this announcement, Sinotrans Changjiang and Jiangsu Shipping Agency are wholly-owned subsidiaries of the Company. Upon completion of the transactions under the Capital Increase Agreements, it is expected that Shanghai Changjiang Shipping and CSC Cargo (both the indirect wholly-owned subsidiaries of Sinotrans & CSC, the controlling shareholder of the Company) will hold more than 10% voting rights of Sinotrans Changjiang and Jiangsu Shipping Agency respectively, therefore, Sinotrans Changjiang and Jiangsu Shipping Agency will become connected subsidiaries of the Company and hence connected persons of the Company

under Rule 14A.16 of the Listing Rules. Accordingly, upon completion of the transactions under the Capital Increase Agreements, the transactions contemplated under the Agreements will constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules and the proposed annual caps for the transactions contemplated thereunder will become effective concurrently.

As each of the highest applicable percentage ratios in respect of (i) the transactions contemplated under the Sinotrans Changjiang Master Services Agreement and the Jiangsu Shipping Agency Master Services Agreement (on an aggregation basis) and (ii) transactions contemplated under the Master Lease Agreement exceeds 0.1% but is less than 5%, such transactions are subject to reporting, announcement and annual review requirements but exempt from independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

None of the Directors has any material interest in the Agreements, and therefore they are not required under the Listing Rules to abstain from voting on the relevant Board resolution. Nonetheless, as Mr. Feng Boming, Mr. Song Dexing, Mr. Deng Weidong, Mr. Jiang Jian, and Ms. Luo Li, all being related Directors, they have abstained from voting on the relevant Board resolution in accordance with the relevant PRC laws and regulations.

I. BACKGROUND

References is made to the announcement of the Company dated 18 May 2023 (the “**Announcement**”) in relation to the entering into of the Capital Increase Agreements.

The Board is pleased to announce that on 18 May 2023, (i) the Company entered into the Sinotrans Changjiang Master Services Agreement with Sinotrans Changjiang, pursuant to which, the Group may receive logistics services from the Sinotrans Changjiang Group and provide logistics services to the Sinotrans Changjiang Group for the period from 1 January 2023 to 31 December 2025; (ii) the Company entered into the Jiangsu Shipping Agency Master Services Agreement with Jiangsu Shipping Agency, pursuant to which, the Group may receive logistics services from the Jiangsu Shipping Agency Group and provide logistics services to the Jiangsu Shipping Agency Group for the period from 1 January 2023 to 31 December 2025; and (iii) the Company entered into the Master Lease Agreement with Sinotrans Changjiang, pursuant to which, the Group may lease certain of its properties and warehouses (including facilities) to the Sinotrans Changjiang Group for the period from 1 January 2023 to 31 December 2025.

As at the date of this announcement, both Sinotrans Changjiang and Jiangsu Shipping Agency are wholly-owned subsidiaries of the Company. As disclosed in the Announcement, upon completion of the transactions under the Capital Increase Agreements, Shanghai Changjiang Shipping and CSC Cargo (both being subsidiaries of Sinotrans & CSC, the controlling shareholder of the Company) will hold more than 10% voting rights of Sinotrans Changjiang

and Jiangsu Shipping Agency, respectively, therefore, Sinotrans Changjiang and Jiangsu Shipping Agency will become connected subsidiaries of the Company and hence connected persons of the Company under Rule 14A.16 of the Listing Rules.

As at the date of this announcement, the transactions under the Capital Increase Agreements have not yet been completed. Therefore, the transactions contemplated under the Agreements will not constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules. Nevertheless, upon completion of the transactions under the Capital Increase Agreements, the transactions contemplated under the Agreements will constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules and the proposed annual caps for the transactions contemplated thereunder will become effective concurrently.

II. POTENTIAL CONTINUING CONNECTED TRANSACTIONS

Details of the Agreements are set out below:

1. Sinotrans Changjiang Master Services Agreement

Date

18 May 2023

Parties

- (1) the Company (for itself and on behalf of its subsidiaries, but excluding the Sinotrans Changjiang Group); and
- (2) Sinotrans Changjiang (for itself and on behalf of its subsidiaries)

Subject Matter

The Group and the Sinotrans Changjiang Group will provide logistics services to and receive such logistics services from the other party, including freight forwarding, shipping agency, storage and terminal, road transportation, shipping transportation and other logistics services, in accordance with the terms of the Sinotrans Changjiang Master Services Agreement.

Term

The Sinotrans Changjiang Master Services Agreement shall take effect only after (i) being signed and stamped with company seal by the authorized representatives of the parties; and (ii) the completion of the transaction under the Sinotrans Changjiang Capital Increase

Agreement and fulfilment of the required approval procedures in respect of connected transactions under the Listing Rules by the Company, and will remain effective for a period from 1 January 2023 to 31 December 2025.

Historical Transaction Amount

As at the date of this announcement, Sinotrans Changjiang is a direct wholly-owned subsidiary of the Company. The Group has been receiving logistics services such as freight forwarding, shipping agency, storage and terminal, road transportation, shipping transportation and other logistics services from the Sinotrans Changjiang Group and providing such logistics services to the Sinotrans Changjiang Group from time to time during its daily operation. According to the internal management accounts of the Group, the actual transaction amounts for the three financial years ended 31 December 2022 are set out below:

Unit: RMB0'000

| | 1 January 2020 to 31 December 2020 | 1 January 2021 to 31 December 2021 | 1 January 2022 to 31 December 2022 |
|--|---------------------------------------|---------------------------------------|---------------------------------------|
| Provision of logistics services by the Sinotrans Changjiang Group to the Group | 30,582.32 | 45,895.78 | 52,723.75 |
| Provision of logistics services by the Group to the Sinotrans Changjiang Group | 32,874.89 | 66,159.83 | 78,029.18 |

Proposed Annual Caps

The proposed annual caps under the Sinotrans Changjiang Master Services Agreement are set out below (assuming the transaction under the Sinotrans Changjiang Capital Increase Agreement is completed):

Unit: RMB0'000

| | 1 January 2023 to 31 December 2023 | 1 January 2024 to 31 December 2024 | 1 January 2025 to 31 December 2025 |
|--|---------------------------------------|---------------------------------------|---------------------------------------|
| Provision of logistics services by the Sinotrans Changjiang Group to the Group | 60,000.00 | 66,000.00 | 72,600.00 |
| Provision of logistics services by the Group to the Sinotrans Changjiang Group | 90,000.00 | 99,000.00 | 108,900.00 |

The above annual caps are determined after arm's length negotiations by the parties after considering, among other things: (i) the actual transaction amounts for the three financial years ended 31 December 2022 between the Group and the Sinotrans Changjiang Group; (ii) the increase in the Group's actual demand for receiving logistics services from the Sinotrans Changjiang Group and providing logistics services to the Sinotrans Changjiang Group in the coming years; and (iii) an estimated increment of 10% applied to the annual caps for 2024 and 2025 to provide a buffer for the increase in transaction amounts due to inflation and potential business expansion.

2. Jiangsu Shipping Agency Master Services Agreement

Date

18 May 2023

Parties

- (1) the Company (for itself and on behalf of its subsidiaries, but excluding the Jiangsu Shipping Agency Group); and
- (2) Jiangsu Shipping Agency (for itself and on behalf of its subsidiaries)

Subject Matter

The Group and the Jiangsu Shipping Agency Group will provide logistics services to and receive such logistics services from the other party, including freight forwarding, shipping agency, storage and terminal, road transportation, shipping transportation and other logistics services, in accordance with the terms of the Jiangsu Shipping Agency Master Services Agreement.

Term

The Jiangsu Shipping Agency Master Services Agreement shall take effect only after (i) being signed and stamped with company seal by the authorized representatives of the parties; and (ii) the completion of the transaction under the CSC Cargo Capital Increase Agreement and fulfilment of the required approval procedures in respect of connected transactions under the Listing Rules by the Company, and will remain effective for a period from 1 January 2023 to 31 December 2025.

Historical Transaction Amount

As at the date of this announcement, Jiangsu Shipping Agency is an indirect wholly-owned subsidiary of the Company. The Group has been receiving logistics services such as freight forwarding, shipping agency, storage and terminal, road transportation, shipping

transportation and other logistics services from the Jiangsu Shipping Agency Group and providing such logistics services to the Jiangsu Shipping Agency Group from time to time during its daily operation. According to the internal management accounts of the Group, the actual transaction amounts for the three financial years ended 31 December 2022 are set out below:

Unit: RMB0'000

| | 1 January 2020 to 31 December 2020 | 1 January 2021 to 31 December 2021 | 1 January 2022 to 31 December 2022 |
|--|---------------------------------------|---------------------------------------|---------------------------------------|
| Provision of logistics services by the Jiangsu Shipping Agency Group to the Group | 5,179.45 | 5,598.77 | 6,840.49 |
| Provision of logistics services by the Group to the Jiangsu Shipping Agency Group | 4,183.38 | 3,320.51 | 4,396.56 |

Proposed Annual Caps

The proposed annual caps under the Jiangsu Shipping Agency Master Services Agreement are set out below (assuming the transaction under the CSC Cargo Capital Increase Agreement is completed):

Unit: RMB0'000

| | 1 January 2023 to 31 December 2023 | 1 January 2024 to 31 December 2024 | 1 January 2025 to 31 December 2025 |
|--|---------------------------------------|---------------------------------------|---------------------------------------|
| Provision of logistics services by the Jiangsu Shipping Agency Group to the Group | 8,000.00 | 8,800.00 | 9,680.00 |
| Provision of logistics services by the Group to the Jiangsu Shipping Agency Group | 5,000.00 | 5,500.00 | 6,050.00 |

The above annual caps are determined after arm's length negotiations by the parties after considering, among other things: (i) the actual transaction amounts for the three financial years ended 31 December 2022 between the Group and the Jiangsu Shipping Agency Group; (ii) the increase in the Group's actual demand for receiving logistics services from the Jiangsu Shipping Agency Group and providing logistics services to the Jiangsu Shipping Agency Group in the coming years; and (iii) an estimated increment of 10% applied to the annual caps for 2024 and 2025 to provide a buffer for the increase in transaction amounts due to inflation and potential business expansion.

3. Master Lease Agreement

Date

18 May 2023

Parties

- (1) the Company (for itself and on behalf of its subsidiaries, but excluding the Sinotrans Changjiang Group); and
- (2) Sinotrans Changjiang (for itself and on behalf of its subsidiaries)

Subject Matter

The Group, as a lessor, will lease certain of its properties and warehouses (including facilities) to the Sinotrans Changjiang Group in accordance with the terms of the Master Lease Agreement.

Term

The Master Lease Agreement shall take effect only after (i) being signed and stamped with company seal by the authorized representatives of the parties; and (ii) the completion of the transaction contemplated under the Sinotrans Changjiang Capital Increase Agreement and fulfilment of the required approval procedures in respect of connected transactions under the Listing Rules by the Company, and will remain effective for a period from 1 January 2023 to 31 December 2025.

Historical Transaction Amount

As at the date of this announcement, Sinotrans Changjiang is a direct wholly-owned subsidiary of the Company and the Group has been providing property leasing services to the Sinotrans Changjiang Group from time to time during its daily operation. According to the internal management accounts of the Group, the actual transaction rentals for the three financial years ended 31 December 2022 in respect of properties and warehouses (including facilities) leased by the Group as a lessor to the Sinotrans Changjiang Group are set out below:

Unit: RMB0'000

**1 January 2020 to
31 December 2020**

—

**1 January 2021 to
31 December 2021**

—

**1 January 2022 to
31 December 2022**

2,460.49

Proposed Annual Caps

The proposed annual caps of the total rentals in respect of properties and warehouses (including facilities) to be leased by the Group as a lessor to the Sinotrans Changjiang Group under the Master Lease Agreement are as follows (assuming the transaction under the Sinotrans Changjiang Capital Increase Agreement is completed):

Unit: RMB0'000

| 1 January 2023 to 31 December 2023 | 1 January 2024 to 31 December 2024 | 1 January 2025 to 31 December 2025 |
|---|---|---|
| 4,000.00 | 5,000.00 | 6,250.00 |

The above annual caps are determined after arm's length negotiations by the parties after considering, among other things: (i) the actual transaction amounts for the three financial years ended 31 December 2022 in respect of the properties and warehouses (including facilities) leased by the Group as a lessor to the Sinotrans Changjiang Group; (ii) the increase in actual demand for leasing services to be procured by the Sinotrans Changjiang Group from the Group in the coming years; and (iii) an estimated increment of 25% applied to the annual caps for 2024 and 2025 to provide a buffer for the increase in transaction amounts due to inflation and potential business expansion.

For the three years ending 31 December 2025, the lease by the Group as a lessee from the Sinotrans Changjiang Group and the lease of certain containers and other equipment by the Group as the lessor to the Sinotrans Changjiang Group are not expected to proceed or the transaction amounts thereof will be minimal and within the de minimis threshold under Chapter 14A of the Listing Rules. The Company will comply with the relevant requirements under Chapter 14A of the Listing Rules (where applicable).

III. BASIS OF PRICING AND SETTLEMENT OF THE TRANSACTIONS CONTEMPLATED UNDER THE AGREEMENTS, AND INTERNAL PROCEDURES FOR MONITORING CONTINUING CONNECTED TRANSACTIONS

1. Basis of Pricing and Settlement

(i) *Sinotrans Changjiang Master Services Agreement and Jiangsu Shipping Agency Master Services Agreement*

The price of each service under the Sinotrans Changjiang Master Services Agreement and the Jiangsu Shipping Agency Master Services Agreement shall be determined at arm's length and on normal commercial terms. And the price of services to be provided by each party to the other shall be the market price. The aforesaid "market price" represents the price provided or obtained by an independent

third party in respect of a same or similar service in the same area on normal commercial terms during the ordinary course of business of the parties. As the Group is a key market player in the transportation and logistics services in the PRC, during its ordinary course of business it gathers information on the market rates of various services offered by its competitors from time to time. For some standard services, various service providers may issue price lists from time to time. When entering into any particular transaction with the Sinotrans Changjiang Group and/or the Jiangsu Shipping Agency Group, the relevant member of the Group would consider a number of factors including, among other things, the combination of service provided or received, the geographical coverage of service provided or received and the terms offered by the local competitors, to ensure the price for the particular transaction is at the market price as defined above. The Company has established a purchase bidding mechanism to ensure the purchase of services is fair and reasonable, for example, during a non-public purchase process, the purchaser shall obtain corresponding quoted prices and terms from at least three suppliers (if not the sole source in the market). Meanwhile, the Company has established a business contracts review system, through which, the supervisory departments will review the terms of service (including price) to ensure such terms are at the market prices as defined above. In the event there are less than three alternative independent third party suppliers available in the relevant market for a particular type of service, the relevant departments will review the terms (including price) of such service as well as business scope with reference to the terms of similar service provided or received by the Group previously and consider whether the terms being offered are commercially beneficial to the Group.

The payment terms of the logistics services provided and received vary depending on the content of the services and would typically be settled in full after completion of the delivery services, and may entail the payment of deposits of a size determined by the nature of services that are required to be provided.

(ii) *Master Lease Agreement*

The Master Lease Agreement requires that the transactions between the parties are at the market price and on normal commercial terms. “Market price” means the price at which the same or comparable type of the subject of the lease arrangements is provided by or to (as appropriate) independent third parties in the same area on normal commercial terms in the ordinary course of business.

In respect of properties and warehouses (including facilities) leased by the Group as a lessor to the Sinotrans Changjiang Group, the rental shall be determined through arm’s length negotiations between relevant parties with reference to the prevailing market price of local properties in vicinity with similar size and quality.

The rental under the Master Lease Agreement is payable on a monthly or annual basis and on such payment terms prescribed under the terms of the specific lease agreement between the parties.

2. Internal Control Procedures

To ensure the relevant terms provided by connected parties under the Agreements are no less favorable than those available from independent third parties and the annual caps of the transactions under the Agreements are not exceeded, the Company's internal control system includes procedures specifically for monitoring continuing connected transactions which include the following steps: (i) the entering into and monitoring of continuing connected transactions are to be conducted in accordance with the Company's internal control manual; (ii) the finance department and compliance department of the Company will regularly collect real-time statistics of the continuing connected transactions under the Agreements and monitor such transactions through the Group's internal online system to ensure the approved annual caps are not exceeded; (iii) the auditors of the Company reviews the statistics of the continuing connected transactions on an annual basis in compliance with the annual reporting and review requirements under the Listing Rules. By implementing the above procedures, the Directors consider that the Company has established sufficient internal control measures to ensure the transactions under the Agreements are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

IV. REASONS AND BENEFITS FOR THE POTENTIAL CONTINUING CONNECTED TRANSACTIONS

The Group has been receiving logistics services such as freight forwarding, shipping agency, storage and terminal, road transportation, shipping transportation and other logistics services from the Sinotrans Changjiang Group and the Jiangsu Shipping Agency Group, and providing such logistics services for the Sinotrans Changjiang Group and the Jiangsu Shipping Agency Group from time to time during the course of its daily operation. In addition, the Group has been leasing out certain properties and warehouses (including facilities) to the Sinotrans Changjiang Group from time to time. As Sinotrans Changjiang and Jiangsu Shipping Agency will become connected subsidiaries of the Company upon completion of transactions under the Capital Increase Agreements, the above transactions between the Group and the Sinotrans Changjiang Group and the Jiangsu Shipping Agency Group respectively will constitute continuing connected transactions of the Company. Therefore, the entering into of the Agreements by the Company and Sinotrans Changjiang and Jiangsu Shipping Agency, respectively, will be beneficial to better control and monitor the above transactions between the Group and the Sinotrans Changjiang Group and the Jiangsu Shipping Agency Group respectively and ensure the full compliance of the requirements under the Listing Rules by the Company. In addition, the regional layout of container business and bulk cargo business of

the Group will be further improved upon completion of transactions under the Capital Increase Agreements, and the transactions between the Sinotrans Changjiang Group and the Jiangsu Shipping Agency Group and the Group will be further increased.

In light of the above, the Directors (including the independent non-executive Directors) are of the view that the terms of the Agreements are fair and reasonable and on normal commercial terms, and the transactions contemplated thereunder (including the proposed annual caps) are conducted in the ordinary and usual course of business of the Group, and are in the interests of the Company and the Shareholders as a whole.

V. INFORMATION OF THE PARTIES

1. The Group, CSC Group, Sinotrans & CSC and China Merchants

The Group is a leading integrated logistics service provider and integrator in the PRC, and its principal businesses include logistics, forwarding and related business and e-commerce business.

CSC Group is a wholly state-owned company established under the laws of the PRC and a wholly-owned subsidiary of China Merchants. With shipping business and cruise tourism business as the core as well as port and shipping service business as the support, CSC Group is a shipping enterprise capable of providing whole-course logistics services throughout the ocean, coastal areas and the Yangtze River.

Sinotrans & CSC, the controlling shareholder of the Company holding 35.36% of issued share capital of the Company in aggregate as at the date of this announcement, holds 100% of equity interests of CSC Group and is principally engaged, through its subsidiaries, in the non-vessel shipping business, international shipping agency, organization, investment and management of integrated logistics, and ship manufacturing and maintenance.

China Merchants is the ultimate controlling shareholder of the Company, and a wholly state-owned enterprise established under the laws of the PRC and under direct control of the State-owned Assets Supervision and Administration Commission of the State Council of the PRC. China Merchants is a comprehensive enterprise with diverse business operations. Currently, China Merchants' business is focused on transportation and logistics, comprehensive finance, and comprehensive development of cities and parks. In recent years, its operation has been extended to emerging sectors, such as big health and testing services.

2. Sinotrans Changjiang

Sinotrans Changjiang is a company incorporated in the PRC with limited liability, whose principal business includes handling non-vessel shipping business, handling domestic container transport business, import and export forwarder business and international multimodal transport business. As at the date of this announcement, Sinotrans Changjiang is 100% owned by the Company and is a direct wholly-owned subsidiary of the Company. Upon completion of the transaction under the Sinotrans Changjiang Capital Increase Agreement, the Company and Shanghai Changjiang Shipping (an indirect wholly-owned subsidiary of China Merchants) will hold 89% and 11% equity interests in Sinotrans Changjiang, respectively. For details, please refer to the Announcement.

3. Jiangsu Shipping Agency

Jiangsu Shipping Agency is a company incorporated in the PRC with limited liability, mainly engaging in the business of international forwarder and domestic and foreign shipping agency at Nanjing port. As at the date of this announcement, Jiangsu Shipping Agency is held as to 51% and 49% by the Company through its wholly-owned subsidiaries, Sinotrans Changjiang and Sinotrans Eastern, respectively, and is an indirect wholly-owned subsidiary of the Company. Upon completion of the transaction under the CSC Cargo Capital Increase Agreement, the Company will hold 51% equity interests in Jiangsu Shipping Agency through Sinotrans Changjiang, and Shanghai Changjiang Shipping will hold 49% equity interests in Jiangsu Shipping Agency through CSC Cargo (a subsidiary of China Merchants). For details, please refer to the Announcement.

VI. IMPLICATIONS UNDER THE LISTING RULES

As at the date of this announcement, Sinotrans Changjiang and Jiangsu Shipping Agency are wholly-owned subsidiaries of the Company. Upon completion of the transactions under the Capital Increase Agreements, it is expected that Shanghai Changjiang Shipping and CSC Cargo (both the subsidiaries of Sinotrans & CSC, the controlling shareholder of the Company) will hold more than 10% voting rights of Sinotrans Changjiang and Jiangsu Shipping Agency respectively, therefore, Sinotrans Changjiang and Jiangsu Shipping Agency will become connected subsidiaries of the Company and hence connected persons of the Company under Rule 14A.16 of the Listing Rules. Accordingly, upon completion of the transactions under the Capital Increase Agreements, the transactions contemplated under the Agreements will constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules and the proposed annual caps for the transactions contemplated thereunder will become effective concurrently.

As each of the highest applicable percentage ratios in respect of (i) the transactions contemplated under the Sinotrans Changjiang Master Services Agreement and the Jiangsu Shipping Agency Master Services Agreement (on an aggregation basis) and (ii) transactions

contemplated under the Master Lease Agreement exceeds 0.1% but is less than 5%, such transactions are subject to reporting, announcement and annual review requirements but exempt from independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

None of the Directors has any material interest in the Agreements, and therefore they are not required under the Listing Rules to abstain from voting on the relevant Board resolution. Nonetheless, as Mr. Feng Boming, Mr. Song Dexing, Mr. Deng Weidong, Mr. Jiang Jian, and Ms. Luo Li, all being related Directors, they have abstained from voting on the relevant Board resolution in accordance with the relevant PRC laws and regulations.

VII. DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions have the following meanings:

| | |
|-------------------------------|--|
| “A Share(s)” | the domestic share(s) of the Company with nominal value of RMB1.00 each, which are listed on the Shanghai Stock Exchange and traded in RMB |
| “Agreements” | the Sinotrans Changjiang Master Services Agreement, the Jiangsu Shipping Agency Master Services Agreement and the Master Lease Agreement |
| “Board” | the board of Directors of the Company |
| “Capital Increase Agreements” | the Sinotrans Changjiang Capital Increase Agreement and the CSC Cargo Capital Increase Agreement, for details of which please refer to the Announcement |
| “China Merchants” | 招商局集團有限公司 (China Merchants Group Limited*), a wholly state-owned enterprise established under the laws of the PRC and under direct control of the State-owned Assets Supervision and Administration Commission of the State Council of the PRC, the ultimate controlling shareholder of the Company which holds 58.48% of the total issued shares of the Company as at the date of this announcement |
| “Chongqing Bulk Shipping” | 重慶中外運散貨運輸有限公司 (Chongqing Sinotrans Bulk Shipping Co., Ltd.*), a limited liability company incorporated in the PRC and an indirect wholly-owned subsidiary of the Company as at the date of this announcement |

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|--|--|
| “Company” | 中國外運股份有限公司 (Sinotrans Limited), a joint stock limited company incorporated in the People’s Republic of China with limited liability, whose H Shares are listed on the Hong Kong Stock Exchange and whose A Shares are listed on the Shanghai Stock Exchange |
| “connected person(s)” | has the meaning ascribed thereto under the Listing Rules |
| “CSC Cargo” | 長航貨運有限公司 (CSC Cargo Co., Ltd.*), a company incorporated in the PRC with limited liability and an indirect wholly-owned subsidiary of China Merchants as at the date of this announcement |
| “CSC Cargo Capital Increase” | Sinotrans Eastern intended to subscribe for the incremental registered capital of CSC Cargo to take 13% equity interests in CSC Cargo upon completion of the capital increase with its 100% equity interests in Chongqing Bulk Shipping, 100% equity interests in Hubei Bulk Shipping and 49% equity interests in Jiangsu Shipping Agency, for details of which please refer to the Announcement |
| “CSC Cargo Capital Increase Agreement” | the agreement dated 18 May 2023 entered into among Sinotrans Eastern, Chongqing Bulk Shipping, Hubei Bulk Shipping, Jiangsu Shipping Agency and Shanghai Changjiang Shipping and CSC Cargo in relation to the CSC Cargo Capital Increase, for details of which please refer to the Announcement |
| “CSC Group” | 中國長江航運集團有限公司 (China Yangtze Shipping Group Co., Ltd.*), a wholly state-owned enterprise established under the laws of the PRC, the 100% shares of which are held by China Merchants through Sinotrans & CSC |
| “Director(s)” | the director(s) of the Company |
| “Group” | the Company and its subsidiaries, excluding, for the purposes of this announcement, the Sinotrans Changjiang Group or the Jiangsu Shipping Agency Group (as the case may be) |
| “H Share(s)” | overseas listed foreign share(s) with nominal value of RMB1.00 each in the issued share capital of the Company, which are listed on the Hong Kong Stock Exchange and traded in Hong Kong dollars |

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|---|--|
| “Hong Kong” | the Hong Kong Special Administrative Region of the People’s Republic of China |
| “Hong Kong Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Hubei Bulk Shipping” | 湖北中外運散貨運輸有限公司 (Hubei Sinotrans Bulk Shipping Co., Ltd.*), a limited liability company incorporated in the PRC and an indirect wholly-owned subsidiary of the Company as at the date of this announcement |
| “Jiangsu Shipping Agency” | 江蘇中外運船務代理有限公司 (Jiangsu Sinotrans Shipping Agency Co., Ltd.*), a limited liability company incorporated in the PRC and an indirect wholly-owned subsidiary of the Company as at the date of this announcement |
| “Jiangsu Shipping Agency Group” | Jiangsu Shipping Agency and its subsidiaries |
| “Jiangsu Shipping Agency Master Services Agreement” | the master services agreement dated 18 May 2023 entered into between the Company and Jiangsu Shipping Agency in relation to the provision and receipt of logistics services between the Group and the Jiangsu Shipping Agency Group |
| “Listing Rules” | the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited |
| “Master Lease Agreement” | the master lease agreement dated 18 May 2023 entered into between the Company and Sinotrans Changjiang in relation to certain properties and warehouses (including facilities) leased by the Group to the Sinotrans Changjiang Group |
| “PRC” | the People’s Republic of China |
| “RMB” | Renminbi, the lawful currency of the PRC |
| “Shanghai Changjiang Shipping” | 上海長江輪船有限公司(Shanghai Changjiang Shipping Corporation*), a limited liability company incorporated in the PRC and an indirect wholly-owned subsidiary of China Merchants as at the date of this announcement |
| “Share(s)” | H Share(s) and A Share(s) |
| “Shareholder(s)” | the shareholder(s) of the Company |

| | |
|---|---|
| “Sinotrans & CSC” | 中國外運長航集團有限公司 (Sinotrans & CSC Holdings Co., Ltd.*), a wholly state-owned enterprise established under the laws of the PRC, a wholly-owned subsidiary of China Merchants, and the controlling shareholder of the Company aggregately holding 35.36% of the issued share capital of the Company as at the date of this announcement |
| “Sinotrans Changjiang” | 中國外運長江有限公司 (Sinotrans Changjiang Co., Ltd.*), a company incorporated in the PRC with limited liability and a direct wholly-owned subsidiary of the Company as at the date of this announcement |
| “Sinotrans Changjiang Capital Increase” | Shanghai Changjiang Shipping intended to subscribe for the incremental registered capital of Sinotrans Changjiang to take 11% equity interests in Sinotrans Changjiang upon completion of the capital increase with its 100% equity interests in Yangtze River Shipping, for details of which please refer to the Announcement |
| “Sinotrans Changjiang Capital Increase Agreement” | the agreement dated 18 May 2023 entered into among the Company, Sinotrans Changjiang (a subsidiary of the Company), Shanghai Changjiang Shipping and Yangtze River Shipping in relation to the Sinotrans Changjiang Capital Increase, for details of which please refer to the Announcement |
| “Sinotrans Changjiang Group” | Sinotrans Changjiang and its subsidiaries |
| “Sinotrans Changjiang Master Services Agreement” | the master services agreement dated 18 May 2023 entered into between the Company and Sinotrans Changjiang in relation to the provision and receipt of logistics services between the Group and the Sinotrans Changjiang Group |
| “Sinotrans Eastern” | 中國外運華東有限公司 (Sinotrans Eastern Co., Ltd.*), a limited liability company incorporated in the PRC and a subsidiary of the Company as at the date of this announcement |
| “Yangtze River Shipping” | 中國揚子江輪船股份有限公司 (China Yangtze River Shipping Co., Ltd.*), a joint stock limited company incorporated in the PRC and a subsidiary of Sinotrans & CSC as at the date of this announcement |

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per cent

By order of the Board
Sinotrans Limited
Li Shichu
Company Secretary

Beijing, 18 May 2023

As at the date of this announcement, the board of directors of the Company comprises Feng Boming (Chairman), Song Dexing (Vice Chairman), Song Rong (executive director), Deng Weidong (non-executive director), Jiang Jian (non-executive director), Luo Li (non-executive director), Jerry Hsu (non-executive director), and four independent non-executive directors, namely Wang Taiwen, Meng Yan, Song Haiqing and Li Qian.

* *For the purpose of identification only*