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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)

Overseas Regulatory Announcement
Announcement on the Fulfillment of Exercise Conditions for the First
Exercise Period under the Share Option Incentive Scheme (Phase I) of the
Company

This announcement is made pursuant to Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The “SINOTRANS LIMITED ANNOUNCEMENT ON THE FULFILLMENT OF EXERCISE CONDITIONS FOR THE FIRST EXERCISE PERIOD UNDER THE SHARE OPTION INCENTIVE SCHEME (PHASE I) OF THE COMPANY” as published by Sinotrans Limited in Chinese on the website of the Shanghai Stock Exchange (www.sse.com.cn) is disclosed as overseas regulatory announcement in Chinese and English for your reference only. In case of any inconsistencies between the Chinese version and the English translation, the Chinese version shall prevail.

By Order of the Board
Sinotrans Limited
Li Shichu
Company Secretary

Beijing, 29 January 2024

As at the date of this announcement, the board of directors of the Company comprises Wang Xiufeng (Chairman), Song Rong (executive director), Deng Weidong (non-executive director), Luo Li (non-executive director), Yu Zhiliang (non-executive director), Tao Wu (non-executive director), Jerry Hsu (non-executive director), and four independent non-executive directors, namely Wang Taiwen, Meng Yan, Song Haiqing and Li Qian.

SINOTRANS LIMITED
ANNOUNCEMENT ON THE FULFILLMENT OF EXERCISE CONDITIONS FOR
THE FIRST EXERCISE PERIOD UNDER THE SHARE OPTION INCENTIVE
SCHEME (PHASE I) OF THE COMPANY

The board of directors the Company (the “Board”) and all directors warrant that there are no false representations or misleading statements contained in, or material omissions from this announcement, and accept legal responsibilities for the authenticity, accuracy and completeness of the content herein.

Important Note:

- Number of share options to be exercised: 22,951,132
- Source of exercisable Shares: A shares repurchased by the Company from the secondary market

On 29 January 2024, Sinotrans Limited (the “Company” or “Sinotrans”) held the 28th meeting of the third session of the Board and the first meeting in 2024 of the Supervisory Committee of the Company, on which the Resolution on the Fulfillment of Exercise Conditions for the First Exercise Period under the Share Option Incentive Scheme (Phase I) of the Company was considered and passed. In accordance with the provisions of the Share Option Incentive Scheme (Phase I) of Sinotrans Limited (the “Share Option Incentive Scheme (Phase I) of the Company”) relating to the fulfillment of the exercise conditions, the exercise conditions for the first exercise period of the Share Option Incentive Scheme (Phase I) of the Company have been fulfilled, and the relevant matters are hereby announced as follows:

I. Approval and implementation of the Share Option Incentive Scheme

1. On 29 November 2021, the Company held the 6th meeting of the third session of the Board and the 7th meeting in 2021 of the Supervisory Committee, on which the Resolution on the Share Option Incentive Scheme (Draft) and a Summary Thereof, the Resolution on the Appraisal Measures for Implementation of the Share Option Incentive Scheme and the Resolution on the Grant of a Mandate to the Board by the General Meeting to Deal with Matters Regarding the Share Option Incentive Scheme were considered and passed. The Independent Directors of the Company expressed their independent opinions on the matters relating to the Share Option Incentive Scheme and the Supervisory Committee expressed their verification opinions on the matters relating to the Share Option Incentive Scheme.

2. On 7 January 2022, the Company published the names and positions of the participants under the Share Option Incentive Scheme through its internal website from 7 January 2022 to 16 January 2022. Upon expiry of period of public notice, the Company did not receive any objection to the participants under the Share Option Incentive Scheme. The Supervisory Committee of the Company has verified the list of participants under the Share Option Incentive Scheme and disclosed the Verification Opinion on the List of Participants under the Share Option Incentive Scheme (Phase I) of the Company and Explanation on Public Details from Supervisory Committee on 18 January 2022.

3. On 21 January 2022, the Company received from China Merchants Group, the actual controller of the Company, the Approval of the State-owned Assets Supervision and Administration Commission of the State Council on the Implementation of the Share Option Incentive Scheme of Sinotrans Limited (Guo Zi Kao Fen [2022] No. 31), which agreed in principle to the implementation of the Share Option Incentive Scheme by the Company.

4. On 24 January 2022, the Company held the 2022 first extraordinary general meeting, on which the Resolution on the Share Option Incentive Scheme (Draft) and a Summary Thereof, the Resolution on the Appraisal Measures for Implementation of the Share Option Incentive Scheme and the Resolution on the Grant of a Mandate to the Board by the General Meeting to Deal with Matters Regarding the Share Option Incentive Scheme were considered and passed. The General Meeting authorized the Board to determine the grant date of the Share Option Incentive Scheme and to grant the share options to the participants upon the fulfilment of grant conditions and deal with the related matters.

5. On 25 January 2022, the Company held the 8th meeting of the third session of the Board and the first meeting in 2022 of the Supervisory Committee in sequence, on which the Resolution on the Grant of the Share Options to the Participants under the Share Option Incentive Scheme (Phase I) of the Company was passed, which approved to grant 73,925,800 share options to the 186 participants with the grant date being 25 January 2022. The Independent Directors of the Company expressed their independent opinions on the grant and the Supervisory Committee expressed their verification opinions on the list of participants on the grant date.

6. On 1 March 2022, the registration for the grant of the 73,925,800 share options was completed at Shanghai Branch of China Securities Depository and Clearing Corporation Limited.

7. On 25 August 2022, the Company held the 15th meeting of the third session of the Board and the 3rd meeting in 2022 of the Supervisory Committee, on which the Resolution on

Adjustment to the Exercise Price of the Share Option Incentive Scheme of the Company was considered and passed. The Company has paid the dividend for the year 2021 on 15 July 2022, with cash dividend of RMB0.18 per share (tax included), and adjusted the exercise price of Share Option Incentive Scheme from RMB4.29 per share to RMB4.11 per share in accordance with the relevant provisions on adjustment of exercise price under the Share Option Incentive Scheme (Phase I).

8. On 27 March 2023, the Company held the 19th meeting of the third session of the Board and the first meeting in 2023 of the Supervisory Committee, on which the Resolution on Adjustment to the exercise price of the Share Option Incentive Scheme of the Company was considered and passed. The Company has paid an interim dividend for the year 2022 on 18 November 2022, with cash dividend of RMB0.10 per share (tax included), and adjusted the exercise price of the Share Option Incentive Scheme from RMB4.11 per share to RMB4.01 per share in accordance with the relevant provisions on adjustment of exercise price under the Share Option Incentive Scheme (Phase I).

9. On 26 October 2023, the Company held the 27th meeting of the third session of the Board and 5th meeting in 2023 of the Supervisory Committee, on which the Resolution on Adjustment to the Exercise Price of the Share Option Incentive Scheme of the Company was considered and passed. The Company has paid cash dividend of RMB0.10 per share (tax included) for the year 2022 on 28 June 2023 and cash dividend of RMB0.145 per share (tax included) for the interim dividend of 2023 on 19 October 2023 respectively, and adjusted the exercise price of the Share Option Incentive Scheme from RMB4.01 per share to RMB3.765 per share in accordance with the relevant provisions on adjustment of exercise price under the Share Option Incentive Scheme (Phase I).

10. On 29 January 2024, the Company held the 28th meeting of the third session of the Board and the first meeting in 2024 of the Supervisory Committee, on which the Resolution on the Fulfillment of the Exercise Conditions for the First Exercise Period under Share Option Incentive Scheme (Phase I) of the Company was considered and passed. The exercise conditions for the first exercise period of the Share Option Incentive Scheme (Phase I) of the Company have been fulfilled, with 176 participants having fulfilled the exercise conditions for the first exercise period of the Share Option Incentive Scheme (Phase I) of the Company.

As at the date of this announcement, the options under the Share Option Incentive Scheme (Phase I) of the Company has not yet been exercised.

II. The Description of the Conditions for the Exercise of Share Options

(I) Arrangement for the Exercise of Share Options

The lock-up period shall be 24 months from the grant date of the Share Option Incentive Scheme (Phase I) of the Company (25 January 2022), the share options shall be exercisable after 24 months from the grant of the share options. On the exercisable date, subject to the satisfaction of the effective conditions under Share Option Incentive Scheme (Phase I) of the Company, the participants may exercise their share options in tranches and in accordance with the arrangements set out in the table below:

Exercise Period	Exercise Time	Exercise Ratio
First Exercise Period	Commencing from the first trading day after the expiration of the 24-month period (or two anniversaries) from the grant date and ending on the last trading day of the 36-month period from the grant date	1/3
Second Exercise Period	Commencing from the first trading day after the expiration of the 36-month period (or three anniversaries) from the grant date and ending on the last trading day of the 48-month period from the grant date	1/3
Third Exercise Period	Commencing from the first trading day after the expiration of the 48-month period (or four anniversaries) from the grant date and ending on the last trading day of the 60-month period from the grant date	1/3

In view of the above, the first exercise period of the Share Option Incentive Scheme (Phase I) of the Company will take effect from 25 January 2024 to 24 January 2025.

(II) Descriptions of the Conditions for the Exercise of Share Options

The conditions for the exercise of the first exercise period	The description of whether the conditions for the exercise of options have been fulfilled
(I) There is no occurrence of any of the followings in respect of the Company: 1. occurrence of issuance of the auditors' report	As there is no occurrence of any events listed in the left column in respect of the Company, the conditions for the exercise of options are

<p>containing an adverse opinion or disclaimer of opinion by a certified public accountant on the financial and accounting report of the Company for the latest accounting year;</p> <p>2. occurrence of issuance of the auditors' report containing an adverse opinion or disclaimer of opinion by a certified public accountant on the internal control of the Company in its financial report for the latest accounting year;</p> <p>3. circumstances under which the Company fails to distribute profits in accordance with relevant laws and regulations, the articles of association or any undertaking publicly made within the latest 36 months after listed on a stock exchange;</p> <p>4. circumstances under which equity incentive is prohibited to be implemented under applicable laws and regulations;</p> <p>5. circumstances under which equity incentive is prohibited to be implemented by the CSRC;</p> <p>6. such other circumstances under which equity incentive is prohibited to be implemented by the Shanghai Stock Exchange.</p>	<p>fulfilled.</p>
<p>(II) There is no occurrence of any of the followings in respect of the participant:</p> <p>1. such participant has failed individual performance assessment for the financial year immediately preceding the share options becoming effective under the appraisal measures;</p> <p>2. such participant is prohibited by Chapter 3 of the Share Option Incentive Scheme of Sinotrans</p>	<p>As there is no occurrence of any events listed in the left column in respect of the participant, the conditions for the exercise of options are fulfilled.</p>

<p>Limited (Phase I) (Draft) from participating in the incentive scheme.</p>									
<p>(III) The Company’s performance conditions for the share options becoming effective:</p> <p>1. The ROE attributable to owners of the Company for the preceding financial year shall be no less than 10.25% and no less than within-industry average level (or the 75th percentile of peer benchmarking companies) when the first tranche becomes exercisable;</p> <p>2. The compound growth rate of net profit attributable to owners of the Company for the preceding financial year shall be no less than 11% and no less than within-industry average level (or the 75th percentile of peer benchmarking companies) when the first tranche becomes exercisable;</p> <p>3. The economic value added (“EVA”) for the preceding financial year shall be no less than RMB1,500 million when the first tranche becomes exercisable.</p>	<p>According to the Company’s operating results for 2022, the performance conditions of the Company in the left column were fulfilled as follows:</p> <p>1. The Company’s ROE attributable to owners of the Company for 2022 was 11.97%, no less than 4.55% of within-industry average level (excluding outliers);</p> <p>2. The Company’s compound growth rate of net profit attributable to owners of the Company for 2022 was 21.53%, no less than 9.53% of within-industry average level (excluding outliers);</p> <p>3. The Company’s EVA for 2022 was RMB2.06 billion.</p>								
<p>(IV) The individual annual appraisal conditions for the share options becoming effective:</p> <table border="1" data-bbox="137 1554 783 1933"> <thead> <tr> <th data-bbox="137 1554 459 1767">Achievement of annual performance of individuals/appraisal results</th> <th data-bbox="459 1554 783 1767">Actual exercisable percentage of share options of individuals</th> </tr> </thead> <tbody> <tr> <td data-bbox="137 1767 459 1823">Good and above</td> <td data-bbox="459 1767 783 1823">100%</td> </tr> <tr> <td data-bbox="137 1823 459 1879">Qualified</td> <td data-bbox="459 1823 783 1879">80%</td> </tr> <tr> <td data-bbox="137 1879 459 1933">Unqualified</td> <td data-bbox="459 1879 783 1933">0</td> </tr> </tbody> </table>	Achievement of annual performance of individuals/appraisal results	Actual exercisable percentage of share options of individuals	Good and above	100%	Qualified	80%	Unqualified	0	<p>1. Among the Company’s 186 original participants, 10 of whom have resigned due to personal reasons and no longer qualified as participants.</p> <p>2. Based on the performance appraisal results of the individuals of the Company for 2022, the appraisal results of the remaining 176 participants achieved qualified grade and above, which meet the conditions for exercise of the first exercise period; while 8</p>
Achievement of annual performance of individuals/appraisal results	Actual exercisable percentage of share options of individuals								
Good and above	100%								
Qualified	80%								
Unqualified	0								

	participants achieved qualified results in their individual annual appraisal, their exercisable ratio for the first exercise period was 80%.
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In summary, according to the requirements of the Share Option Incentive Scheme (Phase I) of the Company regarding to the fulfillment of the conditions for the exercise of options, the conditions for the exercise of the first exercise period under the Share Option Incentive Scheme (Phase I) of the Company have been fulfilled. The 176 participants of the Company have met the conditions for the exercise of the first exercise period under the Share Option Incentive Scheme (Phase I) of the Company.

(III) Method for the Share Options that Failed to Fulfill the Conditions for the Exercise of Share Options

According to the resolution of the 28th meeting of the third session of the Board, the 4,512,200 share options granted to but not yet exercised by the original 10 participants who ceased to be eligible as participants due to their resignation for personal reasons will be cancelled; 8 participants achieved qualified results in their individual annual appraisal, and their exercisable ratio for the first exercise period was 80%, with the remaining 20%, a total of 186,759 share options, to be cancelled.

III. Specific Circumstances of the Exercise

(I) Date of grant: 25 January 2022

(II) Number of options to be exercised: 22,951,132

(III) Number of persons eligible for exercise: 176

(IV) Exercise price: RMB3.765/share

(V) Method of exercise: Bulk exercise

(VI) Source of shares: A shares to be repurchased by the Company in secondary market

(VII) Exercise arrangement: The Company shall uniformly process the exercise of share options by participants and the related registration procedures for the shares underlying the exercised share options during the exercise window period stipulated by the policy, and determine the exercise date to be the date when Shanghai Branch of China Securities

Depository and Clearing Corporation Limited completes the registration procedures for share change.

(VIII) List of participants and exercise of options

Name	Position	Number of Share Options Exercisable (shares)	Percentage of Total Share Options Granted under the Option Incentive Scheme (Note 1)	Percentage of Total Share Capital upon the Grant (Note 2)
Song Rong	Executive Director, President	428,933	0.58%	0.0058%
Wang Jiuyun	Chief Financial Officer	256,267	0.35%	0.0035%
Li Shichu	Vice President, Secretary of the Board	256,267	0.35%	0.0035%
Gao Xiang	Vice President, Chief Digital Officer	299,600	0.41%	0.0040%
Wang Dupeng	Vice President	228,867	0.31%	0.0031%
Wang Jian	Vice President	228,867	0.31%	0.0031%
Tian Lei	General Counsel	278,600	0.38%	0.0038%
Sub-total		1,977,401	2.67%	0.0267%
Sub-total of other participants (169 persons)		20,973,731	28.37%	0.2834%
Total (176 persons)		22,951,132	31.05%	0.3101%

Note 1: As at the date of grant (25 January 2022), the Company granted a total of 73,925,800 share options.

Note 2: As at the date of grant (25 January 2022), the total share capital of Company was 7,400,803,875 shares.

IV. Verification of the List of Participants by the Supervisory Committee

Pursuant to relevant provisions under the Share Option Incentive Scheme (Phase I) of the Company, the conditions for the exercise of the first exercise period under the Share Option Incentive Scheme (Phase I) of the Company have been fulfilled, and the 176 participants of the Company have met the conditions for the exercise of the first exercise period under the Share Option Incentive Scheme (Phase I) of the Company, and their eligibility to exercise the options as participants is lawful and valid. Accordingly, the supervisory committee of the Company has

approved the exercise of options by the 176 participants who have met the conditions, resulting in a total number of corresponding exercisable share options of 22,951,132.

V. Exercise Date and Trading of Shares

The Company will uniformly process the exercise of share options by participants and the related registration procedures for the shares underlying the exercised share options during the window period for exercise of options stipulated by the policy, and determine the exercise date to be the date when Shanghai Branch of China Securities Depository and Clearing Corporation Limited completes the registration procedures for share change.

Directors and members of the senior management who are eligible for the exercise of options have not engaged in any trading of the shares of the Company in the past six months.

VI. Accounting Treatment and Explanation of Expenses for the Share Options Granted under the Scheme

On the grant date, the Company adopts the Black-Scholes Option Pricing Model to determine the fair value of share options as at the grant date in accordance with the Accounting Standards for Business Enterprises No. 11 – Share-based Payments and the Accounting Standards for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments. After the grant date, the expenses related to the exercise of options will be amortized within the corresponding lock-up period in accordance with accounting standards and included in related costs or expenses and capital reserves. On the exercise date, the Company recognizes share capital and premium of share capital based on the actual status of the exercise, with the specific figures being subject to the annual audit report issued by the auditors. The exercise of options would not have any significant impact on the Company's financial position and business performance.

VII. Concluding Observations of the Legal Opinion

Jia Yuan Law Offices holds the view that:

1. Sinotrans have obtained necessary authorization and approval for the current stage in respect of the cancellation and the fulfillment of conditions for the exercise of share options.

2. The cancellation and the fulfillment of conditions for the exercise of share options comply with the relevant provisions as set out in the Measures for the Administration of Equity Incentive Plans of Listed Companies, the Articles of Association and the Share Option Incentive Scheme of Sinotrans Limited (Phase I) (Draft), and therefore is legitimate and valid.

3. The conditions for the exercise of share options in the first exercise period under the Share Option Incentive Scheme of Sinotrans have been fulfilled, and the 176 participants of the Company have met the conditions for the exercise of the first exercise period under the Share Option Incentive Scheme (Phase I) of the Company.

The announcement is hereby made.

The Board of Sinotrans Limited

29 January 2024