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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 Proposed Cancellation of Part of the Share Options**

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 PROPOSED CANCELLATION OF PART OF THE SHARE OPTIONS” as published by Sinotrans Limited in Chinese on the website of the Shanghai Stock Exchange ([www.sse.com.cn](http://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 PROPOSED CANCELLATION OF PART OF THE**  
**SHARE OPTIONS**

**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.**

On 29 January 2024, Sinotrans Limited (the “Company” or “Sinotrans”) held the 28<sup>th</sup> 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 Proposed Cancellation of Part of the Share Options 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”), the Company proposed to cancel part of the share options, 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 6<sup>th</sup> meeting of the third session of the Board and the 7<sup>th</sup> 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 authorizes 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 8<sup>th</sup> 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 15<sup>th</sup> meeting of the third session of the Board and the 3<sup>rd</sup> 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 19<sup>th</sup> 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 27<sup>th</sup> meeting of the third session of the Board and 5<sup>th</sup> 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 28<sup>th</sup> meeting of the third session of the Board and the first meeting in 2024 of the Supervisory Committee, on which the Resolution on the Proposed Cancellation of Part of Share Options was considered and passed. The Company proposed to cancel the 4,698,959 share options which have been granted but not yet exercised.

## **II. The Cancellation of the Share Options**

### **(I) Resignation of Participants**

Pursuant to Article 29 of the Share Option Incentive Scheme (Phase I) of the Company, 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.

### **(II) Appraisal for Annual Performance of Individuals**

Pursuant to Article 20 of the Share Option Incentive Scheme (Phase I) of the Company, the relationship between the results of individual performance appraisals of the participants and the proportion of options in effect is as follows:

<b>Achievement of annual performance of individuals/appraisal results</b>	<b>Actual exercisable percentage of share options of individuals</b>
Good and above	100%
Qualified	80%
Unqualified	0

Based on the performance appraisal results of the individuals of the Company for 2022, 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.

In summary, the total number of share options granted but not yet exercised and proposed to be cancelled is 4,698,959.

### **III. Impact of the Cancellation of Share Options on the Company**

The cancellation of the share options will not affect the continued implementation of the Share Option Incentive Scheme (Phase I) of the Company, nor will it have any material impact on the financial position and operating results of the Company, nor will it affect the number of shares and share capital structure of the Company.

### **IV. Subsequent Arrangements for the Cancellation of Part of the Share Options**

The 2022 first extraordinary general meeting of the Company has authorised the board of directors to deal with matters relating to the Share Option Incentive Scheme (Phase I) of the Company, including but not limited to being responsible for the implementation of the grant, exercise and cancellation of share options, etc., and it is not necessary to submit the matter of the cancellation of part of the share options to the general meeting for consideration. The Company will handle the relevant procedures for the cancellation of part of the share options in accordance with relevant provisions of the Shanghai Stock Exchange and the Shanghai Branch of China Securities Depository and Clearing Corporation Limited.

### **V. Opinions of the Supervisory Committee**

The supervisory committee is of the view that according to the Share Option Incentive Scheme (Phase I) of the Company and the Appraisal Measures for Implementation of the Share Option Incentive Scheme of the Company, the cancellation of the 4,698,959 share options

which were granted but not yet exercised is in compliance with the relevant provisions of the Measures for the Administration of Equity Incentives of Listed Companies (《上市公司股權激勵管理辦法》) and the Share Option Incentive Scheme (Phase I) of the Company, and that the decision-making process is lawful and effective, and the proposed cancellation of share options will not affect the continued implementation of the Share Option Incentive Scheme (Phase I) of the Company, nor will it have any material impact on the financial position and operating results of the Company, and under no circumstances the interests of the Company and all shareholders will be harmed. The supervisory committee approved the cancellation by the Company of the aforesaid share options in accordance with the provisions.

## **VI. 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