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**中國外運**

**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)**

**CONTINUING CONNECTED TRANSACTIONS  
MASTER SERVICES AGREEMENT WITH QINGDAO JINYUN AIR**

**MASTER SERVICES AGREEMENT**

Reference is made to the announcement of the Company dated 15 June 2022, in relation to the Original Master Services Agreement entered into between the Company and Qingdao Jinyun Air, pursuant to which transportation and logistics services may be provided and received between the Group and the Qingdao Jinyun Air Group from 1 January 2022 to 31 December 2024.

As the Original Master Services Agreement expired on 31 December 2024, in order to facilitate monitoring and regulating the transactions on provision and receipt of transportation and logistics services between the Group and the Qingdao Jinyun Air Group, the Company entered into the Master Services Agreement with Qingdao Jinyun Air on 25 March 2025, pursuant to which transportation and logistics services may be provided and received between the Group and the Qingdao Jinyun Air Group from 1 January 2025 to 31 December 2027.

**IMPLICATIONS UNDER THE LISTING RULES**

Given that a subsidiary of SINOTRANS & CSC holds more than 10% of the voting rights of Qingdao Jinyun Air, Qingdao Jinyun Air is a connected subsidiary of the Company and a connected person of the Company according to the Rule 14A.16 of the Listing Rules. As such, the transactions contemplated under the Master Services Agreement constitute continuing connected transactions of the Company.

As the highest applicable percentage ratios in respect of the provision and receipt of transportation and logistics services between the Group and the Qingdao Jinyun Air Group under the Master Services Agreement are more than 0.1% but less than 5%, such transactions are subject to the reporting, annual review and announcement requirements but exempt from the independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

None of the Directors had any material interest in the Master Services Agreement and the transactions contemplated thereunder and therefore they are not required under the Listing Rules to abstain from voting on the relevant board resolution. Nonetheless, as Mr. Yang Guofeng, Ms. Luo Li, Mr. Yu Zhiliang and Mr. Tao Wu, all being the Directors, are concurrently holding positions in China Merchants, they have abstained from voting on the relevant board resolution in accordance with the relevant PRC laws and regulations.

## **I. INTRODUCTION**

Reference is made to the announcement of the Company dated 15 June 2022, in relation to the Original Master Services Agreement entered into between the Company and Qingdao Jinyun Air, pursuant to which transportation and logistics services may be provided and received between the Group and the Qingdao Jinyun Air Group from 1 January 2022 to 31 December 2024.

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## **II. MASTER SERVICES AGREEMENT**

Principal terms of the Master Services Agreement are set out as follows:

### **Date**

25 March 2025

### **Parties**

- (1) the Company; and
- (2) Qingdao Jinyun Air.

## **Subject matter**

The Group and the Qingdao Jinyun Air Group shall provide and receive transportation and logistics services (including freight forwarding, shipping agency, storage and terminal services, trucking transportation, express services and shipping transportation and other logistics services) to each other in accordance with the terms of the Master Services Agreement.

## **Term**

The term is for a period of three years commencing on 1 January 2025 and ending on 31 December 2027.

## **Basis of pricing**

The price of each service under the 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 "market price" represents the price in respect of same or similar services provided or obtained by an independent third party in the same area on normal commercial terms during the ordinary course of business. As the Group is a key market player in transportation and logistics services in the PRC, during the 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 Qingdao Jinyun Air Group, the relevant member of the Group would consider a number of factors including, among other things, the combination of services provided, the geographical coverage of services provided and the terms offered by the local competitors, with a view to ensuring that the terms offered to the Group are at market prices as defined above. If a transaction involves customized combination of services for which the terms offered by service providers could substantially differ, the relevant member of the Group will in accordance with the Group's internal control requirements obtain quotes and terms of services from at least two independent third parties (to the extent such alternative service providers are available) and the connected person. The Company has established a business contracts review system in which the supervisory departments and offices of the Group will review the terms of services (including the price of services) and compare the same against those offered by independent third parties, to ensure that those terms are at market prices as defined above. In the event that there are less than two alternative independent third parties service providers in the relevant market for a particular type of services, such departments and offices will review the terms of such services (including the price of the services) with reference to the terms of similar services provided or received by the Group previously and consider whether the terms being offered are commercially beneficial to the Group having regard to such comparables. The transportation and logistics services provided under the Master Services Agreement by the Group to the Qingdao Jinyun Air Group will be at the market prices charged by the Group to independent third parties for the same or comparable type of services, and vice versa. The Directors consider that the procedures described above can ensure that the transactions will be conducted on normal commercial terms and not prejudicial to the interests of the Company and its minority Shareholders.

## Settlement

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

## Historical transaction amounts

The historical transaction amounts of transportation and logistics services provided and received between the Group and the Qingdao Jinyun Air Group for the three years ended 31 December 2024 were as follows:

*Unit: RMB' 0,000*

	<b>From 1 January to 31 December 2022</b>	<b>From 1 January to 31 December 2023</b>	<b>From 1 January to 31 December 2024</b>
Provision of transportation and logistics services by the Group	608.91	4,495.70	1,765.62
Receipt of transportation and logistics services by the Group	1,410.60	1,349.23	918.08

The Board further confirms that, as at the date of this announcement, the actual transaction amounts for provision and receipt of transportation and logistics services by the Group with the Qingdao Jinyun Air Group since 1 January 2025 still fall within the de minimis threshold under Chapter 14A of the Listing Rules.

## Proposed annual caps

The table below sets out the proposed annual caps for the transportation and logistics services to be provided and received between the Group and the Qingdao Jinyun Air Group for the three years ending 31 December 2027:

*Unit: RMB' 0,000*

	<b>Annual cap for the year ending 31 December 2025 <sup>1</sup></b>	<b>Annual cap for the year ending 31 December 2026 <sup>1</sup></b>	<b>Annual cap for the year ending 31 December 2027 <sup>1</sup></b>
Provision of transportation and logistics services by the Group	4,500	5,000	5,500
Receipt of transportation and logistics services by the Group	3,000	3,500	4,000

*Notes:*

1. These figures represent the maximum aggregate annual transaction amount in respect of the transactions of the relevant type which the Group will undertake under the Master Services Agreement during the year specified. The actual transaction amount may be different.
2. In determining the relevant caps for transactions under the Master Services Agreement, the Company took into account the following factors:
  - (i) the historical transaction amounts in respect of the transportation and logistics services between the Group and the Qingdao Jinyun Air Group for the three years ended 31 December 2024;
  - (ii) As the air freight forwarding platform of Sinotrans Central China, Qingdao Jinyun Air's business volume and revenue continued to rise, increasing by 63% and 95% year-on-year respectively in 2024; and since the second half of 2024, the Group's cross-border small parcels business and full-link business have grown steadily, and the business volume of new customers has continued to grow. Given the development trend of the Group's business, the Group expects that the cooperation with the Qingdao Jinyun Air Group will continue to grow in the next three years. In 2025, the Group will further strengthen its cooperation with the Qingdao Jinyun Air Group. Based on existing orders and contracts as well as orders and contracts expected in the foreseeable future, the estimated transaction amount of transportation and logistics services provided by the Group to the Qingdao Jinyun Air Group in 2025 is approximately RMB45 million, and the estimated transaction amount of transportation and logistics services received by the Group from the Qingdao Jinyun Air Group is approximately RMB30 million; and

- (iii) an estimated annual increment of approximately RMB5 million in the respective transaction amounts for the transportation and logistics services provided and received by the Group (representing an annual increase of approximately 11%-17%) applied to the annual caps for 2026 and 2027 to provide buffer for the increase in transaction amount due to, among other things, fluctuations in business volume caused by logistics industry or economic conditions and potential increase in opportunities for collaboration between the Group and the Qingdao Jinyun Air Group in respect of the transaction contemplated under the Master Services Agreement arising from the reasonable business expansion of the parties.

### **III. REASONS FOR AND BENEFITS OF CONTINUING CONNECTED TRANSACTIONS**

The entering into of the Master Services Agreement by the Company and Qingdao Jinyun Air will be beneficial to better monitor and control of the above transactions between the Group and the Qingdao Jinyun Air Group and ensure that the Company fully complies with the requirements under the Listing Rules. In addition, the Master Services Agreement provides flexibility to the Group in working with the Qingdao Jinyun Air Group, including sourcing specific type of services at competitive prices when necessary.

Accordingly, the Directors (including the independent non-executive Directors) consider that the terms of the Master Services Agreement are fair and reasonable and on normal commercial terms, and the transactions contemplated thereunder are conducted in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole.

### **IV. INFORMATION OF THE PARTIES**

The principal businesses of the Group include logistics, forwarding and related business and e-commerce business. China Merchants is the ultimate controlling Shareholder, 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. China Merchants is an integrated enterprise with diversified businesses. Currently, China Merchants' principal businesses are focused on transportation and logistics, comprehensive finance, real estate and industrial parks, as well as technology and innovation industry. The business scope of SINOTRANS & CSC, a wholly-owned subsidiary of China Merchants established under the laws of the PRC, includes the non-vessel shipping business, asset management services for investment with own funds, international shipping agency, marine engineering equipment manufacturing, etc.

Qingdao Jinyun Air is a company incorporated in the PRC with limited liabilities. Its principal businesses include general cargo transport, international transport agency business for air import and export cargo, and international trade consulting services. As at the date of this announcement, Qingdao Jinyun Air is held as to 75% and 25% by Sinotrans Central China and LAILON Enterprises Limited, a non wholly-owned subsidiary of SINOTRANS & CSC, respectively.

## V. IMPLICATIONS UNDER THE LISTING RULES

Given that a subsidiary of SINOTRANS & CSC holds more than 10% of the voting rights of Qingdao Jinyun Air, Qingdao Jinyun Air is a connected subsidiary of the Company and a connected person of the Company according to the Rule 14A.16 of the Listing Rules. As such, the transactions contemplated under the Master Services Agreement constitute continuing connected transactions of the Company.

As the highest applicable percentage ratios in respect of the provision and receipt of transportation and logistics services between the Group and the Qingdao Jinyun Air Group under the Master Services Agreement are more than 0.1% but less than 5%, such transactions are subject to the reporting, annual review and announcement requirements but exempt from the independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

None of the Directors had any material interest in the Master Services Agreement and the transactions contemplated thereunder and therefore they are not required under the Listing Rules to abstain from voting on the relevant board resolution. Nonetheless, as Mr. Yang Guofeng, Ms. Luo Li, Mr. Yu Zhiliang and Mr. Tao Wu, all being the Directors, are concurrently holding positions in China Merchants, they have abstained from voting on the relevant board resolution in accordance with the relevant PRC laws and regulations.

## VI. DEFINITIONS

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

“A Share(s)”	the domestic listed share(s) of the Company with nominal value of RMB1.00 each, which are listed on the Shanghai Stock Exchange and traded in RMB
“Board”	the board of Directors of the Company
“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 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 directly and indirectly holds approximately 59.20% of the issued share capital of the Company as at the date of this announcement

“Company”	中國外運股份有限公司 (Sinotrans Limited), a joint stock limited company incorporated in the PRC 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
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries, for the purpose of this announcement, excluding the Qingdao Jinyun Air Group
“H Share(s)”	the overseas listed share(s) of the Company with nominal value of RMB1.00 each, which are listed on the Hong Kong Stock Exchange and traded in Hong Kong dollars
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Master Services Agreement”	the master services agreement entered into between the Company and Qingdao Jinyun Air dated 25 March 2025 in relation to the provision and receipt of transportation and logistics services between the Group and the Qingdao Jinyun Air Group
“Original Master Services Agreement”	the master services agreement entered into between the Company and Qingdao Jinyun Air dated 15 June 2022 in relation to the provision and receipt of transportation and logistics services between the Group and the Qingdao Jinyun Air Group
“PRC”	the People’s Republic of China, for the purpose of this announcement, excluding Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan



“Qingdao Jinyun Air”	青島金運航空貨運代理有限公司(Qingdao Jinyun Air Cargo Freight Forwarding Co., Ltd.*), a non wholly-owned subsidiary of the Company as at the date of this announcement
“Qingdao Jinyun Air Group”	Qingdao Jinyun Air and its subsidiaries
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	H Share(s) and A Share(s)
“Shareholder(s)”	holder(s) of the Shares
“SINOTRANS & CSC”	中國外運長航集團有限公司 (Sinotrans & CSC Holdings Co., Ltd.), a wholly-owned subsidiary of China Merchants established under the laws of the PRC, and the controlling shareholder of the Company which directly and indirectly holds approximately 36.08% of the issued share capital of the Company as at the date of this announcement
“Sinotrans Central China”	中國外運華中有限公司 (Sinotrans Central China Co., Ltd.*), a wholly-owned subsidiary of the Company as at the date of this announcement
“subsidiary(ies)”	has the meaning ascribed thereto under the Listing Rules
“%”	per cent

\* For the purpose of identification only

By Order of the Board  
**Sinotrans Limited**  
**Li Shichu**  
Company Secretary

Beijing, 25 March 2025

*As at the date of this announcement, the board of directors of the Company comprises Song Rong, Yang Guofeng, Luo Li, Yu Zhiliang, Tao Wu, Jerry Hsu, and four independent non-executive directors, namely Wang Xiaoli, Ning Yaping, Cui Xinjian and Cui Fan.*