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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)

ANNOUNCEMENT
CONNECTED TRANSACTION
ESTABLISHMENT OF THE JOINT VENTURE

ESTABLISHMENT OF THE JOINT VENTURE

The Board hereby announces that, on 29 January 2026, SINOTRANS HK, a subsidiary of the Company, entered into the Joint Venture Agreement with CNDI Hungary to jointly invest in and establish the Joint Venture in Hungary, which is aimed at acquiring a Hungarian warehouse. Pursuant to the Joint Venture Agreement, the registered capital of the Joint Venture is EUR10,000 (equivalent to RMB83,349). SINOTRANS HK and CNDI Hungary will contribute EUR4,000 (equivalent to RMB33,339.60) and EUR6,000 (equivalent to RMB50,009.40), respectively, holding 40% and 60% of the quotas of the Joint Venture, respectively. The Joint Venture will not become a subsidiary of the Company, and therefore its financial results will not be consolidated into the accounts of the Company. Subject to the investments to be implemented by the Joint Venture, the Maximum Capital Commitment to be contributed by the parties to the Joint Venture is EUR49,832,148 (equivalent to RMB415,345,970.37), which will be contributed by the parties in proportion to their respective quota holdings. Wherein, SINOTRANS HK intends to contribute no more than EUR19,932,859.20 (equivalent to RMB166,138,388.15) with self-owned funds.

SEHK LISTING RULES IMPLICATION

As at the date of this announcement, SINOTRANS HK is a subsidiary of the Company, and CNDI Hungary is an associate of China Merchants, the ultimate controlling Shareholder, and therefore CNDI Hungary is a connected person of the Company under the SEHK Listing Rules. As such, the entering into of the Joint Venture Agreement and the transactions contemplated thereunder constitute connected transactions of the Company under Chapter 14A of the SEHK Listing Rules.

As the highest applicable percentage ratio in respect of the Maximum Capital Commitment to be made by the Company under the Joint Venture Agreement and the transactions contemplated thereunder is more than 0.1% but less than 5%, such transactions are subject to the reporting, announcement and annual review requirements but exempted from the independent shareholders' approval requirement under the SEHK Listing Rules.

None of the Directors has any material interest in the Joint Venture Agreement and the transactions contemplated thereunder, and therefore none of the Directors is required under the SEHK Listing Rules to abstain from voting on the relevant Board resolution. Nonetheless, as Mr. Yang Guofeng, Ms. Luo Li, Mr. Yu Zhiliang and Mr. Huang Chuanjing, all being 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.

JOINT VENTURE AGREEMENT

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The principal terms of the Joint Venture Agreement are set out below:

Date: 29 January 2026

Parties: (1) SINOTRANS HK; and

(2) CNDI Hungary.

Registered Capital and Capital Commitment:

Pursuant to the Joint Venture Agreement, the registered capital of the Joint Venture is EUR10,000 (equivalent to RMB83,349). SINOTRANS HK and CNDI Hungary will contribute EUR4,000 (equivalent to RMB33,339.60) and EUR6,000 (equivalent to RMB50,009.40), respectively, holding 40% and 60% of the quotas of the Joint Venture, respectively.

Subject to the investment to be implemented by the Joint Venture, the maximum aggregate capital commitment to be contributed by the parties to the Joint Venture (the "**Maximum Capital Commitment**") is EUR49,832,148 (equivalent to RMB415,345,970.37), which will be contributed by the parties in proportion to their respective quota holdings. Wherein, SINOTRANS HK intends to contribute no more than EUR19,932,859.20 (equivalent to RMB166,138,388.15) with self-owned funds.

The respective contributions of the parties under the Maximum Capital Commitment to the Joint Venture were determined after arm's length negotiations between the parties with reference to the funding needs required for the Joint Venture to acquire the Hungarian warehouse.

Business of the Joint Venture:

The Joint Venture is established for the purpose of acquiring and subsequently managing and operating the Hungarian warehouse, and its principal activities cover (among others) the lease and operation of self-owned or leased real estate.

Management of the Joint Venture:

The quotaholders' meeting of the Joint Venture shall be composed of SINOTRANS HK and CNDI Hungary. As the highest authority of the Joint Venture, the quotaholders' meeting shall be attended by quotaholders holding voting rights. Resolutions of the quotaholders' meeting are classified as special resolutions and ordinary resolutions. Special resolutions shall be passed by the approval from at least two-thirds (2/3) of the total quotaholders with voting rights, and ordinary resolutions shall be passed by the approval from the quotaholders representing more than half of the total voting rights.

The Joint Venture will set up a board consisting of five directors, of whom three shall be nominated by CNDI Hungary and two by SINOTRANS HK. Each quotaholder shall unconditionally cooperate in and complete the nomination and appointment procedures for the directors nominated by the other quotaholder, so as to ensure that the board of the Joint Venture is formed promptly and functions effectively. The operation and finance of the Joint Venture shall be managed by a senior management team assigned by CNDI Hungary, and both parties thereto reserve the right to appoint senior management personnel.

Profit Distribution:	The Joint Venture shall distribute dividends of no less than the minimum ratio of 70% of the net profit attributable to the parent company each year. If the Joint Venture is unable to distribute dividends at the minimum ratio (i.e due to circumstances such as major asset investments), the dividend amount shall be determined separately by unanimous decision of SINOTRANS HK and CNDI Hungary.
Restriction on Transfer of Quota:	Within the period agreed in the Joint Venture Agreement, any party may transfer its quota in the Joint Venture to its Affiliates or the other party upon written notice to the other party. After 5 years from the closing date of the purchase agreement of the Hungarian warehouse (the "**Closing Date**"), any party may transfer all or part of its quota in the Joint Venture to any third party, and the other party shall have the pre-emption right with respect to all or part of such quota.
Tag-Along Right:	After 5 years from the Closing Date, if either party intends to sell any of its remaining quota in the Joint Venture to a *bona fide* third party, and the other party does not wish to exercise its pre-emption right, the other party shall have the right to sell its quota to the purchaser on a *pro rata* basis.
Drag-Along Right:	After 5 years from the Closing Date, if either party proposes to transfer 100% (but not less) of its quotas in the Joint Venture to a *bona fide* third party, the transferring party shall have the right to oblige the other party to transfer all of its quotas together. The other party is obligated to make the sale at the request of the transferring party. The transfer procedure shall comply with the then applicable state-owned asset appraisal and filing procedures, and the Company will comply with the requirements of the SEHK Listing Rules to fulfill disclosure obligations in due course (if required).

Exit Mechanism: In the event that any of the following circumstances occurs within the period agreed in the Joint Venture Agreement, any party shall have the right to reserve the right to transfer its quota or to exit:

(1) the Joint Venture records net loss for three consecutive years (inclusive), or declares no dividend distribution for five consecutive years;

(2) matters subject to resolution by the quotaholders' meeting of the Joint Venture have submitted for voting at three consecutive quotaholders' meetings but failed to be approved, and no consensus can be reached after one calendar year;

(3) deterioration of the business environment, existence of geopolitical or policy changes preventing normal operations, or other unforeseen circumstances and major risks.

Upon the occurrence of any of the aforesaid circumstances, the parties thereto shall first attempt to resolve issues and conflicts through friendly negotiation. In case of failure to reach any consensus, the parties shall first consider selling their quotas in the Joint Venture externally. If one party seeks to sell, the other party may choose to acquire; if there is no intention to purchase, the pre-emption right must be waived.

Effectiveness: The Joint Venture Agreement shall come into effect on the date of signing by the parties. However, if the closing of the acquisition of the Hungarian warehouse by the Joint Venture fails, the Joint Venture Agreement shall lapse, or subject to both parties' other agreements.

INFORMATION ON THE HUNGARIAN WAREHOUSE

The main purpose of the establishment of the Joint Venture is to acquire a Hungarian warehouse. The warehouse is located in the northeast of Budapest, with a total rentable area of approximately 46,125 square meters, including a warehousing area of approximately 43,483 square meters and an office area of approximately 2,642 square meters. As at the date of this announcement, the occupancy rate of the Hungarian warehouse is 100%, and the lessees include internationally renowned automobile OEMs, parts manufacturers, logistics service providers, and local Hungarian electronics distributors, etc.

As at the date of this announcement, neither the Company nor the Joint Venture has entered into any asset purchase agreement in relation to the acquisition of the Hungarian warehouse. The Company will fulfill its disclosure obligations (if required) in due course in compliance with the requirements of the SEHK Listing Rules.

REASONS FOR AND BENEFITS OF THE TRANSACTIONS

The entering into of the Joint Venture Agreement is in line with the Company's overseas investment layout. As a member state of the European Union, Hungary serves as one of the most important bridges for trade between China and Europe. The layout of core logistics resources in Hungary will assist the Group in further strengthening its resource deployment at key European hubs, and providing support for building an overseas resource guarantee system of "Channel + Hub + Network". This is conducive to the Group's expansion of incremental overseas customers. In addition, CNDI Group's business covers fields such as integrated logistics, industrial-urban complex development, asset management and finance, new energy, and manufacturing, and it is vigorously advancing its internationalization initiatives and accelerating the layout of overseas warehouses. It currently manages overseas warehouse assets with a leasable area of nearly 1 million square meters in Hungary, Slovakia, Poland, Germany, and the Czech Republic, and possesses a localized operation and management team and strategic investment experience. This transaction can fully leverage the respective advantages of both parties, further enhance the Group's integrated logistics solution capability and core competitiveness by driving the layout of logistics assets with global logistics business and empowering logistics business operations with logistics asset management.

In light of the above reasons, the Directors (including the independent non-executive Directors) consider that the terms of the Joint Venture Agreement and the transactions contemplated thereunder are fair and reasonable and on normal commercial terms or better, and the Joint Venture Agreement and the transactions contemplated thereunder are in the interests of the Company and its Shareholders as a whole, although not conducted in the ordinary or usual course of business of the Group due to their nature.

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As the highest applicable percentage ratio in respect of the Maximum Capital Commitment to be made by the Company under the Joint Venture Agreement and the transactions contemplated thereunder is more than 0.1% but less than 5%, such transactions are subject to the reporting, announcement and annual review requirements but exempted from the independent shareholders' approval requirement under the SEHK Listing Rules.

None of the Directors has any material interest in the Joint Venture Agreement and the transactions contemplated thereunder, and therefore none of the Directors is required under the SEHK Listing Rules to abstain from voting on the relevant Board resolution. Nonetheless, as Mr. Yang Guofeng, Ms. Luo Li, Mr. Yu Zhiliang and Mr. Huang Chuanjing, all being 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.

GENERAL INFORMATION

1. The Group

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 a comprehensive enterprise with diverse business operations and the principal businesses are focused on transportation and logistics, comprehensive finance, real estate and industrial parks, as well as technology and innovation industry.

2. SINOTRANS HK

SINOTRANS HK is a limited liability company incorporated in Hong Kong. Its principal activities include sea freight business, air freight business, land freight business, contract logistics business, supply chain logistics business, logistics equipment leasing, and logistics real estate business. As at the date of this announcement, SINOTRANS HK is a wholly-owned subsidiary of the Company.

3. CNDI Hungary

CNDI Hungary is a limited liability company incorporated in Hungary. Its principal activities include business management and other management consulting. As at the date of this announcement, CNDI Hungary is a wholly-owned subsidiary of CNDI Group. China Merchants holds approximately 37.01% equity interests in CNDI Group through China Merchants (Nanshan) Holdings Ltd., a wholly-owned subsidiary of its subsidiary China Merchants Port Holdings Company Limited (stock code: 00144.HK); in addition, Shenzhen Investment Holdings Co., Ltd. (a wholly-owned subsidiary of the State-owned Assets Supervision and Administration Commission of the People's Government of Shenzhen Municipal) directly holds approximately 26.10% equity interests in CNDI Group, Guangdong Environmental Protection Group Co., Ltd. (directly owned as to 90% and 10% by the People's Government of Guangdong Province and the Department of Finance of Guangdong Province, respectively) directly holds 23.49% equity interests in CNDI Group, and no other shareholder holds 10% or more of equity interests in CNDI Group (collectively, the "**Remaining Shareholders of CNDI Group**").

To the best knowledge, information and belief of the Directors having made all reasonable enquiry, as at the date of this announcement, the Remaining Shareholders of CNDI Group and their ultimate beneficial owners are third parties independent of the Company and its connected persons.

Shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company, and if they are in any doubt about their position, they should consult their professional advisers.

DEFINITIONS

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

"Board"	the board of Directors of the Company
"China Merchants"	China Merchants Group Limited (招商局集團有限公司), a wholly state-owned enterprise established under the laws of the PRC and under direct control of the SASAC, the ultimate controlling Shareholder, which directly and indirectly holds approximately 60.20% of the issued share capital of the Company as at the date of this announcement
"CNDI Group"	China Nanshan Development (Group) Incorporation (中國南山開發(集團)股份有限公司), a joint stock limited company incorporated in the PRC with limited liability, which is an associate of China Merchants as at the date of this announcement
"CNDI Hungary"	CNDI Investment Holdings Korlátolt Felelősségű Társaság, a wholly-owned subsidiary of CNDI Group as at the date of this announcement
"Company"	Sinotrans Limited (中國外運股份有限公司), a joint stock limited company incorporated in the PRC with limited liability, whose H Shares are listed on the SEHK and whose A Shares are listed on the Shanghai Stock Exchange
"Director(s)"	the director(s) of the Company
"Group"	the Company and its subsidiaries
"Joint Venture"	Bountywin Warehousing Holding Kft. (tentative name), a limited liability company intended to be established in Hungary under the laws of Hungary pursuant to the Joint Venture Agreement
"Joint Venture Agreement"	the joint venture agreement dated 29 January 2026 entered into between SINOTRANS HK and CNDI Hungary in relation to the establishment of the Joint Venture for the acquisition of the Hungarian warehouse
"Affiliate"	any legal person identified in the Joint Venture Agreement that directly or indirectly through one or more intermediaries controls any party, is controlled by any party, or is under common control with any party, and has senior management with the same shareholders/contributors
"SEHK"	The Stock Exchange of Hong Kong Limited
"SEHK Listing Rules"	the Rules Governing the Listing of Securities on the SEHK

"Shareholder(s)"	holder(s) of shares of the Company
"SINOTRANS HK"	SINOTRANS (HK) LOGISTICS LIMITED, a wholly-owned subsidiary of the Company as at the date of this announcement

In this announcement, unless otherwise indicated, EUR is converted into RMB at the median price of the exchange rate of EUR1.00 to RMB8.3349 as announced by the People's Bank of China on the date of this announcement. The relevant exchange rate is for illustration purposes only and does not represent that any amount has been, could have been or may be converted at such rate or any other rate or in any manner on the relevant date or any other date.

By order of the Board
Sinotrans Limited
Li Shichu
Company Secretary

Beijing, 29 January 2026

As at the date of this announcement, the board of directors of the Company comprises Zhang Yi (Chairman), Gao Xiang, Yang Guofeng, Luo Li, Yu Zhiliang, Huang Chuanjing, Jerry Hsu, Gong Weiguo, and four independent non-executive directors, namely Wang Xiaoli, Ning Yaping, Cui Xinjian and Cui Fan.