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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)

CONTINUING CONNECTED TRANSACTIONS FINANCIAL SERVICES AGREEMENT WITH INTERNATIONAL FINANCE COMPANY

FINANCIAL SERVICES AGREEMENT

On 7 May 2026, the Company entered into the Financial Services Agreement with the International Finance Company, pursuant to which the International Finance Company agreed to provide a series of overseas financial services which include: (1) deposit services; (2) loan services; (3) other financial services to the Group within the caps agreed thereunder for the three years commencing from the date of the signing of the Financial Services Agreement (i.e. 7 May 2026 to 6 May 2029).

IMPLICATIONS UNDER SEHK LISTING RULES

As China Merchants is the ultimate controlling Shareholder and the International Finance Company is a wholly-owned subsidiary of China Merchants, the International Finance Company is a connected person of the Company, and thus the transactions contemplated under the Financial Services Agreement constitute continuing connected transactions of the Company.

As the highest applicable percentage ratio (as defined under SEHK Listing Rules) in respect of the deposit services contemplated under the Financial Services Agreement exceeds 0.1% but is less than 5%, such transactions are subject to the reporting, announcement and annual review requirements but exempted from the Independent Shareholders' approval requirement under Chapter 14A of SEHK Listing Rules. The provision of loan services by the International Finance Company to the Group on normal commercial terms on an unsecured basis under the Financial Services Agreement constitutes financial assistance by a connected person for the benefit of the Group which is exempt under the Rule 14A.90 of SEHK Listing Rules from reporting, annual review, announcement and Independent Shareholders' approval requirements.

The Company expects that the highest applicable percentage ratio (as defined in Rule 14.07 of the SEHK Listing Rules) of the total fees payable by the Company to the International Finance Company in respect of the provision of other financial services is below the de minimis threshold as stipulated under Rule 14A.76(1) of the SEHK Listing Rules and therefore, is fully exempt from the requirements of reporting, announcement, annual review and the Independent Shareholders' approval under Chapter 14A of the SEHK Listing Rules.

None of the Directors had any material interest in the Financial Services Agreement and the transactions contemplated thereunder, and therefore they are not required under SEHK Listing Rules to abstain from voting on the board resolutions approving these matters. Nonetheless, as Mr. Yang Guofeng, Ms. Luo Li, Mr. Yu Zhiliang and Mr. Huang Chuanjing, all being directors of the Company, are concurrently holding positions in China Merchants Group, they have abstained from voting on the relevant Board resolutions in accordance with the relevant PRC laws and regulations.

I. INTRODUCTION

On 7 May 2026, the Company entered into the Financial Services Agreement with the International Finance Company, pursuant to which the International Finance Company agreed to provide a series of overseas financial services which include: (1) deposit services; (2) loan services; (3) other financial services (including the following categories of services, namely settlement services, foreign exchange services, financial and financing consultancy services and related advisory and agency services, and other financial services within its business scope), to the Group within the caps agreed thereunder for the three years commencing on date of the Financial Services Agreement (i.e. 7 May 2026 to 6 May 2029).

II. FINANCIAL SERVICES AGREEMENT

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

Date

7 May 2026

Parties

(1) the Company; and

(2) International Finance Company.

Subject matter

The International Finance Company will provide a series of overseas financial services to the Group including: (1) deposit services; (2) loan services; (3) other financial services (including the following categories of services, namely settlement services, foreign exchange services, financial and financing consultancy services and related advisory and agency services, and other financial services within its business scope), as set out in more details below:

(1) Deposit services: the interest rates of the deposit services offered by the International Finance Company are not to be lower than the interest rates offered by major commercial banks in the places of registration, main places of business of the Company and its subsidiaries, and in Hong Kong, China to the Group for the same type of deposit in the same period.

(2) Loan services: the interest rates of loan services charged by the International Finance Company will not be higher than the interest rates provided by major commercial banks in the places of registration, main places of business of the Company and its subsidiaries, and in Hong Kong, China to the Group for the same level of loans in the same period. Loans provided by the International Finance Company will in principle be by way of unsecured credit loans.

(3) Other financial services:

    (i) Settlement services: the fees of the settlement services charged by the International Finance Company are not to be higher than the fees provided by major commercial banks and other financial institutions in the place of registration, main place of business of the Company and its subsidiaries, and in Hong Kong, China to the Group for the same type of business.

    (ii) Foreign exchange services: the International Finance Company may on application of the Company provide the Group with settlement and sale of foreign exchange services. The exchange rates to be offered by the International Finance Company will not be less favorable than that offered by major commercial banks in Hong Kong, China for the same services.

    (iii) Other financial services include but are not limited to financial and financing consultancy services and relevant advice and agency services. The charge for provision of such financial services by the International Finance Company will not be higher than those charged by other major financial institutions in the places of registration, main places of business of the Company and its subsidiaries, and in Hong Kong, China for the same services.

Term

The term is for a period of three years commencing on date of the Financial Services Agreement (i.e. 7 May 2026 to 6 May 2029).

Basis of pricing

Under the Financial Services Agreement, the deposit services used by the Group mainly involve placing/withdrawing deposits in the International Finance Company to facilitate the Group's daily operations such as receiving sales proceeds from customers or making payments for expenses to suppliers and other parties. In selection of deposit services providers, in addition to the interest rates, the Group also considers comprehensive factors, such as fund security, preferences of customers and suppliers, quality of services and convenience of fund transfers.

In order to ensure the terms of the deposit services, in particular the interest rates, offered by its deposit services providers for both savings deposits and term deposits are on normal commercial terms, the Group will compare the current interest rates offered by its deposit services providers with the relevant standard deposit rates offered from time to time by major commercial banks in the places of registration, main places of business of the Company and its subsidiaries, and in Hong Kong, China. The Group would apply the same principles in selection of overseas deposit services providers and in determination of the terms of the deposit services to be provided by the International Finance Company.

Settlement

The settlement of the relevant interests, expenses and service fees for the financial services contemplated under the Financial Services Agreement can be decided after arm's length negotiation between parties with reference to market practices or in accordance with separate agreements as might be entered into between the Group and the International Finance Company.

Proposed annual caps

Annual caps for deposit services

Under the Financial Services Agreement, the maximum daily outstanding balance of deposits placed by the Group with the International Finance Company (excluding loan proceeds advanced by the International Finance Company) shall not exceed RMB500 million.

In setting the annual caps for the deposit services under the Financial Services Agreement, the Company has taken into account the benefits and advantages gained by the Group from such services in the following aspects:

(1) the deposits placed by the members of the Group in the International Finance Company can facilitate overseas settlement of transactions between the Group and other members of China Merchants Group, or as amongst members of the Group, taking advantage of lower transaction costs; and

(2) the interest rates for the deposits placed by the Group with the International Finance Company are generally superior to the interest rates for the same type of deposit in the same period announced by major commercial banks in the places of registration, major places of business of the Company and its subsidiaries, and in Hong Kong, China, which is beneficial to improving the Company's capital gains.

No historical transaction amounts are available, as the Group and International Finance Company have not previously engaged in any transactions relating to deposit services.

Annual caps for loan services

Under the Financial Services Agreement, the maximum daily outstanding balance of loans granted by the International Finance Company to the Group (including accrued interests and handling charges) shall not exceed RMB1 billion. The provision of loan services by the International Finance Company to the Group on normal commercial terms on an unsecured basis under the Financial Services Agreement constitutes financial assistance by a connected person for the benefit of the Group which is exempt under Rule 14A.90 of SEHK Listing Rules from reporting, annual review, announcement and Independent Shareholders' approval requirements.

The abovementioned proposed annual caps for the loan services to be provided by the International Finance Company to the Group under the Financial Services Agreement were determined with reference to (1) the overseas capital management strategies of the Group; and (2) the Group's estimated financial needs for overseas loan services.

The Directors (including the independent non-executive Directors) are of the view that the terms (including the relevant annual caps contemplated thereunder) of the Financial Services Agreement are fair and reasonable and on normal commercial terms and the Financial Services Agreement is entered into in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole.

Internal control procedures and risk management measures

The Financial Services Agreement contains the following internal control and risk management measures:

(1) The Group utilizes the services of the International Finance Company on a voluntary, non-exclusive basis and is not obliged to engage the International Finance Company for any services. The International Finance Company is only one of the financial institutions providing services to the Group.

(2) In accordance with the compliance and disclosure requirements to which the Group is subject, the International Finance Company will provide all legal documents, agreements, government approvals, financial data and other information as required by the Group.

(3) The International Finance Company has an obligation to keep confidential the Group's unpublished information that it has obtained in the course of its provision of financial services to the Group under the Financial Services Agreement, except as otherwise required by applicable laws and regulations.

(4) The International Finance Company will strictly comply with the relevant laws and regulations as well as requirements of the regulatory authorities and ensure the security of funds of the Group.

(5) The International Finance Company is required to provide the Group with periodical reports, setting out: ① daily status of the Group's deposits with the International Finance Company; ② the periodical financial statements of the International Finance Company; ③ significant organization change, equity transaction or operational risks that may impact the deposits of the Group in the future, and to timely inform the Group the occurrence of any significant security risks towards the Group's deposits and take necessary measures to avoid any losses, based on which the Company will issue the continuous risk assessment reports.

To ensure the relevant terms provided by connected parties under the Financial Services Agreement are no less favorable than those available from independent third parties and the annual caps of the transactions under the above agreements are not exceeded the annual caps, the Company built the following internal control system:

(1) the entering into and monitoring of continuing connected transactions are to be conducted in accordance with the Company's internal control manual;

(2) the finance department and compliance department of the Company will collect real-time statistics of the continuing connected transactions under the Financial Services Agreement regularly and monitor such transactions through related system to ensure the annual caps are not exceeded; and

(3) the auditors of the Company will review the statistics of the continuing connected transactions on an annual basis in compliance with the annual reporting and review requirements under SEHK 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 Financial Services Agreement are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

III. REASONS AND BENEFITS FOR THE CONTINUING CONNECTED TRANSACTIONS

According to the terms entrenched for the Financial Services Agreement, the International Finance Company will provide overseas deposit, loans and other financial services to the Group on terms no less favorable than those offered by third parties. It will enable the Group to enhance overseas capital management capabilities and capital utilization efficiency, while lowering financing costs and financing risks. In particular, in respect of the deposit service, the International Finance Company will ensure deposit rates not less than those offered by major commercial banks in the places of registration, major places of business of the Company and its subsidiaries, and in Hong Kong, China for the same type of deposit in the same period, and the Group can choose to use the deposit services from the International Finance Company to increase deposit interest returns, in circumstances where the services being offered by the International Finance Company are able to satisfy the Group's internal control procedures with respect to pricing etc.. Therefore, the Directors consider that it is in the interest of the Group to have greater latitude to deposit Disposable Cash with the International Finance Company.

IV. IMPLICATIONS UNDER SEHK LISTING RULES

As China Merchants is the ultimate controlling Shareholder and the International Finance Company is a wholly-owned subsidiary of China Merchants, the International Finance Company is a connected person of the Company, and thus the transactions contemplated under the Financial Services Agreement constitute continuing connected transactions of the Company.

As the highest applicable percentage ratio (as defined under SEHK Listing Rules) in respect of the deposit services contemplated under the Financial Services Agreement exceeds 0.1% but is less than 5%, such transactions are subject to the reporting, announcement and annual review requirements but exempted from the Independent Shareholders' approval requirement under Chapter 14A of SEHK Listing Rules. The provision of loan services by the International Finance Company to the Group on normal commercial terms on an unsecured basis under the Financial Services Agreement constitutes financial assistance by a connected person for the benefit of the Group which is exempt under the Rule 14A.90 of SEHK Listing Rules from reporting, annual review, announcement and Independent Shareholders' approval requirements.

The Company expects that the highest applicable percentage ratio (as defined in Rule 14.07 of the SEHK Listing Rules) of the total fees payable by the Company to the International Finance Company in respect of the provision of other financial services is below the de minimis threshold as stipulated under Rule 14A.76(1) of the SEHK Listing Rules and therefore, is fully exempt from the requirements of reporting, announcement, annual review and the Independent Shareholders' approval under Chapter 14A of the SEHK Listing Rules. The Company will comply with the requirements of reporting, announcement, annual review and the Independent Shareholders' approval under Chapter 14A of the SEHK Listing Rules if the transaction amount of other financial services to be provided by International Finance Company to the Group under the Financial Services Agreement exceeds the relevant threshold.

None of the Directors had any material interest in the Financial Services Agreement and the transactions contemplated thereunder, and therefore they are not required under SEHK Listing Rules to abstain from voting on the board resolutions approving these matters. Nonetheless, as Mr. Yang Guofeng, Ms. Luo Li, Mr. Yu Zhiliang and Mr. Huang Chuanjing, all being directors of the Company, are concurrently holding positions in China Merchants Group, they have abstained from voting on the relevant Board resolutions in accordance with the relevant PRC laws and regulations.

V. INFORMATION OF THE PARTIES

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 an integrated enterprise with diversified businesses and focused on transportation and logistics, comprehensive finance, real estate and industrial parks, as well as technology and innovation industry, etc. The business scope of Sinotrans & CSC, the controlling shareholder of the Company, is a wholly-owned subsidiary of China Merchants established under the laws of the PRC, includes asset management services for investment with own funds, marine engineering equipment manufacturing, etc.

International Finance Company

The International Finance Company is a company incorporated in Hong Kong, China on 21 March 1996 with limited liability, which is primarily engaged in financial services, including investment and holding, trust and fund business as well as business similar to those of financial institutions. As at the date of this announcement, the International Finance Company is indirectly wholly owned by China Merchants through its wholly-owned subsidiary, China Merchants Holdings (Hong Kong) Company Limited.

VI. 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"	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 People's Republic of China, the ultimate controlling shareholder of the Company, which directly and indirectly holds approximately 60.20% of the issued share capital of the Company as at the date of this announcement
"China Merchants Group"	China Merchants and its subsidiaries
"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
"Director(s)"	the director(s) of the Company
"Disposable Cash"	in respect of a company is the cash and cash equivalents (including term deposits and excluding restricted cash) held by that company and its subsidiaries
"Financial Services Agreement"	the financial services agreement entered into between the Company and the International Finance Company on 7 May 2026 in relation to the provision of a series of overseas financial services by the International Finance Company to the Group
"Group"	the Company and its subsidiaries
"Hong Kong Stock Exchange/SEHK"	The Stock Exchange of Hong Kong Limited
"Independent Shareholder(s)"	Shareholders other than China Merchants, or its associates (including SINOTRANS & CSC)
"International Finance Company"	招商局國際財務有限公司(China Merchants International Finance Co., Ltd.*), an indirectly wholly-owned subsidiary of China Merchants
"SEHK Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited

"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 36.69% of the issued share capital of the Company as at the date of this announcement

* *For the purpose of identification only*

By order of the Board
Sinotrans Limited
Li Shichu
Company Secretary

Beijing, 7 May 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.