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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

CONTINUING CONNECTED TRANSACTIONS

References are made to the announcements of the Company dated 26 October 2023, 29 August 2024, 25 March 2025 and 27 October 2025 and the circular of the Company dated 24 November 2023 and 2 October 2024 in relation to, among other things, the continuing connected transactions of the Company.

Given that China Merchants and its associates (including SINOTRANS & CSC and its associates) may from time to time provide or receive transportation and logistics services and/or enter into leasing arrangements with the Group, in order to ensure the compliance with the SEHK Listing Rules, the Company and China Merchants entered into the Master Services Agreement on 27 October 2026 that governs the provision and receipt of transportation and logistics services and the leasing services between the Group and China Merchants and its associates to renew the Former Master Services Agreement (China Merchants) and the Former Master Lease Agreement. Similarly, in order to ensure the compliance with the SEHK Listing Rules and facilitate the continuation of the provision and receipt of transportation and logistics services between the Group and the Certain Connected Subsidiaries, on 27 October 2026, the Company entered into the Master Logistics Agreement with Certain Connected Subsidiaries. Upon the Master Logistics Agreement becoming effective, the Former Master Services Agreements (Certain Connected Subsidiaries) and the Former Purchase and Sales Framework Agreement will automatically be terminated and superseded in their entirety.

In addition, the Company also entered into the Financial Services Agreement in relation to the provision of various financial services to the Group by the Finance Company on 27 October 2026 to renew the Former Financial Services Agreement.

SEHK LISTING RULES COMPLIANCE IN RESPECT OF THE CONTINUING CONNECTED TRANSACTIONS

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

As at the date of this announcement, all Certain Connected Subsidiaries are subsidiaries of the Company, and China Merchants, the ultimate controlling Shareholder, indirectly holds more than 10% interest in each of them through its associates. Therefore, such subsidiaries are connected subsidiaries of the Company under Rule 14A.16 of the SEHK Listing Rules. As such, the transactions contemplated under the Master Logistics Agreement constitute continuing connected transactions of the Company under Chapter 14A of the SEHK Listing Rules.

The transactions in relation to the provision or receipt of transportation and logistics services contemplated under the Master Services Agreement and the Master Logistics Agreement shall be aggregated for the purposes of calculating the applicable percentage ratios pursuant to Rule 14A.82 of the SEHK Listing Rules. As the highest applicable percentage ratio (as defined under the SEHK Listing Rules) in respect of the provision or receipt of transportation and logistics services contemplated under the Master Services Agreement and the Master Logistics Agreement exceeds 5%, such transactions and the proposed annual caps thereof are subject to the reporting, annual review, announcement and Independent Shareholders' approval requirements under Chapter 14A of the SEHK Listing Rules.

As the highest applicable percentage ratio (as defined under the SEHK Listing Rules) in respect of the lease of properties and storage facilities (inclusive of the equipment therein) by the Group from China Merchants and its associates contemplated under the Master Services Agreement exceeds 5%, such transactions and the proposed annual caps thereof are subject to the reporting, annual review, announcement and Independent Shareholders' approval requirements under Chapter 14A of the SEHK Listing Rules. As each of the highest applicable percentage ratios (as defined under the SEHK Listing Rules) in respect of (i) the lease of properties and storage facilities (inclusive of the equipment therein) by the Group to China Merchants and its associates; and (ii) the lease of containers and other equipment between the Group and China Merchants and its associates exceeds 0.1% but is less than 5%, such transactions are subject to the reporting, annual review and announcement requirements but exempt from the Independent Shareholders' approval requirement under Chapter 14A of the SEHK Listing Rules.

As the highest applicable percentage ratio (as defined under the SEHK Listing Rules) in respect of the deposit services contemplated under the Financial Services Agreement exceeds 5% but is less than 25%, such transactions constitute discloseable transactions under Chapter 14 of the SEHK Listing Rules and continuing connected transactions under Chapter 14A of the SEHK Listing Rules, and are subject to the reporting, annual review, announcement and Independent Shareholders' approval requirements under the SEHK Listing Rules. The provision of loan services by the Finance Company to the Group on normal commercial terms and on an unsecured basis under the Financial Services Agreement constitute financial assistance by a connected person for the benefit of the Group which is exempt under the Rule 14A.90 of the SEHK Listing Rules from reporting, annual review, announcement and Independent Shareholders' approval requirements. As the highest applicable percentage ratio (as defined under the SEHK Listing Rules) in respect of the other financial services contemplated under the Financial Services Agreement is less than 0.1%, such transactions are exempt from reporting, annual review, announcement and the Independent Shareholders' approval requirements under Chapter 14A of the SEHK Listing Rules.

The Company has set up the Independent Board Committee to advise the Independent Shareholders in respect of the continuing connected transactions (including the related annual caps) contemplated under the Master Services Agreement in relation to (i) the provision or receipt of transportation and logistics services between the Group and China Merchants and its associates and (ii) the lease of properties and storage facilities (inclusive of the equipment therein) by the Group from China Merchants and its associates, the transactions contemplated under the Master Logistics Agreement, and the deposit services contemplated under the Financial Services Agreement. The Company has appointed VBG Capital as the Independent Financial Adviser for the Non-exempt Continuing Connected Transactions.

The EGM will be convened to consider and, if thought fit, approve, among other things, the Non-exempt Continuing Connected Transactions subject to the New Caps.

The notice convening the EGM and the circular are expected to be despatched to the Shareholders on or before 30 November 2026 as the Company needs additional time to prepare the circular which will contain, among other things, further details on the Non-exempt Continuing Connected Transactions subject to the New Caps, a letter from the Independent Board Committee and a letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders.

As each of China Merchants, Certain Connected Subsidiaries and the Finance Company is a party to the Master Services Agreement, the Master Logistics Agreement and the Financial Services Agreement, respectively, they, together with their respective associates (including SINOTRANS & CSC), if holding any Shares, are required under the SEHK Listing Rules to abstain from voting on the resolutions in respect of the Non-exempt Continuing Connected Transactions at the EGM.

None of the Directors had any material interest in the abovementioned continuing connected transactions and therefore they are not required under the SEHK Listing Rules to abstain from voting on the Board resolutions approving these matters. Nonetheless, as Ms. Luo Li, Mr. Li Feng, Mr. Sun Jianfeng and Mr. Huang Chuanjing, all being Directors, are concurrently holding positions in China Merchants, they have abstained from voting on the relevant Board resolutions in accordance with the relevant PRC laws and regulations.

A. CONTINUING CONNECTED TRANSACTIONS

I. Background

References are made to the announcements of the Company dated 26 October 2023, 29 August 2024, 25 March 2025 and 27 October 2025 and the circular of the Company dated 24 November 2023 and 2 October 2024 in relation to, among other things, the continuing connected transactions of the Company.

Given that China Merchants and its associates (including SINOTRANS & CSC and its associates) may from time to time provide or receive transportation and logistics services and/or enter into leasing arrangements with the Group, in order to ensure the compliance with the SEHK Listing Rules, the Company and China Merchants entered into the Master Services Agreement on 27 October 2026 that governs the provision and receipt of transportation and logistics services and the leasing services between the Group and China Merchants and its associates to renew the Former Master Services Agreement (China Merchants) and the Former Master Lease Agreement. Similarly, in order to ensure the compliance with the SEHK Listing Rules and facilitate the continuation of the provision and receipt of transportation and logistics services between the Group and the Certain Connected Subsidiaries, on 27 October 2026, the Company entered into the Master Logistics Agreement with Certain Connected Subsidiaries. Upon the Master Logistics Agreement becoming effective, the Former Master Services Agreements (Certain Connected Subsidiaries) and the Former Purchase and Sales Framework Agreement will automatically be terminated and superseded in their entirety.

In addition, the Company also entered into the Financial Services Agreement in relation to the provision of various financial services to the Group by the Finance Company on 27 October 2026 to renew the Former Financial Services Agreement.

II. Continuing Connected Transactions

Details of the Master Services Agreement, the Master Logistics Agreement, and the Financial Services Agreement, are set out below:

(i) Transactions with China Merchants and its associates under the Master Services Agreement

The Former Master Services Agreement and the Former Master Lease Agreement will expire on 31 December 2026. In light of the continuing business needs of the Group and China Merchants and its associates, on 27 October 2026, the Company and China Merchants entered into the Master Services Agreement in respect of (i) the provision and receipt of the transportation and logistics services (including freight forwarding, shipping agency, storage and terminal, road transportation and shipping transportation and other logistics services); (ii) the lease of properties and storage facilities (inclusive of the equipment therein); and (iii) the lease of containers and other equipment between members of the Group and China Merchants and its associates. The provision and receipt of services under the Master Services Agreement are conditional upon the Company's compliance with all relevant continuing connected transaction requirements under the SEHK Listing Rules (which include, among other things, the approval of the Independent Shareholders at the EGM). Subject to the approval of Independent Shareholders, the term of the Master Services Agreement will commence on 1 January 2027 for a period of three years and end on 31 December 2029.

(a) Provision and Receipt of Logistics Services

Principal terms of the Master Services Agreement in relation to provision and receipt of logistics services

The Company and China Merchants agreed to provide and receive the transportation and logistics services (including freight forwarding, shipping agency, storage and terminal, road transportation and shipping transportation and other logistics services) between members of the Group and China Merchants and its associates.

The Master Services Agreement requires that transportation and logistics services be provided at the market price and on normal commercial terms. "Market price" means the price at which the same or comparable type of services are provided by or to (as appropriate) independent third parties in the same area on normal commercial terms in the ordinary course of business. The mechanism by which the Group ensures that the services provided under the Master Services Agreement and Master Logistics Agreement are charged at market price and the internal control procedures for monitoring such continuing connected transactions to ensure compliance with the SEHK Listing Rules are described in the section headed "IV. Basis of pricing of the transactions contemplated under the Master Services Agreement, the Master Logistics Agreement and the Financial Services Agreement, and internal control procedures for monitoring continuing connected transactions" below.

Historical transaction amounts in relation to provision and receipt of logistics services

During the two financial years ended 31 December 2025 and the six months ended 30 June 2026, the turnover/expenses of the Group attributable to each of the transactions with China Merchants and its associates under the Former Master Services Agreement (China Merchants) were as follows:

Unit: RMB hundred million

	For the year ended 31 December 2024	**For the year ended 31 December 2025**	**For the year ending 31 December 2026**
Actual amount with respect to the provision of transportation and logistics services by the Group	9.24	5.74	2.30[1]
Relevant annual cap under the Former Master Services Agreement (China Merchants)	25.00	32.50	42.25
Historical utilization rate	36.97%	17.67%	5.44%[1]
Actual amount with respect to the receipt of transportation and logistics services by the Group	18.47	15.41	7.17[1]
Relevant annual cap under the Former Master Services Agreement (China Merchants)	35.00	45.50	59.15
Historical utilization rate	52.76%	33.88%	12.12%[1]

Notes:

1. These figures represent the transaction amount for the six months ended 30 June 2026 and the utilization rates are calculated by measuring those transaction amounts against the relevant annual caps.

2. Some historical utilization rates for the two financial years ended 31 December 2025 and the six months ended 30 June 2026 being comparatively low is primarily due to the fact that: the transportation and logistics industry has been competitive and independent providers of similar services may sometimes offer prices and/or terms better than those offered or received by the Group. Therefore, in accordance with the business contract review system adopted by the Group, there is no assurance that the Group would select China Merchants and its associates as transportation and logistics services provider or vice versa.

Annual caps in relation to provision and receipt of logistics services

The proposed annual caps for each of the following types of transactions for the three financial years ending 31 December 2029 under the Master Services Agreement are set out as follows:

Unit: RMB hundred million

	For the year ending 31 December 2027[1]	**For the year ending 31 December 2028**[1]	**For the year ending 31 December 2029**[1]
Provision of transportation and logistics services by the Group[2]	25.00	27.50	30.25
Receipt of transportation and logistics services by the Group[2]	35.00	38.50	42.35

Notes:

1. These figures represent the maximum value of the relevant type of transactions which the Group may undertake during the relevant financial years. The actual amount of transaction may be different.

2. In determining the relevant caps for provision and receipt of logistic services transactions by the Group under the Master Services Agreement, the Company has taken into account the following factors:

   (i) the cap amounts determined by the Company for logistics services under the Master Services Agreement decreased as compared to the Former Master Services Agreement (China Merchants). In determining the annual cap for the year ending 31 December 2027, the Company has primarily taken into account the highest annual transaction amount over the two financial years ended 31 December 2025 and the six months ended 30 June 2026, and the potential growth in the Group's revenue and operation scale as described in paragraph (iv) below;

(ii) in determining the annual caps for the two years ending 31 December 2029, the Company has assumed a 10% year on year increase in the annual cap respectively (in contrast to a 30% year on year increase in the annual cap under the Former Master Services Agreement (China Merchants)), to provide a reasonable buffer, taking into account:

(a) the volatility of business volume due to general industry or economic conditions as described in paragraph (iii) below; and

(b) the potential growth in overall business of the Group and collaboration with China Merchants and its associates, as described further in paragraph (iv) and (v) below;

(iii) business volumes and the market rates generally in the transportation and logistics services industry are inherently volatile (and are affected by the volatility in oil price, labor costs, the general economic environment in the PRC and overseas, the international trade flow as well as particular sectors of such economies);

(iv) the potential growth in the Group's revenue and operation scale taking into account the following factors:

(a) since 2026, the government has successively rolled out a series of policies concerning the logistics sector. Guided by the 15th Five-Year Plan, these policies focus on the overarching direction of building a modern logistics network. Centred on the four pivotal themes, i.e. opening up to the outside world, business model innovation, cost reduction and efficiency enhancement, and infrastructure coordination, they are systematically implemented to strengthen the resilience of global industrial and supply chains, accelerate the development of new logistics business patterns and models, and promote the establishment of a high-quality modern logistics system. Alongside this, these policies are expected to advance the integrated and coordinated development of the "six networks", creating a modern logistics network featuring seamless internal and external connectivity, integration of digital and intelligent technologies, and high efficiency at low cost. They explicitly propose the formation of a batch of backbone logistics enterprises with strong international competitiveness and take intelligent logistics as an important tool for promoting the high-quality development of logistics. The policies released by the government set out development directions for enterprises within the industry in respect of medium-and long-term business planning, market expansion, infrastructure investment, etc., and signal expectations of sustained favorable policies. Meanwhile, as China's manufacturing brands accelerate their pace of going abroad and strategic customers constantly raise their requirements for the stability and security of the global supply chain, development opportunities arise for logistics enterprises that have already established relatively comprehensive domestic and overseas network layouts and integrated logistics service capabilities. As a leading domestic logistics enterprise and the unified operation platform and brand of China Merchants Group's logistics business, during the 15th Five-Year Plan period, the Group will be committed to building a product line of "solutions, channel products and basic services", continuously strengthening its specialized strategies of "technological innovation, internationalization, digitalization and intelligentization, and synergistic integration", and striving to develop into an international first-class intelligent logistics platform enterprise. During the 14th Five-Year Plan period, the Group's revenue and the business volume of its major business segments all achieved

compound growth, among which the business volume of contract logistics, air channel and railway freight forwarding businesses recorded compound annual growth rates of 8.2%, 11.4% and 25.7%, respectively;

(b) the fundamentals that China's economy is stabilizing and improving in the long run remain unchanged. In the first half of 2026, China's GDP grew by 4.7% year on year. According to the forecast report released by the International Monetary Fund (IMF) in July 2026, China's economy is expected to grow by 4.6% in 2026, and will maintain a growth rate of above 4.0% in 2027; and

(c) the global economy and trade will see a moderate recovery. According to the forecast report released by IMF in July 2026, global economic growth is anticipated to be 3.0% in 2026 and rebound to 3.4% in 2027; the growth of world trade volume is expected to be 3.5% in 2026 and rebound to 4.3% in 2027. Emerging markets and developing economies are becoming the main engine of trade growth, which, coupled with the continuously rising penetration of cross-border digital trade models, creates external market opportunities for the going abroad campaign of Chinese foreign trade enterprises;

(v) according to the major development plans of China Merchants Group and the Group to further enhance internal synergies, and taking into account that China Merchants Group has acquired several enterprises in recent years to continuously expand its business scale, opportunities for collaboration between the Group and China Merchants Group and its associates in the logistics sector are expected to expand further.

(b) Provision and Receipt of Lease Services

Principal terms of the Master Services Agreement in relation to provision and receipt of lease services

China Merchants and its associates agreed to lease certain properties and storage facilities (inclusive of the equipment therein) to the Group in various locations at which the Group mainly operates including Beijing, Shanghai, Guangdong, Shandong, Fujian, Tianjin, Jiangsu, Zhejiang, Liaoning, Hubei and Hebei, etc. In the meantime, the Group agreed to lease certain properties and storage facilities (inclusive of the equipment therein) to China Merchants and its associates for their daily operation.

In addition, the Group and China Merchants and its associates agreed on the provision and receipt of the lease service of containers and other equipment between each other in the course of the transportation and logistics business operation.

Separate lease agreements will be entered into by the relevant parties in respect of individual leases.

Historical transaction amounts in relation to provision and receipt of lease services

The table below sets out the historical transaction amounts in relation to (i) the lease of properties and storage facilities (inclusive of the equipment therein) and (ii) the lease of containers and other equipment between the Group and China Merchants and its associate during the financial years ended 31 December 2024 and 2025 and for the six months ended 30 June 2026:

Unit: RMB hundred million

	For the year ended 31 December 2024	**For the year ended 31 December 2025**	**For the six months ended 30 June 2026**
(a) Lease of properties and storage facilities (inclusive of the equipment therein)			
① *Actual amount with respect to the lease of properties and storage facilities (inclusive of the equipment therein) by the Group as the lessee from China Merchants and its associates*			
− Right-of-use assets (for those leases of which the lease term exceeds one year)	6.29	4.79	9.44
− Historical annual cap	25.00	28.75	33.06
− Other payments (including rent for those leases of which the lease term is no more than one year)	1.30	1.21	0.18
− Historical annual cap	2.00	2.30	2.65

	For the year ended 31 December 2024	For the year ended 31 December 2025	For the six months ended 30 June 2026
② *Actual amount with respect to the lease of properties and storage facilities (inclusive of the equipment therein) by the Group as the lessor to China Merchants and its associates*			
− Total rent payments	0.14	0.009	0.05
− Historical annual cap	0.40	0.46	0.53
(b) Lease of containers and other equipment			
① *Actual amount with respect to the lease of containers and other equipment by the Group as the lessee from China Merchants and its associates*			
− Right-of-use assets (for those leases of which the lease term exceeds one year)	0.05	0.05	0.11
− Historical annual cap	0.60	0.69	0.79
− Other payments (including rent for those leases of which the lease term is no more than one year)	0.02	0.009	0.004
− Historical annual cap	0.08	0.09	0.10
② *Actual amount with respect to the lease of containers and other equipment by the Group as the lessor to China Merchants and its associates*			
− Total rent payments	0.59	0.53	0.22
− Historical annual cap	2.00	2.30	2.65

Annual caps in relation to provision and receipt of lease services

The Company proposes that the estimated caps in respect of (i) lease of properties and storage facilities (inclusive of the equipment therein) and (ii) the lease of containers and other equipment between the Group and China Merchants and its associates contemplated under the Master Services Agreement for the three financial years ending 31 December 2029 are as follows:

Unit: RMB hundred million

	For the year ending 31 December 2027[1]	**For the year ending 31 December 2028**[1]	**For the year ending 31 December 2029**[1]
(a) Lease of properties and storage facilities (inclusive of the equipment therein)			
① *Annual cap with respect to the lease of properties and storage facilities (inclusive of the equipment therein) by the Group as the lessee from China Merchants and its associates*			
− Right-of-use assets (for those leases of which the lease term exceeds one year)	25.00	28.75	33.06
− Other payments (including rent for those leases of which the lease term is no more than one year)	2.00	2.30	2.65
② *Annual cap with respect to the lease of properties and storage facilities (inclusive of the equipment therein) by the Group as the lessor to China Merchants and its associates*			
− Total rent payments	0.40	0.46	0.53

	For the year ending 31 December 2027[1]	For the year ending 31 December 2028[1]	For the year ending 31 December 2029[1]
(b) Lease of containers and other equipment			
① *Annual cap with respect to the lease of containers and other equipment by the Group as the lessee from China Merchants and its associates*			
− Right-of-use assets (for those leases of which the lease term exceeds one year)	0.60	0.69	0.79
− Other payments (including rent for those leases of which the lease term is no more than one year)	0.10	0.10	0.10
② *Annual cap with respect to the lease of containers and other equipment by the Group as the lessor to China Merchants and its associates*			
− Total rent payments	2.00	2.30	2.65

Notes:

1. Different accounting treatment apply to different components of payments by the Group as lessee under the Master Services Agreement in accordance with the PRC Accounting Standards for Business Enterprises applicable to the Group. Under the PRC Accounting Standards for Business Enterprises, the Group as the lessee shall recognize leases for a term of more than one year as right-of-use assets and lease liabilities. The right-of-use assets represent its rights to use the underlying leased asset over the lease term and the lease liabilities represent its obligations to make lease payments (i.e. the rental payment). The assets and the liabilities arising from the lease are initially measured on present value basis and calculated by discounting the non-cancellable lease payments under the Master Services Agreement, using the incremental borrowing rate as the discount rate. Under the PRC Accounting Standards for Business Enterprises and in the consolidated statement of comprehensive income of the Group, the Group shall recognize (i) depreciation charge over the life of the right-of-use asset, and (ii) interest expenses amortized from the lease liability over the lease term. In accordance with the SEHK Listing Rules, the Company is required to set caps on the total value of right-of-use assets relating to the above leases. Other amounts payable by the Group as lessee (including rent for those leases for a term of no more than one year) will be recorded as expenses by the Company over the remainder of term of the lease and separate caps are set in accordance with the SEHK Listing Rules.

2. The annual caps in respect of the provision and receipt of lease of properties and storage facilities (inclusive of the equipment therein) between the Group and China Merchants and its associates under the Master Services Agreement have been determined after taking into account:

   (i) the rent payable for subsisting property lease arrangements between the Group and China Merchants and its associates. For each of the three years ending 31 December 2027, 2028 and 2029, the rent payable by the Group to China Merchants and its associates for the existing property lease arrangements (for leases of which the lease term is no more than one year) taking into account their estimated subsequent renewals under the same terms as at present is expected to be around RMB90.67 million, RMB94.61 million and RMB96.09 million, respectively, and the value recognized as the right of-use assets in the financial statements of the Group (for those leases of which the lease term exceeds one year) will be around RMB1,243.53 million, RMB1,148.42 million and RMB1,144.72 million, respectively; and the rent payable by China Merchants and its associates to the Group for the existing property lease arrangements taking into account their estimated subsequent renewals under the same terms as at present is expected to be around RMB3.18 million, RMB3.65 million and RMB5.00 million, respectively;

   (ii) the potential increase in the rent of existing lease contracts upon their subsequent renewals and the new ones to be entered into in the following three years ending 31 December 2029 is due to the estimated increase in other fees and expenses (such as labour costs and maintenance fees) along with the business and market improvement, as well as market rent generally for properties at locations and of a quality similar to those currently occupied by the Group and China Merchants and its associates currently at a low level, with the potential to rise and in particular for commercial properties in key cities in China, for example, Beijing, Shanghai and Shenzhen where the headquarters of the Company and certain of its subsidiaries are located;

   (iii) the Group utilises self-owned or leased warehouses (inclusive of properties, storage facilities and equipment) to provide warehousing related logistics services to its customers. During the 14th Five-Year Plan period, the external revenue from the Group's logistics business achieved a compound annual growth rate of 8.44%. With the expansion of Group's logistics businesses, there will be potential expansion of the business of the parties and the consequential increase in demand for additional properties and storage facilities (inclusive of the equipment therein) where the Group is relatively lack of logistics properties and storage facilities. As China Merchants and its associates are both suppliers and customers of the Group, according to the major development plans of China Merchants Group and the Group to enhance internal synergies, the Group is likely to further lease some logistics properties (mainly including warehouses, storage facilities and office buildings) from China Merchants and its associates and lease some logistics properties (mainly including warehouses, storage facilities and office buildings) to China Merchants and its associates during the next three years, and opportunities for collaboration are expected to expand further. The Group is in the negotiation with China Merchants and its associates over the potential lease arrangements at current stage, and such arrangements may or may not be entered into between the parties. If such aforementioned lease arrangements are entered into as planned, the additional estimated rent payable by the Group to China Merchants and its associates (for those leases of which the lease term is no more than one year) will be around RMB76.36 million, RMB90.29 million and RMB119.70 million in each of 2027, 2028 and 2029, with the value recognized as the additional right-of-use assets in the financial statements of the Group (for those leases of which the lease term exceeds one year) around RMB785.57 million, RMB1,109.56 million and RMB1,442.43 million, respectively; and the additional rent payable by China Merchants and its associates to the Group is estimated to be RMB30.00 million, RMB33.57 million and RMB38.76 million, respectively; and

(iv) the reasonable buffer required to cater for random and occasional leasing demand and to ensure flexibility during the parties' daily operations.

3. The annual caps in respect of the provision and receipt of lease of containers and other equipment between the Group and China Merchants and its associates under the Master Services Agreement have been determined after taking into account:

(i) the expenses payable for subsisting lease arrangements in relation to the containers and other equipment between the Group and China Merchants and its associates. For each of the three years ending 31 December 2027, 2028 and 2029, the rent payable by the Group to China Merchants and its associates for the existing lease arrangements (for leases of which the lease term is no more than one year) in relation to the containers and other equipment taking into account their estimated subsequent renewals under the same terms as at present is expected to be around RMB4.91 million, RMB4.95 million and RMB5.00 million, respectively, and the value recognized as the right of-use assets in the financial statements of the Group (for those leases of which the lease term exceeds one year) will be around RMB16.08 million, RMB16.08 million and RMB1.84 million, respectively; and the expenses payable by China Merchants and its associates to the Group for the existing lease arrangements in relation to the containers and other equipment taking into account their estimated subsequent renewals under the same terms as at present is expected to be around RMB66.28 million, RMB64.91 million and RMB67.36 million, respectively;

(ii) the potential increase in the rent of existing lease contracts upon their subsequent renewals and the new ones to be entered into in the following three years ending 31 December 2029, which is due to the estimated increase in other fees and expenses (such as labour costs and maintenance fees) along with the business and market improvement;

(iii) as China Merchants and its associates are both suppliers and customers of the Group, according to the major development plans of China Merchants Group and the Group to enhance internal synergies, the Group is likely to further lease a series of additional containers and other equipment (mainly including lifting equipment and transport vehicle) from China Merchants and its associates and lease a series of additional containers to China Merchants and its associates during the next three years, and opportunities for collaboration are expected to expand further. The Group is in the negotiation with China Merchants and its associates over the potential lease arrangements at current stage, and such arrangements may or may not be entered into between the parties. If such aforementioned lease arrangements are entered into as planned, the additional estimated rent payable by the Group to China Merchants and its associates (for leases of which the lease term is no more than one year) will be around RMB2.90 million, RMB2.90 million and RMB2.90 million in each of 2027, 2028 and 2029, with the value recognized as the additional right-of-use assets in the financial statements of the Group (for those leases of which the lease term exceeds one year) around RMB31.00 million, RMB40.27 million and RMB60.72 million, respectively; and the additional rent payable by China Merchants and its associates to the Group is estimated to be RMB88.00 million, RMB123.00 million and RMB152.00 million, respectively; and

(iv) the reasonable buffer required to cater for random and occasional leasing demand and to ensure flexibility during the parties' daily operations.

The Directors (excluding the independent non-executive Directors who will make their recommendation after having taken into account the written advice to be given by the Independent Financial Adviser) are of the view that, taken into account of the reasons described above, the relevant New Caps contemplated under the Master Services Agreement and the terms thereof are fair and reasonable and on normal commercial terms and the Master 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.

(ii) Transactions with Certain Connected Subsidiaries under the Master Logistics Agreement

In order to facilitate the continuation of the provision and receipt of transportation and logistics services to and from Certain Connected Subsidiaries in compliance with the requirements of the SEHK Listing Rules, on 27 October 2026, the Company entered into the Master Logistics Agreement with Certain Connected Subsidiaries for the provision and receipt of the transportation and logistics services (including freight forwarding, shipping agency, storage and yard operation, road transportation and shipping transportation and other logistics services) between members of the Group and Certain Connected Subsidiaries. The term of the Master Logistics Agreement is for a period of three years commencing on 1 January 2027 and ending on 31 December 2029, subject to the approval of Independent Shareholders. Services provided under the Master Logistics Agreement will be at the market price charged by independent third parties and on normal commercial terms. Procedures and mechanism for determining market price will be as same as those described in the section headed "(i) Transactions with China Merchants and its associates under the Master Services Agreement" above.

The table below sets out the historical transaction amounts of the Group with Certain Connected Subsidiaries during the two financial years ended 31 December 2025 and for the six months ended 30 June 2026 and the proposed annual caps for the three financial years ending 31 December 2029 under the Master Logistics Agreement:

Unit: RMB hundred million

	For the year ended 31 December 2024	For the year ended 31 December 2025	For the year ending 31 December 2026	For the year ending 31 December 2027 cap[2]	For the year ending 31 December 2028 cap[2]	For the year ending 31 December 2029 cap[2]
Provision of transportation and logistics services by the Group	21.50	20.79	9.84[1]	38.51	46.33	53.86
Historical annual caps[3]	35.31	40.95	44.52	–	–	–
Historical utilization rate[4]	60.89%	50.77%	22.10%	–	–	–
Receipt of transportation and logistics services by the Group	20.98	18.30	5.29[1]	36.59	45.25	55.61
Historical annual caps[3]	29.63	35.53	44.08	–	–	–
Historical utilization rate[4]	70.81%	51.51%	12.00%	–	–	–

Notes:

1. These figures represent the transaction amount for the six months ended 30 June 2026 and the relevant utilization rates are calculated by measuring those transaction amounts against the annual cap.

2. These figures represent the maximum aggregate annual transaction value in respect of the transactions of the relevant type which the Group will undertake under the Master Logistics Agreement during the financial year specified. The actual transaction amount may be different.

3. For illustration purpose only, the historical annual caps represent the aggregate of the annual caps under the Former Master Services Agreements (Certain Connected Subsidiaries) and Former Purchase and Sales Framework Agreement. 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 Certain Connected Subsidiaries (excluding counterparties to the Former Master Services Agreements (Certain Connected Subsidiaries) and Former Purchase and Sales Framework Agreement, namely, Sinotrans Changjiang, Jiangsu Shipping Agency, Y2T, Qingdao Jinyun Air and their respective subsidiaries) since 1 January 2026 still fall within the de minimis threshold under Chapter 14A of the SEHK Listing Rules.

4. Some historical utilization rates for the two financial years ended 31 December 2025 and the six months ended 30 June 2026 being comparatively low is primarily due to the fact that: the transportation and logistics industry has always been competitive and independent providers of similar services may sometimes offer prices and/or terms better than those offered or received by the Group. Therefore, in compliance with the internal control procedures and in accordance with the business contract review system adopted by the Group, there is no assurance that the Group would select Certain Connected Subsidiaries as transportation and logistics services provider or vice versa.

5. In determining the relevant caps for transactions under the Master Logistics Agreement, the Company has taken into account the following factors:

   (i) the highest historical transaction amounts in respect of the transportation and logistics services between the Group and Certain Connected Subsidiaries for the two years ended 31 December 2025 and six months ended 30 June 2026;

   (ii) potential increase in opportunities for collaboration between the Group and Certain Connected Subsidiaries in respect of the transactions contemplated under the Master Logistics Agreement arising from (a) the reasonable business expansion of the parties and the details of which are elaborated in note 2(v) under the sub-section headed "(i) Transactions with China Merchants and its associates under the Master Services Agreement" above; (b) the estimated increasing trend of the automobile transportation services to be provided by Certain Connected Subsidiaries to the other members of the Group and the gradual recovery of domestic economy and transportation and logistics industry;

   (iii) more products to be launched through the Y2T platform driven by the Group's digital transformation, the potential growth in the Group's revenue and operation scale and the expected rapid growth in the digitization of the whole logistics industry, including digital products and transactions, in the coming years, which will lead to an increasing demand for the services provided by the Y2T Group to the Group. Meanwhile, there is an estimated increase of the provision of the logistics and related services by the Group to the Y2T Group. Certain Y2T's customers have increasing demands for the fourth-party logistics (4PL) services (i.e., providing integrated logistics services including logistics planning, consulting, logistics information system and supply chain management for first party (shipper), second party (consignee) and third party (third party logistics service provider)) provided by the Group, therefore their procurement volume of the Group's logistics services through the Y2T platform is expected to escalate in the subsequent years; and

   (iv) according to the major development plans of the Group to enhance internal synergies, opportunities for collaboration between the Group and Certain Connected Subsidiaries in the logistics sector are expected to expand further.

The Directors (excluding the independent non-executive Directors who will make their recommendation after having taken into account the written advice to be given by the Independent Financial Adviser) are of the view that the relevant New Caps contemplated under the Master Logistics Agreement and the terms thereof are fair and reasonable, on normal commercial terms, and are entered into in the ordinary and usual course of business of the Group and in the interest of the Company and the Shareholders as a whole.

(iii) Transactions with the Finance Company

Principal terms of the Financial Services Agreement

On 27 October 2026, the Company and the Finance Company entered into the Financial Services Agreement under which the Finance Company agreed to provide a series of financial services which include: (i) deposit services; (ii) loan services; (iii) other financial services (including the following categories of services, namely settlement services, notes services, foreign exchange services, entrusted loan services, financial and financing consultancy services and other relevant advice and agency services, and other financial services within its business scope), as set out in more details below, to the Group within the caps agreed thereunder for the three years commencing on 1 January 2027 and ending on 31 December 2029:

(a) Deposit services: the interest rates of the deposit services offered by the Finance Company (1) are to be 15% to 50% higher than the general interest rates set by the PBOC for the same type of deposit for the same term; and (2) are not to be lower than the interest rates offered by major commercial banks in the PRC to the Group for the same type of deposit for the same term in the same period.

    Services ancillary to the deposit services, including but not limited to account management services and provision of deposit certificate, are to be provided by the Finance Company free of charge.

(b) Loan services: the interest rates of loan services charged by the Finance Company will not be higher than the interest rates provided by other financial institutions in the PRC to the Group for the same level of loan in the same period. Loans provided by the Finance Company will in principle be by way of unsecured credit loans.

(c) Other financial services:

① Settlement services: the Finance Company will provide domestic settlement services free of charge and the rate of cross border and overseas settlement services will not be higher than that of the same services provided by other domestic and local financial institutions.

② Notes services: including but not limited to bank acceptance bill, commercial acceptance bill and related business. The charges for such services will not be higher than that charged by other PRC financial institutions which provide comparable products in the same period.

③ Foreign exchange services: the Finance Company may on application of the Group provide settlement and sale of foreign exchange services. The exchange rates to be offered by the Finance Company will not be less favorable than that offered by other domestic financial institutions for similar services.

④ Other services including but not limited to entrusted loan services, financial and financing consultancy services and other relevant advice and agency services. The charge for provision of such services by the Finance Company will not be higher than those charged by other major domestic financial institutions for similar services.

As the making of deposits by the Group to the Finance Company constitutes "financial assistance" by the Group to the Finance Company for the purposes of the SEHK Listing Rules and, in view of the size of the annual caps for deposits set out as below, the use of the deposit services by the Group under the Financial Services Agreement is conditional upon the approval by the Independent Shareholders at the EGM.

Internal control and risk management measures under the Financial Services Agreement

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

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

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

(c) The Finance Company has 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.

(d) The Finance Company will strictly comply with the relevant laws and regulations and requirements of the regulatory authority and ensure the security of funds of the Group, including compliance with the requirements of NAFR and other regulatory authorities.

(e) The Finance Company is required to provide the Group with periodical reports, setting out: a) daily status of the Group's deposits with the Finance Company; b) the periodical balance sheet, income statement and cash flow statement of the Finance Company; c) significant organization change, equity transaction or operational risks that may impact the deposits of the Group in the future, and to timely inform the Company of the occurrence of any significant security risk towards the Group's deposits and take necessary measures to avoid any losses based on which the Company issues the continuous risk assessment report.

Furthermore, the Company noted that China Merchants, the holding company of the Finance Company, has made an undertaking to NAFR on 25 July 2016 that, in the event the Finance Company is unable to meet its payment obligations, China Merchants will inject capital into the Finance Company to pay for the actual shortfall. Identical undertaking is also set out in the articles of association of the Finance Company.

Historical transaction amounts in relation to the deposit services

During the two financial years ended 31 December 2025 and the six months ended 30 June 2026, the amounts incurred by the Group attributable to deposit services with the Finance Company under the Former Financial Services Agreement were as follows:

Unit: RMB hundred million

	For the year ended 31 December 2024	**For the year ended 31 December 2025**	**For the year ending 31 December 2026**
Actual maximum daily outstanding balance of deposits placed by the Group with the Finance Company (excluding loan proceeds advanced by the Finance Company)	57.87	59.62	58.78[1]
Relevant annual cap under the Former Financial Services Agreement	60.00	60.00	60.00
Historical utilization rate	96.45%	99.37%	97.97%[1]

Note:

1. These figures represent the transaction amount for the six months ended 30 June 2026 and the utilization rates are calculated by measuring those transaction amounts against the relevant annual caps.

Annual caps for deposit services

The Company proposes that the maximum amount for the deposit services for the three financial years ending 31 December 2029 pursuant to the Financial Services Agreement be capped as follows:

Unit: RMB hundred million

	For the year ending 31 December 2027[1]	For the year ending 31 December 2028[1]	For the year ending 31 December 2029[1]
Maximum daily outstanding balance of deposits placed by the Group with the Finance Company (excluding loan proceeds advanced by the Finance Company)	60.00	60.00	60.00

Notes:

1. These figures represent the maximum value of transactions of the relevant type which the Group may undertake during the relevant financial years. The actual amount of transaction may be different. Taking into account the basis for the determination of the caps as detailed below, the Board (excluding the independent non-executive Directors who will make their recommendation after having taken into account the written advice to be given by the Independent Financial Adviser) considers that the New Caps set out above are fair and reasonable.

2. In setting the annual caps for the deposit services under the Financial Services Agreement for the three years ending 31 December 2029, the Company has taken into account the following factors:

   (i) the historical utilization rates for the caps of the maximum daily outstanding balance of deposits placed by the Group with the Finance Company under the Former Financial Services Agreement were more than 96%, and the highest has reached 99.37%;

   (ii) the Group expects to maintain a stable cooperation with the Finance Company in respect of the deposit services provided by the Finance Company for the three years ending 31 December 2029, considering the benefits and advantages gained by the Group from such services in the following aspects:

      (a) the deposits placed by the members of the Group in the Finance Company can facilitate 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 given that the Finance Company does not charge for domestic settlement services under the terms of the Financial Services Agreement as a result of increased collaboration on the provision of logistics services between them as explained in greater detail in note 2(v) under the sub-section headed "(i) Transactions with China Merchants and its associates under the Master Services Agreement";

      (b) the deposits placed by the Group with the Finance Company can be utilized to supplement the fund cash requirements of the subsidiaries of the Company, which increase the efficiency of funds utilization of the Group;

(c) the interest rate for the deposits placed by the Group with the Finance Company is generally superior to the interest rate for the same type of deposit announced by PBOC for the same period and the interest rate for the same type of deposit offered by the major commercial banks in the PRC for the same period, which is beneficial to improving the level of the Company's capital gains; and

(d) there is lower risk of default over the deposits placed with the Finance Company as China Merchants has made an undertaking to pay for the actual shortfall of the Finance Company in the event the Finance Company is unable to meet its payment obligations.

Annual cap for loan services and other financial services

Under the Financial Services Agreement, the maximum daily outstanding balance of loans granted by the Finance Company to the Group (including accrued interests and handling charges) shall not exceed RMB10 billion. The provision of loan services by the Finance Company to the Group on normal commercial terms and 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 the SEHK Listing Rules from reporting, annual review, announcement and Independent Shareholders' approval requirements.

Under the Financial Services Agreement, the maximum total expenses payable by the Group to the Finance Company for each of the three years ending 31 December 2029 with respect to other financial services shall not exceed RMB20 million. For each of the three years ending 31 December 2026, the total expenses incurred by the Group with respect to other financial services under the Former Financial Services Agreement was and will be within the de minimis threshold under Chapter 14A of the SEHK Listing Rules.

The abovementioned proposed annual caps for the loan services and other financial services to be provided by the Finance Company to the Group under the Financial Services Agreement were determined with reference to (i) the historical transaction amounts of such services; (ii) the capital management strategies of the Group; and (iii) the Group's estimated financial needs for loan and other financing services. The Directors (excluding the independent non-executive Directors who will make their recommendation after having taken into account the written advice to be given by the Independent Financial Adviser) 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.

III. SEHK Listing Rules compliance in respect of the continuing connected transactions

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

As at the date of this announcement, all Certain Connected Subsidiaries are subsidiaries of the Company, and China Merchants, the ultimate controlling Shareholder, indirectly holds more than 10% interest in each of them through its associates. Therefore, such subsidiaries are connected subsidiaries of the Company under Rule 14A.16 of the SEHK Listing Rules. As such, the transactions contemplated under the Master Logistics Agreement constitute continuing connected transactions of the Company under Chapter 14A of the SEHK Listing Rules.

The transactions in relation to the provision or receipt of transportation and logistics services contemplated under the Master Services Agreement and the Master Logistics Agreement shall be aggregated for the purposes of calculating the applicable percentage ratios pursuant to Rule 14A.82 of the SEHK Listing Rules. As the highest applicable percentage ratio (as defined under the SEHK Listing Rules) in respect of the provision or receipt of transportation and logistics services contemplated under the Master Services Agreement and the Master Logistics Agreement exceeds 5%, such transactions and the proposed annual caps thereof are subject to the reporting, annual review, announcement and Independent Shareholders' approval requirements under Chapter 14A of the SEHK Listing Rules.

As the highest applicable percentage ratio (as defined under the SEHK Listing Rules) in respect of the lease of properties and storage facilities (inclusive of the equipment therein) by the Group from China Merchants and its associates contemplated under the Master Services Agreement exceeds 5%, such transactions and the proposed annual caps thereof are subject to the reporting, annual review, announcement and Independent Shareholders' approval requirements under Chapter 14A of the SEHK Listing Rules. As each of the highest applicable percentage ratios (as defined under the SEHK Listing Rules) in respect of (i) the lease of properties and storage facilities (inclusive of the equipment therein) by the Group to China Merchants and its associates; and (ii) the lease of containers and other equipment between the Group and China Merchants and its associates exceeds 0.1% but is less than 5%, such transactions are subject to the reporting, annual review and announcement requirements but exempt from the Independent Shareholders' approval requirement under Chapter 14A of the SEHK Listing Rules.

As the highest applicable percentage ratio (as defined under the SEHK Listing Rules) in respect of the deposit services contemplated under the Financial Services Agreement exceeds 5% but is less than 25%, such transactions constitute discloseable transactions under Chapter 14 of the SEHK Listing Rules and continuing connected transactions under Chapter 14A of the SEHK Listing Rules, and are subject to the reporting, annual review, announcement and Independent Shareholders' approval requirements under the SEHK Listing Rules. The provision of loan services by the Finance Company to the Group on normal commercial terms on an unsecured basis under the Financial Services Agreement constitute financial assistance by a connected person for the benefit of the Group which is exempt under the Rule 14A.90 of the SEHK Listing Rules from reporting, annual review, announcement and Independent Shareholders' approval requirements. As the highest applicable percentage ratio (as defined under the SEHK Listing Rules) in respect of the other financial services contemplated under the Financial Services Agreement is less than 0.1%, such transactions are exempt from reporting, annual review, announcement and the Independent Shareholders' approval requirements under Chapter 14A of the SEHK Listing Rules.

The Company has set up the Independent Board Committee to advise the Independent Shareholders in respect of the continuing connected transactions (including the related annual caps) contemplated under the Master Services Agreement in relation to (i) the provision or receipt of transportation and logistics services between the Group and China Merchants and its associates and (ii) the lease of properties and storage facilities (inclusive of the equipment therein) by the Group from China Merchants and its associates, the transactions contemplated under the Master Logistics Agreement, and the deposit services contemplated under the Financial Services Agreement. The Company has appointed VBG Capital as the Independent Financial Adviser for the Non-exempt Continuing Connected Transactions.

IV. Basis of pricing of the transactions contemplated under the Master Services Agreement, the Master Logistics Agreement and the Financial Services Agreement, and internal control procedures for monitoring continuing connected transactions

Basis of pricing and settlement

(i) the Master Services Agreement and the Master Logistics Agreement in relation to the Provision and Receipt of Logistics Services

Separate contracts in relation to each transaction will be entered into by the relevant parties. As the Group is a key market player in the transportation and logistics services in the PRC, during its ordinary course of business it gathers information on the market rates of various products and services offered by its competitors from time to time. For some standard products and services, various suppliers may issue price lists from time to time. When entering into any particular transaction with a connected person, the relevant member of the Group would consider a number of factors including, among other things, the combination of products or services provided, the geographical coverage of products or 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 products or services for which the terms offered by suppliers could substantially differ, the relevant member of the Group will in accordance with the Group's internal control manual requirements obtain quotes and terms of products or services from at least two independent third parties (to the extent such alternative suppliers 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 products or services (including the price thereof) 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 suppliers in the relevant market for a particular type of products or services, such departments and offices will review the terms of such services (including the price) with reference to the terms of similar products or 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 and the Master Logistics Agreement by the Group to China Merchants and its associates and Certain Connected Subsidiaries will be at the market prices charged by the Group to independent third parties for the same or comparable type of products or 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.

The payment terms of the transportation and logistics services provided and received under the Master Services Agreement and the Master Logistics Agreement vary depending on the content of the services required and would typically be settled in full after completion of the delivery services, and may entail the prepayment of certain proportion of the relevant service fees which will be determined by the nature of services that are required to be provided.

(ii) the Master Services Agreement in relation to the Provision and Receipt of Lease Services

The Master Services Agreement requires that the transactions of lease services between the parties are at the market price and on normal commercial terms. "Market price" means the price at which the same or comparable type of the subject of the lease arrangements are provided by or to (as appropriate) independent third parties in the same area on normal commercial terms in the ordinary course of business. Rent for the properties or facilities leased under the Master Services Agreement is payable on a monthly or annual basis and on such payment terms prescribed under the terms of the specific lease agreement between the parties.

In respect of property leases between the Group and China Merchants and its associates, the rental shall be determined through arm's length negotiations between relevant parties with reference to the prevailing market price of local properties in vicinity with similar size and quality. When considering new leases or renewal of existing leases with China Merchants and its associates, the relevant member of the Group would gather the rental information of at least two properties of similar specification and sizes in similar locations and negotiate based on such market terms to make sure that the terms offered by the relevant counterparty would not be less favourable than those offered by independent third parties on the market.

In respect of the leases of containers and other equipment between the Group and China Merchants and its associates, the rental shall be determined through arm's length negotiations between relevant parties with reference to the prevailing market price of comparable facilities of similar ages, sizes, functions and attributes. For the containers and other equipment leased by the Group as the lessee from China Merchants or its associates, before entering into any new leases or renewal of existing leases, the Group will actively seek to obtain market price information through various channels, for example, obtaining quotes from at least two independent service providers which lease comparable facilities of similar nature in the same area.

(iii) the Financial Services Agreement

The Company first engaged the Finance Company for the provision of the deposit services to the Group, on normal commercial terms, pursuant to an agreement entered into between them in 2012. The existing deposit services used by the Group mainly involve placing/withdrawing current deposits in the Finance Company to facilitate the Group's daily operations such as receiving sales proceeds from customers or making payments for expenses to suppliers or government authorities and payrolls. As maximizing interest income is not the Group's only goal for using the deposit services, the Group also considers other selection criteria, in addition to the interest rates, such as fund security, preferences of customers, suppliers and the government authorities, location of bank branches, quality of services and convenience on fund transfers, in selection of deposit services providers. In the past transactions between the Group and the Finance Company, the Finance Company provided relevant services strictly in compliance with terms of related contracts and fulfilled its obligation to provide the Company with information on operating conditions on a regular basis, etc. There has been no circumstance in which any deposit was unable to be withdrawn in a timely manner.

Given that the Group is satisfied with the quality of services provided by the Finance Company, the Group intends to continue the deposit services with the Finance Company after expiration of the term of the Former Financial Services Agreement.

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 compares the current interest rates offered by its deposit services providers with the relevant standard deposit rates published by the PBOC and the rates offered by other major commercial banks in the PRC from time to time. The Group would apply the same principles in selection of deposit services providers and in determination of the terms of the deposit services to be provided by the Finance Company.

The payment of the relevant interests, expenses and service fees for the financial services contemplated under the Financial Services Agreement can be settled by the parties on a one-off basis or by installment in accordance with separate agreements as might be entered into between the Group and the Finance Company.

Internal control procedures

To ensure the relevant terms provided by connected parties under the Master Services Agreement, the Master Logistics Agreement and 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 Company's internal control system includes procedures specifically for monitoring continuing connected transactions which include the following steps:

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

(ii) the finance department and compliance department of the Company will collect real-time statistics of the continuing connected transactions under the Master Services Agreement, the Master Logistics Agreement and the Financial Services Agreement on a weekly basis and monitor such transactions through the Group's internal online system to ensure the annual caps approved by the Independent Shareholders are not exceeded; and

(iii) the auditors of the Company review the statistics of the continuing connected transactions on an annual basis in compliance with the annual reporting and review requirements under the 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 Master Services Agreement, the Master Logistics Agreement and 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.

V. Reasons and benefits for the continuing connected transactions

The Master Services Agreement and the Master Logistics Agreement provide flexibility of logistics business to the Group in working with China Merchants and its associates as well as the Certain Connected Subsidiaries to provide end-to-end logistics services to independent customers, including covering locations in which the Group does not have operations and sourcing specific type of services at competitive prices when necessary. For instance, the Group's transportation and logistics resources are comparatively inadequate in the areas such as Xinjiang, Ningxia and Gansu of the PRC, while China Merchants Group is able to provide relevant resources and services for the Group in these areas. In addition, Certain Connected Subsidiaries may from time to time be able to provide specific types of services (such as container transportation services, air freight forwarding services or warehousing services) to the Group at competitive prices. Furthermore, those parts of China Merchants and its associates, who are not in the same line of business of the Group can become potential customers for services of the Group. Besides, the Master Services Agreement facilitates continuous and stable use of operating premises and containers and other equipment between the Group and China Merchants and its associates at market rate and provides the Group with greater flexibility to leasing arrangements. Accordingly, the Directors (excluding the independent non-executive Directors who will make their recommendation after having taken into account the written advice to be given by the Independent Financial Adviser) consider that it is in the interest of the Company and its Shareholders as a whole to allow continuing connected transactions on normal commercial terms as contemplated under the Master Services Agreement and the Master Logistics Agreement.

According to the terms entrenched for the Financial Services Agreement, the Finance Company will provide deposit and loans services to the Group to facilitate its capital management and boost efficiency. It will offer flexibility to the Group and reduce settlement costs and increase efficiency of transactions between the Group and China Merchants Group. In particular, in respect of the deposit service, the Finance Company will ensure deposit rates at a premium to published PBOC rates and not less than those offered by major commercial banks in the PRC to the Group, and the Group can choose to use the deposit services from the Finance Company to increase deposit interest returns on its Disposable Cash that is generated primarily from its operations, in circumstances where the services being offered by the Finance Company are able to satisfy the Group's rigorous internal control procedures with respect to pricing etc. In terms of risk management, the Company notes that not only does the Finance Company (that is regulated by the PBOC and NAFR) have paid up capital of RMB5 billion and be subject to the rules as to key financial indicator requirements and corporate governance published by NAFR (for example, as at 30 June 2026, the Finance Company has a capital adequacy ratio of 18.44%, liquidity ratio of 42.22%, non-performing loan ratio of 0%, which satisfied such requirements), the Finance Company also has the benefit of the undertaking from China Merchants to provide funds to the Finance Company to make up any funding shortfall (as described in the sub-section headed "(iii) Transactions with the Finance Company-Internal control and risk management measures under the Financial Services Agreement" above). Accordingly, the Directors (excluding the independent non-executive Directors who will make their recommendation after having taken into account the written advice to be given by the Independent Financial Adviser) consider that it is in the interest of the Group to have greater latitude to deposit Disposable Cash with the Finance Company.

B. GENERAL

The EGM will be convened to consider and, if thought fit, approve, among other things, the Non-exempt Continuing Connected Transactions subject to the New Caps.

The notice convening the EGM and the circular are expected to be despatched to the Shareholders on or before 30 November 2026 as the Company needs additional time to prepare the circular which will contain, among other things, further details on the Non-exempt Continuing Connected Transactions subject to the New Caps, a letter from the Independent Board Committee and a letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders.

As each of China Merchants, Certain Connected Subsidiaries and the Finance Company is a party to the Master Services Agreement, the Master Logistics Agreement and the Financial Services Agreement, respectively, they, together with their respective associates (including SINOTRANS & CSC), if holding any Shares, are required under the SEHK Listing Rules to abstain from voting on the resolutions in respect of the Non-exempt Continuing Connected Transactions at the EGM.

None of the Directors had any material interest in the abovementioned continuing connected transactions and therefore they are not required under the SEHK Listing Rules to abstain from voting on the Board resolutions approving these matters. Nonetheless, as Ms. Luo Li, Mr. Li Feng, Mr. Sun Jianfeng and Mr. Huang Chuanjing, all being Directors, are concurrently holding positions in China Merchants, they have abstained from voting on the relevant Board resolutions in accordance with the relevant PRC laws and regulations.

C. INFORMATION OF THE PARTIES

1. The Group and China Merchants

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

2. Finance Company

The Finance Company is a company incorporated in the PRC on 17 May 2011 with limited liability, whose principal business activities target at members of China Merchants Group: (i) handle financial and financing consulting, credit verification and related consulting and agency services; (ii) assist in the collection and payment of transaction funds; (iii) provide guarantee; (iv) handle internal entrusted loans; (v) handle bill acceptance and discounting; (vi) internal transfer and settlement and corresponding settlement and clearing plan design; (vii) deposit services; (viii) handle loans and finance lease, etc. As at the date of this announcement, it is held as to 51% by China Merchants and 49% by SINOTRANS & CSC.

3. Sinotrans Changjiang

Sinotrans Changjiang is a company incorporated in the PRC on 11 December 2002 with limited liability, whose principal business includes handling non-vessel shipping business, handling domestic container transport business, import and export forwarder business and international multimodal transport business. As at the date of this announcement, the Company holds 89% equity interests in Sinotrans Changjiang, and China Merchants holds 11% equity interests in Sinotrans Changjiang through its wholly-owned subsidiary Shanghai Changjiang Shipping Corporation.

4. Jiangsu Shipping Agency

Jiangsu Shipping Agency is a company incorporated in the PRC on 31 December 2002 with limited liability, mainly engaging in the business of international forwarder and domestic and foreign shipping agency at Nanjing port. As at the date of this announcement, the Company holds 51% equity interests in Jiangsu Shipping Agency through Sinotrans Changjiang, and China Merchants holds 49% equity interests in Jiangsu Shipping Agency through its subsidiary CSC Cargo Co., Ltd.

5. Y2T

Y2T is a company incorporated in the PRC on 7 May 2013 with limited liability, and its principal businesses include logistics e-commerce (including online transactions and services of international marine, domestic marine, land transportation, customs service, railway, container consolidation, air freight forwarding and cross-border e-commerce), supply chain value-added services, logistics big data and logistics data exchange infrastructure construction. As at the date of this announcement, Y2T is owned as to 36% by Sinotrans Innovation & Technology Co., Ltd.* (中外運創新科技有限公司) (a wholly owned subsidiary of the Company), as to 36% by Shenzhen China Merchants Innovation Investment Fund Center (Limited Partnership)* (深圳市招商局創新投資基金中心(有限合夥)) (both the general partner and limited partner of which are wholly-owned subsidiaries of China Merchants), as to 18% by Shenzhen Bida Enterprise Consultation Partnership (Limited Partnership)* (深圳必達企業諮詢合夥企業(有限合夥)) (an employees' shareholding platform with the ultimate beneficial owners comprising of Liu Pojun (劉珀均), Liu Haifeng (劉海峰), He Jian (何劍), Li Lifeng (李立峰) and Zhang Weifeng (張為峰), all being natural persons and independent third parties of the Company and its connected persons), and as to 10% in aggregate by Shanghai Hongyu Aviation Industry Equity Investment Partnership (Limited Partnership)* (上海泓宇航空產業股權投資合夥企業(有限合夥)), Shanghai Wuliu Technology Co., Ltd.* (上海悟鎏科技有限公司), Shenzhen Lihe Hongxin Venture Capital Partnership (Limited Partnership)* (深圳力合泓鑫創業投資合夥企業(有限合夥)) and Shenzhen Lihe Venture Capital Co., Ltd.* (深圳市力合創業投資有限公司) (all being independent third parties of the Company and its connected persons) with each holding less than 3% equity interest.

6. Qingdao Jinyun Air

Qingdao Jinyun Air is a company incorporated in the PRC on 24 February 1993 with limited liabilities. Its principal businesses include international air cargo freight forwarding services and international cargo freight forwarding 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.

7. Shenzhen Ocean Shipping

Shenzhen Ocean Shipping is a company incorporated in the PRC on 18 December 1992 with limited liabilities. Its principal businesses include shipping agency services, freight forwarding services and supply chain management. As at the date of this announcement, Shenzhen Ocean Shipping is owned as to (i) 30%by the Company through its wholly-owned subsidiary Sinotrans Logistics Co., Ltd. (中外運物流有限公司, "**Sinotrans Logistics**"); (ii) 15% and 15% by China Merchants through its subsidiaries, Shenzhen Nanyou (Holdings) Corp. Ltd. (深圳市南油(集團)有限公司, a wholly-owned subsidiary of China Merchants Shekou Industrial Zone Holdings Co., Ltd. (招商局蛇口工業區控股股份有限公司, a company whose shares are listed on the Shenzhen Stock Exchange under stock code of 001979.SZ, "**China Merchants Shekou**")) and China Merchants Port Group Co., Ltd. (招商局港口集團股份有限公司, a company whose shares are listed on the Shenzhen Stock Exchange under stock code of 001872.SZ), respectively; (iii) 15% by China Foreign Shipping Agency Co., Ltd.* (中國外輪代理有限公司), an independent third party and a subsidiary of China COSCO SHIPPING Corporation Limited* (中國遠洋海運集團有限公司) and in turn ultimately controlled by SASAC; (iv) 15% by Shenzhen Port Logistics Group Co., Ltd.* (深圳市深圳港物流集團有限公司), an independent third party and a wholly-owned subsidiary of Shenzhen SASAC; and (v) 10% by Shenzhen Navigation Group Co., Ltd.* (深圳市航運集團有限公司), which is an independent third party and in turn owned as to 70% and 30% by Shaanxi SASAC and Shenzhen SASAC, respectively.

8. Sinotrans Logistics (Fujian)

Sinotrans Logistics (Fujian) is a company incorporated in the PRC on 14 July 2008 with limited liabilities. Its principal businesses include domestic freight forwarding and international overland freight forwarding. As at the date of this announcement, Sinotrans Logistics (Fujian) is owned as to 60% by Sinotrans Logistics and 40% by China Merchants through its non wholly-owned subsidiary, China Merchants Zhangzhou Development Zone Co., Ltd.* (招商局漳州開發區有限公司).

9. Shenzhen China Merchants Cruise Service

Shenzhen China Merchants Cruise Service is a company incorporated in the PRC on 3 August 2016 with limited liabilities. Its principal businesses include ship supplies and materials trading, onboard cleaning services, international and domestic freight forwarding, and logistics consulting services. As at the date of this announcement, Shenzhen China Merchants Cruise Service is owned as to 51% by Shenzhen Ocean Shipping and 49% by China Merchants through its non wholly-owned subsidiary, Shenzhen Merchants Shekou International Cruise Home Port Co., Ltd.* (深圳招商蛇口國際郵輪母港有限公司, a wholly-owned subsidiary of China Merchants Shekou).

10. Guangxi Sinotrans Beibu Gulf Logistics

Guangxi Sinotrans Beibu Gulf Logistics is a company incorporated in the PRC on 11 September 2014 with limited liabilities. Its principal businesses include domestic and international freight forwarding services by sea, land and air, general cargo warehousing, customs and commodity inspection declaration services, information consulting services, non-vessel operating common carrier (NVOCC) services, and the import and export of goods and technologies. As at the date of this announcement, Guangxi Sinotrans Beibu Gulf Logistics is owned as to 87.5% by the Company through its wholly-owned subsidiary, Sinotrans Guangxi Co., Ltd.* (中外運廣西有限公司) and 12.5% by SINOTRANS & CSC through its wholly owned subsidiary, Sinotrans Guangdong Co., Ltd.* (廣東外運有限公司).

11. Shanghai Wai-hong Company

Shanghai Wai-hong Company is a company incorporated in the PRC on 9 December 1993 with limited liabilities. Its principal businesses include international freight forwarding, customs declaration and inspection services, bonded warehousing services, non-vessel operating common carrier (NVOCC) services, and property leasing. As at the date of this announcement, Shanghai Wai-hong Company is owned as to 80% by the Company through its wholly-owned subsidiary, Sinotrans Eastern Co., Ltd. (中外運華東有限公司), and 20% by SINOTRANS & CSC through its wholly-owned subsidiary, Sinotrans Shanghai (Group) Co., Ltd. (中外運上海(集團)有限公司).

12. Dalian Sinotrans International Logistics

Dalian Sinotrans International Logistics is a company incorporated in the PRC on 15 December 2022 with limited liabilities. Its principal businesses include international freight forwarding services and road freight transportation. As at the date of this announcement, Dalian Sinotrans International Logistics is owned as to 51% by the Company through its wholly-owned subsidiary, Sinotrans Northeast Co., Ltd. (中外運東北有限公司), and 49% by China Merchants through its non wholly-owned subsidiary, Sinotrans Container Lines Co., Ltd. (中外運集裝箱運輸有限公司, a wholly-owned subsidiary of China Merchants Energy Shipping Co., Ltd. (招商局能源運輸股份有限公司, a company whose shares are listed on the Shanghai Stock Exchange under the stock code of 601872.SH)).

13. Zhanjiang Chemical Logistics

Zhanjiang Chemical Logistics is a company incorporated in the PRC on 6 January 2025 with limited liabilities. Its principal businesses include international freight forwarding services and road freight transportation. As at the date of this announcement, Zhanjiang Chemical Logistics is owned as to (i) 50% by the Company through its non wholly-owned subsidiary, Sinotrans Chemical International Logistics Co., Ltd. (中外運化工國際物流有限公司); (ii) 25% by the Company through its wholly-owned subsidiary, Sinotrans South China Co., Ltd. (中外運華南有限公司); and (iii) 25% by China Merchants through its non wholly-owned subsidiary, Zhanjiang Port (Group) Co., Ltd. (湛江港(集團)股份有限公司).

14. Shenzhen Zhaohua International Exhibition Logistics

Shenzhen Zhaohua International Exhibition Logistics is a company incorporated in the PRC on 18 January 2022 with limited liabilities. Its principal businesses include freight forwarding, loading and unloading services, equipment leasing, and conference and exhibition services. As at the date of this announcement, Shenzhen Zhaohua International Exhibition Logistics is owned as to 51% by Sinotrans Logistics, and as to 49% by Shenzhen Zhaohua International Exhibition Operations Co., Ltd.* (深圳市招華國際會展運營有限公司). Shenzhen Zhaohua International Exhibition Operations Co., Ltd.* (深圳市招華國際會展運營有限公司) is in turn owned as to 50% by China Merchants through its non wholly-owned subsidiary, Shenzhen China Merchants Real Estate Co., Ltd.* (深圳招商房地產有限公司, a wholly-owned subsidiary of China Merchants Shekou) and as to 50% by Shenzhen Overseas Chinese Town Co., Ltd.(深圳華僑城股份有限公司, an independent third party and a company whose shares are listed on the Shenzhen Stock Exchange under the stock code of 000069.SZ) through its wholly-owned subsidiary, Shenzhen OCT Properties Co., Ltd.* (深圳華僑城房地產有限公司).

D. DEFINITIONS

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

"Board"	the board of Directors of the Company
"Certain Connected Subsidiaries"	certain connected subsidiaries of the Company, namely Sinotrans Changjiang, Jiangsu Shipping Agency, Y2T, Qingdao Jinyun Air, Shenzhen Ocean Shipping, Sinotrans Logistics (Fujian), Shenzhen China Merchants Cruise Service, Guangxi Sinotrans Beibu Gulf Logistics, Shanghai Wai-hong Company, Dalian Sinotrans International Logistics, Zhanjiang Chemical Logistics, Shenzhen Zhaohua International Exhibition Logistics and/or their respective subsidiaries (as the case may be)

"China Merchants"	招商局集團有限公司 (China Merchants Group Limited*), a state-owned enterprise established under the laws of the PRC and ultimately controlled by 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
"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 SSE
"Dalian Sinotrans International Logistics"	大連中外運集運國際物流有限公司(Dalian Sinotrans International Logistics Co., Ltd.*), a company incorporated in the PRC with limited liabilities and a non wholly-owned subsidiary of the Company as at the date of this announcement
"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
"EGM"	the 2026 second extraordinary general meeting of the Company to be held to consider and, if thought fit, approve, among other things, the Non-exempt Continuing Connected Transactions subject to the New Caps
"Finance Company"	招商局集團財務有限公司 (China Merchants Group Finance Co., Ltd.*), a company owned as to 51% by China Merchants and 49% by SINOTRANS & CSC as at the date of this announcement
"Financial Services Agreement"	the financial services agreement entered into between the Company and the Finance Company on 27 October 2026 in relation to the provision of various financial services by the Finance Company to the Group
"Former Financial Services Agreement"	the financial services agreement entered into between the Company and the Finance Company on 26 October 2023 in relation to the provision of various financial services by the Finance Company to the Group

"Former Master Lease Agreement"	the master lease agreement entered into between the Company and China Merchants on 26 October 2023 in relation to the lease of certain properties and storage facilities (inclusive of the equipment therein) and the lease of containers and other equipment between the Group and China Merchants and its associates
"Former Master Services Agreement (China Merchants)"	the master services agreement entered into between the Company and China Merchants on 26 October 2023 in relation to the provision and receipt of transportation and logistics services between the Group and China Merchants and its associates
"Former Master Services Agreement(s) (Certain Connected Subsidiaries)"	the master services agreements entered into between the Company and Qingdao Jinyun Air, Sinotrans Changjiang and Jiangsu Shipping Agency on 25 March 2025 and 27 October 2025, respectively, in relation to the provision and receipt of transportation and logistics services between the Group and each of such connected subsidiaries, each a "Former Master Services Agreement" and collectively, the "Former Master Services Agreements" (as the case may be)
"Former Purchase and Sales Framework Agreement"	the purchase and sales framework agreement entered into between the Company and Y2T on 26 October 2023 (as supplemented by the supplemental agreement dated 29 August 2024), in relation to (i) the provision of system development and operation maintenance services, logistics and related services provided by the Y2T Group to the Group; and (ii) the provision of logistics and related services by the Group to the Y2T Group
"Group"	the Company and its subsidiaries
"Guangxi Sinotrans Beibu Gulf Logistics"	廣西中外運北部灣物流有限公司 (Guangxi Sinotrans Beibu Gulf Logistics Co., Ltd.*), a company incorporated in the PRC with limited liability and a non wholly-owned subsidiary of the Company as at the date of this announcement
"Hong Kong Stock Exchange/ SEHK"	The Stock Exchange of Hong Kong Limited
"Independent Board Committee"	a board committee comprising all the independent non-executive Directors constituted to advise the Independent Shareholders in respect of the Non-exempt Continuing Connected Transactions subject to the New Caps

"Independent Financial Adviser" or "VBG Capital"	VBG Capital Limited, a corporation licensed under the SFO to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities, the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Non-exempt Continuing Connected Transactions subject to the New Caps
"Independent Shareholder(s)"	Shareholders other than China Merchants, the Finance Company, Certain Connected Subsidiaries and their respective associates (including SINOTRANS & CSC)
"Jiangsu Shipping Agency"	江蘇中外運船務代理有限公司(Jiangsu Sinotrans Shipping Agency Co., Ltd.*), a limited liability company incorporated in the PRC and a non wholly-owned subsidiary of the Company as at the date of this announcement
"Master Services Agreement"	the master services agreement entered into between the Company and China Merchants on 27 October 2026 in relation to (i) the provision and receipt of transportation and logistics services and (ii) the lease of certain properties and storage facilities (inclusive of the equipment therein) and the lease of containers and other equipment between the Group and China Merchants and its associates
"Master Logistics Agreement"	the master logistics agreement entered into between the Company and Certain Connected Subsidiaries on 27 October 2026 in relation to the provision and receipt of transportation and logistics services between the Group and Certain Connected Subsidiaries
"NAFR"	National Administration of Financial Regulation, formerly known as China Banking and Insurance Regulatory Commission
"New Cap(s)"	the maximum value of the relevant Non-exempt Continuing Connected Transactions for each of the three years ending 31 December 2029 as set out in this announcement
"Non-exempt Continuing Connected Transactions"	the provision or receipt of transportation and logistics services contemplated under the Master Services Agreement and the Master Logistics Agreement, the lease of properties and storage facilities (inclusive of the equipment therein) from China Merchants and its associates by the Group contemplated under the Master Services Agreement and the deposit services contemplated under the Financial Services Agreement

"PBOC"	the People's Bank of China
"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 company incorporated in the PRC with limited liability and a non wholly-owned subsidiary of the Company as at the date of this announcement
"SASAC"	the State-owned Assets Supervision and Administration Commission of the State Council of the People's Republic of China
"SEHK Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)
"Shanghai Wai-hong Company"	上海外紅伊勢達國際物流有限公司 (Shanghai Wai-hong Yishida International Logistics Co., Ltd.*), a company incorporated in the PRC with limited liability and a non wholly-owned subsidiary of the Company as at the date of this announcement
"Shareholder(s)"	holder(s) of the Shares
"Shenzhen China Merchants Cruise Service"	深圳招商郵輪服務有限公司(Shenzhen China Merchants Cruise Service Co., Ltd.*), a company incorporated in the PRC with limited liability and a non wholly-owned subsidiary of the Company as at the date of this announcement
"Shenzhen Ocean Shipping"	中國深圳外輪代理有限公司 (China Shenzhen Ocean Shipping Agency Co., Ltd.), a company incorporated in the PRC with limited liability and a non wholly-owned subsidiary of the Company as at the date of this announcement
"Shenzhen Zhaohua International Exhibition Logistics"	深圳市招華國際會展物流有限公司 (Shenzhen Zhaohua International Exhibition Logistics Co., Ltd.*), a company incorporated in the PRC with limited liability and a non wholly-owned subsidiary of the Company as at the date of this announcement

"SINOTRANS & CSC"	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
"Sinotrans Changjiang"	中國外運長江有限公司(Sinotrans Changjiang Co., Ltd.*), a company incorporated in the PRC with limited liability and a non wholly-owned subsidiary of the Company as at the date of this announcement
"Sinotrans Logistics (Fujian)"	中外運物流(福建)有限公司 (Sinotrans Logistics (Fujian) Co., Ltd. *), a company incorporated in the PRC with limited liability and a non wholly-owned subsidiary of the Company as at the date of this announcement
"SSE"	Shanghai Stock Exchange
"Y2T"	運易通科技有限公司 (Y2T Technology Co., Ltd.*), a connected subsidiary of the Company as at the date of this announcement
"Y2T Group"	Y2T and its subsidiaries
"Zhanjiang Chemical Logistics"	湛江中外運化工國際物流有限公司 (Zhanjiang Sinotrans Chemical International Logistics Co., Ltd.*), a company incorporated in the PRC with limited liability and a non wholly-owned subsidiary of the Company as at the date of this announcement

* *For the purpose of identification only*

By order of the Board of
Sinotrans Limited
Li Shichu
Company Secretary

Beijing, 27 October 2026

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