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If you have sold or transferred all your shares in Sinotrans Limited, you should at once hand this circular to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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: 0598)

2018 ANNUAL GENERAL MEETING

A letter from the Board is set out on pages 3 to 11 of this circular.

A notice convening the AGM to be held at 1st Meeting Room, 11th Floor, Building 10/Sinotrans Tower B, No. 5 Anding Road, Chaoyang District, Beijing 100029, the People's Republic of China at 1:30 p.m. on 5 June 2019, a notice of attendance and a form of proxy for use at the AGM are available on the website of the Company and the website of Hong Kong Stock Exchange.

Shareholders who intend to attend the AGM shall complete and return the notice of attendance in accordance with the instruction printed thereon on or before 15 May 2019. Shareholders who intend to appoint a proxy to attend the AGM shall complete and return the enclosed form of proxy in accordance with the instructions printed thereon not less than 24 hours before the time fixed for holding the AGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment of it, if you so wish.

18 April 2019

CONTENTS

	<i>Page</i>
DEFINITIONS	1
LETTER FROM THE BOARD	3
APPENDIX I WORK REPORT OF THE BOARD FOR THE YEAR 2018	12
APPENDIX II WORK REPORT OF THE SUPERVISORY COMMITTEE FOR THE YEAR 2018	18
APPENDIX III WORK REPORT OF THE INDEPENDENT DIRECTORS FOR THE YEAR 2018	22
NOTICE OF 2018 ANNUAL GENERAL MEETING	28

DEFINITIONS

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

“A Share(s)”	the domestic share(s) of the Company with nominal value of RMB1.00 each, which are listed on the Shanghai Stock Exchange and traded in RMB
“AGM”	the 2018 annual general meeting of the Company to be held at 1:30 p.m. on 5 June 2019 at 1st Meeting Room, 11th Floor, Building 10/ Sinotrans Tower B, No. 5 Anding Road, Chaoyang District, Beijing 100029, the PRC
“Articles of Association”	the articles of association of the Company, as amended, modified or otherwise supplemented from time to time
“Board”	the board of Directors of the Company
“Company”	中國外運股份有限公司 (Sinotrans Limited), a joint stock limited company incorporated in the PRC with limited liability, whose H Shares are listed on the Hong Kong Stock Exchange and whose A Shares are listed on the Shanghai Stock Exchange
“Debt Financing Instruments”	the debt financing instruments in domestic or overseas currency issued by the Company or its wholly-owned subsidiary in one or multiple batches, including the debt financing instruments with a term of 1 year or more (including but not limited to short-term commercial paper issued by interbank market (with a term of 1 year), medium-term notes, corporate or enterprise bonds, asset trust scheme, asset securitization products and asset-backed notes, etc.) and super & short-term commercial paper
“Director(s)”	director(s) of the Company
“H Share(s)”	overseas listed foreign invested share(s) of RMB1.00 each in the share capital of the Company, which are listed on the Hong Kong Stock Exchange and traded in Hong Kong dollars
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited

DEFINITIONS

“Latest Practicable Date”	15 April 2019, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular
“PRC”	the People’s Republic of China, for the purpose of this circular, excludes Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Shanghai Stock Exchange”	The Shanghai Stock Exchange Limited
“Share(s)”	H Share(s) and A Share(s)
“Shareholder(s)”	holder(s) of the Shares
“Sinoair”	Sinotrans Air Transportation Development Co., Ltd.
“Supervisor(s)”	the supervisor(s) of the Company
“Supervisory Committee”	the supervisory committee of the Company
“Updated Mandate”	the updated mandate authorising the Directors to issue Debt Financing Instruments subject to Shareholders’ approval at the AGM as set out in this circular
“%”	per cent

LETTER FROM THE BOARD



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: 0598)

Chairman:

Li Guanpeng

Executive Directors:

Song Dexing (*Vice Chairman*)

Song Rong

Wang Lin

Wu Xueming

Non-executive Director:

Jerry Hsu

Independent non-executive Directors:

Wang Taiwen

Meng Yan

Song Haiqing

Li Qian

Registered Office:

Sinotrans Plaza A

A43, Xizhimen Beidajie

Haidian District

Beijing, 100082

People's Republic of China

Headquarters:

Building 10/Sinotrans Tower B,

No. 5 Anding Road

Chaoyang District

Beijing, 100029

People's Republic of China

Principal Place of Business in Hong Kong:

Units F & G, 20/F., MG Tower,

133 Hoi Bun Road,

Kwun Tong, Kowloon,

Hong Kong

18 April 2019

To the H Shareholders

Dear Sir/Madam,

2018 ANNUAL GENERAL MEETING

I. INTRODUCTION

The purpose of this circular is to provide you with the notice of the AGM and to provide you with all the information reasonably necessary to enable you to make informed decisions on whether to vote for or against the proposed resolutions at the AGM:

- (1) the resolution in relation to the Work Report of the Board of the Company for the year 2018;
- (2) the resolution in relation to the Work Report of the Supervisory Committee of the Company for the year 2018;

LETTER FROM THE BOARD

- (3) the resolution in relation to debriefing the Work Report of the independent Directors of the Company for the year 2018;
- (4) the resolution in relation to the Final Financial Accounts Report of the Company for the year 2018;
- (5) the resolution in relation to the Annual Report of the Company for the year 2018;
- (6) the resolution in relation to the financial budget of the Company for the year 2019;
- (7) the resolution in relation to the profit distribution plan of the Company for the year 2018;
- (8) the resolution in relation to the allowance of the independent Directors of the Company;
- (9) the resolution in relation to the allowance of the independent Supervisors of the Company; and
- (10) the resolution in relation to the Updated Mandate of the issue of Debt Financing Instruments.

II. RESOLUTIONS TO BE CONSIDERED AT THE AGM

1. The Resolution in Relation to the Work Report of the Board of the Company for the Year 2018

In accordance with the relevant provisions of the Articles of Association, the Board of the Company reported the working status of the Board for the year ended 31 December 2018. The full text of the aforesaid work report is set out in Appendix I to this circular. In the event of any discrepancy between the English translation and the Chinese version of the document, the Chinese version shall prevail.

The Company has proposed an ordinary resolution at the AGM for the Shareholders to consider and, if thought fit, approve the Work Report of the Board of the Company for the year 2018.

2. The Resolution in Relation to the Work Report of the Supervisory Committee of the Company for the Year 2018

In accordance with the relevant provisions of the Articles of Association, the Supervisory Committee of the Company reported the working status of the Supervisory Committee for the year ended 31 December 2018. The full text of the aforesaid work report is set out in Appendix II to this circular. In the event of any discrepancy between the English translation and the Chinese version of the document, the Chinese version shall prevail.

The Company has proposed an ordinary resolution at the AGM for the Shareholders to consider and, if thought fit, approve the Work Report of the Supervisory Committee of the Company for the year 2018.

LETTER FROM THE BOARD

3. The Resolution in Relation to Debriefing the Work Report of the Independent Directors of the Company for the Year 2018

In accordance with the relevant provisions of the Articles of Association, the independent Directors of the Company reported the working status of the independent Directors for the year ended 31 December 2018. The full text of the aforesaid work report is set out in Appendix III to this circular. In the event of any discrepancy between the English translation and the Chinese version of the document, the Chinese version shall prevail.

The Company has proposed an ordinary resolution at the AGM for the Shareholders to consider and, if thought fit, approve the Work Report of the independent Directors of the Company for the year 2018.

4. The Resolution in Relation to the Final Financial Accounts Report of the Company for the Year 2018

The Company has prepared its financial statements and the notes thereto for the year 2018 in accordance with the Accounting Standards for Business Enterprises issued by the Ministry of Finance of the PRC, and engaged ShineWing Certified Public Accountants LLP to audit the financial statements of Company and the notes thereto. ShineWing Certified Public Accountants LLP has issued a standard auditor's report with unqualified opinions for the Company. For details of the above statements, please refer to the Financial Report of the Company in Chapter 13 of the Annual Report of the Company for the year 2018 published on the website of the Hong Kong Stock Exchange (<http://www.hkex.com.hk>), the Shanghai Stock Exchange (<http://www.sse.com.cn>) and the Company.

The Company has proposed an ordinary resolution at the AGM for the Shareholders to consider and, if thought fit, approve the resolution in relation to the Final Financial Accounts Report of the Company for the year 2018.

5. The Resolution in Relation to the Annual Report of the Company for the Year 2018

Details of the Annual Report of the Company for the year 2018 are available at the website of the Hong Kong Stock Exchange (<http://www.hkex.com.hk>), the Shanghai Stock Exchange (<http://www.sse.com.cn>) and the Company.

The Company has proposed an ordinary resolution at the AGM for the Shareholders to consider and, if thought fit, approve the Annual Report of the Company for the year 2018.

6. The Resolution in Relation to the Financial Budget of the Company for the Year 2019

In accordance with the relevant provisions of the Articles of Association, the Company formulated the 2019 financial budget. It is estimated that the Company will achieve operating income of RMB81.2 billion in 2019.

LETTER FROM THE BOARD

Special notice: The 2019 financial budget is a control indicator for internal management for the Company's business plan in 2019 and is not representative of the Company's performance commitment or profit forecast in 2019. Whether the Budget could be realized depends on a number of factors including macro-economy, industry development situations and market demand, which are subject to uncertainty and investors should pay special attention to the this.

The Company has proposed an ordinary resolution at the AGM for the Shareholders to consider and, if thought fit, approve the resolution in relation to the financial budget of the Company for the year 2019.

7. The Resolution in Relation to the Profit Distribution Plan of the Company for the Year 2018

The proposed final dividend for 2018 is RMB1.3 per 10 shares (tax included) (i.e. RMB0.13 per share, tax included) to the share base of 7,400,803,875 shares after the issuance of A shares. Total dividend allotment is RMB962,104,504 (tax included), the residual profits are recognized as retained earnings. During the year 2018, the Company will not distribute shares or convert any reserve into shares. For details of distribution of final dividend for the year 2018, please refer to the notice of 2018 AGM of the Company dated 18 April 2019.

The Company has proposed an ordinary resolution at the AGM for the Shareholders to consider and, if thought fit, approve the resolution in relation to the profit distribution plan of the Company for the year 2018.

8. The Resolution in Relation to the Allowance of the Independent Directors of the Company

The allowance for independent Directors is RMB166,200 per person a year (before tax). The necessary expenses incurred by independent Directors in participating in the Board meeting, general meeting and performing other functions in accordance with the relevant provisions of the Company Law of the People's Republic of China and the Articles of Association shall be reimbursed by the Company separately.

The Company has proposed an ordinary resolution at the AGM for the Shareholders to consider and, if thought fit, approve the resolution in relation to the allowance of the independent Directors of the Company.

9. The Resolution in Relation to the Allowance of the Independent Supervisors of the Company

The allowance for independent Supervisors is RMB107,400 per person a year (before tax). The necessary expenses incurred by independent Supervisors in participating in the Supervisory Committee meeting, general meeting and performing other functions in accordance with the relevant provisions of the Company Law of the People's Republic of China and the Articles of Association shall be reimbursed by the Company separately.

LETTER FROM THE BOARD

The Company has proposed an ordinary resolution at the AGM for the Shareholders to consider and, if thought fit, approve the resolution in relation to the allowance of the independent Supervisors of the Company.

10. The Resolution in Relation to the Updated Mandate of the Issue of Debt Financing Instruments

Background

Reference is made to the circular of the Company dated 31 March 2016 (the “**Circular**”) and the poll results announcement of Annual General Meeting dated 18 May 2016 (the “**Announcement**”). The mandate of the issue of Debt Financing Instruments exercised by any two executive directors of the Company approved by the annual general meeting dated 18 May 2016 will expire on 18 May 2019. The Board has resolved to obtain an Updated Mandate to issue Debt Financing Instruments, which shall be subject to the Shareholders’ approval by way of a special resolution at the AGM. After the Updated Mandate to issue Debt Financing Instruments is approved by the Shareholders, the existing mandate to issue Debt Financing Instruments as set out in the Circular and the Announcement will be replaced by the Updated Mandate.

Particulars regarding the Update Mandate to issue Debt Financing Instruments

1) Debt Financing Instruments with a term of 1 year or more than 1 year

- (i) Issuer: the Company or its wholly-owned subsidiary
- (ii) Place of issue: Mainland of PRC, Hong Kong
- (iii) Issue size: subject to the requirements of relevant laws, regulations and normative documents, the specific issuance size is determined according to capital needs and market conditions. But the total balance of the Debt Financing Instruments outstanding with a term of 1 year or more than 1 year will be no more than 40% of the Group’s latest audited consolidated net assets
- (iv) Target subscribers: institutional and individual investors
- (v) Issue method: issue in one or multiple batches according to market conditions and capital demand of the Company
- (vi) Interest rate: to be determined with reference to the market interest rates and according to the prevailing market conditions at the time of the issue, expected not to be higher than the benchmark lending rate quoted by the People’s Bank of China for the corresponding period

LETTER FROM THE BOARD

- (vii) Issue period: not more than 10 years from the issue date for the Debt Financing Instruments with a term of 1 year or more than 1 year
- (viii) Use of proceeds: the proceeds to be raised from the issue of the Debt Financing Instruments with a term of 1 year or more than 1 year will be used for the Company's capital expenditure for its core businesses and its working capital, and repaying the Company's maturity debt

2) *Super & short-term commercial paper*

- (i) Issuer: the Company or its wholly-owned subsidiary
- (ii) Place of issue: Mainland of PRC, Hong Kong
- (iii) Issue size: the total balance of super & short-term commercial paper outstanding will not exceed RMB5 billion
- (iv) Target subscribers: institutional and individual investors
- (v) Issue method: issue in one or multiple batches according to market conditions and capital demand of the Company
- (vi) Interest rate: to be determined with reference to the market interest rates and according to the prevailing market conditions at the time of the issue, expected not to be higher than the benchmark lending rate quoted by the People's Bank of China for the corresponding period
- (vii) Issue period: not more than 270 days from the issue date for the super & short-term commercial paper
- (viii) Use of proceeds: the proceeds to be raised from the issue of super & short-term commercial paper will be used for the Company's working capital and repaying the Company's maturity debt

3) *Details of the resolution*

It is proposed that the Shareholders approve the Updated Mandate to issue Debt Financing Instruments and to authorize any two executive Directors, for a period commencing from the date when the special resolution is passed at the AGM to the date on which the next annual general meeting will be held, and within the effective period of the registration of the

LETTER FROM THE BOARD

Debt Financing Instruments, to deal with all matters relating to the issue of the Debt Financing Instruments according to the market condition. The authorization shall include (but not limited to) the following:

- (a) To decide the terms of the issue of Debt Financing Instruments, including but not limited to the type, principle amount, interest rate, issue period, credit rating, guarantee, whether or not to set repurchase or redemption terms, whether or not to allot to the shareholders of the Company and whether or not to set options to adjust coupon rate and the use of the proceeds, etc;
- (b) To select and engage qualified professional intermediaries, including but not limited to selecting and engaging the underwriting institutions, credit rating authority and legal counsel;
- (c) To undergo all necessary negotiations, and to amend and execute all relevant agreements and other necessary documents (including but not limited to the applications for approval of the issue of the Debt Financing Instrument, registration report, offering document, underwriting agreement, related announcements and documents for necessary disclosures);
- (d) To apply for all necessary approvals and make all necessary filings and registrations in connection with the Debt Financing Instruments, including but not limited to submitting application for registration to the relevant authorities in the PRC in relation to the issue of the Debt Financing Instruments and obtaining the permission from the relevant authorities (if needed) and making necessary amendments to the proposal on the issue of the Debt Financing Instruments in response to any request from the relevant authorities in the PRC;
- (e) To take all necessary actions and deal with or make decisions on all matters relevant to the issue of the Debt Financing Instruments, including but not limited to signing all the necessary documents and disclosing information in accordance with the applicable laws and regulations; and
- (f) If there is a change in the issuance policy regulated by the regulatory authorities or a change in the market conditions, except for matters requiring re-voting by the Shareholders at the general meeting of the Company as stipulated in the relevant laws and regulations and Articles of Association, within the scope authorized by the Shareholders at the general meeting, to adjust the specific issuance plan according to the opinions of the regulatory authorities or the prevailing market conditions, or to decide whether to continue the issuance according to the actual situation.

LETTER FROM THE BOARD

Reasons for, and benefits of issuing Debt Financing Instruments

The Board believes that obtaining the Updated Mandate to issue the Debt Financing Instruments will provide greater flexibility to the Group's source of funding with different maturity date for the Company and its subsidiaries and help improving the Company's debt structure and reducing its financing costs.

The Board is of the view that the Updated Mandate is in the interest of the Company and its Shareholders as a whole.

The issue of Debt Financing Instruments may or may not proceed. Shareholders and investors should therefore exercise caution in dealing in the Shares.

III. AGM

The H Share register of members of the Company will be closed from 1 May 2019 to 5 June 2019 (both days inclusive), during which no transfer of H Shares will be registered. Any holders of H Shares whose names appear on the H Share register of members of the Company at 4:30 p.m. on 30 April 2019, are entitled to attend and vote at the AGM of the Company after completing the registration procedures for attending the meeting. In order for the H Shareholders to be entitled to attend and vote at the AGM, persons holding H Shares shall lodge share transfer documents and the relevant H Share certificates with the Company's H Share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited of Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, no later than 4:30 p.m. on 30 April 2019.

The AGM will be convened and held at 1:30 p.m. on 5 June 2019 at the 1st Meeting Room, 11th Floor, Building 10/Sinotrans Tower B, No.5 Anding Road, Chaoyang District, Beijing 100029, the PRC to consider and, if thought fit, approve the resolutions as set out in the notice of the AGM.

Notice of the AGM, together with the notice of attendance and proxy form, are despatched to Shareholders on 18 April 2019 and are available on the website of the Company and the website of Hong Kong Stock Exchange. Shareholders who intend to attend the AGM shall complete and return the notice of attendance in accordance with the instruction printed thereon on or before 4:30 p.m. on 15 May 2019. Shareholders who intend to appoint a proxy to attend the AGM shall complete and return the enclosed form of proxy in accordance with the instructions printed thereon not less than 24 hours before the time fixed for holding the AGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment of it, if you so wish.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, as at the Latest Practicable Date, none of the Shareholders is required to abstain from voting on the proposed resolutions at the AGM.

Pursuant to Rule 13.39(4) of the Hong Kong Listing Rules, all votes at the AGM will be taken by poll. The Company will announce the results of the poll in accordance with the Hong Kong Listing Rules after the AGM.

LETTER FROM THE BOARD

IV. DIRECTORS' RECOMMENDATION

The Directors consider that the resolutions as set out in the notice of the AGM are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the relevant resolutions to be proposed at the AGM.

Yours faithfully,
By order of the Board of
Sinotrans Limited
Li Shichu
Joint Company Secretary

SINOTRANS LIMITED
WORK REPORT OF THE BOARD FOR
THE YEAR 2018

In 2018, the Company adhered to the “13th Five-Year” Plan, and worked on quality enhancement, transformation, integration, innovation, reform, and empowerment, thereby creating positive developments in various respects and opening up a brand-new landscape of development. The work of the Board in 2018 is hereby reported as follows:

I. BASIC INFORMATION ON THE PERFORMANCE OF DUTIES OF THE BOARD IN 2018

During the reporting period, the Board of the Company performed its duties in an active manner, holding 10 Board meetings and convening 4 general meetings to deliberate financial final accounts, profit distribution, major asset restructuring, and other matters. In addition, to further improve corporate governance, the Company successively convened meetings of the Nomination Committee, the Board, and the general meeting to timely complete the appointment procedures for new Directors and the announcement of resigned Directors in accordance with the procedures of relevant laws and regulations. In 2018, pursuant to the latest applicable laws and regulations and the actual situation of the Company, the Board actively established and improved the relevant system of corporate governance.

In terms of institutional setup, the Board has four special committees, namely the Executive Committee, the Audit Committee, the Nomination Committee and the Remuneration Committee. In 2018, each special committee actively fulfilled the duties assigned by the Board, with 3 meetings of the Audit Committee, 1 meeting of the Nomination Committee, and 1 meeting of the Remuneration Committee held throughout the year. The special committees gave full play to their management, decision-making and supervision functions on the financial decision-making, nomination of candidates for Directors, performance-linked remuneration system, and other aspects.

On 31 December 2018, the Company’s Board consisted of 11 members. On 26 February 2019, the Company received the resignation report of Mr. Wang Hong, the former Chairman of the Board. Due to work adjustment, Mr. Wang Hong applied to the Company for ceasing to serve as Director, Chairman of the Board, and Member of the special committees of the Board. On the same day, the Company held the eighth meeting of the second Board in the form of a written motion, and elected Mr. Li Guanpeng as the Chairman of the Company. At present, the Board of the Company consists of 10 members, including 4 independent non-executive Directors, and the structure of the Board complies with relevant regulations. During the reporting period, all Directors were able to act with integrity, prudence and diligence in accordance with the duties entrusted by the Articles of Association and the Rules of Procedure of the Board, actively and timely attended the Board meetings, conscientiously and responsibly fulfilled Directors’ duties, and effectively ensured the scientific and effective decision-making of the Board. In particular, they expressed objective opinions actively and cautiously on important personnel appointments and dismissals, major asset restructuring, related-party transactions, profit distribution and other major decisions of the Company, exerting a positive role in corporate governance, standard operation and maintenance of the interests of the Company’s shareholders, in particular small and medium-sized shareholders, and ensuring orderly progress of all work and a good development trend of the Company.

II. REVIEW OF THE MAIN WORK AND ACHIEVEMENTS OF THE BOARD IN 2018**(I) Promoting Sinotran’s merger of Sinoair by absorbing through share swap and realizing dual listing of A and H shares**

In 2018, the Board of the Company actively promoted the merger of Sinoair by absorbing through share swap and discussed the merger proposal twice. The Board held a meeting on 28 February 2018 to deliberate the *Proposal on the Company’s Preliminary Plan to Issue A Shares and The Merger of Sinoair by Absorbing Through Share Swap* and a meeting on 13 April 2018 to deliberate the *Proposal on the Company’s Plan to Issue A Shares and The Merger of Sinoair by Absorbing* and subsequently convened a general meeting to review relevant matters.

The merger of Sinoair by absorbing through share swap has been approved by the general meeting with high rate of support, and the A shares being issued became tradable on the Shanghai Stock Exchange on 18 January 2019. The merger of Sinoair by absorbing through share swap. will help the Company to comprehensively integrate marine transportation, land transportation and air transportation logistics resources, improve the comprehensive logistics service capability, and enhance the Company’s core competitiveness and industry influence.

(II) Reinforcing corporate governance and internal control and promoting standardized operation of the Company

Given that the Company shall concurrently meet the regulatory requirements of Hong Kong and the Mainland China after its dual listing of A and H shares through merger of Sinoair by absorbing through share swap, it further revised the Articles of Association and established and improved 18 rules including the Rules of Procedure of the General Meeting and the Rules of Procedure of the Board. The revised Articles of Association and the rules have been approved and have entered into force.

In 2018, in strict accordance with the Company Law, the Securities Law, the Listing Rules of Hong Kong Stock Exchange, and other relevant laws and regulations, the Company carried out standard operation and established a sound corporate governance structure and an independent operating mechanism. The general meeting enjoys the legal rights stipulated by laws, regulations and the Articles of Association, and exercises the voting rights of major matters such as business management policy, fundraising, investment, and profit distribution according to laws. The Board is responsible for the general meeting of shareholders and exercises the rights of management and decision-making of the Company according to laws. The Supervisory Committee is responsible for the general meeting and supervises the performance of duties by Directors, managers and other senior executives according to laws. The management is responsible for implementing the resolutions of the general meeting and the Board and presides over the daily production and operation management of the Company.

(III) Actively fulfilling the powers of the Board and safeguarding the rights and interests of shareholders**1. *Implementing profit distribution and dividend distribution***

During the reporting period, the Company's annual general meeting reviewed and approved the 2017 profit distribution plan of the Company. The final dividend for the year 2017, being RMB0.08 per share, was completely paid on 27 July 2018. (Throughout 2017, the Company paid a total dividend of RMB0.12 per share.)

2. *Reviewing the external guarantees of the Company*

During the reporting period, pursuant to the provisions of the Articles of Association, the Board reviewed guarantees provided by the Company, such as the guarantee for China Merchants Shipping and Enterprises Co., Ltd.'s borrowing from Bank of China, the guarantee for the bank credit of China Merchants Logistics Holding Co., Ltd., the separate guarantees for the bank credit of six subsidiaries, and the guarantee provided by Sinotrans South China Co., Ltd. for the borrowing of Shenzhen Haixing Harbor Development Co., Ltd. In addition, the Board also supervised the implementation of these guarantees.

3. *Listening to the report on the exercise of powers of the Executive Committee*

In 2018, the Board listened to the report on the exercise of powers of the Executive Committee of the Board at the first regular meeting and the third regular meeting. The Executive Committee is authorized by the Board to exercise part of the Board's powers during the intersessional period of the Board and regularly reports to the Board on its exercise of powers at Board meetings. In 2018, the Executive Committee of the Board held 14 meetings in accordance with the Company's rules during the intersessional period of the Board, mainly approving the implementation of credit business, the provision of guarantees, the application of borrows, as well as external investments.

(IV) Supervising the effective implementation of the Formalities Concerning Management of Insiders of Inside Information and strictly performing confidentiality obligations

In 2018, the Board, in accordance with the requirements of the Hong Kong Stock Exchange, strictly performed the confidentiality obligations prior to the disclosure of inside information and conducted self-inspection on the trading of the Company's shares during sensitive periods, such as within 60 days prior to the announcement of the annual report and during the disclosure period of other major events. Through self-inspection, it did not find circumstances in which the relevant personnel took advantage of inside information to buy and sell shares of the Company, nor did it find trading of the Company's shares during sensitive periods or short-term trading of the Company's shares within six months. During the year, none of the Company's Directors, Supervisors and senior executives was ever subjected to investigation, administrative penalties, notification of criticism, rectification within a time limit, or public condemnation by the China Securities Regulatory Commission or the Hong Kong Stock Exchange.

III. OPERATION OF THE BOARD'S SPECIAL COMMITTEES**(I) Executive Committee**

The Executive Committee of the Board is responsible for researching and making recommendations on the Company's development strategy, medium and long-term planning and major investment decisions; implementing the resolutions and related requirements of the Board and supervising and inspecting the implementation of the management; approving and deciding the relevant transactions within the scope authorized by the Board, and reporting the exercise of powers to the Board on a regular basis. In 2018, according to the authorization of the Board, the Executive Committee exercised part of the Board's powers during the intersessional period of the Board, and regularly reports to the Board on the exercise of powers at the Board meetings.

(II) Audit Committee

In 2018, the Audit Committee of the Board held 3 meetings. Pursuant to the Working System of the Audit Committee of the Board and other relevant provisions, the Audit Committee earnestly performed its duties, reviewed the Company's annual and interim financial reports, and listened to the management's report on the Company's operations from time to time, the external auditor's report on the completion of audit work, matters requiring attention, and annual audit plan and pre-audit work arrangements for 2018, as well as the Risk Management Department's report on the audit, internal control and risk management in 2017. The Audit Committee put forward opinions and suggestions on the Company's internal control, internal audit and risk management. In addition, during the reporting period, the Audit Committee carefully considered and reviewed the change and appointment of the Company's external auditor and formed written opinions.

(III) Nomination Committee

In 2018, the Nomination Committee of the Board held 1 meeting to advise the Board on the appointment of Directors of the Company, approving the appointment of each of Wang Hong and Song Rong as an executive Director of the Company, the re-election of Wu Xueming and Xu Kewei as an executive and a non-executive Director respectively, and the appointment of each of Meng Yan, Li Qian and Song Haiqing as an independent non-executive Director of the Company.

(IV) Remuneration Committee

In 2018, the Remuneration Committee of the Board held 1 meeting, reviewing and agreeing to the 2017 performance appraisal implementation plan for senior executives in principle. The Remuneration Committee put forward meaningful opinions and suggestions on the Company's incentive system and performance appraisal.

IV. PERFORMANCE OF DUTIES BY INDEPENDENT DIRECTORS

The independent Directors of the Company earnestly perform their duties and participate in the decision-making of major events of the Company in accordance with the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, and the relevant regulations of the Company. During the reporting period, the independent Directors did not raise any objection to the resolutions reviewed by the Board and other matters of the Company during the year. The independent Directors of the Company provided valuable professional advices and suggestions for major decisions of the Company, which ensured scientific and objective decision-making of the Company.

On 26 March 2018, Wang Taiwen, the independent Director of the Company, and Guo Minjie and Liu Junhai, the former independent Directors of the Company, conducted on-site inspection of the Company's Project No. 181 and listened to the introduction and work progress report of the project. On 27 March 2018, the aforesaid three independent Directors visited the Pinghu Logistics Centre of Sinotrans South China Co., Ltd. for investigation, debriefing the work report of Sinotrans South China Co., Ltd. and Pinghu Logistics Centre.

V. PRIORITIES OF THE BOARD IN 2019

In 2019, upholding to the "13th Five-year" Plan, the Company will concentrate on six aspects, namely, quality enhancement and optimization, transformation and promotion, integration and efficiency improvement, innovation and guidance, reform and transition, as well as management and empowerment so as to break new ground in the journey to become a world-class intelligent logistics platform corporation. The Board of the Company will focus on the following work in the year to come:

- (I) 2019 will be the first year of the Company's dual listing of A and H shares. On the basis of comprehensively fulfilling various responsibilities, the Board will continue to enhance its governance ability and governance quality, improve the governance system with the "Articles of Association" as its core, give full play to the independent role of independent Directors, continuously improve the professionalism of Directors, and ensure scientific and efficient operation and decision-making of the Board.

- (II) Pursuant to the Articles of Association, the Rules of Procedure of the Board and other relevant regulations, the Board's meetings in 2019 are scheduled as follows:
 - 1. On 25 March 2019, the first regular Board meeting for 2019 were held to review the Work Report of the Board, the Final Financial Accounts Report for 2018, the Annual Report for 2018, the Work Report of General Manager, and other matters;
 - 2. In late April 2019, the second regular Board meeting for 2019 will be held to review the First Quarterly Report of 2019 and other matters;
 - 3. In late August 2019, the third regular Board meeting for 2019 will be held to review the Interim Report of 2019 and other matters;

APPENDIX I WORK REPORT OF THE BOARD FOR THE YEAR 2018

4. In late October 2019, the fourth regular Board meeting for 2019 will be held to review the Third Quarter Report of 2019 and other matters;
5. Extraordinary Board meetings will be held from time to time to listen to the reports of special committees of the Board and the management, and to consider and approve extraordinary matters.

The specific dates of the above meetings will be determined based on the dates of appointment between the Company and Shanghai Stock Exchange for the disclosure of periodic reports and the actual situations.

In 2019, the Board will conscientiously carry out the above matters in accordance with the Company's overall development strategy and key work plan, seize opportunities, continuously improve the Company's sustainable development capabilities, profitability and risk prevention and control capabilities, strive to accomplish various work objectives, achieve health and sustainable development of the Company, and reward all shareholders of the Company with better business performance.

Sinotrans Limited
The Board of Directors

SINOTRANS LIMITED
WORK REPORT OF THE SUPERVISORY COMMITTEE FOR
THE YEAR 2018

The Supervisory Committee of the Company performed its duties diligently in 2018 in compliance with the Company Law, Securities Law and other laws and regulations as well as the Articles of Association, which pushed the development of the Company. The work of the Supervisory Committee in 2018 is hereby reported as follows:

I. PERFORMANCE OF THE SUPERVISORY COMMITTEE IN 2018

On 31 December 2018, the Supervisory Committee consisted of 3 Supervisors. The Company convened the first staff representative meeting on site on 14 March 2019, at which Mao Zheng was elected as the staff representative Supervisor of the Company. At present, the Supervisory Committee consists of 4 members, including two independent Supervisors, Zhou Fangsheng and Fan Zhaoping, two staff representative Supervisors, Ren Dongxiao and Mao Zheng.

In 2018, the Supervisory Committee convened 3 meetings in total, details of which are as follows:

- (I) On 22 March 2018, the Company held the first meeting of Supervisory Committee, at which the Resolution on the Report of the Supervisory Committee of the Company for the year 2017, the Resolution on the Audited Financial Statements of the Company for the year 2017 and the Resolution on the Profit Distribution Plan of the Company for the year 2017 were approved by way of poll.
- (II) On 4 May 2018, the Company held the second meeting of the Supervisory Committee, at which the Resolution on the Appointment of Fan Zhaoping as the Supervisor of the Company was approved by way of poll.
- (III) On 21 August 2018, the Company held the third meeting of the Supervisory Committee, at which the Resolution on the Interim Report of the Company for the year 2018 was approved.

The Company is subject to regulatory requirements both in Hong Kong and the PRC since its listing of both A Shares and H Shares resulted from merger of Sinoair. In 2018, the Company further revised the Rules of Procedures of the Supervisory Committee which came into effect upon the listing of A Shares on 18 January 2019.

In addition to convening the meetings of the Supervisory Committee according to regulations in 2018, the Supervisory Committee has also attended the Board meetings and meetings of the special committees, debriefed various proposals of the Company. The Supervisory Committee performed its supervision and inspection duties on major decision-makings, promoting the legitimate operation of the Company and improving the corporate governance.

II. SUPERVISION ON MATTERS OF THE COMPANY BY THE SUPERVISORY COMMITTEE**(I) Supervision on legitimate operation of the Company**

In accordance with functions empowered by the Company Law, the Articles of Association and the Rules of Procedures of the Supervisory Committee, in 2018, the Supervisory Committee performed its duties conscientiously, attended the Board meetings and meetings of the special committees, brought its functional authority into full play through supervising and checking the decision-makings in various meetings and performance of duties by Directors and senior management according to laws, pushing the Company to improve its governance level. The Supervisory Committee is of view that the operation of the Board and the general meeting was standardized, the decision-making procedures were in compliance with relevant laws and regulations, the Board strictly executed each resolution approved at the general meeting and none of the Directors and senior management had, in the discharge of their duties, contravened any laws, regulations or the Articles of Association or acted in such manner as would be harmful to the interests of the Company and its shareholders.

(II) Supervision and inspection on financial condition of the Company

In 2018, the Supervisory Committee reviewed the Company's annual and interim financial reports, and effectively supervised and inspected the Company's financial status. The Supervisory Committee believed that the Company has a sound financial system, effective financial operation, good financial status, and the financial report disclosed by the Company gives true, accurate and complete representations of its financial status, operating results and cash flow, and does not contain any false information, misleading statement or material omission.

(III) Supervision on internal control of the Company

During the reporting period, the Company, in strict accordance with laws and regulations such as the Company Law, Securities Law and Standards for the Corporate Governance for Listed Companies issued by CSRC as well as other relevant requirements of Shanghai Stock Exchange and Hong Kong Stock Exchange in respect of corporate governance, continued to improve corporate governance structure and kept promoting the Company's standardized and systematic management to enhance corporate governance through the establishment and improvement of internal control system. Currently, the Company has established a corporate governance structure with clear powers and responsibilities, checks and balances, and effective internal control system in compliance with the requirements for listed companies, and operates in strict accordance with laws. The Supervisory Committee reviewed the Company's Evaluation Report on Internal Control for the year 2018, and considered that the report complies with the requirements of the Basic Standards for Enterprise Internal Control and other laws and regulations, and comprehensively and truly reflects the actual situation of the Company's internal control.

(IV) Supervision on related party transaction, external guarantees, the establishment and implementation of administration system for inside information and insiders of the Company

The Supervisory Committee, through attending the Board meetings, has effectively supervised related party transactions, major asset restructuring, external guarantees, the establishment and implementation of inside information and insider administration systems approved by the Board of Directors within its authority. In the daily supervision, the Supervisory Committee believes that the Board of Directors strictly abides by the relevant provisions of the Articles of Association and the related Directors have fulfilled the obligation to abstain from voting in case of voting on related party transactions. The Company's decision-making procedures for each related party transactions are in compliance with laws and regulations. The related party transactions are at fair price and there is no violation of the principles of fairness, openness and impartiality, or harm to the interests of the Company and shareholders. The Company's major asset restructuring or external guarantee procedures are legal and compliant; neither are there any illegal guarantees or overdue guarantees, nor occurrence of damages to the legitimate interests of the Company and its shareholders.

The Company is able to execute the management of inside information and the registration of insider in strict accordance with relevant requirements. It can truthfully and completely record the list of inside information insiders in the reporting, transmission, preparation, review and disclosure of insider information before public disclosure. During the period of periodic report disclosure, the Company conducted self-examination of Directors, Supervisors, senior management personnel and other insider information insiders in respect of dealing with the shares of the Company during the period of sensitive performance prior to the disclosure of periodic reports and the period during which other major events were disclosed. No relevant personnel were found to be engaged in insider trading activities by means of taking advantage of inside information.

III. WORK PLAN OF THE SUPERVISORY COMMITTEE FOR THE YEAR 2019

Pursuant to the Articles of Association, the Rules of Procedures for the Supervisory Committee and other relevant regulations, the work plan of the Supervisory Committee in 2019 is scheduled as follows:

(I) Plans for meetings:

1. On 25 March 2019, the annual meeting of the Supervisory Committee were held to review the Work Report of the Supervisory Committee, the annual report of the Company for the year 2018 and other matters;
2. In late April 2019, the second regular meeting of the Supervisory Committee will be held to review the First Quarterly Report of 2019 and other matters;
3. In late August 2019, the interim meeting of the Supervisory Committee will be held to review the Interim Report of 2019 and other matters;

4. In late October 2019, the fourth regular meeting of the Supervisory Committee will be held to review the Third Quarterly Report of 2019 and other matters;
5. Extraordinary meetings will be held to consider relevant matters in case of major events as referred in the Rules of Procedures for the Supervisory Committee;
6. The specific dates of the above regular meetings will be determined based on the dates of appointment between the Company and Shanghai Stock Exchange for the disclosure of periodic reports.

(II) Attendance at general meeting and Board meeting

In 2019, the Supervisory Committee will continue to perform their duties with due diligence, strengthen inspection and supervision, give full play to the functions of the Supervisory Committee, and contribute to the improvement of corporate governance and the Company's sustained and healthy development.

Sinotrans Limited
The Supervisory Committee

SINOTRANS LIMITED
WORK REPORT OF THE INDEPENDENT DIRECTORS FOR
THE YEAR 2018

As independent Directors of Sinotrans Limited (hereinafter referred to as the “**Company**”), we, in strict accordance with the Company Law, the Securities Law, other laws and regulations, the Articles of Association, and other relevant provisions, exercise the rights conferred by various rules and regulations independently, faithfully, diligently and conscientiously, fully understand the Company’s production and operation, actively attend Board meetings, carefully review various proposals, faithfully perform duties, stand firm so as not to be affected by the Company’s substantial shareholders, de facto controller, and other companies or individuals that have a stake in the Company, safeguard the legitimate rights and interests of the Company and its shareholders, especially the minority shareholders, and fully exert the independent role of independent Directors. We are now reporting our work in 2018 as follows:

I. BASIC INFORMATION OF INDEPENDENT DIRECTORS

(1) Working experience, professional background and concurrent positions

On 31 December 2018, the Company’s Board consisted of 11 members. On 26 February 2019, the Company received the resignation report of Mr. Wang Hong, the former Chairman of the Board. Due to work adjustment, Mr. Wang Hong applied to the Company for ceasing to serve as Director, Chairman of the Board, and Member of the special committees of the Board. On the same day, the Company held the eighth meeting of the second session of the Board in the form of a written motion, and elected Mr. Li Guanpeng as the Chairman of the Company. At present, the Board of the Company consists of 10 members, including 4 independent Directors, being professionals in finance, law, corporate governance, logistics and other fields. The number of independent Directors exceeds one-third of the number of Board members, and the professional background and proportion of independent Directors are in line with the requirements of relevant laws and regulations. In 2018, as the former independent Directors Mr. Guo Minjie, Mr. Lu Zhengfei and Mr. Liu Junhai ceased to serve as independent Directors of the Company upon expiry of their six-year term of office (to meet the requirements for consecutive terms under the A-share listing rules), the Company held a general meeting to elect Mr. Meng Yan, Mr. Song Haiqing and Ms. Li Qian as independent Directors of the Company.

The current independent Directors include Mr. Wang Taiwen, Mr. Meng Yan, Mr. Song Haiqing, and Ms. Li Qian. The working experiences, professional backgrounds and concurrent positions of the independent Directors are as follows:

Mr. Wang Taiwen, male, born in 1946 and with a Chinese nationality and no right of residence abroad, graduated from Dalian Jiaotong University (formerly known as “Dalian Railway Institute”) and is currently an independent non-executive Director of the Company. Mr. Wang Taiwen worked successively as an engineer, Branch Factory Manager and General Factory Manager of Ziyang Internal Combustion Locomotive Factory of China Ministry of Railway from 1961 to 1995. After that, he acted as General Manager and Chairman of China National Railway Locomotive & Rolling Stock Industry Corporation from 1995 to 2000. From 2000 to 2004, Mr. Wang served as Chairman of

the board of China Southern Locomotive & Rolling Stock Industry (Group) Corporation. From October 2006 to December 2012, Mr. Wang served as an external director of China National Foreign Trade Transportation (Group) Corporation and an external director of SINOTRANS & CSC. Mr. Wang has been an independent non-executive director of China Automation Group Limited (0569.HK) since 2009, an independent director of Guangdong Huatie Tongda Highspeed Railway Equipment Corporation (000976.SZ) since March 2016, and an independent non-executive Director of the Company since December 2017.

Mr. Meng Yan, male, born in 1955 and with a Chinese nationality and no right of residence abroad, graduated from the Institute of Financial Science under Ministry of Finance with a PhD in accounting. Mr. Meng Yan is currently an independent non-executive Director of the Company, a professor and PhD supervisor of the School of Accountancy in the Central University of Finance and Economics, a managing director of the Accounting Society of China, a managing director of the Banking Accounting Society of China, a director of China Audit Society, an independent director of Beijing Bashi Media Co., Ltd. (600386.SH), an independent director of Beijing Capital Co., Ltd. (600008.SH), an independent non-executive director of Jolimark Holdings Limited (2028.HK), and an independent non-executive director of China Longyuan Power Group Corporation Limited (0916.HK). From September 1987 to September 1992, Mr. Meng Yan worked as a lecturer at the School of Accountancy of the Central University of Finance and Economics, where he later served as an associate professor from September 1992 to September 1997, as a professor and a PhD supervisor from September 1997 (till present), and as the dean from May 2003 to November 2015. Mr. Meng has served as an independent non-executive director of Jolimark Holdings Limited since March 2005, an independent non-executive director of China Longyuan Power Group Corporation Limited since July 2009, an independent director of Beijing Bashi Media Co., Ltd. since April 2016, an independent director of Beijing Capital Co., Ltd. since December 2017, and an independent non-executive Director of the Company since June 2018.

Mr. Song Haiqing, male, born in 1978 and with a Chinese nationality and no right of residence abroad, graduated from Hong Kong University of Science and Technology with a PhD in Industrial Engineering and Logistics Management. Mr. Song is currently an independent non-executive Director of the Company, a professor and a PhD supervisor at Lingnan College, Sun Yatsen University, the Director of the Logistics and Supply Chain Research Center at Sun Yat-sen University, the Chairman of the board of Guangzhou Grandsea Software Technology Co., Ltd., and a supervisor of Guangzhou Debang Information Technology Co., Ltd. During his work in Lingnan College, Sun Yat-sen University, Mr. Song served as a lecturer from February 2005 to June 2008, as an associate professor from July 2008 to December 2010, and as a professor from January 2011 (till present). Mr. Song has been the Chairman of the board of Guangzhou Grandsea Software Technology Co., Ltd. since June 2016, a supervisor of Guangzhou Debang Information Technology Co., Ltd. since September 2017, and an independent non-executive Director of the Company since June 2018.

Ms. Li Qian, female, born in 1968 and with a Chinese nationality and no right of residence abroad, graduated from Indiana University with a master degree in Comparative Law. Currently, Ms. Li is an independent non-executive Director of the Company and a partner of Beijing HYIANDS Law Firm Shanghai Branch. From October 1993 to October 2002, Ms. Li worked as a lawyer in Shu Jin Law Firm, and from October 2002 to November 2015, she served as the managing partner of the

Shanghai Branch of the Shu Jin Law Firm. Ms. Li has successively been the partner of Zhong Yin Lawyer Shanghai Branch and the partner of Beijing HYIANDS Law Firm Shanghai Branch since November 2015 and has been an independent non-executive Director of the Company since June 2018.

(2) Independence Statement

Pursuant to the provisions of Listing Rules at home and abroad, we have confirmed the independence of the practice of independent Directors by submitting an independence statement to the Company. During our tenure, we, our immediate families, and parties with primal social bonding to us do not undertake any positions in the Company, and its subsidiaries, hold any equity interest directly or indirectly in the Company, or possess any position in any shareholders which hold 5% or above of issued shares of the Company. We do not obtain any additional and other undisclosed equity from the Company, its substantial shareholders or institutions and individuals with stakes. As a result, we do not have any matter affecting the independence of independent Directors.

II. FULFILLMENT OF DUTIES BY INDEPENDENT DIRECTORS IN 2018

(1) Meeting attendance of independent Directors

The Company convenes 10 meetings of board of Directors (including 2 written meetings); three meetings of audit committee, one meeting of remuneration committee, one meeting of nomination committee and four general meetings. Particulars of attendance of such meetings are as follows:

Name	General meetings	Board of directors			Audit committee	Remuneration committee	Nomination committee
	Actual attendance/ Mandatory attendance	Mandatory attendance	Attendance in person	Attendance by agent	Actual attendance/ Mandatory attendance	Actual attendance/ Mandatory attendance	Actual attendance/ Mandatory attendance
Wang Taiwen	0/4	10	9	1	3/3 (One attendance by agent)	1/1	1/1
Meng Yan	0/0	6	5	1	2/2	0/0	0/0
Song Haiqing	0/0	6	5	1	2/2	0/0	0/0
Li Qian	0/0	6	6	0	2/2	0/0	0/0
Guo Minjie (resigned)	0/4	4	4	0	1/1	1/1	1/1
Lu Zhengfei (resigned)	0/4	4	1	3	1/1	1/1	1/1
Liu Junhai (resigned)	0/4	4	3	1	1/1	1/1	1/1

Note: In 2018, the Company is a listed company in H share. Based on the Listing Rules of Hong Kong Stock Exchange, it is not mandatory for each Director to attend general meetings. Since general meetings were convened in Beijing, no shareholders attended such meetings, and therefore, no independent Director was invited.

In 2018, we, in person, except for under special circumstances, attended all meetings of board of Directors and other meetings held on sites/through communication techniques. Where we were not able to attend any meeting of board of Directors, we obtained a detailed understanding over the proposal for requests in advance, and entrusted other independent Directors for attendance and voting. Where meetings of board of Directors were convened through written motion, we studied the proposal thoroughly, and issued voting opinions based on the principles of prudence and objectivity. During the year, we paid key attention to the related party transactions, external guarantee and other matters of the Company. Processes for motions of related matters were legal and compliant. When related party transactions were reviewed, related Directors performed their duties by avoiding voting. During the year, we neither proposed any disagreement over various motions and other matters presented by the board of Directors, nor proposed any objection or abstention over the requests by the board of Directors.

In addition, we learn about the business development and operation of the Company by receiving reports from management, reviewing reports and information sent by the Company on a regular basis. We also put forward our opinions and suggestions in respect of development strategy, operation and management and internal control of the Company.

(2) Work during preparation of annual reports

During preparation of annual reports, we carry out the following work based on the requirements of laws and rules:

1. On 22 March 2018, the Company's then independent directors debriefed the report of the completion of 2017 annual audit and matters requiring attention from Deloitte, and did not identify any matters inconsistent with those reported by the management.
2. On 29 November 2018, we heard the operating reports by the management, communicated with ShineWing Certified Public Accountants for overall planning of annual audit, scope of audit, and significant matters of preliminary audit, and received reports in connection with annual audit arrangement and preliminary audit from auditors. We also put forward our suggestions and requirements for audits carried out by ShineWing Certified Public Accountants, to fully exert our roles as independent Directors in respect of independence and supervision.

(3) Attendance of trainings

In 2018, we attended two trainings held by Hong Kong Stock Exchange, including 2018 latest updates of corporate governance, delegation of independent non-executive Directors and their roles.

Mr. Song Haiqing attended the 59th courses of trainings in respect of independent directors held by Shanghai Stock Exchange in June 2018, and obtained a certificate of independent director.

(4) On-site research of independent Directors

On 26 March 2018, Wang Taiwen, the Company's independent Director, and Guo Minjie and Liu Junhai, the former independent Directors of the Company, studied Project No. 181 of the Company on site, and listened to the introduction and progress reports of the above project.

On 27 March 2018, Wang Taiwen, the Company's independent Director, and Guo Minjie and Liu Junhai, the former independent Directors of the Company, visited Pinghu Logistic Centre in Sinotrans South China Co., Ltd., and listened to the introduction of Sinotrans South China Co., Ltd. and progress reports of Pinghu Logistic Centre.

III. KEY MATTERS DURING ANNUAL FULFILLMENT OF DUTIES OF INDEPENDENT DIRECTORS

In 2018, the Company proactively facilitated to matters in connection with significant asset restructuring of merger of Sinoair by absorbing through share swap. The A shares of the Company were listed on the mainboard of Shanghai Stock Exchange on 18 January 2019. During the year and since our term of office, we carefully study and review related party transactions, share transfer, appointment of directors and appointment and dismissal of senior management in accordance with the provisions in Company Law, the Articles of Associations and other laws and rules, in an effort to safeguard the legitimate interests of shareholders, especially minority shareholders. In addition, as the Company proposed to merge Sinoair by absorbing through share swap for listing in both Mainland China and Hong Kong, the Company complied with the requirements under the Listing Rules of A-share in an earlier stage, and submitted matters in connection with external guarantee to the Board for consideration. We are of the opinion that the related matters of the Company do not jeopardise the interests of shareholders of the Company, and the consideration procedures were both legal and compliant.

IV. OVERALL EVALUATION

As independent Directors of the Company, we, based on the rights empowered by the Company pursuant to national laws and regulations, actively and effectively fulfill the duties of independent Directors, and carefully conduct prior review over significant matters considered by the board of Directors by upholding the principles of honesty, faith, independence and objectivity, and diligence. We also exercise voting rights independently, prudently and objectively, and safeguard the legitimate interests of the Company and shareholders, especially minority shareholders.

In 2019, we will continue to attach importance to business development, operation and management, and internal control of the Company, and focus on related party transactions, external guarantee, information disclosure and other material matters on a going concern. We will also strengthen communication with Directors, supervisors, management and risk management department and external auditors of the Company, and offer opinions and suggestions to the board of Directors and management on a time basis, in order to provide strong support for the continuously healthy development of the Company!

Ultimately, we wish to pay our sincere tribute and gratitude for the trust of the Company, and active support and effective coordination of the board of Directors, management and other related personnel during our fulfillment of duties.

Sinotrans Limited

Independent Directors: Wang Taiwen, Meng Yan, Song Haiqing, Li Qian

NOTICE OF 2018 ANNUAL GENERAL MEETING



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: 0598)

NOTICE OF 2018 ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2018 annual general meeting (the “**Annual General Meeting**”) of Sinotrans Limited (the “**Company**”) will be held at 1st Meeting Room, 11th Floor, Building 10/Sinotrans Tower B, No. 5 Anding Road, Chaoyang District, Beijing 100029, the People’s Republic of China at 1:30 p.m. on 5 June 2019 for the purpose of considering and, if thought fit, approving, with or without modifications, the following resolutions:

SPECIAL RESOLUTION

1. “**THAT** the resolution in relation to the Updated Mandate of the issue of Debt Financing Instruments be and is hereby approved.”

ORDINARY RESOLUTIONS

2. “**THAT** the resolution in relation to the Work Report of the Board of the Company for the year 2018 be and is hereby approved.”
3. “**THAT** the resolution in relation to the Work Report of the Supervisory Committee of the Company for the year 2018 be and is hereby approved.”
4. “**THAT** the resolution in relation to debriefing the Work Report of the independent Directors of the Company for the year 2018 be and is hereby approved.”
5. “**THAT** the resolution in relation to the Final Financial Accounts Report of the Company for the year 2018 be and is hereby approved.”
6. “**THAT** the resolution in relation to the Annual Report of the Company for the year 2018 be and is hereby approved.”
7. “**THAT** the resolution in relation to the financial budget of the Company for the year 2019 be and is hereby approved.”
8. “**THAT** the resolution in relation to the profit distribution plan of the Company for the year 2018 be and is hereby approved.”

NOTICE OF 2018 ANNUAL GENERAL MEETING

9. “**THAT** the resolution in relation to the allowance of the independent Directors of the Company be and is hereby approved.”
10. “**THAT** the resolution in relation to the allowance of the independent Supervisors of the Company be and is hereby approved.”

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

Beijing, China
18 April 2019

Notes:

1. Unless otherwise specified, details of the resolutions are set out in the circular of the Company dated 18 April 2019 (the “**Circular**”). Terms defined in the Circular shall have the same meanings when used in this notice unless the context otherwise requires.
2. The H Share register of members of the Company will be closed from 1 May 2019 to 5 June 2019 (both days inclusive), during which no transfer of H Shares will be registered. Any holders of H Shares whose names appear on the H Share register of members of the Company at 4:30 p.m. on 30 April 2019, are entitled to attend and vote at the Annual General Meeting of the Company after completing the registration procedures for attending the meeting. In order for the H Shareholders to be entitled to attend and vote at the Annual General Meeting, persons holding H Shares shall lodge share transfer documents and the relevant H Share certificates with the Company’s Share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited of Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong, not later than 4:30 p.m. on 30 April 2019, for registration.
3. Shareholders intending to attend the Annual General Meeting shall give written notice of the same to the Company, which shall be lodged at the office of the Company, at 10th Floor, Building 10/Tower B, No. 5 Anding Road, Chaoyang District, Beijing (Tel: (8610) 5229 5721) (for A Shareholders), or Computershare Hong Kong Investor Services Limited, the Company’s Share Registrar in Hong Kong, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong (for H Shareholders), on or before 15 May 2019.
4. Shareholders entitled to attend and vote at the Annual General Meeting are entitled to appoint one or more persons (whether or not a Shareholder of the Company) as their proxy to attend and vote on behalf of themselves.
5. In order to be valid, the form of proxy, together with a duly notarised power of attorney or other document of authority, if any, under which the form is signed must be deposited at the office of the Company, at 10th Floor, Building 10/Tower B, No. 5 Anding Road, Chaoyang District, Beijing (Tel: (8610) 5229 5721) (for A Shareholders), or Computershare Hong Kong Investor Services Limited, the Company’s Share Registrar in Hong Kong, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong (for H Shareholders), not later than 24 hours before the time for holding the Annual General Meeting or any adjournment thereof.
6. A proxy attends the Annual General Meeting on behalf of a Shareholder, he/she should produce his/her ID card and the instrument signed by the proxy or his legal representative, and specifying the date of its issuance. If a legal person Shareholder appoints its corporate representative to attend the Annual General Meeting, such representative should produce his/her ID card and the notarised copy of the resolution passed by the board or other authorities or other notarised copy of the authorisation issued by such legal person Shareholder.

NOTICE OF 2018 ANNUAL GENERAL MEETING

7. Shareholders attending the Annual General Meeting are responsible for their own transportation and accommodation expenses.
8. The board of directors of the Company has recommended the payment of a final dividend of RMB0.13 per share (tax inclusive), subject to passing of the resolution to declare and pay the final dividend for 2018 by shareholders at the Annual General Meeting. The recommended final dividend will be paid on or before 31 August 2019 to the shareholders as registered at the close of business on 17 June 2019. The record date for the recommended final dividend is at the close of business on 17 June 2019. For determining the entitlement to the recommended final dividend, the register of members of the Company will be closed from 12 June 2019 to 17 June 2019, both days inclusive. In order to qualify for the recommended final dividend, all share transfers accompanied by the relevant share certificates must be lodged with the Company's Share Registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, not later than 4:30 p.m. on 11 June 2019, for registration.

Pursuant to the Articles of Association of the Company, dividends payable to the holders of domestic shares of the Company will be paid in Renminbi ("RMB"), and dividends payable to the holders of H Shares of the Company will be paid in Hong Kong dollars ("HK\$"). The exchange rate for dividends payable in HK\$ is the mean average exchange rate of RMB to HK\$ published by the People's Bank of China during the week (18 March 2019 to 24 March 2019) preceding the date of recommendation of the final dividend by the board of directors of the Company. The average exchange rate of RMB to HK\$ for the said week was HK\$1=RMB0.85374. Accordingly, the amount of final dividend for each H Share of the Company is HK\$0.15227.

In accordance to the Enterprise Income Tax Law of the People's Republic of China and its implementation regulations which took effect on 1 January 2008, the Company is obliged to withhold and pay enterprise income tax at a tax rate of 10% on behalf of non-resident corporate shareholders on its H share register when making payments of dividend to these shareholders. Shares registered in the name of non-individual shareholders, including HKSCC Nominees Limited, other nominees or trustees or other organisations or bodies shall be deemed as shares held by non-resident corporate shareholders. Such shareholders will receive their dividend net of the enterprise income tax.

The Company will withhold and pay on behalf of the individual holders of H Share the income tax in accordance with the tax regulations of the PRC. Pursuant to the letter titled "Tax arrangements on dividends paid to Hong Kong residents by Mainland companies" issued by the Stock Exchange of Hong Kong Limited (the "HKEX") to the issuers on 4 July 2011, for non-foreign investment companies of the Mainland which are listed in Hong Kong distributing dividends to their shareholders, the individual shareholders in general will be subject to a withholding tax rate of 10%. They do not have to make any applications for entitlement to the above-mentioned tax rate. However, for shareholders who are residents of other countries and whose home countries have reached an agreement with China on an applicable withholding tax rate higher or lower than 10%, they have to follow the bilateral tax agreement in paying tax in connection with dividends paid by Mainland companies listed in Hong Kong. When making payments of dividend, the Company acting like a withholding agent in general will withhold 10% of the dividend on behalf of the individual H shareholders as individual income tax. If the relevant tax regulations and tax agreements have otherwise provisions, the Company will withhold individual income tax of such dividend in accordance with the tax rates and according to the relevant procedures as specified by the relevant regulations.

In addition, the Company signed the Agreement on Distribution of Cash Dividends of H shares for Southbound Trading (港股通H股股票現金紅利派發協議) with the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited, pursuant to which, the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited, as the nominee of the holders of H shares for Southbound Trading, will receive all cash dividends distributed by the Company and distribute the cash dividends to the relevant investors of H shares of Southbound Trading through its depository and clearing system. The cash dividends for investors of H shares of Southbound Trading will be paid in RMB.

NOTICE OF 2018 ANNUAL GENERAL MEETING

The record date and the date of distribution of final dividends and other arrangements for the investors of Southbound Trading will be the same as those for the holders of H shares of the Company. Pursuant to the relevant requirements under the Notice on the Tax Policies Related to the Pilot Program of Shenzhen-Hong Kong Stock Market (關於深港股市場交易互聯互通機制試點有關稅收政策的通知) (Caishui [2016] No.127), for dividends received by domestic investors from investing in H shares listed on the HKEX through Shenzhen-Hong Kong Stock Connect, the company of such H shares shall withhold and pay individual income tax at the rate of 20% on behalf of the investors. For dividends received by domestic securities investment funds from investing in H shares listed on the HKEX through Shenzhen-Hong Kong Stock Connect, the tax payable shall be the same as that for individual investors. The company of such H shares will not withhold and pay the income tax of dividends for domestic enterprise investors and those domestic enterprise investors shall report and pay the relevant tax themselves.