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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)

**2022 ANNUAL GENERAL MEETING AND
2023 FIRST H SHAREHOLDERS' CLASS MEETING**

A letter from the Board is set out on pages 4 to 15 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 2:00 p.m. on 12 May 2023, 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.

A notice convening the HCM 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 3:00 p.m. on 12 May 2023 or immediately after the conclusion of the AGM or any adjournment thereof to be held at the same place and on the same day, a notice of attendance and a form of proxy for use at the HCM are available on the website of the Company and the website of Hong Kong Stock Exchange.

Shareholders who intend to attend the AGM and/or HCM shall complete and return the notice(s) of attendance in accordance with the instruction printed thereon on or before 10 May 2023. Shareholders who intend to appoint a proxy to attend the AGM and/or HCM shall complete and return the enclosed form(s) of proxy in accordance with the instructions printed thereon not less than 24 hours before the time fixed for holding the AGM and/or HCM or any adjournment thereof (as the case may be). Completion and return of the form(s) of proxy will not preclude you from attending and voting in person at the AGM and/or HCM or any adjournment of it, if you so wish.

21 April 2023

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DEFINITIONS

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

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| “AGM” | the 2022 annual general meeting of the Company to be held at 2:00 p.m. on 12 May 2023 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 |
| “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 |
| “A Shareholders’ Class Meeting” | the class meeting of holders of A Shares of the Company to be held at 1st Meeting Room, 11th Floor, Building 10/Sinotrans Tower B, No. 5 Anding Road, Chaoyang District, Beijing 100029, the PRC at 3:30 p.m. on 12 May 2023 or immediately after the conclusion of the HCM or any adjournment thereof at the same place and on the same day |
| “Board” | the board of Directors of the Company |
| “China Merchants” | 招商局集團有限公司 (China Merchants Group Limited), a state wholly-owned enterprise established under the laws of the PRC under direct control of the SASAC, the actual controller of the Company which holds in aggregate approximately 58.48% of the issued share capital of the Company as at the Latest Practicable Date |
| “Class Meetings” | A Shareholders’ Class Meeting and HCM |
| “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 |

DEFINITIONS

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| “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 but not limited to short-term commercial paper issued by interbank market (with a term of one year), medium-term notes, corporate or enterprise bonds, asset trust scheme, asset securitization products and asset-backed notes issued by asset transfer, etc.) and super & short-term commercial paper (the registered amount of super & short-term commercial paper is no more than RMB5 billion) |
| “Director(s)” | the director(s) of the Company |
| “Group” | the Company and its subsidiaries |
| “HCM” | the class meeting of holders of H Shares of the Company to be held at 1st Meeting Room, 11th Floor, Building 10/Sinotrans Tower B, No. 5 Anding Road, Chaoyang District, Beijing 100029, the PRC at 3:00 p.m. on 12 May 2023 or immediately after the conclusion of the AGM or any adjournment thereof at the same place and on the same day |
| “HK\$” | Hong Kong dollar, the lawful currency of Hong Kong |
| “Hong Kong” | the Hong Kong Special Administrative Region of the PRC |
| “Hong Kong Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “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 |
| “Latest Practicable Date” | 14 April 2023, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular |
| “Listing Rules” | the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited |
| “PRC” | the People’s Republic of China |
| “Repurchase Mandate” | a general mandate proposed to be granted to the Directors at the AGM, the HCM and the A Shareholders’ Class Meeting to exercise the power of the Company to repurchase H Shares in the manner as set out in the notices of the AGM and the HCM issued by the Company on 21 April 2023 |

DEFINITIONS

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| “RMB” | Renminbi, the lawful currency of the PRC |
| “SASAC” | the State-owned Assets Supervision and Administration Commission of the State Council of the People’s Republic of China |
| “Share(s)” | H Share(s) and A Share(s) |
| “Shareholder(s)” | holder(s) of the Shares |
| “Share Issue Mandate” | a general mandate proposed to be granted to the Directors at the AGM to exercise the power of the Company to issue, allot and deal with H Shares in the manner as set out in the notice of the AGM issued by the Company on 21 April 2023 |
| “Sinotrans & CSC” | 中國外運長航集團有限公司 (Sinotrans & CSC Holdings Co., Ltd.), a wholly state-owned company established under the laws of the PRC, a wholly-owned subsidiary of China Merchants, the controlling shareholder of the Company which collectively holds 35.36% of issued share capital of the Company as at the Latest Practicable Date |
| “SSE” | the Shanghai Stock Exchange |
| “SSE Listing Rules” | the Rules Governing the Listing of Securities on the Shanghai Stock Exchange |
| “Supervisor(s)” | the supervisor(s) of the Company |
| “Supervisory Committee” | the supervisory committee of the Company |
| “Takeovers Code” | The Hong Kong Code on Takeovers and Mergers |
| “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: 00598)

Chairman:
Feng Boming

Vice Chairman:
Song Dexing

Executive Director:
Song Rong

Non-executive Directors:
Deng Weidong
Jiang Jian
Luo Li
Jerry Hsu

Independent non-executive Directors:
Wang Taiwen
Meng Yan
Song Haiqing
Li Qian

Registered Office:
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

21 April 2023

To the Shareholders

Dear Sir/Madam,

2022 ANNUAL GENERAL MEETING AND 2023 FIRST H SHAREHOLDERS' CLASS MEETING

I. INTRODUCTION

The purpose of this circular is to provide you with the notices of the AGM and HCM 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 and the Class Meetings:

- (1) the resolution in relation to the Work Report of the Board for the year 2022;

LETTER FROM THE BOARD

- (2) the resolution in relation to the Work Report of the Supervisory Committee for the year 2022;
- (3) the resolution in relation to the Final Financial Accounts Report of the Company for the year 2022;
- (4) the resolution in relation to the Annual Report of the Company and its summary for the year 2022;
- (5) the resolution in relation to the financial budget of the Company for the year 2023;
- (6) the resolution in relation to the profit distribution plan of the Company for the year 2022;
- (7) the resolution in relation to the grant of authorization to the Board to decide on the interim profit distribution plan of the Company for the year 2023;
- (8) the resolution in relation to the re-appointment of auditor for the year 2023;
- (9) the resolution in relation to applying for the general mandates to issue, allot, deal with and repurchase H Shares;
- (10) the resolution in relation to the Updated Mandate of the issue of Debt Financing Instruments;
- (11) the resolution in relation to the estimated guarantees of the Company for the year 2023; and
- (12) the resolution in relation to the proposed reduction of registered capital of the Company and proposed amendments to the Articles of Association.

Furthermore, Shareholders will listen to the 2022 Work Report of the independent non-executive Directors at the AGM, which is not subject to Shareholders' approval.

II. RESOLUTIONS TO BE CONSIDERED AT THE AGM AND THE CLASS MEETINGS

1. The Resolution in Relation to the Work Report of the Board for the Year 2022

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 2022. 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 2022.

LETTER FROM THE BOARD

2. The Resolution in Relation to the Work Report of the Supervisory Committee for the Year 2022

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 2022. 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 2022.

3. The Resolution in Relation to the Final Financial Accounts Report of the Company for the Year 2022

The Company has prepared its financial statements for the year 2022 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. 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 11 of the Annual Report of the Company for the year 2022 published on the website of the Hong Kong Stock Exchange (<http://www.hkexnews.hk>), the SSE (<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 2022.

4. The Resolution in Relation to the Annual Report of the Company and its Summary for the Year 2022

Details of the Annual Report of the Company for the year 2022 are available at the websites of the Hong Kong Stock Exchange (<http://www.hkexnews.hk>), the SSE (<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 and its summary for the year 2022.

5. The Resolution in Relation to the Financial Budget of the Company for the Year 2023

In accordance with the relevant provisions of the Articles of Association, the Company formulated the 2023 financial budget. It is estimated that the Company will achieve operating income of RMB106.5 billion in 2023.

LETTER FROM THE BOARD

Special notice: The 2023 financial budget does not constitute a performance commitment or profit forecast made to investors, which is affected by factors including macro-economy, industry development situations and market demand, and subject to uncertainty. Investors should pay special attention.

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 2023.

6. The Resolution in Relation to the Profit Distribution Plan of the Company for the Year 2022

The proposed 2022 final dividend is RMB0.10 per Share (tax included) based on the total share capital of the Company registered on the record date of equity distribution (deducting the Shares repurchased by the Company in its special account). The residual profits are recognized as retained earnings and the Company will not distribute Shares or convert any reserve into Shares. As at the Latest Practicable Date, the total share capital of the Company was 7,294,216,875 Shares and the total number of Shares repurchased by the Company in its special account was 49,280,000 A shares, based on which, the 2022 final dividend allotment is RMB724,493,687.50 (tax included). Considering the 2022 interim dividend of RMB0.10 per share, 2022 final dividend of RMB0.10 per share and the cash used for A Share repurchases in the year 2022, the cash dividend of the Company for the year 2022 accounts for 40.54% of the net profit attributable to Shareholders of the Company in the consolidated statements for the year 2022. For details of distribution of 2022 final dividend, please refer to the notice of AGM of the Company dated 21 April 2023.

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 2022.

7. The Resolution in Relation to the Grant of Authorization to the Board to Decide on the Interim Profit Distribution Plan of the Company for the Year 2023

In accordance with the Articles of Associations, subject to the satisfaction of certain conditions for cash dividend payment, the Company shall distribute dividend in cash once each year in principle, and the Board may submit a proposal for interim cash dividend payment to the Company based on the profitability and capital needs of the Company.

To facilitate the efficiency of the decision-making process, the Company proposes that the Shareholders authorize the Board to deal with all matters relating to the declaration and payment of the interim dividend for the year 2023 in its absolute discretion (including, but not limited to, determining whether to distribute interim dividend for the year 2023).

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 grant of authorization to the Board to decide on the interim profit distribution plan of the Company for the year 2023.

LETTER FROM THE BOARD

8. The Resolution in Relation to the Re-appointment of Auditor for the Year 2023

The Company proposes to re-appoint ShineWing Certified Public Accountants LLP as the auditor of the Company for financial reports and internal control for the year 2023, with a term of office until the conclusion of the next annual general meeting of the Company. The total audit fee is RMB10.6 million, among which the audit fees for financial reports and internal control are RMB9.1 million and RMB1.5 million, respectively. Meanwhile, it is proposed at the AGM to authorize the Board, and agree that the Board will further authorize the management to adjust the estimated fee within the range of 5% in accordance to the scope of audit services and actual workload.

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 re-appointment of auditor for the year 2023.

9. The Resolution in Relation to Applying for the General Mandates to Issue, Allot, Deal with and Repurchase H Shares

(1) *GENERAL MANDATE TO ISSUE, ALLOT AND DEAL WITH H SHARES*

In order to provide flexibility to the Directors to issue Shares in the event that it is desirable to do so quickly, approval will be sought at the AGM to grant to the Directors a general mandate (details are set out in the notice of AGM) to allot, issue and deal with new shares not exceeding 20% of the number of H Shares in issue of the Company as at the date of passing of the relevant special resolution. Such Share Issue Mandate, if approved, will lapse at the earliest of: (i) the conclusion of the Company's next annual general meeting; or (ii) the expiration of the 12 month period following the passing of the resolution approving the Share Issue Mandate; or (iii) the revocation or variation of the Share Issue Mandate by a special resolution of the Shareholders at the general meeting.

The Company has proposed a special resolution at the AGM for the Shareholders to consider and, if thought fit, approve the resolution in relation to the Share Issue Mandate.

(2) *GENERAL MANDATE TO REPURCHASE H SHARES*

In order to provide flexibility to the Directors to repurchase H Shares in the event that it is desirable to do so quickly, approval will be sought at the AGM and the Class Meetings to grant to the Directors a general mandate to repurchase H Shares not exceeding 10% of the total H Shares in issue as at the date of passing the special resolutions in the respective meetings. The Repurchase Mandate will be conditional upon the special resolutions for approving the grant of the Repurchase Mandate being passed at each of the AGM and the Class Meetings. Such Repurchase Mandate, if approved, will lapse at the earliest of: (i) the conclusion of the Company's next annual general meeting; or (ii) the expiration of the 12-month period following the passing of

LETTER FROM THE BOARD

the resolution approving the Repurchase Mandate; or (iii) the revocation or variation of the Repurchase Mandate by a special resolution of the Shareholders at the general meeting.

An explanatory statement containing information regarding the Repurchase Mandate is set out in the Appendix III to this circular.

The Company has proposed a special resolution at the AGM and the Class Meetings for the Shareholders to consider and, if thought fit, approve the resolution in relation to the Repurchase Mandate.

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

References are made to the circular of the Company dated 28 April 2022 and the poll results announcement of the Company dated 31 May 2022 in relation to, among other things, the proposed update of the mandate of the issue of debt financing instruments. The mandate approved to be updated at the annual general meeting held on 31 May 2022 will expire on date of 2022 annual general meeting of the Company. 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. The Updated Mandate will commence from the date of approval by the Shareholders at the AGM to the date of the next annual general meeting of the Company and shall include (but not limited to) the followings:

- (1) to issue Debt Financing Instruments with a single issue period not more than ten years, and the issuance size of each Debt Financing Instrument of the Company not exceeding the issuance limit pursuant to relevant laws and regulations;
- (2) that the Company may provide credit promotion measures such as guarantees or deficiency payment commitments to abovementioned issue of Debt Financing Instruments and specific credit promotion measures will be determined by an executive Director within the authorization period according to the market condition then;
- (3) to authorize an executive Director, for a period commencing from the date of approval of special resolution at the AGM to the date of the next annual general meeting of the Company and within the effective period of the registration of the Debt Financing Instruments, to deal with all matters relating to the issue of the Debt Financing Instruments according to the market condition, including 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, amount, interest rate, issue period, credit rating, credit promotion measures such as guarantees or deficiency payment commitments,

LETTER FROM THE BOARD

whether or not to set repurchase or redemption terms, whether or not to set options to adjust coupon rate, allotment arrangements 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, trust contract, asset transfer agreement, 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 AGM, 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.

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 improve the Company's debt structure and reduce 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.

LETTER FROM THE BOARD

According to the SSE Listing Rules and the Company Law of the PRC, the abovementioned Updated Mandate shall be submitted to the AGM for Shareholders' approval. The issue of the abovementioned Debt Financing Instruments will be carried out strictly in compliance with the Listing Rules and the SSE Listing Rules and the Articles of Association. The Company will comply with relevant applicable requirements under Chapter 14 and Chapter 14A of the Listing Rules and fulfill its information disclosure obligations (if required).

The Company has proposed a special resolution at the AGM for the Shareholders to consider and, if thought fit, approve the abovementioned Updated Mandate of the issue of Debt Financing Instruments.

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

11. The Resolution in Relation to the Estimated Guarantees of the Company for the Year 2023

According to the Company's business and operation needs and improve the efficiency of operation and decision-making, in accordance with relevant laws and regulations and the Policy for the Management of External Guarantees of the Company, the estimated guarantees of the Company for the year 2023 are set out as follows:

(1) *Financial credit guarantees*

The Company and its subsidiaries proposed to provide financial credit guarantees (including credit guarantees and financing guarantees, the same below) with an amount of not more than RMB27.455 billion for the Company and its holding subsidiaries, of which the total amount of financial credit guarantees with the guaranteed parties whose asset-liability ratio reaches 70% or above is estimated to be not more than RMB12.742 billion.

The Company and its subsidiaries proposed to provide financial credit guarantees with an amount of not more than RMB600 million for their joint ventures and associates, of which the total amount of financial credit guarantees with the guaranteed parties whose asset-liability ratio reaches 70% or above is estimated to be not more than RMB200 million.

The above guarantee limit can be used on a revolving basis within the validity period.

(2) *Business guarantees*

The Company and its subsidiaries proposed to provide business guarantees for their holding subsidiaries with an amount of not more than RMB1,438 million, of which the total amount of business guarantees with the guaranteed parties whose asset-liability ratio reaches 70% or above is estimated to be not more than RMB1,360 million.

LETTER FROM THE BOARD

The Company and its subsidiaries proposed to provide business guarantees for five of their wholly-owned subsidiaries in yards, warehouse or house leasing and other businesses without determining a fixed amount.

(3) *Qualification guarantees*

The Company and its subsidiaries proposed to provide guarantees for the futures delivery warehouse business of the seven wholly-owned subsidiaries of the Company (including Sinotrans Central China Co., Ltd., Sinotrans Eastern Company Limited, Sinotrans South China Co., Ltd., Sinotrans North China Co., Ltd., Sinotrans Northeast China Co., Ltd., Qingdao Sinotrans Supply Chain Management Co., Ltd. and Qingdao Sinotrans Smart Logistics Co., Ltd.) in Shanghai Futures Exchange and its subsidiaries (including but not limited to Shanghai International Energy Exchange Corporation), Zhengzhou Commodity Exchange, Dalian Commodity Exchange, Guangzhou Futures Exchange and other futures exchanges, under which the Company and its subsidiaries will undertake the irrevocable full joint guarantee liabilities without a fixed amount for all liabilities arising from the loading, storage, unloading, delivery and other businesses of futures commodities as carried out by the guaranteed party mentioned above. The guarantee period is the term (including the automatically extended term provided that there is no disagreement from the parties) of the corresponding futures delivery warehouse business agreement between the guaranteed parties and the abovementioned future exchanges and two or three years from the expiration date or within three years from the date when the relevant futures exchange obtains the right to claim compensation against the guaranteed party (subject to the requirements from such future exchanges).

The abovementioned resolution in relation to the estimated guarantees shall be valid from the approval of the AGM until the convening of 2023 annual general meeting of the Company. The abovementioned respective amount of guarantees can be adjusted and used according to the relevant requirements of the SSE, and guarantee limit to be adjusted to the guaranteed party whose asset-liability ratio reaches 70% or above can only be adjusted from other guaranteed party(ies) whose asset-liability ratio reaches 70% or above, and an executive Director shall be authorized to approve relevant adjustments. Within the abovementioned guarantee limit, the Company will no longer hold separate Board meetings and general meetings for each guarantee.

According to the SSE Listing Rules, the abovementioned estimated guarantees of the Company for the year 2023 shall be submitted to the AGM for Shareholders' approval. The provision of the abovementioned guarantees will be carried out strictly in compliance with the Listing Rules and the SSE Listing Rules and the Articles of Association. The Company will comply with relevant applicable requirements under Chapter 14 and Chapter 14A of the Listing Rules and fulfill its information disclosure obligations (if required).

LETTER FROM THE BOARD

The Company has proposed a special resolution at the AGM for the Shareholders to consider and, if thought fit, approve the abovementioned estimated guarantees of the Company for the year 2023.

12. The Resolution in Relation to the Proposed Reduction of the Registered Capital of the Company and Proposed Amendments to the Articles of Association

As at 10 February 2023, the Company has cancelled a total of 106,587,000 H Shares repurchased from 7 June 2022 to 20 January 2023 according to the repurchase mandate granted by the general meetings and relevant Board resolutions. As such, the share capital of the Company decreased by 106,587,000 Shares to 7,294,216,875 Shares. According to abovementioned change in share capital, the Company proposes to reduce the registered capital of the Company by RMB106,587,000 to RMB7,294,216,875 and make certain amendments to the Articles of Association, the details of which are set out in the Appendix IV to this circular. Save for the amendments set out in the Appendix IV to this circular, other provisions in the Articles of Association remain unchanged.

The Company has proposed a special resolution at the AGM and the Class Meetings for the Shareholders to consider and, if thought fit, approve the abovementioned proposed reduction of the registered capital of the Company and proposed amendments to the Articles of Association.

III. AGM AND THE CLASS MEETINGS

The H Share register of members of the Company will be closed from 9 May 2023 to 12 May 2023 (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 8 May 2023, are entitled to attend and vote at the AGM and/or the HCM 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 and/or the HCM, 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 at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on 8 May 2023.

The AGM will be convened and held at the 1st Meeting Room, 11th Floor, Building 10/Sinotrans Tower B, No.5 Anding Road, Chaoyang District, Beijing 100029, the PRC at 2:00 p.m. on 12 May 2023 to consider and, if thought fit, approve the resolutions as set out in the notice of the AGM.

The HCM will be convened and held at the 1st Meeting Room, 11th Floor, Building 10/Sinotrans Tower B, No.5 Anding Road, Chaoyang District, Beijing 100029, the PRC at 3:00 p.m. on 12 May 2023 or immediately after the conclusion of the AGM or any adjournment thereof to be held at the same place and on the same day to consider and, if thought fit, approve the resolutions as set out in the notice of the HCM.

LETTER FROM THE BOARD

Notice of the AGM and the notice of HCM, together with the notice of attendance and proxy form for use at respective meeting, are despatched to Shareholders on 21 April 2023 and are available on the website of the Company and the website of Hong Kong Stock Exchange. Shareholders who intend to attend the AGM and/or the HCM shall complete and return the notice of attendance in accordance with the instruction printed thereon on or before 10 May 2023. Shareholders who intend to appoint a proxy to attend the AGM and/or the HCM 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 and/or the HCM 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 and/or the HCM or any adjournment thereof, if you so wish.

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

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

IV. DIRECTORS' RECOMMENDATION

As disclosed above, resolutions will be proposed at the AGM and the Class Meetings, to approve the resolutions as set out in the notice of the AGM and the notice of the HCM.

In order to pass an ordinary resolution and a special resolution of the Company at its general meeting and relevant class meeting, there requires at least a simple majority and a two-thirds majority, respectively, of the votes held by Shareholders attending the relevant general meeting or class meeting in person or by proxy (and entitled to vote) being voted in favour of the relevant resolution.

The Board (including independent non-executive Directors) considers that the resolutions as set out in the notice of the AGM and the notice of the HCM are in the interests of the Company and the Shareholders as a whole. Accordingly, the Board (including independent non-executive Directors) recommends the Shareholders and the H Shareholders to vote in favour of the relevant resolutions to be proposed at the AGM and the HCM.

V. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best

LETTER FROM THE BOARD

of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

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

In 2022, the Board of Directors (the “Board”) of Sinotrans Limited (the “Company”) earnestly performed its duties and obligations conferred by the *Company Law of the People’s Republic of China* (the “Company Law”) and the *Articles of Association of the Company* (the “Articles of Association”), made decisions on major operation and management matters in a lawful, scientific and effective manner under the principle of “determining strategies, making decisions and preventing risks”, constantly improved the corporate governance system and enhanced the development quality of the Company. The main work of the Board in 2022 is hereby reported as follows:

I. DAILY WORK OF THE BOARD

In 2022, the Board performed its functions and powers conferred by the Articles of Association in accordance with laws and regulations, diligently implemented the resolutions approved at general meetings, and fully supported and supervised the work of the management. During the reporting period, a total of 11 Board meetings (including 4 regular meetings and 7 extraordinary meetings) were held, and a total of 49 resolutions were reviewed and approved. In addition to regular resolutions such as periodic reports, it also considered resolutions such as the granting of share options, the proposal on the repurchase of the Company’s A shares, the application for issuance of publicly traded infrastructure REITs, the amendment to the Articles of Association, related party/connected transactions and continuing related party transactions needed to be disclosed, the change of directors and the appointment of senior management. In addition, in 2022, the special committees under the Board held a total of 10 meetings, at which 19 proposals were considered, including the Company’s periodic reports, the qualifications of the candidates of senior management and directors, and remuneration of senior management, playing a better role in the Board’s prior review. Among them, the Audit Committee held 5 meetings, the Nomination Committee held 4 meetings, and the Remuneration Committee held 1 meeting. Through these meetings, Directors have put forward a plenty of constructive opinions and suggestions to the Company and the Board in terms of strategic guidance, financial management, risk management, related party transactions and improvement of incentive and constraint mechanism, earnestly fulfilled their duties conferred by the Articles of Association, firmly safeguarded the scientific decision-making and efficient operation of the Board, and effectively promoted the sustainable and healthy business development of the Company.

Additionally, the Board arranged the agenda and resolutions of general meetings in a lawful, justified and reasonable manner, and earnestly convened general meetings. During the reporting period, 6 general meetings were held, including 1 annual general meeting, 3 extraordinary general meetings and 2 class meetings, at which a total of 24 resolutions were considered and approved, covering share options incentive scheme, final financial report, annual report, annual and semi-annual profit distribution plans, re-appointment of annual external auditor, election of Company’s directors and others. All the resolutions were approved by the Shareholders by poll.

II. THE MAIN WORK OF THE BOARD IN 2022**(I) Actively Fulfilling the Responsibility of the Board to Grasp Direction and Conduct Comprehensive Management**

The Board meetings were held in compliance with requirements of relevant laws, regulations, rules and the Articles of Association. All Directors conducted diligent analysis and research on material matters such as the operation of the Company and made decisions in a prudent manner, satisfactorily fulfilling the duties and responsibilities of the Board authorized by relevant laws and regulations such as the Company Law and the Articles of Association.

In 2022, in order to further strengthen the incentive and restraint mechanism of the Company and to support the realization of the Company's strategies and its sustainable development, the Board agreed to grant 73,925,800 share options to the participants under the Company's share options incentive plan (phase I) in accordance with the authorization of the general meeting; based on the confidence of the Company's prospects and the recognition of the Company's value, taking into account of the Company's current financial position, operating conditions, valuation and other factors, the Board agreed to and implemented the repurchase plan of Company's A Share and H Share; in order to further diversify financing channels, optimize operation model, implement separation of light and heavy assets, release the value of warehousing and logistics assets, and improve operation and management, the Board agreed that subsidiaries held 6 warehousing and logistics assets as underlying infrastructure projects respectively to carry out the reporting and issuance for publicly traded infrastructure REITs.

(II) Intensifying Communication with Shareholders and Capital Markets

The Board valued communication with Shareholders and capital markets, ensured the authenticity, accuracy, completeness and timeliness of information disclosure, and enhanced the effectiveness of information disclosure. Meanwhile, it treated all Shareholders and potential investors fairly, promoted investors' understanding and recognition of the Company's transformation strategy and achievements, proactively considered investors' opinions and suggestions, and achieved bilateral communication and benign interaction.

In 2022, the Company drafted and issued over 600 documents with 230 documents published on the Shanghai Stock Exchange and 425 documents published on the Hong Kong Stock Exchange in both Chinese and English versions, and rated as Class A in the information disclosure evaluation of Shanghai Stock Exchange from 2021 to 2022. Meanwhile, the Company stepped up communications with capital markets by conducting more than 200 investor surveys and interviews throughout the year and organizing nearly 20 management roadshows, including the results briefing sessions for 2021, the first half and the third quarter of 2022. The Company also actively participated in the industry performance briefing for the third quarter of 2022. In addition, it strengthened information transmission internally, built a two-way bridge for investors to communicate with the Company's management, transmitted key issues that investors valued to the management and relevant departments every month, put

forward suggestions for management improvement. Moreover, the Company established a new cross-departmental coordination mechanism quarterly to get a better understanding and communication of the investors' concerns.

(III) Valuing Shareholders' Returns and Actively Fulfilling Social Responsibilities

As approved at the 2021 annual general meeting, the Company distributed a cash dividend of RMB0.18 per share (tax inclusive) to Shareholders with a total dividend of approximately RMB1.324 billion, accounting for 35.66% of the net profit attributable to shareholders of the listed company in the 2021 consolidated statement, which was distributed on 15 July 2022. In addition, according to the 2022 interim results and capital flow of the Company, and taking into account of the interests of Shareholders, future development needs of the Company and the capital flow, the Company distributed a cash dividend of RMB0.10 per share (tax inclusive) to Shareholders with a total dividend of approximately RMB731 million, accounting for 31.46% of the net profit attributable to shareholders of the listed company in the 2022 interim consolidated statement, which was distributed on 18 November 2022.

Considering the Company's profit in 2022, in order to share the Company's growth income with all Shareholders, the Company plans to distribute a cash dividend of RMB0.10 per share (including tax) to Shareholders. The relevant profit distribution plan will be submitted to the 2022 annual general meeting for approval and implementation accordingly.

(IV) Further Implementing the Concept of Green Development

In 2022, based on the current carbon emission analysis and scenario forecast, the Company studied and formulated the Sinotrans's Special Strategic Plan on Carbon Peaking and Carbon Neutrality, which clearly defines the Company's green development vision of being a "Practitioner and Innovator of Green Logistics Ecology Construction" and proposes the overall goal of carbon peaking and carbon neutrality. It has been submitted to the Board for approval and implemented throughout the systems within the Group. In addition, the Company actively promoted the green development of the industry and participated in the preparation of two green logistics-related industry standards, namely, Green Logistics Evaluation Index for Logistics Enterprises and Greenhouse Gas Emission Accounting Method for Logistics Enterprises.

III. MAIN WORK PLAN IN 2023

Looking forward to 2023, in the face of new contradictions and new challenges brought by changes in the external environment and under the new development pattern which is focused on the greater domestic circulation and features positive interplay between domestic and international circulation, Sinotrans will firmly seize the opportunities of domestic economy bottomed out and the boost of domestic demand brought by the recovery of China's economy, and focus on the market to stabilize the stock and expand the increment; capture the business needs of emerging economies, emerging regions and third countries, and continue to expand emerging markets such as Southeast Asia and the Middle East; enhance the optimization and allocation of core logistics infrastructure at home and abroad; comprehensively accelerate digital transformation, continue to improve its quality and

efficiency, gradually form a safe, reliable independent and controllable whole supply chain operation system and service capabilities, thereby consolidate the Company's leading position in the logistics industry, and create greater value for shareholders.

The main work plan of the Board in 2023 is as follows:

(I) Improving the Level of Corporate Governance

In 2023, the Board will constantly revise and optimize the corporate governance system, establish and improve the compliance system, and ensure the standardized and efficient operation of the Company in accordance with the latest laws and regulations of China Securities Regulatory Commission and the listing rules of the stock exchanges where the Shares are listed, and the Company's actual situation.

(II) Maintaining Investor Relations and Further Improving the Quality of Information Disclosure

Via frequent contact, communication and coordination with investors, intermediaries, regulatory authorities, exchanges and other relevant government authorities, the Company will constantly improve the level of investor relations maintenance. It will effectively ensure the truthfulness, accuracy, completeness, timeliness and fairness of information disclosure, and further improve the quality and transparency of information disclosure, so as to realize the Company's value.

(III) Doing Well in the Daily Work of the Board

The Board will operate in strict accordance with the requirements of laws, regulations and normative documents, earnestly organize the meetings of the Board and general meetings, make scientific and reasonable decisions within the authorization scope of the general meetings, conduct effective and timely inspection and supervision on the management work, and push the standardized operation of the Company to a new level. Besides, in 2023, the Board will take the opportunity to carry out front-line research and investigation according to the actual situation, so as to comprehensively understand the Company's front-line operation and management.

(IV) Enhancing Self-Building

In 2023, the Board will continue to perform the duties in a faithful and diligent manner in accordance with laws and regulations, the listing rules of the stock exchanges where the Shares are listed and the regulatory requirements of regulatory authorities. In the meanwhile, based on the development needs of the Company, the Board will organize and participate in relevant trainings in a scientific and reasonable manner, especially on improving corporate governance and performing duties by Directors.

Sinotrans Limited
The Board of Directors

APPENDIX II WORK REPORT OF THE SUPERVISORY COMMITTEE FOR THE YEAR 2022

In 2022, being in strict compliance with the *Company Law*, the *Articles of Association* and the *Procedural Rules for the Supervisory Committee of Sinotrans Limited*, all members in the Supervisory Committee of the Company (the “Supervisory Committee”) performed their duties diligently, exercised their powers legally and independently to facilitate the standardized operation of the Company and safeguard the interests of the Company as well as the rights and interests of all Shareholders. Through attending and participating in the Board meetings and general meetings, the Supervisory Committee conducted supervision over the Company’s finance, implementation of resolutions passed at general meetings, the lawfulness and compliance of material decision-making procedures by the Board and the operational and management activities of the Company, and the performance of duties by Directors and senior management. The work of the Supervisory Committee in 2022 is hereby reported as follows:

I. MEETINGS OF THE SUPERVISORY COMMITTEE

In 2022, the Supervisory Committee convened 5 meetings, reviewed and approved 12 resolutions in total, details of which are as follows:

1. On 25 January 2022, the Company held the first meeting of Supervisory Committee for the year 2022, at which the *Resolution on Granting Share Options to Participants of the Company’s Share Option Incentive Plan (Phase 1)* was approved by way of poll.
2. On 29 March 2022, the Company held the second meeting of Supervisory Committee for the year 2022, at which 6 resolutions, including the *Resolution on the Work Report of the Supervisory Committee for the Year 2021*, the *Resolution on the 2021 Annual Report and its Summary*, the *Resolution on the 2021 Final Financial Report*, the *Resolution on the Profit Distribution Plan for 2021*, the *Resolution on the Re-appointment of the External Auditor for 2022* and the *Resolution on the Evaluation Report on Internal Control for the Year 2021 and Assessment Plan for the Year 2022* were approved by way of poll.
3. On 27 April 2022, the Company held the third meeting of Supervisory Committee for the year 2022, at which the *Resolution on the First Quarterly Report for the Year 2022* was approved by way of poll.
4. On 25 August 2022, the Company held the fourth meeting of Supervisory Committee for the year 2022, at which 3 resolutions, including the *Resolution on the 2022 Interim Report of the Company and its Summary*, the *Resolution on the Profit Distribution Plan for the first half of 2022* and the *Resolution on Adjusting the Exercise Price of the Share Options of the Company* were approved by way of poll.
5. On 26 October 2022, the Company held the fifth meeting of Supervisory Committee for the year 2022, at which the *Resolution on the 2022 Third Quarterly Report of the Company* was approved by way of poll.

II. PERFORMANCE OF DUTIES BY SUPERVISORS

(I) Legitimate Operation of the Company

In accordance with functions empowered by the *Company Law*, the *Articles of Association* and the *Procedural Rules for the Supervisory Committee of Sinotrans Limited*, in 2022, the Supervisory Committee performed its duties and responsibilities conscientiously, actively attended the general meetings and Board meetings, brought its functional authority into full play through timely and effective supervision of the grant of share options by the Company, strategic development plans of the Company, decision-making procedures on material events and compliance of disciplines and laws by senior management, thereby ensuring the implementation of the resolutions approved at general meetings and the legality of the operations, and fully protected the legitimate rights and interests of Shareholders, so as to play its due role in the course of stable development of the Company.

The Supervisory Committee is of view that the operation of the Board was standardized, the decision-making procedures were in compliance with relevant laws and regulations, the Board strictly executed each resolution approved at general meetings and the Directors and senior management of the Company performed their duties in a diligent and dutiful manner, and none of them, 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) Inspection on Financial Condition of the Company

In 2022, the Supervisory Committee reviewed Quarterly Reports, Interim Report and 2021 Annual Report of the Company, and effectively supervised and inspected the Company's financial status and result. The Supervisory Committee believed that the Company has a sound financial system, improved internal control, standardized financial operation, good financial condition, and the financial reports disclosed by the Company gave true, accurate and complete pictures of its financial status, operating results and cash flow, and did not contain any false statements, misleading representations nor material omissions, and the Supervisory Committee signed written confirmation opinions on periodic reports.

(III) Profit Distribution Plan of the Company

In 2022, the Supervisory Committee reviewed the profit distribution plan for 2021 and the first half of 2022 and considered that the Company's profit distribution plans were compliant with the applicable laws and regulations and the Articles of Association, and have taken full account of overall factors such as the actual business situation, daily production and operation needs and capital requirements for future development of the Company. The profit distribution plans are in line with the Company's actual operating results and development plan and will contribute to the Company's normal operation and sound development. The profit distribution plans are legal, compliant with laws and regulations and reasonable, and in the interests of the Company and the Shareholders as a whole.

(IV) Internal Control of the Company

In 2022, the Company, in strict accordance with relevant requirements 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, as well as an effective internal control system in compliance with the requirements for listed companies, which operate in strict accordance with laws.

The Supervisory Committee reviewed the *Company's Evaluation Report on Internal Control for the Year 2021*, and considered that the report complied with the requirements of the applicable laws, regulations and normative documents, and comprehensively and truly reflected the actual situation of the Company's internal control. The Supervisory Committee raised no objection to the *Company's Evaluation Report on Internal Control for the Year 2021*.

(V) Related Party Transactions, 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, external guarantees, the establishment and implementation of administration systems for inside information and insider approved by the Board within its authority. The Supervisory Committee believed that the Board strictly abided by the relevant provisions of the Articles of Association and the related Directors have fulfilled the obligation to abstain from voting on related party transactions. The Company's decision-making procedures for each related party transaction were in compliance with relevant laws and regulations. The related party transactions were at a fair price and there was no violation of the principles of fairness, openness and impartiality, nor harm to the interests of the Company and its Shareholders. The Company's external guarantee procedures were legal and compliant with laws and regulations; neither were there any illegal guarantees or overdue guarantees, nor occurrence of damages to the legitimate interests of the Company and its Shareholders. The Company was able to execute the management of inside information and the registration of insiders in strict accordance with relevant requirements. The Company conducted self-examination of Directors, Supervisors, senior management and other 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 material events were undisclosed. 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 2023

- (I) The Supervisory Committee will strengthen its supervision and inspection of the operation and management of the Company in front lines through research and other methods, improve the working ability and efficiency of the Supervisory Committee, and protect the rights and interests of all Shareholders.

**APPENDIX II WORK REPORT OF THE SUPERVISORY COMMITTEE
FOR THE YEAR 2022**

- (II) The Supervisory Committee will actively involve in exchange training activities, strengthen the awareness of the Supervisory Committee to the obligations of supervising and performing its duties in due diligence, and constantly improve supervisory ability.
- (III) In strict compliance with the Company Law, Articles of Association, and other laws and regulations, the Supervisory Committee will continue to hold regular meetings of the Supervisory Committee, attend the Board meetings and general meetings, signed written confirmation opinions on periodic reports of the Company, review and discuss the major issues in the Company's development and internal control, and further promote the standardized operation of the Company.

Sinotrans Limited
The Supervisory Committee

This appendix includes an explanatory statement required by the Hong Kong Stock Exchange to be presented to Shareholders concerning the Repurchase Mandate proposed to be granted to the Directors.

1. LISTING RULES FOR REPURCHASES OF SHARES

The Listing Rules permit companies with a primary listing on the Main Board of Hong Kong Stock Exchange to repurchase their shares on the Main Board of Hong Kong Stock Exchange subject to certain restrictions.

2. FUNDING OF REPURCHASES

Any repurchase will be made out of funds which are legally available for the purpose in accordance with the Articles of Association and the laws of PRC. As compared with the financial position of the Company as at 31 December 2022 (being the date to which the latest audited financial statements of the Company have been made up), the Directors consider that there may not be a material adverse impact on the working capital or on the gearing position of the Company in the event that the proposed repurchases were to be exercised in full at any time during the proposed repurchase period.

The Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital or the gearing position of the Company which in the opinion of the Directors are from time to time appropriate for the Company.

3. NUMBER OF THE H SHARES PROPOSED TO BE REPURCHASED

As at the Latest Practicable Date, the issued share capital of the Company was 7,294,216,875 shares comprising 5,255,916,875 A Shares and 2,038,300,000 H Shares. If the aggregate number of H Shares in issue and having not been repurchased as at the date of the passing of the resolution in relation to the H Share Repurchase Mandate is 2,038,300,000, then the maximum number of H Shares proposed to be repurchased shall not exceed 203,830,000 H Shares.

4. REASONS FOR REPURCHASES

The Directors believe that it is in the best interests of the Company and its Shareholders to have a general mandate from the Shareholders to enable the Directors to repurchase Shares on the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share of the Company and/or its earning per Share and will only be made when the Directors believe that such repurchases will benefit the Company and the Shareholders.

5. PRICE OF REPURCHASES AND DISPOSITION

Pursuant to the Listing Rules, the price for repurchasing H shares shall not be higher by 5% or more than the average closing market price for the five trading days preceding the date on which the H shares are actually repurchased. The Company will determine the specific repurchase price based on

market conditions and actual situation of the Company. According to relevant laws and regulations, the repurchased H shares of the Company shall be cancelled and thus the registered capital of the Company shall be decreased accordingly.

6. UNDERTAKING OF THE DIRECTORS

The Directors have undertaken to the Hong Kong Stock Exchange to exercise the Repurchase Mandate in accordance with the Listing Rules, the Articles of Association and the applicable laws, rules and regulations of the PRC.

7. EFFECT OF THE TAKEOVERS CODE

If, as a result of the Directors exercising the powers of the Company to repurchase H Shares pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition of voting rights for the purpose of the Takeovers Code. As a result, a Shareholder or a group of Shareholders acting in concert, depending on the level of increase of the Shareholder's interest, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, to the best of the knowledge and belief of the Directors, China Merchants, through its subsidiaries, held in aggregate approximately 58.48% of the issued share capital, including 4,072,813,639 A Shares and 192,978,000 H Shares.

As the shareholdings of China Merchants in the Company is more than 50%, an exercise of the Repurchase Mandate in full will not trigger an offer obligation for China Merchants and its concert parties (including Sinotrans & CSC) under Rule 26 of the Takeovers Code. In any event, the Directors do not intend to exercise the power to repurchase Shares to an extent which would render the aforesaid Shareholders or any Shareholder or group of Shareholders obliged to make a mandatory offer under Rule 26 of the Takeovers Code. The Board will endeavor to ensure that the exercise of the Repurchase Mandate will not result in less than 25% of the Shares being held by the public.

The Directors are not aware of any consequences that may arise under the Takeovers Code and/or any similar applicable laws of which the Directors are aware, as a result of any repurchase of Shares made under the proposed resolution.

8. DIRECTORS, THEIR CLOSE ASSOCIATES AND CORE CONNECTED PERSONS

None of the Directors nor, to the best of the knowledge and belief of the Directors, having made all reasonable enquiries, any of their respective close associates (as defined in the Listing Rules) has any present intention, in the event that the proposed Repurchase Mandate is approved by the Shareholders, to sell any of the H Shares to the Company.

No core connected person (as defined in the Listing Rules) of the Company has notified the Company that he/she/it has a present intention to sell any of the H Shares to the Company nor has he/she/it undertaken not to sell any of the H Shares held by him/her/it to the Company in the event that the Company is authorized to make repurchases of H Shares.

9. SHARE REPURCHASE MADE BY THE COMPANY

For six months ended the Latest Practicable Date, the Company has repurchased a total of 3,727,200 A Shares from the SSE and 60,888,000 H Shares from the Hong Kong Stock Exchange, of which 60,888,000 H Shares have been cancelled on or before 10 February 2023. Details of such Share repurchases are set out below:

Repurchase of A Shares for the six months ended the Latest Practicable Date:

| Date of repurchase | Number of shares repurchased | Maximum price per share (RMB) | Lowest price per share (RMB) | Total amount (RMB) (Note) |
|---------------------------|-------------------------------------|--------------------------------------|-------------------------------------|----------------------------------|
| 30 December 2022 | 3,727,200 | 3.85 | 3.78 | 14,221,500 |
| Total | 3,727,200 | / | / | 14,221,500 |

Note: The total amount does not include transaction costs.

Repurchase of H Shares for the six months ended the Latest Practicable Date:

| Date of repurchase | Number of shares repurchased | Maximum price per share (HK\$) | Lowest price per share (HK\$) | Total amount (HK\$) Note |
|---------------------------|-------------------------------------|---------------------------------------|--------------------------------------|---------------------------------|
| 27 October 2022 | 750,000 | 1.95 | 1.90 | 1,459,660 |
| 28 October 2022 | 1,911,000 | 2.00 | 1.95 | 3,783,840 |
| 31 October 2022 | 1,108,000 | 1.99 | 1.89 | 2,125,880 |
| 1 November 2022 | 1,406,000 | 1.96 | 1.88 | 2,702,640 |
| 2 November 2022 | 1,356,000 | 2.03 | 1.95 | 2,712,110 |
| 3 November 2022 | 1,249,000 | 2.06 | 2.00 | 2,538,940 |
| 4 November 2022 | 185,000 | 2.07 | 2.02 | 381,100 |
| 8 November 2022 | 574,000 | 2.15 | 2.13 | 1,231,290 |
| 9 November 2022 | 563,000 | 2.18 | 2.12 | 1,206,800 |
| 10 November 2022 | 1,063,000 | 2.18 | 2.12 | 2,285,910 |
| 11 November 2022 | 967,000 | 2.24 | 2.18 | 2,140,210 |
| 14 November 2022 | 988,000 | 2.27 | 2.22 | 2,230,600 |
| 15 November 2022 | 918,000 | 2.28 | 2.23 | 2,083,360 |
| 16 November 2022 | 464,000 | 2.31 | 2.26 | 1,059,250 |

APPENDIX III
**EXPLANATORY STATEMENT OF THE
REPURCHASE MANDATE**

| Date of repurchase | Number of shares repurchased | Maximum price per share (HK\$) | Lowest price per share (HK\$) | Total amount (HK\$) <i>Note</i> |
|---------------------------|-------------------------------------|---------------------------------------|--------------------------------------|--|
| 17 November 2022 | 639,000 | 2.29 | 2.24 | 1,443,910 |
| 18 November 2022 | 659,000 | 2.28 | 2.23 | 1,489,260 |
| 21 November 2022 | 732,000 | 2.24 | 2.17 | 1,611,850 |
| 22 November 2022 | 1,080,000 | 2.31 | 2.2 | 2,447,240 |
| 23 November 2022 | 2,096,000 | 2.36 | 2.29 | 4,914,770 |
| 24 November 2022 | 353,000 | 2.38 | 2.37 | 839,940 |
| 25 November 2022 | 290,000 | 2.41 | 2.38 | 696,530 |
| 28 November 2022 | 2,329,000 | 2.44 | 2.37 | 5,652,940 |
| 29 November 2022 | 2,281,000 | 2.5 | 2.45 | 5,659,540 |
| 30 November 2022 | 1,446,000 | 2.54 | 2.46 | 3,607,820 |
| 1 December 2022 | 2,699,000 | 2.55 | 2.49 | 6,780,660 |
| 2 December 2022 | 2,412,000 | 2.52 | 2.44 | 5,941,830 |
| 5 December 2022 | 2,634,000 | 2.62 | 2.5 | 6,780,010 |
| 6 December 2022 | 2,561,000 | 2.59 | 2.52 | 6,549,530 |
| 7 December 2022 | 1,711,000 | 2.59 | 2.49 | 4,353,450 |
| 8 December 2022 | 1,228,000 | 2.59 | 2.52 | 3,162,100 |
| 9 December 2022 | 1,499,000 | 2.64 | 2.59 | 3,910,920 |
| 12 December 2022 | 616,000 | 2.62 | 2.56 | 1,598,510 |
| 13 December 2022 | 817,000 | 2.64 | 2.6 | 2,142,090 |
| 14 December 2022 | 1,028,000 | 2.68 | 2.61 | 2,718,650 |
| 15 December 2022 | 822,000 | 2.66 | 2.63 | 2,172,220 |
| 16 December 2022 | 1,343,000 | 2.66 | 2.62 | 3,561,905 |
| 19 December 2022 | 729,000 | 2.68 | 2.56 | 1,892,192 |
| 20 December 2022 | 1,391,000 | 2.59 | 2.48 | 3,511,670 |
| 21 December 2022 | 327,000 | 2.56 | 2.52 | 831,170 |
| 22 December 2022 | 279,000 | 2.59 | 2.54 | 715,530 |
| 23 December 2022 | 191,000 | 2.57 | 2.52 | 485,210 |
| 28 December 2022 | 1,029,000 | 2.57 | 2.52 | 2,620,730 |
| 29 December 2022 | 255,000 | 2.54 | 2.5 | 642,910 |
| 30 December 2022 | 324,000 | 2.55 | 2.51 | 821,320 |
| 3 January 2023 | 547,000 | 2.57 | 2.52 | 1,396,100 |
| 4 January 2023 | 705,000 | 2.59 | 2.54 | 1,806,110 |
| 5 January 2023 | 1,438,000 | 2.59 | 2.55 | 3,691,490 |
| 6 January 2023 | 846,000 | 2.58 | 2.51 | 2,150,680 |
| 9 January 2023 | 1,163,000 | 2.55 | 2.5 | 2,940,700 |
| 10 January 2023 | 1,427,000 | 2.6 | 2.51 | 3,655,970 |
| 11 January 2023 | 1,047,000 | 2.63 | 2.58 | 2,724,290 |
| 12 January 2023 | 909,000 | 2.65 | 2.59 | 2,375,200 |
| 13 January 2023 | 592,000 | 2.6 | 2.57 | 1,531,410 |

| Date of repurchase | Number of shares repurchased | Maximum price per share (HK\$) | Lowest price per share (HK\$) | Total amount (HK\$) Note |
|---------------------------|-------------------------------------|---------------------------------------|--------------------------------------|-------------------------------------|
| 16 January 2023 | 661,000 | 2.62 | 2.59 | 1,722,980 |
| 17 January 2023 | 490,000 | 2.62 | 2.57 | 1,270,270 |
| 18 January 2023 | 761,000 | 2.66 | 2.59 | 2,005,050 |
| 19 January 2023 | 218,000 | 2.67 | 2.63 | 577,540 |
| 20 January 2023 | 782,000 | 2.75 | 2.65 | 2,125,660 |
| Total | 60,888,000 | / | / | 147,471,447 |

Note: The total amount does not include transaction costs.

10. H SHARE PRICE

The highest and lowest prices at which the H Shares were traded on the Hong Kong Stock Exchange in each of the previous twelve months immediately prior to the Latest Practicable Date were as follows:

| | H Shares | |
|---|-------------------------|------------------------|
| | Highest HK\$ | Lowest HK\$ |
| 2022 | | |
| April | 2.61 | 2.21 |
| May | 2.51 | 2.25 |
| June | 2.55 | 2.14 |
| July | 2.46 | 2.17 |
| August | 2.36 | 2.12 |
| September | 2.43 | 1.98 |
| October | 2.01 | 1.78 |
| November | 2.54 | 1.88 |
| December | 2.68 | 2.43 |
| 2023 | | |
| January | 2.82 | 2.50 |
| February | 2.79 | 2.37 |
| March | 2.79 | 2.36 |
| April (up to the Latest Practicable Date) | 2.63 | 2.38 |

Details of the Proposed Amendments to the Articles of Association

| Existing Provisions in Articles of Association | Revised Provisions in Articles of Association |
|--|--|
| <p>Article 22 Upon approval by the examination and approval departments authorized by the State Council, the total number of ordinary shares that the Company may issue is 7,400,803,875 shares, including 5,255,916,875 domestic listed shares (A shares), accounting for 71.02% of total share capital, and 2,144,887,000 overseas listed foreign shares (H shares) representing 28.98% of total share capital.</p> | <p>Article 22 Upon approval by the examination and approval departments authorized by the State Council, the total number of ordinary shares that the Company may issue is <u>7,294,216,875</u> shares, including 5,255,916,875 domestic listed shares (A shares), accounting for <u>72.06%</u> of total share capital, and <u>2,038,300,000</u> overseas listed foreign shares (H shares) representing <u>27.94%</u> of total share capital.</p> |
| <p>Article 23 The Company issued 2,624,087,200 shares (all of which were domestic shares) to the promoters upon incorporation and after incorporation, made an additional issue of 1,624,915,500 ordinary shares (including over-allotment option of no more than 15%), which were all overseas listed foreign shares (H shares), all of which were H shares and listed on the Stock Exchange on February 2003. In July 2014, with the approval of China Securities Regulatory Commission (the “CSRC”), the Company made an addition issue of 357,481,000 ordinary shares. In October 2017, with the approval of the Company Approval Department authorized by State Council, the Company made an additional issue of 1,442,683,444 shares of ordinary shares, all of which were domestic shares. In November 2018, with the approval of CSRC, the Company launched an initial public offering, through which 1,351,637,231 shares of domestically listed domestic shares (“A shares”) were issued and listed on Shanghai Stock Exchange on January 2019.</p> | <p>Article 23 The Company issued 2,624,087,200 shares (all of which were domestic shares) to the promoters upon incorporation and after incorporation, made an issue of <u>1,787,406,000</u> overseas listed foreign shares (H shares) (including <u>162,491,000</u> H shares placed by the promoters), all of which were H shares and listed on the Stock Exchange on February 2003. In July 2014, with the approval of China Securities Regulatory Commission (the “CSRC”), the Company made an addition issue of 357,481,000 ordinary shares. In October 2017, with the approval of the Company Approval Department authorized by State Council, the Company made an additional issue of 1,442,683,444 shares of ordinary shares, all of which were domestic shares. In November 2018, with the approval of CSRC, the Company launched an initial public offering, through which 1,351,637,231 shares of domestically listed domestic shares (“A shares”) were issued and listed on Shanghai Stock Exchange on January 2019.</p> |
| <p>The share capital structure of the Company after the above share issue shall be 5,255,916,875 ordinary shares, of which 1,442,683,444 domestic shares will be directly held by China Merchants Group Limited, representing approximately 19.49% of the total share capital of the Company and 2,461,596,200 domestic shares will be directly held by SINOTRANS & CSC, representing approximately 33.26% of the total share capital of the Company, and 2,144,887,000 shares will be held by the holders</p> | <p><u>Based on the general mandate granted at the general meetings, the Company repurchased and cancelled 106,587,000 overseas listed foreign shares (H shares) after the consideration and approval by the Board of the Company. After that, the share capital structure of the Company shall be 5,255,916,875 ordinary shares, of which 1,600,597,439 domestic shares will be directly held by China Merchants Group Limited, representing approximately 21.94% of the total share capital of the Company and 2,472,216,200 domestic shares will be directly held by SINOTRANS & CSC, representing</u></p> |

| Existing Provisions in Articles of Association | Revised Provisions in Articles of Association |
|---|---|
| of the overseas-listed foreign shares (H shares), representing approximately 28.98% of the total share capital of the Company. | approximately <u>33.89%</u> of the total share capital of the Company. <u>192,978,000 overseas listed shares (H shares) will be held by China Merchants Group Limited in aggregate, accounting for approximately 2.65% of the total share capital of the Company, and 1,845,322,000 shares will be held by the other holders of the overseas-listed foreign shares (H shares), representing approximately 25.30% of the total share capital of the Company.</u> |
| Article 27 The registered capital of the Company shall be RMB 7,400,803,875 . Upon the new issue, the registered capital of the Company will be adjusted correspondingly according to the actual number of shares in issue and the Company shall complete the registration procedures for the change in registered capital. | Article 27 The registered capital of the Company shall be RMB <u>7,294,216,875</u> . Upon the new issue, the registered capital of the Company will be adjusted correspondingly according to the actual number of shares in issue and the Company shall complete the registration procedures for the change in registered capital. |

NOTICE OF 2022 ANNUAL GENERAL MEETING

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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)

NOTICE OF 2022 ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2022 annual general meeting (the “AGM”) 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 2:00 p.m. on 12 May 2023 for the purpose of considering and, if thought fit, approving, with or without modifications, the following resolutions:

SPECIAL RESOLUTIONS

1. **“THAT:**

- (a) subject to paragraph 1(c) below and compliance with all applicable laws and regulations of the People’s Republic of China, the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with additional H Shares in the share capital of the Company in each case and to make or grant offers, agreements and options which might require the exercise of such power be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph 1(a) above shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such power after the end of the Relevant Period;
- (c) the number of H Shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) in each case by the Directors pursuant to the approval in paragraph 1(a) above shall not exceed 20% of the total number of the issued H Shares of the Company as at the date of passing of this resolution and the said approval shall be limited accordingly; and
- (d) for the purposes of this resolution:

NOTICE OF 2022 ANNUAL GENERAL MEETING

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of next annual general meeting of the Company; or
- (ii) the expiration of the 12-month period following the passing of this resolution; or
- (iii) the revocation or variation of this resolution by a special resolution of the shareholders of the Company at the general meeting.”

2. **“THAT:**

- (a) subject to (i) paragraph 2(b) below and compliance with all applicable laws and regulations of the People’s Republic of China, the Listing Rules and all other applicable laws and regulations; and (ii) the passing of a special resolution by the holders of H Shares and the holders of A Shares in their respective class meeting to confer the authority to Directors contemplated in this resolution, the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to repurchase its H shares be and is hereby generally and unconditionally approved;
- (b) the number of H shares in the share capital of the Company to be repurchased pursuant to the approval in paragraph 2(a) above shall not exceed 10% of the number of the issued H shares in the share capital of the Company as at the date of passing of this resolution and the said approval shall be limited accordingly; and
- (c) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of next annual general meeting of the Company; or
- (ii) the expiration of the 12-month period following the passing of this resolution; or
- (iii) the revocation or variation of this resolution by a special resolution of the shareholders of the Company at the general meeting.”

3. To consider and approve the resolution in relation to the Updated Mandate of the issue of Debt Financing Instruments.

4. To consider and approve the resolution in relation to the estimated guarantees of the Company for the year 2023.

5. To consider and approve the resolution in relation to the proposed reduction of registered capital of the Company and proposed amendments to the Articles of Association.

NOTICE OF 2022 ANNUAL GENERAL MEETING

ORDINARY RESOLUTIONS

6. To consider and approve the resolution in relation to the Work Report of the Board for the year 2022.
7. To consider and approve the resolution in relation to the Work Report of the Supervisory Committee for the year 2022.
8. To consider and approve the resolution in relation to the Final Financial Accounts Report of the Company for the year 2022.
9. To consider and approve the resolution in relation to the Annual Report of the Company and its summary for the year 2022.
10. To consider and approve the resolution in relation to the financial budget of the Company for the year 2023.
11. To consider and approve the resolution in relation to the profit distribution plan of the Company for the year 2022.
12. To consider and approve the resolution in relation to the grant of authorization to the Board to decide on the interim profit distribution plan of the Company for the year 2023.
13. To consider and approve the resolution in relation to the re-appointment of auditor for the year 2023.

Shareholders will listen to the 2022 Work Report of the independent non-executive Directors of the Company at the AGM (such report is not subject to voting and resolution).

By order of the Board
Sinotrans Limited
Li Shichu
Company Secretary

Beijing, China
21 April 2023

As at the date of this notice, the board of directors of the Company comprises Feng Boming (Chairman), Song Dexing (Vice Chairman), Song Rong (executive director), Deng Weidong (non-executive director), Jiang Jian (non-executive director), Luo Li (non-executive director), Jerry Hsu (non-executive director), and four independent non-executive directors, namely Wang Taiwen, Meng Yan, Song Haiqing and Li Qian.

NOTICE OF 2022 ANNUAL GENERAL MEETING

Notes:

1. Unless otherwise specified, details of the resolutions are set out in the circular of the Company in relation to the AGM dated 21 April 2023 (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 9 May 2023 to 12 May 2023 (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 8 May 2023, 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 accompanied by the relevant H Share certificates with the Company’s H Share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on 8 May 2023, for registration.
3. Shareholders intending to attend the AGM shall give written notice to the Company, which shall be lodged at the office of the Company, at 10th Floor, Building 10/Sinotrans Tower B, No. 5 Anding Road, Chaoyang District, Beijing (Tel: (8610) 5229 5720) (for A Shareholders), or Computershare Hong Kong Investor Services Limited, the Company’s H Share registrar, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong (for H Shareholders), on or before 10 May 2023.
4. Shareholders entitled to attend and vote at the AGM 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/Sinotrans Tower B, No. 5 Anding Road, Chaoyang District, Beijing (Tel: (8610) 5229 5720) (for A Shareholders), or Computershare Hong Kong Investor Services Limited, the Company’s H Share registrar, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong (for H Shareholders), not later than 24 hours before the time for holding the AGM or any adjournment thereof.
6. If a proxy attends the AGM on behalf of a Shareholder, he/she should produce his/her ID card and the instrument signed by the appointer or his/her legal representative, and specifying the date of its issuance. If a legal person Shareholder appoints its corporate representative to attend the AGM, 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.
7. Shareholders attending the AGM are responsible for their own transportation and accommodation expenses.
8. The board of directors of the Company has recommended the payment of an annual dividend of RMB0.10 per share (tax inclusive), subject to passing of the resolution to declare and pay the annual dividend for 2022 by shareholders at the AGM. The recommended annual dividend will be paid on or before 28 June 2023 to the shareholders as registered at the close of business on 25 May 2023. The record date for the recommended annual dividend is at the close of business on 25 May 2023. For determining the entitlement to the recommended annual dividend, the register of members of the Company will be closed from 19 May 2023 to 25 May 2023, both days inclusive. In order for the H Shareholders to qualify for the recommended annual dividend, all share transfers accompanied by the relevant share certificates must be lodged with the Company’s H Share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on 18 May 2023, for registration.

Pursuant to the Articles of Association of the Company, dividends payable to the holders of A 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 average of selling rates of RMB to HK\$ published by the People’s Bank of China during the week (20 March 2023 to 26 March 2023) preceding the date

NOTICE OF 2022 ANNUAL GENERAL MEETING

of recommendation of the annual dividend by the board of directors of the Company. The average exchange rate of RMB to HK\$ for the said week was HK\$1=RMB0.8768. Accordingly, the amount of annual dividend for each H Share of the Company is HK\$0.11405.

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 Hong Kong Stock Exchange 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 China Securities Depository and Clearing Corporation Limited, pursuant to which, 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.

The record date and the date of distribution of annual 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 (關於深港股票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 Hong Kong Stock Exchange 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 Hong Kong Stock Exchange 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.

NOTICE OF 2023 FIRST H SHAREHOLDERS' CLASS MEETING

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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)

NOTICE OF THE 2023 FIRST H SHAREHOLDERS' CLASS MEETING

NOTICE IS HEREBY GIVEN that the 2023 first H shareholders' class meeting (the "HCM") 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 3:00 p.m. on 12 May 2023 or immediately following the conclusion of the annual general meeting or any adjournment thereof to be held at the same place and on the same day for the purpose of considering and, if thought fit, approving, with or without modifications, the following resolutions:

SPECIAL RESOLUTIONS

1. "THAT:

- (a) subject to (i) paragraph 1(b) below and compliance with all applicable laws and regulations of the People's Republic of China, the Listing Rules and all other applicable laws and regulations; and (ii) the passing of a special resolution by the shareholders of the Company at the annual general meeting and the passing of a special resolution by the A shareholders of the Company at the A shareholders' class meeting to confer the authority to the Directors contemplated in this resolution, the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to repurchase its H shares in the capital of the Company be and is hereby generally and unconditionally approved;
- (b) the number of H shares in the share capital of the Company to be repurchased pursuant to the approval in paragraph 1(a) above shall not exceed 10% of the number of the issued H shares in the share capital of the Company as at the date of passing of this resolution and the said approval shall be limited accordingly; and

NOTICE OF 2023 FIRST H SHAREHOLDERS' CLASS MEETING

(c) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of next annual general meeting of the Company; or
- (ii) the expiration of the 12-month period following the passing of this resolution; or
- (iii) the revocation or variation of this resolution by a special resolution of the shareholders of the Company at the general meeting.”

2. To consider and approve the resolution in relation to the proposed reduction of registered capital of the Company and proposed amendments to the Article of Association.

By order of the Board
Sinotrans Limited
Li Shichu
Company Secretary

Beijing, China
21 April 2023

As at the date of this notice, the board of directors of the Company comprises Feng Boming (Chairman), Song Dexing (Vice Chairman), Song Rong (executive director), Deng Weidong (non-executive director), Jiang Jian (non-executive director), Luo Li (non-executive director), Jerry Hsu (non-executive director), and four independent non-executive directors, namely Wang Taiwen, Meng Yan, Song Haiqing and Li Qian.

Notes:

1. Details of the abovementioned special resolutions are set out in the circular of the Company in relation to the annual general meeting dated 21 April 2023 (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 9 May 2023 to 12 May 2023 (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 8 May 2023 are entitled to attend and vote at the HCM 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 HCM, persons holding H Shares shall lodge share transfer documents accompanied by the relevant H Share certificates with the Company’s H Share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on 8 May 2023, for registration.
3. Shareholders intending to attend the HCM shall give written notice of the same to the Company, which shall be lodged at Computershare Hong Kong Investor Services Limited, the Company’s H Share registrar, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong on or before 10 May 2023.
4. Shareholders entitled to attend and vote at the HCM 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.

NOTICE OF 2023 FIRST H SHAREHOLDERS' CLASS MEETING

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 Computershare Hong Kong Investor Services Limited, the Company's H Share registrar, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 24 hours before the time for holding the HCM or any adjournment thereof.
6. If a proxy attends the HCM on behalf of a Shareholder, he/she should produce his/her ID card and the instrument signed by the appointer or his/her legal representative, and specifying the date of its issuance. If a legal person Shareholder appoints its corporate representative to attend the HCM, 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.
7. Shareholders attending the HCM are responsible for their own transportation and accommodation expenses.