

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liabilities whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



中國外運股份有限公司
SINOTRANS LIMITED

(A joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 0598)

**PROPOSED AMENDMENTS TO THE ARTICLES OF
ASSOCIATION AND THE PROCEDURAL RULES
FOR GENERAL MEETINGS**

The board of directors (the “**Board**”) of Sinotrans Limited (the “**Company**”) hereby announces that, among other things, the resolutions regarding the proposed amendments to the articles of association of the Company (the “**Articles of Association**”) and the procedural rules for general meetings of the Company (the “**Procedural Rules for General Meetings**”) have been considered and approved by the Board at the Board meeting held on 27 December 2019.

In order to adapt to the latest revision of PRC laws, regulations and rules including the Official Reply of the State Council on Adjusting the Notice Period for the General Meeting of Shareholders and Other Matters Applicable to Companies Listed Abroad (Guo Han [2019] No. 97) (《國務院關於調整適用在境外上市公司召開股東大會通知期限等事項規定的批覆》(國函[2019]97號)) and the Decision of the China Securities Regulatory Commission to Amend the Guidelines for the Articles of Association of Listed Companies ([2019] No. 10) (《關於修改<上市公司章程指引>的決定》[2019]10號) and the actual situation of the Company, the Board proposes to seek the approval of the shareholders of the Company (the “**Shareholders**”) in relation to the amendments to the Articles of Association and the Procedural Rules for General Meetings, the details of which are set out in the Appendix I and Appendix II of this announcement respectively.

The proposed amendments to the Articles of Association and the Procedural Rules for General Meetings will come into force upon approval by the Shareholders. Save for the amendments set out in the appendices, other provisions in the Articles of Association and the Procedural Rules for General Meetings remain unchanged. A circular containing, among others, details of the proposed amendments to the Articles of Association and the Procedural Rules for General Meetings will be despatched to the Shareholders in due course.

By order of the Board
Sinotrans Limited
Li Shichu
Company Secretary

Beijing, 27 December 2019

As at the date of this announcement, the board of directors of the Company comprises Li Guanpeng (Chairman), Song Dexing (Vice Chairman), Song Rong (executive director), Su Jian (non-executive director), Xiong Xianliang (non-executive director), Jiang Jian (non-executive director), Jerry Hsu (non-executive director), and four independent non-executive directors, namely Wang Taiwen, Meng Yan, Song Haiqing and Li Qian.

APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Details of proposed amendments to the Articles of Association are set out as follows, with amendments underlined:

(I) Article 10 is proposed to be amended as:

“Other senior management” referred to in these Articles of Association mean the Company’s vice presidents, financial controllers, chief digital officer, ~~IT directors~~ and board secretary and the general counsel.

(II) Article 13 is proposed to be amended as:

The operation objectives of the Company are: customers oriented, by adopting the market-oriented approach, and in reliance on the network and the information technology, to provide safe, fast, accurate, economic, convenient and satisfactory integrated logistic service and supply chain management service, thereby maximizing the shareholders’ interests.

The Company has implemented the development concepts of innovation, coordination, green, openness and sharing, so as to safeguard the legitimate rights of shareholders and ensure they are treated fairly, proactively fulfill its social responsibility, respect the basic rights and interests of stakeholders and effectively enhance the overall value of the enterprise. The Company is active in practicing the concept of green development to integrate ecological and environmental protection requirements into the development strategy and corporate governance process, and proactively participate in ecological civilization construction, thereby play a demonstrating and leading role in pollution prevention, resource conservation, ecological protection and other aspects.

The Company has implemented the strategy of administering the country according to laws, strengthened the legal construction and compliance management of enterprises, and established the general counsel system, in order to guarantee the Company operates in compliance with laws and regulations and maintains the sustainable and healthy development.

(III) Article 35 is proposed to be amended as:

The Company may in accordance with provisions of laws, administrative regulations, departmental rules, listing rules of the place where the Company is listed and the Articles of Association repurchase its shares in the following circumstances:

- (i) reducing the registered capital of the Company;
- (ii) merging with another company or other companies which holds the shares of the Company;
- (iii) utilizing shares in employee stock ownership plan or as equity incentives;
- (iv) repurchasing the shares upon request of its shareholders who vote against resolutions at a general meeting in connection with a merger and division of the Company;
- (v) utilizing shares for conversion of convertible bonds issued by the Company which are convertible into shares; and
- (vi) as required for maintenance of the Company's value and shareholders' rights and interests.

Save for the abovementioned circumstances, the Company may not purchase ~~engage in trading of~~ its own shares.

(IV) Article 49 is proposed to be amended as:

If the laws, administrative regulations, rules of regulatory authorities, other normative rules and the securities regulatory authorities located at the places where the Company's shares are listed stipulate the period of closure of the register of shareholders prior to a shareholders' general meeting or the reference date set by the Company for the purpose of distribution of dividends, such provisions shall apply.

~~No changes in the shareholders' register due to the transfer of shares may be made within thirty (30) days prior the date of a shareholders' general meeting or within five (5) days prior the reference date set by the Company for the purpose of distribution of dividends. If separate provisions are stipulated by the laws, administrative regulations, rules of regulatory authorities, other normative rules and the securities regulatory authorities located at the places where the Company's shares are listed, such provisions shall apply.~~

(V) Article 79 is proposed to be amended as:

When the Company convenes a shareholders' annual general meeting, written notice of the meeting shall be given at least 20 clear business days ~~forty-five (45) days (including the date of the meeting)~~ before the date of the meeting; when the Company convenes an extraordinary general meeting, written notice of the meeting shall be given at least 10 clear business days or 15 days (whichever is longer) before the date of the meeting. Such notice shall ~~to~~ notify all of the shareholders in the shareholders' register of the matters to be considered at the meeting and the date and the place of the meeting. A shareholder who intends to attend the meeting shall deliver his written reply concerning the attendance of the meeting to the Company within the time limits specified in the notice. ~~twenty (20) days before the date of the meeting.~~

In calculating the notice period, the date of issue of notice and date of meeting shall be excluded. The aforementioned business day shall mean the date on which the Hong Kong Stock Exchange is open for the business of dealing in securities.

(VI) Article 80 is proposed to be amended as:

Both annual general meetings and extraordinary general meetings shall not decide on matters which are not specified in the notice. ~~Based on the written replies received by the Company 20 days prior to the date of a shareholders' general meeting, the Company shall calculate the number of voting shares represented by the shareholders who have indicated their intention to attend the meeting. Where the number of the shares represented by those shareholders is more than half of the total number of the Company's voting shares, the Company may convene the shareholders' general meeting. Otherwise, the Company shall within 5 days inform the shareholders again of the matters to be considered, the date and the venue of the meeting by way of a public announcement. After making the announcement, the shareholders' general meeting may be convened.~~

~~An extraordinary general meeting shall not decide on matters which are not specified in the notice.~~

(VII) Article 82 is proposed to be amended as:

Notices of shareholders' general meeting shall be served on the shareholders (whether or not entitled to vote at the meeting) by hand or prepaid mail to their addresses as shown in the shareholders' register. For the holders of domestic shares, notices of the general meetings may be issued by way of public announcement.

The public announcement for the shareholders of domestic shares stated in the previous paragraph shall be published in one or more newspapers designated by the State Council authorities in ~~charge~~change of securities ~~within the period between forty five (45) days and fifty (50) days before the date of the meeting.~~ Upon the publication of such announcement, the holders of domestic shares shall be deemed to have received the notice of the relevant shareholders' general meeting.

For shareholders of H shares, the general meeting notice can be delivered or provided in other means stated in Chapter 21 of the Articles of Association, subject to the laws and regulations and listing rules of the jurisdiction where the shares of the Company are listed.

The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive the notice shall not invalidate the resolutions adopted at that meeting.

(VIII) Article 134 is proposed to be amended as:

A written notice of a class shareholders' meeting shall be sent out forty-five (45) days (including the day of such meeting) prior to the convening of a class shareholders' meeting in accordance with the time limits for notice of an extraordinary general meeting as stipulated in Article 79 of the Articles of Association to notify all of the relevant class shareholders on the register of the matters to be considered, the date and the place of such meeting. A shareholder who intends to attend such meeting shall deliver his written reply concerning his attendance at such meeting to the Company twenty(20) days before the date of such meeting within the time limits specified in the notice.

~~If the number of shares carrying voting rights at the meeting represented by the class shareholders who intend to attend the meeting reaches more than one half of the total voting rights of that particular class of shares, the Company may hold the class meeting; if not, the Company shall within five (5) days notify the shareholders again by public announcement of the matters to be considered, the date and the place of the meeting. After such public announcement is made, the Company may convene the class shareholders' meeting.~~

(IX) Article 137 is proposed to be amended as:

The directors shall be elected or replaced at a shareholders' general meeting, and can be dismissed by the general meeting of shareholders before expiry of the current term of office. The directors to serve a term of 3 years, and may serve consecutive terms if re-elected.

The term of office of a Director commences on the date of assuming office and ends at the expiry of the current term of office of the Board of Directors. Where a director has not been timely re-elected at the expiry of the term of office or where a director has resigned during the term of office resulting that the number of the members in the board falls below the quorum, the original director shall perform his/her duties as a director, prior to the assumption by the re-elected director, in accordance with the laws, administrative regulations and rules of regulatory authorities as well as the provisions of these Articles of Association.

~~The general meeting may not remove a director from office without cause before the expiration of his or her term of office. However, subject to relevant laws and administrative regulations, the~~The general meeting may remove any director by an ordinary resolution (but without prejudice to any claim for damages that such director may have under any contract) before the end of his term of office subject to relevant laws and administrative regulations.

The chairman and the vice chairman of the Board shall be elected or removed by a majority of the board directors. The chairman and the vice chairman shall serve a term of 3 years, and may serve consecutive terms if re-elected.

The external directors shall have sufficient time and the necessary knowledge and ability to perform their duties. When the external directors perform their duties, the Company must provide the necessary information. The independent directors may directly report any matter to the shareholders' general meetings, the securities regulatory authority of the State Council and other relevant authorities.

The president and other senior officers may concurrently serve as directors provided that the total number of directors concurrently serving as president and other senior officers shall not exceed one-half of the total number of directors of the Company.

The executive directors shall handle such matters as entrusted by the Board.

Directors shall not necessarily hold any shares of the Company.

(X) Article 143 is proposed to be amended as:

The Company establishes the Board of Directors, which is accountable to the general meeting. Board of directors consists of eleven (11) directors, of which external directors (referring to directors who do not hold a post in the Company, the same below) shall account for over half of the total directors and there shall be at least 3 independent directors which shall account for no less than one third of the total directors.

The Board of Directors consists of one chairman and one vice chairman, all of which shall be elected by a simple majority of votes of all directors.

The Board of Directors shall set up the audit committee, the remuneration committee and the nomination committee, and to meet needs, the executive committee, the strategy committee and relevant specialized committees. The specialized committees shall be responsible to the Board of Directors and shall perform their duties as stipulated in the Articles of Association and as authorized by the Board of Directors. Proposals shall be submitted to the Board of Directors for consideration and approval. All members of the specialized committees shall be directors, and independent directors shall account for the majority of members of the audit committee, the nomination committee and the remuneration committee, and shall serve as the chairmen. The chairman of the audit committee shall be an accounting professional. The Board of Directors shall be responsible for formulating the rules of procedures for the specialized committees to regulate their operations. To meet needs, the Board of Directors shall set up specialized committees such as executive committee, audit committee, remuneration committee, nomination committee, and strategy committee, which are authorized by the Board of Directors to assist it with performing duties.

~~Duties of all specialized committees shall be finalized through resolutions of the Board of Directors in accordance with applicable laws, administrative regulations, and regulatory documents. The Board of Directors shall separately draw up rules of procedure for specialized committees of Board of Directors.~~

(XI) Article 144 is proposed to be amended as:

The Board is accountable to the shareholders' general meeting and shall exercise the following powers:

- (i) to be responsible for the convening of the shareholders' general meeting and to report on its work to the shareholders' general meeting;
- (ii) to implement the resolutions of the shareholders' general meetings;
- (iii) to decide on the Company's business plans and investment plans;
- (iv) to formulate the Company's annual budget and final financial accounts;
- (v) to formulate the Company's profit distribution plan and plan for making up losses;
- (vi) to formulate plans for the Company's proposals for increases or reductions of its registered capital and the issue of and listing of corporate debentures or other securities;

- (vii) to draft plans for material acquisition, share repurchase, merger, division, dissolution or change in corporate form;
- (viii) to determine matters relating to the Company's external investment, asset acquisition and disposal, asset pledge, asset management mandate, related party transactions and external guarantee within the authorisation of the general meeting;
- (ix) to determine the establishment of the Company's internal management structure;
- (x) to appoint or dismiss the Company's president and the secretary of the Board; and pursuant to the president's nominations to appoint or dismiss the vice presidents, the chief financial officer, the chief digital officer, the general counsel and ~~the chief information technology officer~~ and other senior officers of the Company and decide on their remuneration rewards and penalties;
- (xi) to establish the Company's basic management system, including basic compliance management system;
- (xii) to formulate proposals for any amendment to the Company's Articles of Association;
- (xiii) to deal with information disclosure of the Company;
- (xiv) to propose to the general meeting for appointment or replacement of the accounting firms serving as the auditors of the Company;
- (xv) to receive work report submitted by the president, to review his performance and to appraise effectiveness of the compliance management of the Company;
- (xvi) to exercise other duties and powers specified in the laws, administrative regulations, rules of regulatory authorities, listing rules of the stock exchange(s) on which the Company is listed or the Articles of Association and conferred by the shareholders at general meetings.

Matters beyond the scope authorized by the general meeting shall be submitted to the general meeting for consideration.

Except the Board's resolutions in respect of the matters specified in the above items (vi), (vii) and (xii), which shall be passed by two-thirds or more of the Directors, the Board resolutions in respect of all other matters may be passed by more than half of the directors unless otherwise expressly specified in the listing rules of the jurisdiction where the Company is listed or the Articles of Association.

No resolution on any related party connected transaction of the Company shall be valid unless it is signed by the independent directors.

(XII) Article 155 is proposed to be amended as:

Meetings of the Board of Directors shall be held only if half or more than half of the Directors (including the directors who are appointed in writing as the proxies of other directors pursuant to Article 156 herein) are present. Each Director shall have one vote. The Board may pass resolutions only upon a majority vote of all the Directorsshareholders attended in the meeting unless otherwise provided in the Articles of Association. Where the number of votes cast for and against a resolution is equal, the chairman of the Board of Directors shall have a casting vote.

The supervisors may attend the meetings of the Board of Directors as non-voting participants, and the president and the secretary of the Board of Directors who do not hold the concurrent post of the director shall attend the meetings of the Board of Directors as non-voting participants. The general counsel shall attend the meeting as a non-voting participant and give legal opinions in case of any legal issues involved in the deliberation of the board of directors. When the Chairman of the Board of Directors deems necessary, other relevant persons may be notified to attend the meetings of the Board of Directors as non-voting participants.

(XIII) Article 165 is proposed to be amended as:

The Company shall have one president, who shall be appointed or dismissed by the Board.

The Company shall have certain vice presidents, a chief financial officer, a chief digital officer ~~information technology officer~~, a general counsel and certain senior officers (based on the needs of work), who shall assist the president in his work. The vice presidents, the chief financial officer, the chief digital officer ~~and the chief information technology officer~~, the general counsel and other senior officers shall be nominated by the president and appointed or dismissed by the Board.

The term of office of the president is three (3) years, renewable upon re-election.

Persons assuming administrative offices other than director and supervisor in the controlling shareholder of the Company shall not serve as senior officers of the Company. Senior officers of the Company shall not assume administration offices other than director and supervisor in the controlling shareholder and in the de facto controller, except as exempted or approved by the CSRC.

The Company shall enter into engagement contracts with the senior officers to clarify the rights and obligations between both parties. The appointment and dismissal of senior officers shall comply with the statutory procedures, and be disclosed in a timely manner.

(XIV) Article 166 is proposed to be amended as:

The president shall be accountable to the Board and exercise the following powers:

- (i) to be in charge of the Company's operation and management and to organize the implementation of the resolutions of the Board, and to report to the Board;
- (ii) to organize the implementation of the Company's annual business plan and investment plan;
- (iii) to sign contracts and agreements on the Company's behalf and to sign off the documents in connection with the routine administrative work;
- (iv) to draft plans for the establishment of a internal management organization in the Company; and pursuant to the needs of the operation, to decide on the general adjustments to the internal structure of the Company;
- (v) to draft the Company's basic management system;
- (vi) to formulate basic rules and regulations for the Company;
- (vii) to propose the appointment or dismissal of the Company's vice president(s), the chief financial officer, the chief digital officer and ~~the chief information technology officer, the general counsel~~ and other senior officers;
- (viii) to appoint or dismiss management personnel other than those required to be appointed or dismissed by the Board; and
- (ix) to exercise other powers conferred by the Articles of Association and the Board.

(XV) Article 170 is proposed to be amended as:

The president, the vice president, the chief financial officer, the board secretary, the chief digital officer ~~the chief information technology officer~~, the general counsel and other senior officers, in performing their functions and powers, shall act honestly and diligently and in accordance with laws, administrative regulations and these Articles of Association. If the senior officers of the Company violates the laws or breaches the Articles of Association in the course of performing duties, which causes losses to the Company, the senior officers shall be liable for damages.

(XVI) Article 171 is proposed to be amended as:

Directors, president, vice president, chief financial officer, the board secretary, the chief digital officer, ~~IT director~~ the general counsel and other senior officers of the Company shall not serve concurrently as supervisors.

(XVII) Article 174 is proposed to be amended as:

The Company shall have a Supervisory Committee. The Supervisory Committee is a standing supervisory organization of the Company. It shall supervise the Board, its members, the president, the vice president, the chief financial officer, the chief digital officer, ~~the chief information technology officer~~ the general counsel and the board secretary and prevent them from abusing their powers and infringing the legal rights and interests of the shareholders, the Company and the Company's employees.

APPENDIX II PROPOSED AMENDMENTS TO THE PROCEDURAL RULES FOR GENERAL MEETINGS

Details of proposed amendments to the Procedural Rules for General Meetings are set out as follows, with amendments underlined :

(I) Article 15 is proposed to be amended as:

When the Company convenes ~~Before calling an annual~~ general meeting, the Company shall issue a written notice at least 20 clear business ~~45~~ days before the general meeting is held ~~(inclusive of the date of the meeting)~~, while a notice shall be given at least 10 clear business days or 15 days (whichever is longer) before the date of an extraordinary general meeting, informing all the registered shareholders of the matters to be considered and the date and place of the meeting. Shareholders who intend to attend the general meeting shall, ~~within 20 days prior to the day on which the meeting is to be held~~ within the time limits specified in the notice, serve a written reply on the Company stating that they will attend the meeting.

In calculating the notice period, the date of issue of notice and date of meeting shall be excluded. The aforementioned business day shall mean the date on which the Hong Kong Stock Exchange is open for the business of dealing in securities.

~~Based on the written replies received 20 days before the date of the general meeting, the Company shall calculate the number of voting shares represented by the shareholders intending to attend the meeting. If the number of voting shares represented by the shareholders intending to attend the meeting is more than half of the total number of the Company's voting shares, the Company may hold the general meeting. If not, the Company shall, within 5 days, inform the shareholders again of the matters to be considered and the date and place of the meeting by way of a public announcement. After making such announcement, the Company may hold the general meeting.~~

~~An extraordinary general meeting shall not decide on the matters not stated in the notice.~~ Both annual general meetings and extraordinary general meetings shall not decide on matters which are not specified in the notice.

(II) Article 66 is proposed to be amended as:

When the Company is to hold a class shareholders' meeting, it shall issue a written notice ~~45 days (inclusive of the date of the meeting) prior to the meeting~~ informing all the registered shareholders of that class of the matters to be considered and the date and place of the meeting in accordance with the time limits for notice of an extraordinary general meeting as stipulated in Article 15 of the Procedural Rules for General Meetings. Shareholders who intend to attend the meeting shall, ~~within 20 days prior to the meeting~~ within the time limits specified in the notice, serve a written reply on the Company stating that they will attend the meeting.

~~If the number of shares carrying the right to vote at the meeting represented by the shareholders intending to attend the meeting is more than half of the total number of shares of that class carrying the right to vote at the meeting, the Company may hold the class shareholders' meeting. If not, the Company shall, within 5 days, inform the shareholders again of the matters to be considered and the date and place of the meeting in the form of a public announcement. After such announcement is made, the Company may hold the class shareholders' meeting.~~

(II) Article 74 is proposed to be amended as:

These Rules shall be adopted by the resolution passed at the general meeting and come into force as of the date when the general meeting approved the Company's A-shares are listed on SSE as an appendix to the Articles of Association.